

Katherine Douglas

Appellant Comments - EDC

6

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DIST

From: Tara Rengifo <trengifo@environmentaldefensecenter.org>
Sent: Friday, December 12, 2025 11:16 AM
To: sbcob
Cc: Linda Krop
Subject: EDC et al Comments on Agenda Item No. 6, Sable Change of Owner, Operator, and Guarantor
Attachments: 2025_12_12_EDC et al BOS Comments re Sable 25B w att_FINAL.pdf; 2025_12_12_EDC BOS Appeal PPT Presentation_FINAL.pptx

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To Whom It May Concern:

Attached please find comments submitted today to the Board of Supervisors by the Environmental Defense Center (EDC), on behalf of Get Oil Out!, Santa Barbara County Action Network, Sierra Club, by and through the Santa Barbara-Ventura Chapter, Santa Barbara Channelkeeper, and EDC, concerning Agenda Item No. 6, Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System.

Attached please also find Appellants' Powerpoint presentation for Agenda Item No. 6, December 16 Board of Supervisors hearing.

Please confirm receipt, inclusion in the record, and whether you also require a hard copy of the comments.

Thank you,
Tara



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We recognize that EDC sits on occupied, unceded, stolen lands of the Chumash Peoples who have called this area home for time immemorial. We commit today to make space to elevate indigenous voices and support our local Chumash and indigenous communities in our work to protect our environment.

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December 12, 2025

Laura Capps, Chair
County Board of Supervisors
123 East Anapamu Street
Santa Barbara, CA 93101
Via email: sbcob@countyofsb.org

Re: Agenda Item No. 6: Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System — OPPOSE

Dear Chair Capps and Honorable Supervisors:

On behalf of Get Oil Out! (“GOO!”), Santa Barbara County Action Network (“SBCAN”), Sierra Club, by and through the Santa Barbara-Ventura Chapter (“Sierra Club”), Santa Barbara Channelkeeper (“SBCK”), and the Environmental Defense Center (“EDC”),¹ we submit these comments on the proposed findings of denial attached to the Board Agenda Letter² to support denial of Sable Offshore Corp., Pacific Offshore Pipeline Company (POPCO), and Pacific Pipeline Company’s (PPC) (collectively, “Sable”) Applications for Change in Owner, Operator, and Guarantor of the Santa Ynez Unit (SYU), POPCO Gas Plant, and Las Flores

¹ GOO! was formed in the wake of the 1969 Santa Barbara Oil Spill and continues to work to protect California from further oil and gas development and exploitation. SBCAN is a countywide grassroots organization that works to promote social and economic justice, to preserve our environmental and agricultural resources, and to create sustainable communities. The Santa Barbara-Ventura Chapter of the Sierra Club serves Santa Barbara and Ventura counties and is dedicated to protecting the wild places of the earth; practicing and promoting the responsible use of the earth’s ecosystems and resources; educating and enlisting humanity to protect and restore the quality of the natural and human environment; and using all lawful means to carry out these objectives. SBCK was founded in 1999, and its mission is to protect and restore the Santa Barbara Channel and its watersheds. EDC is a nonprofit public interest law firm that defends nature and advances environmental justice on California’s Central Coast through advocacy and legal action. After filing this appeal, EDC also entered into retainer agreements with the Sierra Club and SBCK. Both Sierra Club and SBCK, and their respective members, participated throughout the administrative proceedings on Sable’s transfer requests.

² Attachment A to the Board Agenda Letter re hearing to consider the appeals of the Planning Commission Approval of the Sable Offshore Corporation’s Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System Final Development Plan Permits (December 16, 2025).

Pipeline System (LFPS) (collectively, “Facilities”) (“Applications”) pursuant to Chapter 25B in the Santa Barbara County (“County”) Code of Ordinances. In addition, and consistent with a recent federal court order, the Board must direct staff to cease allowing Sable to operate the Facilities should the Board deny these Applications.

At the hearing before the Board on November 4, 2025, the Board voted 4-1 that this matter be continued for consideration and approval of prepared findings supporting the approval of the appeals and the denial of the Change of Owner, Operator, and Guarantor.³ County staff has since prepared proposed findings of denial, which we support, but have identified additional evidence that should be cited and additional findings that should be made as set forth herein.

The record contains substantial evidence to support denial of Sable’s Applications for the transfer of the Facilities’ permits from ExxonMobil to Sable. Under Chapter 25B, the Board must make specific findings before approving a permit transfer. Santa Barbara County Code of Ordinances (“County Code”) §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), 25B-10(a)(9), 25B-9(a)(5) and 25B-10(a)(5). Among these findings are that Sable “has the skills, training, and resources necessary to operate the permitted facility,” “[a]ll necessary insurance, bonds or other instruments or methods of financial responsibility” have been provided, and the existing operator (i.e., Exxon) “is in compliance with all requirements of the permit....” *Id.* **Failure to make any one of these findings must result in denial of the Applications.** See *Desmond v. County of Contra Costa*, 21 Cal. App. 4th 330, 336-37 (1993) (an agency’s decision to deny a project “must be upheld” if even *one finding* is supported by substantial evidence).

It is clear from the record that at least three findings of denial are supported by substantial evidence—any or all of which are sufficient to support denial of Sable’s Applications.

First, Sable has not provided evidence to demonstrate that the company possesses the skills, training, and resources necessary to operate the Facilities in compliance with the permits and all applicable County Codes, which are required to make a finding pursuant to Chapter 25B-10(a)(9).

Second, Sable has failed to provide necessary financial assurances that it can abandon the Facilities and respond to an oil spill or other accident, as required by Chapter 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), and 25B-10(a)(9).

Finally, Sable has not provided evidence that it is in compliance with the existing permit requirements, as required by Chapter 25B-9(a)(5) and 25B-10(a)(5).

Thus, we urge the Board to deny the Applications and direct staff to cease allowing Sable to operate the Facilities unless the Board authorizes such operations.⁴

³ Santa Barbara County, *Board of Supervisors Action Summary* at 31 (November 4, 2025), available at: <https://santabarbara.legistar.com/Calendar.aspx#current>.

⁴ All prior comments on Sable’s Applications are incorporated by reference as though fully set forth herein. On October 28, 2024, GOO!, EDC, and SBCAN submitted comments to the County Planning Commission urging

I. Substantial Evidence Does Not Support the Finding of Operator Capability under Chapter 25B-10(a)(9).

Pursuant to Chapter 25B, the Board must make a finding of “Operator Capability;” specifically, that Sable “has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has demonstrated the ability to comply with compliance plans....” County Code § 25B-10(a)(9). As detailed in County staff’s proposed findings of denial, this finding is not supported by substantial evidence in the record and Sable’s Applications must be denied.⁵

The proposed findings of denial prepared by County staff are supported by substantial evidence that:

- Sable has repeatedly undertaken activities prior to notifying regulators and obtaining prior authorizations;
- Sable fails to maintain and/or provide necessary, timely, and accurate information to regulators;⁶
- Sable fails to comply with applicable laws;
- Sable ignores regulatory agency directives; and
- Sable fails to competently operate and take all necessary measures to protect the environment;
- Sable has contempt for California’s environmental regulations and regulators.⁷

denial of the Applications and after the Planning Commission’s approval, EDC, on behalf of its clients, filed a timely appeal of that decision to the Board on November 7, 2024. Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Martinez and Planning Commission (October 28, 2024); Appeal Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Lavagnino and the Board of Supervisors (November 7, 2024). On February 21, 2025, EDC, on behalf of our clients and appellants, submitted a comment letter to the Board urging it to deny Sable’s Applications. Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors (February 21, 2025). Prior to the November 4 hearing, EDC, on behalf of our clients and appellants, submitted a comment letter dated October 31, 2025 to the Board urging it to deny Sable’s Applications. Letter from Tara Rengifo, EDC Senior Attorney, to Chair Capps and the Board of Supervisors (October 31, 2025). Most recently, EDC, on behalf of our clients and appellants, submitted a supplemental comment letter dated December 2, 2025 to the Board to provide additional evidence to support denial of Sable’s Applications. Letter from Tara Rengifo, EDC Senior Attorney, to Chair Capps and the Board of Supervisors (December 2, 2025).

⁵ Attachment A to the Board Agenda Letter re hearing to consider the appeals of the Planning Commission Approval of the Sable Offshore Corporation’s Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System Final Development Plan Permits at 1-10 (December 16, 2025).

⁶ Attached hereto as “Attachment A” is a true and correct copy of the State of California Regional Water Quality Control Board Central Coast Region Staff Report for Regular Meeting of April 17-18, 2025 (Prepared on April 7, 2025).

⁷ Attachment A to the Board Agenda Letter re hearing to consider the appeals of the Planning Commission Approval of the Sable Offshore Corporation’s Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System Final Development Plan Permits at 1-10 (December 16, 2025).

As currently proposed, the findings of denial are well-supported by evidence in the record, but additional evidence must be included in the final findings of denial. This evidence is directly relevant to Sable undertaking activities without notifying agencies and Sable ignoring agency directives.

The proposed findings also omit a finding that Sable lacks the financial resources necessary to comply with the permits and County Code, as discussed below in Section II. For these reasons, the draft findings of denial must be revised to identify all findings that support denial and accurately describe the broad range of evidence the Board may consider when evaluating a proposed operator's skills, training, and resources under section 25B10(a)(9).

A. Additional Evidence of Sable Undertaking Activities Without Notifying Agencies Must be Included in the Findings of Denial.

Further evidence of Sable undertaking activities without notifying agencies must include Sable's unpermitted work in coastal areas, as documented by the California Coastal Commission (CCC), and the criminal charges against Sable brought by the Santa Barbara County District Attorney for environmental violations. In the March 2025 CCC Staff Report concerning CCC staff's recommendations and findings for a Cease and Desist Order, Restoration Order, and an administrative civil penalty against Sable ("CCC Staff Report"), CCC staff determined Sable "undertook [development] activities without prior communication or notification to the [CCC] staff, and without Coastal Act authorization."⁸ This statement is in reference to Sable's unpermitted work in areas both onshore and offshore to further the company's efforts to "restart [SYU] oil production operations and bring the [LFPS] back into use."⁹ "Activities onshore include[ed], but [were] not limited to, excavation with heavy equipment; removal of major vegetation; grading and widening of roads; installation of metal plates and other fill material within wetlands; dewatering and discharge of water; pipeline removal, replacement, and reinforcement; installation of shutoff valves; and other development associated with the" LFPS—all without the requisite Coastal Act authorization.¹⁰ Unpermitted activities offshore included, but were not "limited to, placing sand and cement bags on the seafloor below and adjacent to out-of-service offshore oil and water pipelines...."¹¹

These CCC proceedings provide ample evidence of Sable undertaking activities without notifying a state permitting agency, but to name a few, the CCC determined that "mere weeks after the issuance of the November [2024 Executive Director Cease and Desist Order (EDCDO)], and after having been reminded that the planned offshore work also needed Coastal Act authorization, Sable undertook development activities at [] offshore locations without Coastal

⁸ California Coastal Commission (CCC), Staff Report: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty at 4 (March 28, 2025) (attached to EDC's October 31, 2025 letter).

⁹ *Id.* at 1.

¹⁰ *Id.* at 1-2.

¹¹ *Id.* at 2.

Act authorization.”¹² According to the CCC Staff Report, CCC “staff was unaware that [Sable] had undertaken this additional unpermitted work until January of the following year.”¹³

Additionally, on September 27, 2024, CCC staff issued Sable a Notice of Violation letter addressing the onshore Coastal Act violations and directing it to immediately cease any unpermitted activities within the coastal zone and to apply for both an After-The-Fact (ATF) Coastal Development Permit (CDP) for work undertaken, and a CDP for any future, planned work.¹⁴ As detailed in the CCC Staff Report, Sable failed to satisfactorily provide the information requested by CCC staff and did not confirm an intent to apply for an ATF CDP or a CDP for future work.¹⁵ In response, the Executive Director issued an EDCDO to Sable.¹⁶

Ultimately, Sable “made no efforts to comply with [the] second EDCDO, [had] not submitted any application for a CDP, and [had] refused to cease operations despite being fully informed of the ongoing Coastal Act Violations and ongoing threats to coastal resources associated with its activities.”¹⁷ Sable’s past actions (or inactions) with the CCC is additional evidence that a finding of operator capability cannot be made, as detailed in the CCC Staff Report, which is included in the record. This evidence must be set forth in the findings of denial as support for the Board’s decision.

Evidence of Sable undertaking activities without notifying agencies to support findings of denial must also discuss the felony complaint currently pending against Sable.¹⁸ On September 16, 2025, the Santa Barbara County District Attorney filed criminal charges against Sable in Santa Barbara County Superior Court for environmental violations.¹⁹ “The complaint alleges that [Sable] committed *five felony violations* of the California Water Code for knowingly discharging dredged or fill material into waters of the United States; *11 misdemeanor violations* of the California Fish and Game Code for substantially diverting or obstructing, or substantially changing or using material from the bed, bank, or channel of any river, stream, or lake; and *five misdemeanor violations* of the Fish and Game Code for placing excavated materials in or where they could pass into the waters of the State.”²⁰ Arraignment is scheduled for January 6, 2026.

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¹² *Id.* at 8.

¹³ *Id.*

¹⁴ *Id.* at 9.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.* at 10.

¹⁸ Felony Compl. (Case No. 25CR07677) (September 16, 2025) (attached to EDC’s October 31, 2025 letter).

¹⁹ *Id.*

²⁰ Office of the District Attorney for the County of Santa Barbara, *Press Release; District Attorney Files Criminal Charges Against Sable Offshore Corp. For Environmental Violations* (September 18, 2025), available at: <https://content.civicplus.com/api/assets/9ac411e4-e806-4e8d-adb0-4214f28c3951> (emphasis added).

B. Additional Evidence of Sable Ignoring Agency Directives Must be Included in the Findings of Denial.

There is also additional evidence of Sable impermissibly dismissing agency directives that must be included in the findings of denial. Denial based on the operator capability finding is also supported by a notice of deficiency letter dated October 22, 2025 to Sable from the Office of the State Fire Marshal (OSFM) regarding noncompliance with the State Waiver requirements.²¹ The OSFM letter provides yet another example of Sable's failure to comply with agency orders and safety requirements. The State Waivers were sought by Sable due to "inadequate cathodic protection," as described by OSFM.²² According to the notice of deficiency, Sable failed to remediate certain anomalies, as required by conditions in the State Waivers.²³ OSFM determined that the failure to comply with these requirements prevented restart under the law.²⁴ The OSFM warned that it "may have further comment or requirements arising out of [its] review."²⁵

Furthermore, the injunction previously granted in *Sable Offshore Corp. and Pacific Pipeline Company v. California Coastal Commission* remains in place to prohibit Sable from conducting additional repair work on the LFPS.²⁶ The developments in the CCC litigation are directly relevant to OSFM's notice of deficiency because Sable may be entirely prevented from taking actions to comply with the OSFM's October 22 notice of deficiency while the injunction is in effect. The OSFM letter is critical information that must be incorporated into the Board's findings of denial.

The proposed findings of denial also omit evidence of the California Geologic Energy Management Division's bonding demands—with which Sable has refused to comply.²⁷ On May 9, 2025, CalGEM threatened to initiate an enforcement against Sable and impose civil penalties for violations.²⁸ Sable is contesting CalGEM's authority over the Las Flores Canyon Processing Facility and the bonding requirements found in Public Resources Code Section 3205.8.²⁹ CalGEM's May 9 letter dismisses Sable's arguments and confirms its authority over production facilities.³⁰

²¹ Letter from Daniel Berlant, State Fire Marshal, to Lance Yearwood, Sable Vice President (October 22, 2025) (attached to EDC's October 31, 2025 letter).

²² *Id.* at 1. EDC, on behalf of its clients, initiated a lawsuit in April against OSFM challenging the State Waivers for the LFPS. Sable is involved in the case as a Real Party in Interest. This case is pending in Santa Barbara Superior Court; on July 29, the Court approved a preliminary injunction on behalf of plaintiffs.

²³ *Id.* at 1-2.

²⁴ *Id.* at 2.

²⁵ *Id.*

²⁶ Order Granting Appl. for Prelim. Inj. (Case No. 25CV00974) (June 10, 2025) (originally ordered on May 28, 2025).

²⁷ Letter to Michael Mills from Courtney Kasberg, CalGEM, (May 9, 2025) (attached to EDC's October 31, 2025 letter).

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

The findings should also reference the County's Notice of Violation and Determination of Fine to Sable after the County received complaints about construction activities occurring at night and thus outside of the work hours identified in the Permits.³¹

Finally, the findings should reference State Parks' statements to Sable that the agency found "areas outside of the pipeline easement and the roads were traversed and damaged" during anomaly digs conducted pursuant to the Right-of-Way.³²

To assist the Board with approving these amended findings of denial, attached hereto as "Attachment B" is a redline of County staff's proposed findings of denial with the evidence detailed above.

C. The "Operator Capability" Finding Gives the Board Discretion to Consider a Broad Range of Evidence Related to a Proposed Operator's Skills, Training, and Resources.

As currently drafted, the proposed findings misstate the plain language of section 25B-10(a)(9) and may improperly narrow the scope of the evidence that the Board may consider. For example, the findings state that the Board has reviewed "records of systemic noncompliance" and "finds that Sable reflects a record of non-compliant or unsafe operations systemic in nature for the Facilities being considered for operatorship...."³³ But the Board is not limited to considering only records of compliance or records of unsafe operations that are "systemic in nature," and it is imperative that the findings are revised to make clear the Board is not narrowly constrained to reviewing only this subset of evidence. County Code § 25B-10(a)(9).

In *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.*, Case No. 2:25-cv-04165-DMG, County Counsel established that the operator capability finding "clearly calls for the exercise of discretion" and briefed this issue to the Court in response to Sable's flawed argument.³⁴ Sable incorrectly asserted that only relevant records of compliance and corrective actions could be considered by the decision-maker to determine whether the proposed operator has a record of non-compliance or unsafe operations systemic in nature for similar facilities.³⁵ County Counsel wholly rejected Sable's argument in its briefing.

³¹ Santa Barbara County, Planning & Development, *Notice of Determination of Fine* (April 11, 2025) (attached to EDC's October 31, 2025 letter).

³² Email from Emma Siverson, Senior Staff Counsel, California State Parks, to Christian Marsh (attached to EDC's October 31, 2025 letter).

³³ Attachment A to the Board Agenda Letter re hearing to consider the appeals of the Planning Commission Approval of the Sable Offshore Corporation's Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System Final Development Plan Permits at 2 (December 16, 2025).

³⁴ Resp't-Def's. Resp. to Pet'rs-Pls. Mot. for Summ. J. at 19, Dkt. No. 40, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA August 1, 2025).

³⁵ *Id.* at 19-20.

County Counsel determined that Sable's "narrow construction of finding 10(a)(9) is contrary to the plain language of the ordinance" because "[t]here is no language in the ordinance that limits what the decision-maker may consider when evaluating the proposed operator's skills, training, and resources."³⁶ County Counsel also cited to the legislative history of Chapter 25B to support its interpretation of the ordinance.³⁷ Specifically, County Counsel referenced a Planning and Development Department staff memorandum to the Planning Commission that summarized revisions to an earlier version of finding 10(a)(9) in response to objections from the oil and gas industry.³⁸ It states:

Industry expressed two concerns about the requirement for review of an incoming operator's safety and compliance records, namely, the absence of hard and fast standards of past operating performance, and how to qualify a new operator that lacks the requisite track record. In staff's opinion, . . . fair evaluation of operating records can only be done on [a] case by case basis; evaluation of diverse records is *not amendable to fixed standards*, which preclude the use of judgment as well as consideration of all the relevant facts.³⁹

County Counsel also relied upon a County staff memorandum to the Board dated March 5, 2002 concerning the adoption of Chapter 25B.⁴⁰ The memorandum detailed that finding 10(a)(9) had been revised from "Operation Record" to be an "Operator Capability" finding, which was intended to be "broader" than the earlier finding.⁴¹ Specifically, the memorandum stated that "[t]he proposed operator must be found to have the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable laws and have demonstrated the ability to comply with the compliance plans."⁴² This language must be adopted in the Board's findings of denial to accurately describe the broad discretion afforded to the Board in making a finding of denial under section 10(a)(9).

County Counsel also relied on the following discussion in County staff's memorandum to the Board: "[t]o make [] finding [10(a)(9)], the Director *may* require records of compliance and major incidents. Thus, *the review of a proposed operator could consider track record, experience and expertise, criminal convictions, and any other information germane to assessing the capabilities of a proposed operator.*"⁴³ County Counsel concluded in its brief that "[t]his legislative history reveals neither staff, nor the Board when it ultimately adopted the

³⁶ *Id.* at 20.

³⁷ *Id.* at 21-22.

³⁸ *Id.* at 21.

³⁹ Amended Administrative Record, Vol. 12-1 of 21, Part 1 of 4, at 30, Dkt. No. 28-1, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (June 18, 2025), excerpts from which are attached hereto as "Attachment C." (emphasis added).

⁴⁰ Resp't-Defs. Resp. to Pet'rs-Pls. Mot. for Summ. J. at 21-22, Dkt. No. 40, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA August 1, 2025).

⁴¹ Attachment C at 77.

⁴² *Id.*

⁴³ *Id.* (emphasis added).

language proposed by staff, intended finding 10(a)(9) to restrict the decision maker to evaluating only fixed standards and objective facts that call for no judgment. §25B-10(a)(9).”⁴⁴

Finally, County Counsel supported its interpretation that finding 10(a)(9) “has been interpreted broadly to look at the applicant’s years of experience and other evidence supporting the requisite expertise” based on the County’s past practice, including, but not limited to, the Board’s 2023 findings.⁴⁵ *See Cnty. of Amador v. United States Dep’t of the Interior*, 872 F.3d 1012, 1023–24 (9th Cir. 2017) (“A court should hesitate before construing a statute in a way that renders years of consistent agency practice unlawful.”).

The findings of denial must not be written in a way that would potentially constrain the Board’s authority to review any relevant evidence of a proposed operator’s skills, training, and resources. Attachment B hereto includes proposed redline edits to the proposed findings of denial to align with the plain language of the ordinance, the legislative history, and County Counsel’s interpretation of the requirements under finding 10(a)(9).

II. Substantial Evidence Does Not Support a Finding of Adequate Financial Guarantees and Resources under Chapter 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), 25B-10(a)(9).

Substantial evidence also supports denial based on Sable’s failure to provide all insurance, bonds or other instruments or methods of financial responsibility “necessary to comply with the permit and any county ordinance....” *See* County Code §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2). The Board may also deny the Applications because a finding cannot be made that Sable, *as the proposed operator*, “has the...resources necessary to operate the [Facilities] in compliance with the [Permits] and all applicable county codes....” *Id.* at § 25B-10(a)(9).⁴⁶ These findings of denial and the substantial evidence supporting them are improperly omitted from the proposed findings of denial. The findings of denial must be revised accordingly.

Substantial evidence does not support these findings as required by sections 25B-9 and 25B-10⁴⁷ because:

- (1) Adequate financial guarantees for abandonment of the Facilities required by the express terms of the FDPs and County Code have not been provided; and
- (2) Sable has not demonstrated that *the company* has sufficient capital to remediate after a spill or accident as required by SYU Permit Condition XI-2.w.

⁴⁴ *Id.* at 22.

⁴⁵ *Id.*

⁴⁶ Per the ordinance’s plain language, Sable must demonstrate *it* has the resources—including money, insurance, and bonds—to operate in compliance with the permit and County Code. Whether the company has the funds and other instruments to do so is central to both the operator capability inquiry as well as the financial guarantees finding.

⁴⁷ *See, e.g.,* County Code § 25B-10(a) (“The planning commission shall approve an application for change of operator only if the planning commission makes the following findings:...”)

The Applications may therefore be denied based on these findings in addition to finding 10(a)(9).

A. Sable Has Not Demonstrated That It Has Sufficient Financial Resources or Offered Adequate Financial Assurances to Cover Abandonment of the Facilities.

Each Permit contemplates that, if transferred, Sable will ultimately be responsible for the abandonment of the Facilities, with the POPCO Permit expressly requiring that Sable post a performance bond for abandonment and the SYU and LFPS Permits authorizing the County to require performance bonds.⁴⁸

POPCO Permit, Condition Q-2, “Abandonment Procedures”

Immediately following permanent shut down of the facilities permitted herein, POPCO shall abandon and restore all facility sites covered under this permit consistent with County policies on abandonment and restoration of said facilities in effect at that time. Absent any policies, POPCO shall remove any and all abandoned processing facilities and portions of the import pipeline, buried or unburied, constructed and/or operated under this permit, excavate any contaminated soil, re-contour all sites and revegetate all sites in accordance with a County approved abandonment and restoration plan within one year of permanent shut down. POPCO *shall post a performance bond, or other security device acceptable to County Counsel, in an amount determined by the County.*⁴⁹

SYU Permit, Condition XIX-1, “Abandonment Procedures and Performance Bond”

When averaged (arithmetic mean) operational throughput of oil and gas processing facilities, storage, or transportation facilities over any twelve (12) consecutive month period is at or below 3 percent of the maximum permitted operating capacity, the County shall review the permits at a duly noticed public hearing to determine if facility abandonment or facility modifications are appropriate, and if the site should be rezoned or redesignated in the Comprehensive Plan. If such a determination is made, ExxonMobil shall remove any and all abandoned facilities constructed under this permit, excavate any contaminated soil, recontour the site, and revegetate the site in accordance with a County approved Abandonment Plan within one year of such determination. ExxonMobil *shall post a performance bond or other security device acceptable to County Counsel to ensure compliance, or continue to pay property taxes as assessed during project operation until site restoration is complete, as determined by the County.*⁵⁰

⁴⁸ SYU Permit, Condition XIX-1; POPCO Permit, Condition Q-2; LFPS Permit, Condition O-1.

⁴⁹ POPCO Permit, Condition Q-2 (emphasis added).

⁵⁰ SYU Permit, Condition XIX-1 (emphasis added).

LFPS Permit, Condition O-1, “Removal of Pipeline and Pump Stations Upon Permanent Shut Down”

Immediately following permanent shut down of the pipeline, PPC shall remove abandoned pump stations and unburied portions of the pipeline within Santa Barbara County constructed under this permit, recontour the site and revegetate the site in accordance with a County approved revegetation plan within one year of permanent shut down. PPC *shall post a performance bond to insure compliance, or continue to pay property taxes as assessed during project operation until site restoration is complete, as determined by the County.*⁵¹

Likewise, Chapter 25B-4(i) expressly states that “[t]he current owner or operator...shall be responsible for the proper abandonment of the facility.” County Code § 25B-4(i). In addition, section 35-153(7)(n) of the County Code, “Development Standards for [Onshore Oil and Gas] Production Activities,” requires that “a performance bond or other acceptable financial mechanism [] be posted by the operator *prior to commencement of operations* in an amount commensurate with the estimated costs of obtaining permits for site abandonment, and the costs of abandonment and restoration of the site.” *Id.* at § 35-153(7)(n) (emphasis added). The temporal requirement in section 35-153 (i.e., to post the performance bond “prior to commencement of operations”) is both logical and prudent.

Sable has not shown that it has the financial wherewithal to abandon the Facilities, particularly if the Permits transfer and operations never resume at the Facilities. Substantial evidence therefore exists to support denial of Sable’s Applications based on a lack of adequate financial guarantees and a failure to demonstrate sufficient financial resources to abandon the Facilities. County Code §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), and 25B-10(a)(9).

On November 13, 2025, Sable filed its quarterly report to the SEC (“November Form 10-Q”), which we submitted to the County as an attachment to our supplemental comment letter dated December 2, 2025.⁵² The November Form 10-Q provides additional evidence that Sable lacks the necessary financial assurances and resources to operate in compliance with the County’s permit requirements, particularly with regards to properly abandoning the Facilities, thereby further supporting denial of Sable’s permit transfers under Chapter 25B. County Code §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), and 25B-10(a)(9). This evidence must be incorporated into the final findings of denial. The Table below summarizes key changes to Sable’s finances between the second quarter and third quarter of 2025 that are discussed in detail below; basically, less cash, more debt, and still “substantial doubt” about the company’s ability to continue.

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⁵¹ LFPS Permit, Condition O-1 (emphasis added).

⁵² Attachment A to Letter from Tara Rengifo, EDC Senior Attorney, to Chair Capps and the Board of Supervisors (December 2, 2025).

	2 nd Quarter 2025 ⁵³	3 rd Quarter 2025 ⁵⁴
Unrestricted cash	\$247.1 million	\$41.6 million
Debt	\$875.6 million	\$896.6 million
Net loss	\$128.1 million	\$110.4 million
Going Concern Disclosure	“Substantial doubt” re Sable’s ability to continue	“Substantial doubt” re Sable’s ability to continue

By Sable’s own admissions, it has rapid cash burn and massive near-term liabilities with very little cash on hand.⁵⁵ In this third quarter of 2025, Sable disclosed a total debt of \$896.6 million and an accumulated deficit of \$1.0 billion.⁵⁶ Sable reported a cash and cash equivalents balance of \$41.6 million, which is down from \$247.1 million reported in the previous quarter (an approximately 83% decrease).⁵⁷ Even with the most recent private equity raise of \$250 million,⁵⁸ Sable’s recent financial disclosure fails to demonstrate that the company has adequate financial resources, particularly to properly abandon the facilities or remediate after a spill. Sable reported it has accounts payable of \$163 million⁵⁹ and \$25 million is restricted pursuant to the loan amendment⁶⁰ such that Sable actually only has around \$62 million in unrestricted cash while spending on average ~\$35 million per month.⁶¹ Moreover, the November Form 10-Q admitted that Sable’s cost estimate to reach its first sales could be wrong in which case it could have insufficient funds available to operate.⁶²

Despite Sable’s precarious financial situation, it continues to add to its expenses while still reporting nothing in operating revenue.⁶³ The November Form 10-Q disclosed that the company agreed to pay Exxon an additional \$4 million per month during the term of the “Letter Agreement Regarding Restart Production” entered into on October 14, 2025 (“Letter

⁵³ Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 3 (August 12, 2025), available at: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001831481/307c3806-d22a-4dd0-9a99-cc9c5de4bb4a.pdf>.

⁵⁴ Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 3 (November 13, 2025), available at: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001831481/f3afd24a-1880-40c5-ba94-706b72297ef5.pdf>.

⁵⁵ *Id.* at 3, 6.

⁵⁶ *Id.* at 8.

⁵⁷ *Id.* at 3; Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 3 (August 12, 2025), available at: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001831481/307c3806-d22a-4dd0-9a99-cc9c5de4bb4a.pdf>.

⁵⁸ Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 35 (November 13, 2025), available at: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001831481/f3afd24a-1880-40c5-ba94-706b72297ef5.pdf>.

⁵⁹ *Id.* at 3.

⁶⁰ *Id.* at 19.

⁶¹ *Id.* at 4. To estimate Sable’s monthly spend, their “operations and maintenance expenses” on page 4 were added to the “general and administrative expenses.” Over the last 9 months, Sable averaged \$33M/month (\$164M + \$134M / 9 months = \$33M/month). However, over the last 3 months, which is probably more reflective of what Sable is likely currently spending, they averaged \$38M/month (\$79M + \$36M / 3 months = \$38M/month). Splitting the difference, that comes out to around \$35M/month.

⁶² *Id.* at 9 (“...if the Company’s estimates of the costs to reach first sales are less than the actual amounts necessary to do so, the Company may have insufficient funds available to operate its business prior to first sales and will need to raise additional capital.”)

⁶³ *Id.* at 45.

Agreement”).⁶⁴ The Letter Agreement was backdated for June 1, 2025; by December 1, Sable accumulated an additional ~\$24 million in debt owed to Exxon.⁶⁵ This staggering amount of money is in addition to Sable’s almost \$1 billion loan from Exxon, which now has an interest rate of 15%.⁶⁶ Sable must also reimburse Exxon for expenses related to their litigation against the County per the terms of the Letter Agreement.⁶⁷ The November Form 10-Q also disclosed that it “expects to continue to incur additional expenses as a result of being an operating public company, including for legal, accounting and compliance expenses.”⁶⁸

In Sable’s Form 10-Q for the second quarter financials, it estimated around \$106 million⁶⁹ in asset retirement obligations related to the future plugging and abandonment of oil and gas properties and related facilities.⁷⁰ This figure has now increased to almost \$109 million⁷¹ and is likely woefully inadequate and inaccurate.⁷² Even assuming *in arguendo* otherwise, Sable likely cannot afford even that amount for abandonment based on its Form 10-Q.⁷³ The company reported around \$41.6 million in cash and cash equivalents as of September 2025, which can be quickly depleted by its almost billion-dollar loan, around \$27 million in deferred tax liability, etc.⁷⁴

Based on Sable’s own financial disclosures, it is likely the company does not have enough money to cover its estimated abandonment obligations at present. This is critical because starting the day the Permits are transferred (*rather than at the time production resumes*), Sable—not ExxonMobil—will be financially responsible for abandoning these old and risky oil and gas Facilities. In assessing whether substantial evidence supports the requisite findings of sufficient financial guarantees and adequate resources, Sable itself acknowledges its ability to restart the Facilities is highly speculative,⁷⁵ and if Sable never restarts the Facilities, it could go bankrupt, leaving it unable to properly abandon the Facilities. It is foreseeable that Sable will never restart the Facilities given the several pending lawsuits in state and federal courts and significant

⁶⁴ *Id.* at 35.

⁶⁵ *Id.*

⁶⁶ *Id.* at 19, 35.

⁶⁷ *Id.* at 35.

⁶⁸ *Id.* at 45.

⁶⁹ This estimate is based on Sable’s “assumptions and judgments regarding such factors as the existence of a legal obligation for an asset retirement obligation, technical assessments of the assets, estimated amounts and timing of settlements, discount rates, and inflation rates,” which are not disclosed in the Form 10-Q. Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 45 (August 12, 2025), available at: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/307c3806-d22a-4dd0-9a99-cc9c5de4bb4a.pdf>. It is critical to know these assumptions and for Sable to ‘show its work’ to inform discussions related to the true costs of abandonment.

⁷⁰ *Id.* at 18.

⁷¹ Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 18 (November 13, 2025), available at: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/f3afd24a-1880-40c5-ba94-706b72297ef5.pdf>.

⁷² CalGEM has estimated the total cost of decommissioning portions of the Las Flores Canyon Facility *alone* would be \$31.9 million. Letter to Michael Mills from Courtney Kasberg, CalGEM, (May 9, 2025).

⁷³ Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 3 (November 13, 2025), available at: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/f3afd24a-1880-40c5-ba94-706b72297ef5.pdf>.

⁷⁴ *Id.* at 3.

⁷⁵ *Id.* at 49-50.

remaining local, state, and federal approvals required prior to restart including, but not limited to, a new easement from State Parks, CDPs for repair work and post-January 1, 2026, restart, Right of Way from the U.S. Bureau of Land Management, restart plans from OSFM, among others. Without an adequate showing that Sable has the financial capacity *at this time* to properly abandon the Facilities pursuant to the terms of the Permits, the Chapter 25B findings related to financial guarantees and resources cannot be made.

B. Sable Has Not Shown that It Has the Financial Capacity to Remediate an Accident — e.g., an Oil Spill.

SYU Permit Condition XI-2.w requires the permittee to submit financial responsibility documents (“*[the permittee]* shall be responsible for the cleanup of all affected coastal and onshore resources, and for the successful restoration of all affected areas and resources to prespill conditions.”).⁷⁶ Moreover, all of the Permits clarify that Sable would be held liable in the event of a spill or other accident from the Facilities. Pursuant to the terms of the Permits, it therefore follows that section 25B-10(a)(2) (“insurance, bonds...necessary to comply with the permit”) and section 25B-10(a)(9) (“resources necessary to operate the permitted facility in compliance with the permit”) mandate a showing that *Sable* has sufficient resources to cover remediation and restoration after a spill. The record lacks substantial evidence to support these findings, the draft findings of denial must be revised to reflect as much, and the Applications must be denied by the Board.

First, as discussed above, there are numerous red flags indicating that Sable is undercapitalized and financially risky including, but not limited to liquidity constraints, debt burden, and structural or contingent risks. With no operating revenue, the company is dependent on external financing. But those investments are contingent on the expectation of future returns if Sable can bring oil to market. If a catastrophe were to occur at the Facilities before restart, that financing would almost certainly disappear and Sable would likely be left without sufficient funds to cover the cleanup costs. Based on the financial disclosures in Sable’s November Form 10-Q, the evidence before the Board does not support a finding of sufficient financial capacity to remediate after a spill or other accident if one should occur during or shortly after Sable restarts the Facilities.

Second, Sable’s alleged insurance policy is once again missing from the record, despite previous requests by the Board to produce this information during the February 2025 hearing and the November 2025 hearing.⁷⁷ The Board is vested with the authority under Chapter 25B to conduct independent fact-finding without “evidentiary constraints” prior to making a decision about each finding.⁷⁸ Consistent with this authority, during the February 2025 hearing, Chair Capps asked why Sable had not provided its insurance policy to the County despite previous

⁷⁶ SYU Permit Condition XI-2.w (emphasis added).

⁷⁷ Board of Supervisors’ Tr., Vol. 21, pp. 201-203, excerpts from which were attached as “Attachment D” to our letter to the Board dated October 31, 2025.

⁷⁸ Order Re Cross-Mot. for Summ. J. at 19, Dkt. No. 52, Sable Offshore Corp., et al. v. County of Santa Barbara, et al. (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA September 12, 2025),

requests to do so.⁷⁹ Disclosure of the insurance policy is necessary prior to making any finding of adequate financial guarantees. Without the actual policy, the County cannot assess the terms, conditions, and possible limitations on Sable's coverage, and thus the adequacy of its insurance. For example, does the insurance only apply to "wells," which are specifically referenced, or does it extend to subsea pipeline ruptures? What about the onshore facilities? Does it cover negligent behavior, similar to what we saw with Plains? What if the company is found criminally liable? Does the policy require permit compliance? The record completely lacks this information and therefore a finding of adequate financial guarantees to remediate after an oil spill is unsupported by substantial evidence, mandating denial.

For these reasons, the record lacks substantial evidence to support a finding of financial guarantees and the Applications must be denied.

III. Substantial Evidence Does Not Support a Finding of "Compliance with Existing Requirements" Pursuant to Sections 25B-9(a)(5) and 25B-10(a)(5).⁸⁰

Chapter 25B further prohibits the County from approving a change of owner or operator unless Exxon complied with all Permit requirements as of July 30, 2024, i.e., the date Sable's Applications were deemed complete. County Code §§ 25B-9(a)(5) and 25B-10(a)(5). However, Exxon and Sable are not in compliance with Condition A-7 of the LFPS Permit because the pipeline lacks effective cathodic protection.⁸¹

Condition A-7, entitled "Substantial Conformity," has two corollary requirements, each of which are critical to public safety and environmental integrity. First, it requires strict compliance with the pipelines' initial project proposal, which is the proposal that received environmental review and, based on that review, approval.⁸² Second, it requires that any deviations from that proposal be reviewed and approved.⁸³

⁷⁹ Board of Supervisors' Tr., Vol. 21, p. 202, excerpts from which were attached as "Attachment D" to our letter to the Board dated October 31, 2025.

⁸⁰ All prior comments on the lack of evidence to support the requisite findings under Chapter 25B-9(a)(5) and 25B-10(a)(5) are incorporated by reference as though fully set forth herein. *See* Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Martinez and Planning Commission (October 28, 2024); Appeal Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Lavagnino and the Board of Supervisors (November 7, 2024); Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors (February 21, 2025).

⁸¹ Condition A-7, entitled "Substantial Conformity," provides, in its entirety: "The procedures, operating techniques, design, equipment and other descriptions (hereinafter procedures) described in 83-DP-25 cz, 83-CP-97 cz and in subsequent clarifications and additions to that application and the Final Development Plan are incorporated herein as permit conditions and shall be *required elements* of the project. *Since these procedures were part of the project description which received environmental analysis, a failure to include such procedures in the actual project could result in significant unanticipated environmental impacts.* Therefore, modifications of these procedures will not be permitted without a determination of substantial conformity or a new or modified permit. The use of the property and the size, shape, arrangement and location of buildings, structures, walkways, parking areas and landscaped areas shall be in substantial conformity with the approved Final Development Plan." LFPS Permit, Condition A-7 (emphasis added).

⁸² *Id.*

⁸³ *Id.*

As relevant here, the 1985 EIR/EIS included a comprehensive description of the proposed project, from design and construction of the pipeline through to operation and abandonment.⁸⁴ Of the design features detailed in the 1985 EIR/EIS, the most important was the proposed pipelines' cathodic protection system—the primary means by which the pipelines would be protected from corrosion. A cathodic protection system forces electricity toward the pipe at bare spots in the coating, which, when effective, protects the bare steel from corrosion.⁸⁵

The importance of the LFPS' proposed cathodic protection system, and its centrality to the project itself, cannot be overstated. As the pipeline's primary means of corrosion control, cathodic protection was foundational to the overall design of the pipeline and the ultimate success of the project; "[p]rotection of a pipeline from corrosion is of *critical importance* to the environment as well as the pipeline operator."⁸⁶ The project description in the 1985 EIR/EIS specified that "[t]he entire pipeline would be protected from corrosion with cathodic protection systems consisting of groundbeds and rectifiers."⁸⁷ Obviously, environmental review of the project was largely premised on an *effective* cathodic protection system. For example, in predicting the likelihood of an oil spill, the 1985 EIR/EIS explicitly relied on cathodic protection as a design specification that "would reduce the probability of an event [oil spill] occurring," and would be "very effective" in doing so.⁸⁸

Thus, cathodic protection was a foundational aspect of the project and its environmental review; as repeatedly alluded to throughout the 1985 EIR/EIS, such protection was an essential design element of the project, and the principal technology relied on to prevent a spill.⁸⁹ Any departure from the "required elements of the project" and "the project description which received environmental analysis"⁹⁰ must be approved after a determination of substantial conformity or a new or modified permit—neither of which has occurred here in violation of Condition A-7.

OSFM also recognized that the LFPS has "*inadequate* cathodic protection," which led to Sable having to apply for State Waivers from this protection.⁹¹ "The OSFM granted the State

⁸⁴ California State Lands Commission et al., *Final Environmental Impact Report Environmental Impact Statement* (January 1985).

⁸⁵ Pipeline and Hazardous Materials Safety Administration, *Failure Investigation Report, Plains Pipeline, LP, Line 901, Crude Oil Release, May 19, 2015, Santa Barbara County, California* at 3, 14 (May 2016), available at: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public.pdf.

⁸⁶ California State Lands Commission et al., *Draft Environmental Impact Report Environmental Impact Statement* at 4-106 (August 1984).

⁸⁷ *Id.* at 2-5.

⁸⁸ California State Lands Commission et al., *Final Environmental Impact Report Environmental Impact Statement* at 2-57, Appendix 4.3 (January 1985).

⁸⁹ *Id.* at 2-57, 2-94, 2-106, 4-53, 4-54, 4-55, H-35; California State Lands Commission et al., *Draft Environmental Impact Report Environmental Impact Statement* at 2-5, 4-106, 4-117 (August 1984). As we have seen firsthand, the risks of departing from that design are not merely hypothetical; a lack of effective cathodic protection was the *root cause* of the devastating 2015 spill. Pipeline and Hazardous Materials Safety Administration, *Failure Investigation Report, Plains Pipeline, LP, Line*

⁹⁰ LFPS Permit, Condition A-7.

⁹¹ Letter from Daniel Berlant, State Fire Marshal, to Lance Yearwood, Sable Vice President (October 22, 2025).

Waivers *on the condition that Sable complies with the specific requirements contained therein*,” and as evidenced by OSFM’s notice of deficiency dated October 22, Sable has failed to do so.⁹² OSFM made clear in its October 22 letter that Sable has outstanding repair work that must be completed in order to comply with the specific requirements of the waivers.⁹³ OSFM concluded that it “may have further comment or requirements arising out of [the agency’s] review.”⁹⁴ Whether Sable will be able to comply with the waiver requirements, which are prerequisites for the waivers to apply to the LFPS, remains uncertain. Either way, the State Waivers are not relevant to the inquiry under sections 25B-9(a)(5) and 25B-10(a)(5), which pertain to the *County’s* permits.

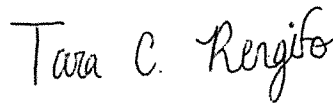
Accordingly, restarting the LFPS without effective cathodic protection represents a substantial deviation of the project that was initially envisioned and approved, and thus a violation of Condition A-7. Therefore, a finding that Exxon/Sable is in compliance with its LFPS Permit is not supported by substantial evidence and thus the Applications must be denied.

V. Conclusion

There is extensive and compelling evidence that Sable does not have the financial or operational capacity necessary to safely and reliably operate the Facilities in a manner to protect public health and safeguard the environment. County Code § 25B-1. Substantial evidence supports a denial based on the requirements of, among others, sections 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), 25B-10(a)(9), 25B-9(a)(5) and 25B-10(a)(5). *See Desmond*, 21 Cal.App.4th at 336-37.

Thus, we urge the Board to revise the findings of denial based on our comments above and revisions in Attachment B and deny Sable’s Applications. In addition, consistent with a federal court order, the Board should direct staff to cease allowing Sable to operate the Facilities.

Sincerely,



Tara C. Rengifo
Senior Attorney

Attachments:

A – State of California Regional Water Quality Control Board Central Coast Region Staff Report for Regular Meeting of April 17-18, 2025 (Prepared on April 7, 2025).

B – EDC *et al.* Redline of County Staff’s Proposed Findings of Denial.

C – Excerpts from Administrative Record, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (June 18, 2025).

⁹² *Id.* at 1.

⁹³ *Id.*

⁹⁴ *Id.* at 2.

Attachment A

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

STAFF REPORT FOR REGULAR MEETING OF APRIL 17-18, 2025

Prepared on April 7, 2025

ITEM NUMBER: 12

SUBJECT: CONSIDERATION OF A PROPOSED RESOLUTION TO REFER THE SABLE OFFSHORE CORP. MATTER TO THE CALIFORNIA ATTORNEY GENERAL FOR POTENTIAL JUDICIAL ENFORCEMENT

STAFF CONTACTS: Tamara Anderson, (805) 549-3334; tamara.anderson@waterboards.ca.gov, Naomi Rubin, (916) 341-5677; naomi.rubin@waterboards.ca.gov

ACTION: Adopt Proposed Resolution R3-2025-0024

SUMMARY

This item is to address potential enforcement against Sable Offshore Corp. (Sable or Discharger). Central Coast Regional Water Quality Control Board (Central Coast Water Board) Prosecution staff¹ prepared this staff report. This staff report provides background and a summary of various noncompliance issues associated with Sable's pipeline remediation work on CA-324 and CA-325 and includes a recommendation from the Central Coast Water Board Prosecution staff to adopt the proposed Resolution R3-2025-0024 (Resolution) authorizing referral to the Office of the Attorney General of the State of California (Attorney General). Central Coast Water Board Prosecution staff recommends referral to the Attorney General to address failure to obtain permit coverage before discharging and/or proposing to discharge waste that may impact waters of the state and United States, unauthorized discharges of waste to waters of the state and the United States, and failure to provide required technical information via judicial enforcement, because the Attorney General has a wider range of enforcement mechanisms to address the noncompliance.

DISCUSSION

Background

Sable operates the onshore pipelines identified as Line 324 and Line 325, which were formerly identified as Line 901 and Line 903, respectively, and were the sources of the

¹ Prosecution staff consists of staff from the Central Coast Water Board Enforcement Program, Central Coast Water Board 401 Water Quality Certification Program, Central Coast Water Board Stormwater Program, and State Water Resources Control Board (State Water Board) Office of Enforcement.

2015 Refugio Oil Spill.² Line 324 and Line 325 are designed to convey crude oil from offshore platforms to an onshore receiving plant. Line 324 and Line 325 start on the Gaviota Coast and are located in Santa Barbara County, San Luis Obispo County, and Kern County and within the Central Coast Water Board and Central Valley Regional Water Quality Control Board's boundaries. Since the 2015 Refugio Oil Spill, Line 324 and Line 325 have not been conveying crude oil. In February 2024, Sable closed on a purchase agreement to become the legal owner of the Las Flores Pipelines. Sable is developing the Santa Ynez Unit oil and gas operation and conducting work on the Las Flores Pipeline System, which includes Line 324 and Line 325. The Line 324 and Line 325 remediation work consists, in part, of a series of repair projects designed to repair the lines and prepare the lines for operation. Portions of Line 324 and Line 325 cross and/or are near waters of the state and/or United States.

Summary of Noncompliance

Since August 2024, Central Coast Water Board staff have been made aware by the public of pipeline remediation work along Line 324 and Line 325 and observed and documented evidence demonstrating that Sable performed work in and discharged waste to waters of the state and United States, associated with the pipeline remediation work. Sable did not file a report of waste discharge to obtain permit coverage, as required by the California Water Code (Water Code), before conducting the work. In December 2024, the Central Coast Water Board issued an order requiring Sable to submit such a report prior to discharging waste or proposing to discharge waste that could affect the quality of waters of the state. While Sable responded to the order to obtain permit coverage and submitted after-the-fact permit applications to perform restoration work at some of the sites in which it had already performed unauthorized work in waters of the state and United States, it continued to perform work in or discharge waste to waters of the state and United States at new locations without filing required reports of waste discharge despite having received notices of the requirement.

Additionally, in January 2025, the Central Coast Water Board issued an investigative order requiring Sable to submit technical information, including an inventory of all of its land disturbance activities, and discharges to waters of the state and United States. While Sable responded in part to the order, it failed to provide Central Coast Water Board staff with critical required information such as a detailed assessment of waste discharges to surface waters resulting from its line remediation work activities, and identification of the locations and sizes of the areas of waters of the state and United States affected by its work.

Sable's practice of performing unauthorized work in waters of the state and United States has inhibited the Central Coast Water Board from ensuring that appropriate mitigation and best management practices are in place to protect water quality.

² In July 2015, the Central Coast Water Board approved a resolution to refer enforcement to the Attorney General for the 2015 Refugio Oil Spill matter. For more information about the referral and 2015 Refugio Oil Spill, see the following staff report:

https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2015/july/item11/index.shtml

Furthermore, Sable's refusal to provide the Central Coast Water Board with specified information regarding its work locations and work scope has inhibited the Board's ability to assess impacts to beneficial uses.

Referral for Enforcement to California Attorney General

Central Coast Water Board Prosecution staff is recommending a referral to the Attorney General to receive counsel and consider options available to prevent future unauthorized discharges and potential violations that impair the Central Coast Water Board's ability to perform its statutory or regulatory functions, seek civil liability that provides a meaningful deterrent to future violations by Sable and the regulated community and to ensure that no competitive economic advantage is attained through noncompliance, and to ensure that previous unpermitted actual or potential impacts to waters of the state and United States are properly addressed.

Adoption of the proposed Resolution, included as Attachment 1 to this staff report, approves a formal referral to the Attorney General to pursue potential judicial enforcement, including, but not limited to, imposition of civil liabilities pursuant to Water Code sections 13261, 13265, 13268, 13350, and 13385, bring other applicable causes of action, and/or seek other relief including but not limited to an injunction or temporary restraining order pursuant to Water Code section 13262, or other provisions as may be appropriate.

Prior to requesting the Attorney General to petition the Superior Court to impose civil liability pursuant to Water Code section 13350, the Central Coast Water Board must first hold a public hearing and provide notice to all affected persons. On April 7, 2025, notice was given to Sable and interested persons regarding the April 17-18, 2025, Central Coast Water Board hearing in Watsonville, California.

Analysis and Basis for Recommendation

Given Sable's continued failure to comply with permitting requirements despite receiving notice, and its refusal to provide required information regarding its work in waters of the state and United States, the Central Coast Water Board Prosecution staff are recommending a referral to the Attorney General to address current violations and prevent future violations. Judicial enforcement, to the extent it is pursued, will be more effective than administrative enforcement for the following reasons:

Judicial Enforcement Allows Injunctive Relief and Consent Judgment Options

Judicial enforcement of the Water Code allows for injunctive relief and the issuance of a consent judgment. Injunctive relief is a remedy which restrains a person from doing certain acts or requires a person to act in a certain way (e.g., forego undertaking work in waters of the state until permit coverage is obtained) and prevents future noncompliance. Violations of certain judicially imposed injunctions can be punished as contempt of court. A consent judgment is a judgment issued by a judge based on an agreement between the parties to a lawsuit; a judge therefore effectively approves the

parties' settlement. Any settlement considered by the Central Coast Water Board resolves only administrative civil liability for Water Code violations. In contrast, a consent judgment can contain broader and more specific terms to which multiple parties agree, including other state agencies. The ability to pursue injunctive relief and/or a consent judgment would allow the Central Coast Water Board, through the Attorney General, to restrain Sable from continuing work until it has complied with the Water Code and regulatory requirements.

Judicial Enforcement Allows More Appropriate Maximum Civil Liability Limits

Judicial enforcement allows greater penalties to be imposed under Water Code sections 13261, 13265, 13268, 13350, and 13385. For example, for each day a person discharges waste in violation of a prohibition issued by the Central Coast Water Board, Water Code section 13350 allows the Central Coast Water Board to impose civil liability up to five thousand (\$5,000) for each day the violation occurs, but allows the court to impose civil liability up to fifteen thousand dollars (\$15,000) for each day the violation occurs.

Central Coast Water Board Prosecution staff finds that the potential imposition of higher civil liabilities through judicial enforcement is warranted for the following reasons: (1) Sable is willfully and/or negligently violating the Water Code and regulatory requirements; (2) Sable is willfully and/or negligently refusing to comply with investigative orders; and (3) civil liabilities provide a meaningful deterrent to future violations by better ensuring that competitive economic advantages associated with noncompliance are not attained.

Judicial Enforcement Allows Better Opportunity for Inter-Agency Coordination

Judicial enforcement of the Water Code provides additional inter-agency coordination opportunities and consolidation of potential cases. Consolidation could be an effective and efficient option, depending on the potential remedies sought.

Alignment with Central Coast Water Board Enforcement Program Priorities

This action to refer the Sable matter to the Attorney General aligns with [Central Coast Water Board enforcement priorities](#)³ because it addresses violations that pose an immediate and potentially significant threat to water quality and addresses violations involving a noncompliant discharger that may realize a significant competitive economic advantage over compliant members of the regulated public.

Notification of Public Hearing and Opportunity for Public Comment

³ Central Coast Water Board enforcement priorities are at the following web address: https://www.waterboards.ca.gov/centralcoast/water_issues/programs/enforcement/ and the staff report that describes the annual update of the Central Coast Water Board enforcement program priorities is available at: https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2024/jun/item10_stfrpt.pdf

On April 7, 2025, notice was given to Sable and interested persons regarding the proposed Resolution and April 17-18, 2025 Central Coast Water Board public hearing in Watsonville, California.

CONCLUSION

The recommendation to refer alleged violations associated with Sable's activities to the Attorney General aligns with Central Coast Water Board enforcement priorities and the State Water Board's 2024 Water Quality Enforcement Policy.⁴ Given Sable's repeated failure to comply with regulatory requirements, referral to the Attorney General will allow the Central Coast Water Board to contemplate pursuing more appropriate civil liability and injunctive relief than would otherwise be allowed if the Central Coast Water Board pursued an administrative liability action. This action will support an effective solution to protect water quality and beneficial uses and is necessary to achieve the general deterrence needed to encourage the regulated community to anticipate, identify, and correct potential noncompliance issues before they occur.

RECOMMENDATION

Central Coast Water Board Prosecution staff recommend that the Central Coast Water Board adopt the proposed Resolution referring Sable's violations to the Attorney General for judicial enforcement.

ATTACHMENT

Proposed Resolution R3-2025-0024

r:\rb3\enforcement\case files\sable pipeline\ag referral\item12-stfrpt.docx

⁴ The State Water Board amended the 2017 Enforcement Policy on December 5, 2023, and those amendments became effective on November 7, 2024. The 2024 Enforcement Policy is at the following web address: https://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/2024/2024-enforcement-policy.pdf.

Attachment B

ATTACHMENT A: FINDINGS OF DENIAL

1.0 CEQA FINDINGS

1.1 CEQA EXEMPTION

The Board of Supervisors finds that the Sable Offshore Corporation's (Sable) Change of Owner, Operator, and/or Guarantor for the Santa Ynez Unit (SYU), Pacific Offshore Pipeline Company (POPCO) Gas Plant, and Las Flores Pipeline System Final Development Plan (FDP) permits are not subject to the requirements of the California Environmental Quality Act (CEQA), as CEQA Guidelines Section 15270 [Projects Which are Disapproved] exempts projects if a public agency rejects or disapproves of the project. Please see Attachment C, Notice of Exemption.

2.0 ADMINISTRATIVE FINDINGS

The Board Agenda Letter dated December 16, 2025, and the Minutes from the Board hearing on November 4, 2025 ~~the Set Hearing Board Letter dated October 21, 2025, the Board Agenda Letter dated November 4, 2025, the Set Hearing Board Letter dated February 4, 2025, the Board Agenda Letter dated February 25, 2025, and the Planning Commission Staff Report dated October 22, 2024, including all of their attachments for the Sable Offshore Corporation's Change of Owner, Change of Operator and Change of Guarantor for the SYU Permit No. 87-DP-32cz (RV06), the Change of Guarantor and Change of Operator for the POPCO Gas Plant Permit No. 93-FDP-015 (AM03), and the Change of Guarantor and Change of Operator for the Las Flores Pipeline System Permit No. 88-DPF-033 (RV01), 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz),~~ are incorporated by reference herein.

Sable submitted separate applications for each of the three Facilities requesting the following:

1. A Change of Owner, Operator, and Guarantor for the SYU Final FDP permit;
2. A Change of Operator and Guarantor for the POPCO Gas Plant FDP permit; and
3. A Change of Operator and Guarantor for the Las Flores Pipeline System FDP permit.

Because each application requires a Change of Operator, and the findings required for a Change of Operator cannot be made, all the applications are denied. The discussion below is limited to the required findings which cannot be made for the requests.

2.1 CHANGE OF OWNER, OPERATOR, AND GUARANTOR FOR THE SANTA YNEZ UNIT ONSHORE FACILITIES, FINAL DEVELOPMENT PLAN PERMIT NO. 87-DP-32cz (RV06)

2.1.1 Findings required for Change of Operator

In compliance with Section 25B-10 of the County Code, the planning commission [or the Board if on appeal] shall approve an application for change of operator only if the planning commission [or the Board if on appeal] makes the following findings.

(2) Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect

the new owner(s) and will remain in full effect following the ownership change.

The Board of Supervisors finds that the requirements of this finding are not satisfied. The record lacks the requisite evidence to demonstrate adequate financial guarantees for abandonment of the Facilities required by the permits and County Code. See SYU Permit, Condition XIX-1; POPCO Permit, Condition Q-2; LFPS Permit, Condition O-1; County Code §§ 25B-4(i), 35-153(7)(n). Sable has not shown that it has the financial wherewithal to abandon the Facilities, particularly if the Permits transfer and operations never resume at the Facilities, based on the Form 10-Q filed on or around November 13, 2025 with the U.S. Securities and Exchange Commission. In this report, Sable disclosed a cash and cash equivalents balance of \$41.6 million, which is down from \$247.1 million reported in the previous quarter, a total debt of \$896.6 million, and an accumulated deficit of \$1.0 billion. Based on Sable's financial disclosures, the evidence does not show that the company would have enough money to cover its estimated abandonment obligations at present.

The record also lacks substantial evidence to show that Sable has offered adequate financial guarantees that it can remediate after an oil spill, as required by the permit terms. The financial disclosures in Sable's November Form 10-Q do not support a finding of sufficient financial capacity to remediate after a spill or other accident if one should occur during or shortly after Sable restarts the Facilities. Sable has also denied the Board's repeated requests to disclose copies of insurance policy(s) that may be relevant to this finding.

The Board finds that this finding cannot be made on these grounds.

(5) Compliance With Existing Requirements. As of the date that the application is deemed complete, the current operator is in compliance with all requirements of the permit, including any requirements of a county-required safety audit, any notice of violation, and any county ordinance, or the owner and proposed operator have entered into a written agreement with the director that specifies an enforceable schedule to come into compliance with such requirements.

The Board of Supervisors finds that this finding cannot be made. Condition A-7 in the Las Flores Pipeline System Permit has two requirements: (1) strict compliance with the pipelines' initial project proposal, which is the proposal that received environmental review and was approved; and (2) any deviations from that proposal must be reviewed and approved. The 1985 EIR/EIS relied on the proposed pipelines' cathodic protection system to protect against corrosion and reduce the corresponding environmental impacts. Sable proposes to restart the pipelines without effective cathodic protection, representing a substantial deviation of the project that was initially analyzed and approved, thus triggering compliance with Condition A-7 that has not yet occurred.

(9) Operator Capability. The proposed operator has the skills, ~~and training, and~~ resources necessary to operate the permitted facility in compliance with the permit

and

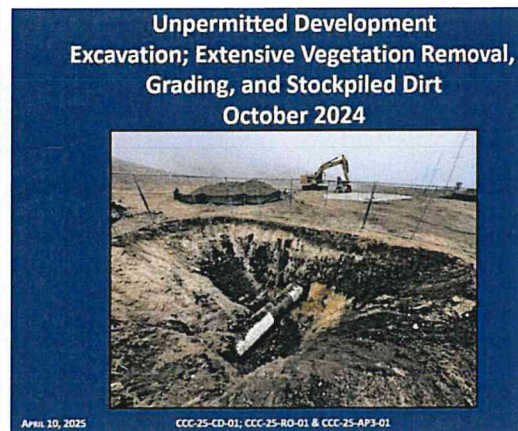
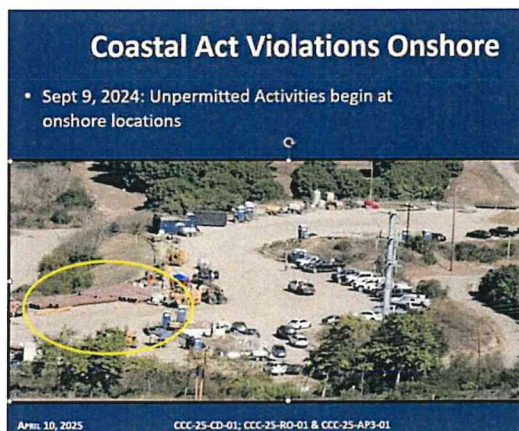
all applicable county codes and has a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f. The director shall require relevant records of compliance, and corrective actions taken subsequent to any major incidents for facilities, if any, that are similar in nature to those that are the subject of the permit, as may be necessary to make findings. These records shall be used to provide sufficient assurance that the proposed operator does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities to those being considered for operatorship.

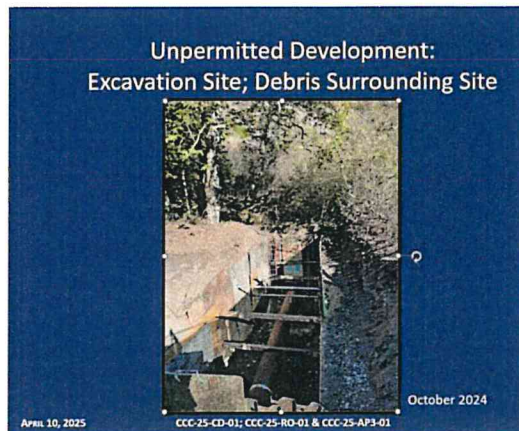
The Board of Supervisors finds that Sable ~~reflects a record of non-compliant or unsafe operations systemic in nature for the Facilities being considered for operatorship, and therefore~~ does not have the skills, training, and resources necessary to operate the permitted Facilities in compliance with the applicable permits and all applicable county codes. Sable acquired the Facilities on February 14, 2024, and first applied for the changes in Owner, Operator, and/or Guarantor in March of 2024. The Planning Commission acted on the requests on October 30, 2024, and the Board heard the requests on appeal on February 25, 2025. Given the unique circumstances of the Board's previous tie-vote on February 25, 2025, subsequent litigation, and remand for a rehearing, the Board has now had over a year and a half of Sable's ~~compliance~~ records pertaining to the Facilities to review, ~~and is not limited to records of compliance for similar facilities as outlined in Finding 25B-10(a)(9).~~ In that time, Sable has amassed a significant track record of systemic noncompliance for the Facilities. This noncompliance demonstrates a lack of diligence, and a pattern and practice of failing to notify regulatory agencies and obtain authorization before beginning work, failing to maintain and/or provide necessary and accurate information to regulators, failing to comply with applicable laws, ignoring regulatory agency directives, and failing to competently operate and take all necessary measures to protect the environment. Further, Sable has made statements reflecting contempt for California's regulations and regulators. The Board finds evidence that Sable is not capable of following state law, and state agency directives indicate that Sable will be likewise incapable of operating the Facilities in compliance with the county permits and all applicable county codes. The Board finds evidence that Sable has not demonstrated that it has the financial resources necessary to operate the permitted Facilities in compliance with the applicable permits and all applicable county codes. The Board of Supervisors has reviewed the following records, ~~which it considers relevant records of systemic noncompliance for the reasons stated above.~~ The Board also incorporates by reference the Board Agenda Letter dated December 16, 2025 and all attachments, as well as all public comments presented at and in advance of the Board Hearings held on February 25, 2025, November 4, 2025 and December 16, 2025.

Evidence that Sable has repeatedly undertaken activities prior to notifying regulators and obtaining prior authorizations

County of Santa Barbara

- In May 2025, Sable unloaded 57 diesel trucks to fill onsite crude oil tanks at the SYU without notifying the County. This required a Management of Change Protocol with the Systems Safety and Reliability Review Committee (SSRRC) per SYU FDP Permit Condition XI-2.a. (Safety Inspection and Maintenance Programs). (*Email from County consultant Jay Sheth to Justin Crowell on May 9, 2025.*)
- In May 2025, Sable unloaded liquified petroleum gas to partially fill the SYU Offspec Propane Bullet without notifying the County. This required review and consideration with the SSRRC per SYU FDP Permit Condition XI-2.a. (*Email from County consultant Jay Sheth to Errin Briggs on May 15, 2025.*)
- In May 2025, P&D was informed by its petroleum engineering consultant Jay Sheth that Sable had started moving oil from the platforms to the onshore SYU prior to formally notifying the County. (*Email from Steve Rusch to Lisa Plowman on May 21, 2025.*)
- In November 2024, Sable submitted retroactive Zoning Clearance applications for Las Flores Pipeline anomaly digs it had begun in September 2024. The County ultimately determined that no new County permits were required for the work, but authorization should have been sought prior to initiating the digs.
- The presentation by staff at the California Coastal Commission's [state compliance](#) hearing on April 10, 2025, which includes the images below, provides photographic evidence that Sable began anomaly digs roughly two months before submitting Zoning Clearance applications to the County.





California Coastal Commission

- On September 27, 2024, Commission staff issued a Notice of Violation letter to Sable due to then ongoing development activities that were occurring on and around the pipeline within the Coastal Zone without any prior Coastal Act authorization, requesting that Sable cease and desist.
- On November 12, 2024, the Commission's Executive Director issued a Cease and Desist Order to Sable, directing Sable, among other things, to submit an application for a Coastal Development Permit "for any proposed future work to be undertaken along the Pipelines, as well as for after-the-fact ('ATF') authorization for unpermitted development that has already occurred."
- On February 11, 2025, Commission staff issued a Notice of Violation letter to Sable regarding unpermitted development activities which had taken place offshore, in state coastal waters. This letter asked Sable to cease any further unpermitted development activities and apply for after-the-fact authorization for those development activities already undertaken.
- Around February 14, 2025, four days after the Executive Director Cease-and-Desist order had expired, Sable recommenced its onshore activities in the coastal zone, and on February 18, 2025, the Commission's Executive Director issued a second Executive Director Cease and Desist order addressing the unpermitted development activities Sable had recommenced onshore. This order, among other things, directed Sable to, again, cease any further development activities at the onshore locations. This Executive Director Cease and Desist Order also included notice of the Executive Director's intent to pursue a future Cease and Desist Order and other further enforcement actions from the Coastal Commission. Sable did not cease its activities or comply with the order.
- On April 10, 2025, the Commission held a five-hour, noticed, public hearing, at the conclusion of which it issued Sable a Cease and Desist Order and Restoration Order and imposed an administrative penalty. Sable continued its work and did not apply for authorization under the Coastal Act.

State Lands Commission

- On May 19, 2025, Sable announced that as of May 15, 2025, it has restarted production at the SYU and had begun flowing oil production to Las Flores Canyon.
- On May 23, 2025, the Chair of State Lands Commission Eleni Kounalakis sent a letter to Sable stating that Sable was required to communicate with State Lands Commission staff before initiating any oil flow through its offshore pipeline and its failure to do so *“undermines trust of Sable’s motives, demonstrates a lack of understanding of the significant concerns held by many regarding the resumption of activities, and raises serious questions about Sable’s willingness to be a transparent operator.”*

Central Coast Regional Water Quality Control Board (Water Board)

- On February 28, 2025, the Water Board inspected additional project work locations discovered as a result of public complaints. Staff observed unauthorized work within waters of the state and discharges of waste to waters of the United States. A Report on an *“Inspection of Unauthorized Discharges to Waters by Sable Offshore”* documents observations by Water Board staff of violations observed during a February 28, 2025 site visit.
- The Water Board sent Sable notices of violation and/or non-compliance notices for unauthorized waste discharges into Santa Barbara County waterways on December 13, 2024, April 15, 2025, and April 16, 2025.
- In a staff report for a meeting held on April 17-18, 2025, Water Board staff wrote: *“Sable’s practice of performing unauthorized work in waters of the state and United States has inhibited the Central Coast Water Board from ensuring that appropriate mitigation and best management practices are in place to protect water quality.”*
- The Water Board passed a resolution on April 18, 2025 referencing alleged violations of the California Water Code for potential civil judicial enforcement to the California Office of the Attorney General. The Water Board stated in its resolution that Sable has a “practice of performing unauthorized work in waters of the state and United States....” (Water Board, Resolution R3-2025-0024 (April 18, 2025))
- On July 24, 2025, the Water Board issued a third notice of violation for Sable’s continued failure to submit the technical report due on March 10, 2025.

California Attorney General

- On October 3, 2025, the Attorney General, on behalf of the Water Board, filed a Civil Complaint (Case No. 25CV06285) against Sable alleging three causes of action under the Water Code:

(1) failure to comply with an investigative order, (2) failure to report waste discharges, and (3) discharge of waste without permit requirements. The complaint alleges *"...Sable deliberately avoided its obligation to obtain waste discharge requirements before commencing work....," "Sable intentionally ignored its obligations under California Water Code....," "Sable cynically refused to obtain waste discharge requirements...until the excavation work was completed so as to avoid delay and impede the Regional Water Board's ability to provide input into the application of best management practices to address impacts to water quality," and "...Sable's blatant and knowing failure to first obtain waste discharge requirements...before commencing excavation work that could affect water quality."*

California Department of Fish and Wildlife (CDFW):

- On December 17, 2024, CDFW sent Sable a notice of potential violation explaining that Sable appeared to have: (a) violated Fish and Game Code section 1602(a)(1) by failing to notify CDFW prior to undertaking activities subject to that section, as well as sections 5650 and 5652; and (b) conducted work outside a 50-foot-wide pipeline easement on CDFW property. The notice includes photographic evidence as shown below.

Lance Yearwood
December 17, 2024
Page 27 of 28



Photo 23 (Site R5-4). Photo taken from the linear center of the impact area, facing upstream by Environmental Scientist Andrew Aitken on November 25, 2024, showing the sediment pile in the riverbed and extending into the flowing stream. The vegetation is willow trees the sediment piles have compressed and partially buried.

Site R5-1: Hwy 101 (34.573883°, -120.195670°).
Photos 11-14



Photo 11 (Site R5-1). Aerial photo taken by Warden Ryan Hitchings on November 18, 2024, showing the extent of the grading within the stream and the straw wattles placed. The upstream vegetation pictured was identified as mule fat growing in standing surface water.

Santa Barbara County District Attorney

- On September 16, 2025, the Santa Barbara County District Attorney filed criminal charges against Sable in Santa Barbara County Superior Court for environmental violations. The complaint alleges five felony violations of the California Water Code for knowingly discharging dredged or fill material into waters of the United States; 11 misdemeanor violations of the California Fish and Game Code for substantially diverting or obstructing, or substantially changing or using material from the bed, bank, or channel of any river, stream, or lake; and five misdemeanor violations of the Fish and Game Code for placing excavated materials in or where they could pass into the waters of

[the State.](#)

Evidence that Sable fails to maintain and/or provide necessary, timely, and accurate information to regulators

Water Board

- On January 22, 2025, the Water Board sent Sable a directive to submit a technical report describing Sable's activities at all Las Flores Pipeline work locations and associated potential discharges to waterways. Sable failed to do so.
- In the staff report for the Water Board's regular meeting of April 17-18, 2025, Water Board staff wrote that Sable's refusal to provide specified information regarding its work locations and work scope has inhibited the Water Board's ability to assess impacts to beneficial uses.

- On July 24, 2025, the Water Board sent another notice of violation for Sable's continued failure to submit the technical report.

California Attorney General

In its civil complaint, the Attorney General alleges Sable's representations to the Water Board were "*patently false.*" The complaint describes Sable as "*uninformed and unprepared*" and alleges:

- "*One would expect a responsible oil production company running 125 miles of underground pipeline with unique integrity challenges through the high consequence areas of Santa Barbara and San Luis Obispo Counties would have that information readily available in a database for use by its integrity and environmental management teams. Not so.*"
- "*...the location of streams, channels and drainage along Sable's pipeline route is something any responsible operator should have at their fingertips.*"
- "*...Sable management misinformed the Regional Water Board by assuring staff that Sable had assessed how its excavation work could affect water quality.*"
- "Sable's V.P. of Environmental Management was at best misinformed, incompetent and incorrect. At worst, Sable was simply bamboozling the Regional Water Board to meet a critical deadline. Either way, substantial penalties are warranted for Sable's egregious conduct"

Evidence that Sable fails to comply with applicable laws

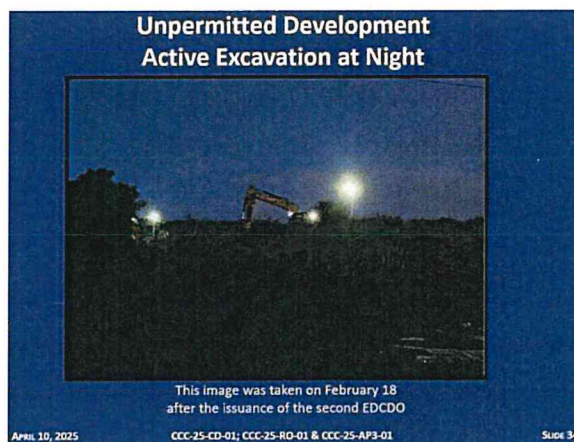
- The Santa Barbara County Air Pollution Control District issued Sable Notices of Violation for the following:
 - i. Failure to operate a vapor recovery compressor (July 15, 2025).
 - ii. Failure to operate the flare pilot system flame at all times when combustible gases are being vented (July 15, 2025).
 - iii. Failure to operate the Waste Gas Incinerator Continuous Emissions Monitoring System for SOx for 5 days (August 18, 2025).
- On May 23, 2025, the Chair of State Lands Commission Eleni Kounalakis sent a letter to Sable stating that Sable's May 19, 2025 press release entitled, "*Sable Offshore Corp. Reports Restart of Oil Production at the Santa Ynez Unit and Anticipated Oil Sales from the Las Flores Pipeline System in July 2025,*" was misleading because the well-testing activities Sable had undertaken did not constitute a resumption of commercial production or a full restart of the SYU. Subsequently, two Securities and Exchange Commission (SEC) lawsuits were filed alleging Sable misled investors by making false and misleading announcements that it had restarted operations at the SYU when it had not.
- On October 31, 2025, the news outlet Hunterbrook published an article and audio recording of an October 2025 meeting between Sable's Chief Executive Officer (CEO) Jim Flores and select investors where Flores appears to leak insider information. After initially claiming the audio was artificial intelligence (AI) generated, Sable published a notice that its Board of Directors had formed a

Special Committee of independent directors to undertake an independent investigation of the allegations contained in the Hunterbrook report.

Evidence that Sable Ignores Regulatory Agency Directives

California Coastal Commission/Santa Barbara County

- As described in the Tentative Ruling in Santa Barbara County Superior Court Case No. 25CV 00974 (October 14, 2025), adopted by the Court on October 15, 2025: On November 12, 2024, the California Coastal Commission's Executive Director issued an Executive Director Cease and Desist Order ordering Sable to cease and desist from conducting any further unpermitted development on the Las Flores Pipeline.
- On February 18, 2025, the Coastal Commission's Executive Director issued a second Cease and Desist Order.
- Sable nonetheless resumed onshore anomaly repair work on the Las Flores Pipeline because County staff had determined the work was covered by existing permits. Although County staff and the Coastal Commission disagreed about whether new permits are necessary, the County did not authorize Sable to ignore the directives of the Coastal Commission. The photograph below is from the Coastal Commission's hearing on April 10, 2025 and shows Sable continued anomaly repair work after the second Cease and Desist Order was issued.



Santa Barbara County

- On April 11, 2025, the County issued a Notice of Violation and Determination of Fine to Sable after the County received complaints about construction activities occurring at night, i.e., outside of the work hours identified in the permits.

Office of the State Fire Marshal (OSFM)

- On October 22, 2025, OSFM sent Sable a notice of deficiency letter regarding noncompliance with the State Waiver requirements. Specifically, Sable failed to remediate certain anomalies, as required by conditions in the State Waivers, and OSFM determined that the failure to comply with these requirements prevented restart under the law. The OSFM further warned that it "may have further comment or requirements arising out of [its] review."

State Parks

- State Parks notified Sable that the agency found “areas outside of the pipeline easement and the roads were traversed and damaged” during anomaly digs conducted pursuant to the Right-of-Way.

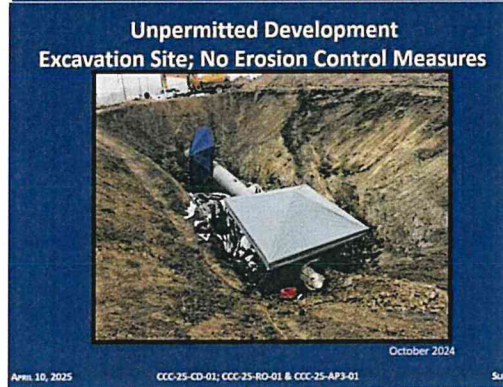
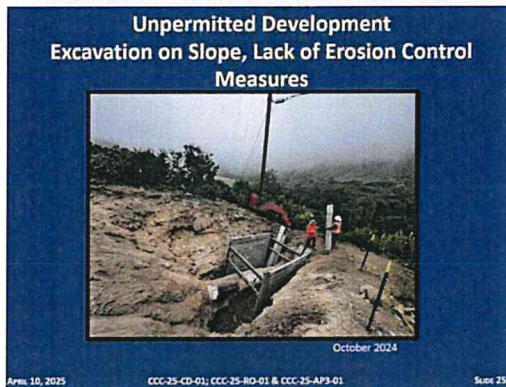
CalGEM

- On May 9, 2025, CalGEM threatened to initiate an enforcement against Sable and impose civil penalties for violations. Sable is contesting CalGEM’s authority over the Las Flores Canyon Processing Facility and the bonding requirements found in Public Resources Code Section 3205.8. CalGEM’s May 9 letter dismisses Sable’s arguments and confirms its authority over production facilities.

Evidence that Sable Fails to Competently Operate and Take All Necessary Measures to Protect the Environment

- An August 6, 2025 Hazardous Materials Spill Report documents that 280 gallons of Hydrochloric Acid (HCL) spilled at the SYU because tube fittings failed causing a release of the material to spill out onto the ground.

- An August 27, 2025 Hazardous Materials Spill Report documents that 5,000 cubic feet of Anerobic Biosolid sludge material spilled during a power washing operation at the SYU.
- The Coastal Commission staff report dated March 28, 2025 on the recommendations and findings for cease and desist order, restoration order, and administrative civil penalty stated and provided evidence that Sable staged excavators in particularly sensitive areas, such as above a pool of water where a southwestern pond turtle and two southern California steelhead were swimming, and that erosion control measures were lacking or had been installed improperly and were therefore ineffective, as shown in the photographs below.





- The March 28 Coastal Commission Staff Report also described the timing of Sable's onshore work as "problematic" because it occurred during breeding season for the federally listed southern California steelhead and the California red legged frog, a species which is listed as threatened under the federal Endangered Species Act. The work also occurred during the nesting season for most bird species, as well as the time of year in which ground disturbance is most likely to result in erosion, scarring, and discharge of sediment into wetlands and watercourses.

Evidence of Sable's Contempt for California's Environmental Regulations and Regulators

An audio recording and unofficial transcript of a call in October 2025 between Sable's CEO Jim Flores and a select group of investors shows Flores disparaging California environmental laws and regulators and suggesting ExxonMobil was not capable of achieving what Sable has because ExxonMobil follows the law. Examples from the transcribed audio include the following:

- 3:28: Describing a proposed offshore storage and treating (OS&T) plan so Sable does not have to *"depend on California's emotional winds of environmentalism"*
- 13:58: when asked why ExxonMobil wouldn't want the Facilities back, Flores responds: *"they would not do what we've done" and "they're not adept to operate in California because the California moves the goalpost so bad. They cheat so bad"*. And that Exxon will *"follow the rules and the rules keep changing and we're more adaptable than they are."*
- 26:35: *"Now we've got some bogus you know you know Santa Barbara County DA has some civil charges and they ramp them up to criminal and stuff. They they're trying all kind of stuff all the crazies."*

Evidence of Sable's Lack of Resources

- On November 13, 2025, Sable filed its quarterly report to the SEC, known as a Form 10-Q. Sable's financial disclosures in this document are evidence that the company lacks the necessary financial resources to operate in compliance with the County's permit requirements, particularly with regards to properly

abandoning the Facilities. Sable reported a cash and cash equivalents balance of \$41.6 million, a total debt of \$896.6 million, and an accumulated deficit of \$1.0 billion. Sable estimated at least \$109 million in asset retirement obligations related to the future plugging and abandonment of oil and gas properties and related facilities. Sable itself acknowledges its ability to restart the Facilities is highly speculative, and if it never restarts, Sable has not provided evidence to demonstrate it would be able to properly abandon the Facilities. The record therefore lacks evidence that Sable has the financial resources to plug and abandon the facilities, and the Board finds that this finding cannot be made.

2.2 CHANGE OF OPERATOR AND GUARANTOR FOR THE PACIFIC OFFSHORE PIPELINE COMPANY GAS PLANT, FINAL DEVELOPMENT PLAN PERMIT NO. 93-FDP-015 (AM03)

2.2.1 Findings required for Change of Operator

In compliance with Section 25B-10 of the County Code, the planning commission shall approve an application for change of operator only if the planning commission makes the following findings.

(2) Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new owner(s) and will remain in full effect following the ownership change.

The Board of Supervisors finds that this finding cannot be made for the reasons stated in Finding 2.1.1. above.

(5) Compliance With Existing Requirements. As of the date that the application is deemed complete, the current operator is in compliance with all requirements of the permit, including any requirements of a county-required safety audit, any notice of violation, and any county ordinance, or the owner and proposed operator have entered into a written agreement with the director that specifies an enforceable schedule to come into compliance with such requirements.

The Board of Supervisors finds that this finding cannot be made for the reasons stated in Finding 2.1.1. above.

(9) Operator Capability. The proposed operator has the skills, ~~and~~ training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f. The director shall require relevant

records of compliance, and corrective actions taken subsequent to any major incidents for facilities, if any, that are similar in nature to those that are the subject of the permit, as may be necessary to make findings. These records shall be used to provide sufficient assurance that the proposed operator does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities to those being considered for operatorship.

The Board of Supervisors finds that this finding cannot be made for the reasons stated in Finding 2.1.1. above.

2.3 CHANGE OF OPERATOR AND GUARANTOR FOR THE LAS FLORES PIPELINE SYSTEM, FINAL DEVELOPMENT PLAN PERMIT NO. 88-DPF-033 (RV01)z, 88-CP-60 (RV01)(88-DPF-25cz;85-DP-66cz; 83-DP-25cz)

2.3.1 Findings required for Change of Operator

In compliance with Section 25B-10 of the County Code, the planning commission shall approve an application for change of operator only if the planning commission makes the following findings.

(2) Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new owner(s) and will remain in full effect following the ownership change.

The Board of Supervisors finds that this finding cannot be made for the reasons stated in Finding 2.1.1. above.

(5) Compliance With Existing Requirements. As of the date that the application is deemed complete, the current operator is in compliance with all requirements of the permit, including any requirements of a county-required safety audit, any notice of violation, and any county ordinance, or the owner and proposed operator have entered into a written agreement with the director that specifies an enforceable schedule to come into compliance with such requirements.

The Board of Supervisors finds that this finding cannot be made for the reasons stated in Finding 2.1.1. above.

(9) Operator Capability. The proposed operator has the skills, ~~and~~ training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f. The director shall require relevant records of compliance, and corrective actions taken subsequent to any major incidents for facilities, if any, that are similar in nature to those that are the subject of the permit, as may be necessary to make findings. These records shall be used to provide sufficient assurance that the proposed operator does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities to those being considered for operatorship.

Change of Owner, Operator and/or Guarantor

SYU, POPCO Gas Plant, Las Flores Pipeline System Final Development Plan Permits

Hearing Date: December 16, 2025

Attachment A, Page 15

The Board of Supervisors finds that this finding cannot be made for the reasons stated in Finding 2.1.1. above.

Attachment C

Sable Offshore Corp., et al. v. County of Santa Barbara, et al.

Case No. 2:25-cv-04165-DMG

AMENDED ADMINISTRATIVE RECORD

VOLUME 12-1 OF 21

Volume 12-1, Part 1 of 4

COSB AR 003241 – COSB AR 003486

Sable v. County of Santa Barbara

Case No. 2:25-cv-04165

INDEX TO ADMINISTRATIVE RECORD

1. Planning Commission Materials From October 30, 2024 Hearing		
Date	Document	Bates No.
2024-10-30	Agenda	COSB AR000001-AR000004
Various	Noticing Documents	COSB AR000005-AR000014
2024-10-22	Staff Report	COSB AR000015-AR000067
2024-10-30	Attachment A – Findings	COSB AR000068-AR000180
2024-10-30	Attachment B1 – Conditions of Approval (SYI FDP Permit 87-DP-32cz RV06)	COSB AR000081-AR000160
2024-10-30	Attachment B2 – Conditions of Approval (POPCO Gas Plant FDP Permit)	COSB AR000161-AR000187
2024-10-30	Attachment B3 – Conditions of Approval (Las Flores Pipeline System FDP)	COSB AR000188-AR000236
2024-10-22	Attachment C – CEQA Notice of Exemption	COSB AR000237-AR000239
2024-03-14	Attachment D - 25B Permit Amendment Applications	COSB AR000240-AR000312
2024-07-01	Attachment E1 – Transition Plans (SYU-POPCO)	COSB AR000313-AR000328
2024-07-01	Attachment E2 – Transition Plans (Las Flores Pipeline System)	COSB AR000329-AR000343
2024-02-01	Attachment F – Compliance Plans	COSB AR000344-AR000344
	- Las Flores Pipeline Integrated Contingency Plan redacted (1)	COSB AR000345-AR000633
	- Las Flores Pipeline Noise Monitoring and Control Plan Redacted (2)	COSB AR000634-AR000640
	- Las Flores Pipeline Pump Station Fire Protection Plan Redacted (3)	COSB AR000641-AR000670
	- Las Flores Pipeline SIMQAP REDACTED (4)	COSB AR000671-AR000745
	- Las Flores Pipeline Site Security Plan Redacted (5)	COSB AR000746-AR000749
	- SYU City of Santa Barbara Harbor Use Plan (6)	COSB AR000750-AR000775
	- SYU Groundwater Monitoring Plan (7)	COSB AR000776-AR000799
	- Integrated Noise Monitoring Plan Redacted (8)	COSB AR000800-AR000901
	- SYU POPCO ERP Redacted (9)	COSB AR000902-AR001282
	- SYU POPCO Fire Protection Plan Redacted (10)	COSB AR001283-AR001518
	- SYO POPCO NGL Inventory Management Plan Redacted (11)	COSB AR001519-AR001520
	- SYU POPCO Preservation Task List Redacted (12)	COSB AR001521-AR001528
	- SYU POPCO SIMQAP redacted (13)	COSB AR001529-AR001572
	- SYI Security Control Plan Redacted (14)	COSB AR001573-AR001683
	- SYU TRMPP (15)	COSB AR001684-AR001696
2024-09-11	Attachment G - Certificates of Insurance	COSB AR001697-AR001700
2024-10-03	Attachment H – Certificates of Financial Responsibility	COSB AR001701-AR001703
2024-10-22	Applicant Submittal	COSB AR001704-AR001722
2024-10-24	Public Comment Letters	

1. Planning Commission Materials From October 30, 2024 Hearing		
Date	Document	Bates No.
	- Public Comment Letter 1	COSB AR001723-AR001758
	- Public Comment Letter 2	COSB AR001759-AR001772
	- Public Comment Letter 3	COSB AR001773-AR001844
	- Public Comment Letter 4	COSB AR001845-AR001850
	- Public Comment Letter 5	COSB AR001851-AR001861
	- Public Comment Letter 6	COSB AR001862-AR001866
	- Public Comment Letter 7	COSB AR001867-AR001972
2024-10-30	Presentations	
	- Staff Presentation	COSB AR001973-AR001985
	- Applicant Presentation	COSB AR001986-AR002004
	- EIR	COSB AR002005-AR002005
	- Slide	COSB AR002006-AR002006
2024-10-30	Minutes	COSB AR002007-AR002009
2024-11-13	Minutes	COSB AR002010-AR002013

2. Board of Supervisors Materials from February 4, 2025 Hearing		
Date	Document	Bates No.
2025-02-04	Agenda	COSB AR002014-AR002032
2024-02-04	Noticing	COSB AR002033-AR002046
2024-02-04	Board Letter	COSB AR002047-AR002049
2024-11-05	Attachment A1 – CBD Appeal Letter	COSB AR002050-AR002057
2024-11-07	Attachment A2 – EDC Appeal Letter	COSB AR002058-AR002169
2024-10-30	Attachment B – Planning Commission Action Letter	COSB AR002170-AR002340
2024-10-22	Attachment C – Planning Commission Staff Report	COSB AR002341-AR002673
2024-10-24	Attachment D - Public Comment Record	COSB AR002674-AR002923
2024-12-17	Attachment E – Facilitation Report	COSB AR002924-AR002924
2024-02-04	Minute Order	COSB AR002925-AR002926

3. Board of Supervisor Materials From February 24, 2025 Hearing		
Date	Document	Bates No.
2024-02-25	Agenda	COSB AR002927-AR002952
2025-02-25	Board Letter	COSB AR002953-AR002969
2025-02-25	Attachment A – Findings	COSB AR002970-AR002986
2025-02-25	Attachment B – Conditions of Approval (B-1)	COSB AR002987-AR003067
2025-02-25	Attachment B - Conditions of Approval (B-2) - POPCO Gas Plant FDP Permit No. 93-FDP-015 AM03	COSB AR003068-AR003093
2025-02-25	Attachment B - Conditions of Approval (B-3) - Las Flores Pipeline FDP Permit No. 88-DPF-033	COSB AR003094-AR003142
2025-02-25	Attachment C - CEQA Notice of Exemption	COSB AR003143-AR003145
2025-02-21	Appellant Comment Letter - Center for Biological Diversity	COSB AR003146-AR003181
2025-02-18	Appellant Exhibit - Center for Biological Diversity (1)	COSB AR003182-AR003195

2025	Appellant Exhibit - Center for Biological Diversity (2)	COSB AR003196-AR003198
2025-02-25	Appellant Comment Letter - Environmental Defense Center	COSB AR003199-AR003472
2025-02-21	Appellant Accufacts, Inc. Report - Environmental Defense Center	COSB AR003473-AR003484
2025-02-21	Appellant Economic Analysis - Environmental Defense Center	COSB AR003485-AR003493
2025-02-18	Appellant References - Center for Biological Diversity & Wishtoyo Foundation - Volume 1	COSB AR003494-AR003790
2025-02-19	Appellant References - Center for Biological Diversity & Wishtoyo Foundation - Volume 2	COSB AR003791-AR004014
2025-02-19	Appellant References - Center for Biological Diversity & Wishtoyo Foundation - Volume 3	COSB AR004015-AR004384
2025-02-19	Appellant References - Center for Biological Diversity & Wishtoyo Foundation - Volume 4	COSB AR004385-AR004544
2025-02-19	Appellant References - Center for Biological Diversity & Wishtoyo Foundation - Volume 5	COSB AR004545-AR004691
2025-02-19	Appellant References - Center for Biological Diversity & Wishtoyo Foundation- Volume 6	COSB AR004692-AR005025
2025-02-19	Appellant References - Center for Biological Diversity & Wishtoyo Foundation - Volume 7	COSB AR005026-AR005178
2025-02-19	Appellant References - Center for Biological Diversity & Wishtoyo Foundation - Volume 8	COSB AR005179-AR005232
2025-02-21	Applicant Appeal Response	COSB AR005233-AR005257
2023-09-21	Applicant Exhibits	COSB AR005258-AR006102
2025-01-20	Public Comment - Group 1	COSB AR006103-AR006124
2025-02-19	Public Comment - Group 2	COSB AR006125-AR006176
2025-02-20	Public Comment - Group 3	COSB AR006177-AR006252
2025-02-21	Public Comment - Group 4	COSB AR006253-AR006425
2025-02-24	Public Comment - Group 5	COSB AR006426-AR006498
2025-02-24	Public Comment - Group 6	COSB AR006499-AR006500
2025-02-25	Public Comment - Group 7	COSB AR006501-AR006509
2025-02-19	Public Comment - City of Buellton	COSB AR006510-AR006512
2025-02-11	Public Comment - City of Goleta	COSB AR006513-AR006516
2025-02-19	Public Comment - City of Santa Barbara	COSB AR006517-AR006519
2025-02-21	Public Comment - WE Watch	COSB AR006520-AR006521
2025-02-21	Public Comment - Gray Panthers Santa Barbara Network	COSB AR006522-AR006523
2025-02-21	Public Comment - Live Oak Unitarian Universalist Congregation of Goleta Social Justice Ministry	COSB AR006524-AR006525
2025-02-24	Public Comment - Santa Barbara South Coast Chamber of Commerce	COSB AR006526-AR006527
2025-02-24	Public Comment - Exxon Mobil	COSB AR006528-AR006529
2025-02-24	Public Comment - Law Office of Janean Acevedo Daniels	COSB AR006530-AR006531
2025-02-25	Staff Memorandum - Public Comment Not Considered or Accepted into the Official Record	COSB AR006532-AR006594
2025-02-25	Staff Presentation	COSB AR006595-AR006615
2025-02-25	Appellant Presentation - Center for Biological Diversity	COSB AR006616-AR006628
2025-02-21	Appellant Presentation - Environmental Defense Center	COSB AR006629-AR006647
2025-02-25	Applicant Presentation	COSB AR006648-AR006667
2025-02-25	Speaker Slips	COSB AR006668-AR006752

2025-02-25	Minute Order	COSB AR006753-AR006755
2025-02-25	Memo: Planning Project/Appeal Hearing Time Estimate	COSB AR006756-AR006758
2025-02-25	Memo: Departmental Presenter List	COSB AR006759-AR006759

4. Board of Supervisors Materials from Closed Session on April 16, 2025		
Date	Document	Bates No.
2025-04-16	Closed Session Agenda, 04-16-2025	COSB AR006760-AR006767
2025-04-16	Closed Session Agenda, 04-16-2025 – Attachment	COSB AR006768-AR006770
2025-02-26	Applicant Letter to Santa Barbara County Planning Director	COSB AR006771-AR006773
2025-03-01	Appellant EDC Letter to Board of Supervisors	COSB AR006774-AR006778
2025-04-17	Closed Session Minutes, 04-17-2025	COSB AR006779-AR006786

5. Transcripts		
Date	Document	Bates No.
2024-10-30	Transcript of Planning Commission Hearing on October 30, 2024.	COSB AR006787-AR006939
2025-02-25	Transcript of Board of Supervisors Hearing on February 25, 2025.	COSB AR006940-AR007207
2025-02-26	Transcript of Planning Commission Hearing on February 26, 2025.	COSB AR007208-AR007221

**COUNTY OF SANTA BARBARA
PLANNING AND DEVELOPMENT****MEMORANDUM**

TO: Planning Commissioners

FROM: Doug Anthony, Energy Specialist, (805) 568-2046
John Day, Planner, (805) 568-2045

DATE: September 7, 2001

RE: Proposed Change of Owner, Operator, and Guarantor Ordinance – Summary of staff's responses to public testimony received on the proposed ordinance during the August 1st hearing

Commissioner Beall suggested that staff provide a written version of its responses to public testimony received during the August 1st hearing of the proposed Change of Owner, Operator, Guarantor Ordinance. We are providing that written version as Attachment A to this memorandum.

Second, Commissioner Beall requested a matrix that compares the proposed ordinance to current regulatory practices of the Minerals Management Service for change of lessor, operator, and guarantor. We are providing that matrix as Attachment B, in which we also compare the proposed ordinance to past practices of the County to show how such practices vary according to a particular permit.

Third, Commissioner Valencia asked for a summary of outstanding issues with the ordinances that the oil industry raised during meetings with staff and at public workshops. We are providing that summary in Attachment C.

Fourth, Commissioner Oberdeck asked for a response to testimony from the Santa Barbara Region Chamber of Commerce, Goleta Valley Chamber of Commerce, Santa Maria Valley Chamber of Commerce, and Santa Maria Valley Economic Development Association. We are providing this response in Attachment D.

Fifth, Commissioners Beall and Farr raised some questions about the ordinance in the final minutes of the hearing. We are providing answers to those questions in Attachment E.

Finally, Attachment F is a revised draft of the proposed ordinance showing proposed changes in response to public comments.

25B-4(9).] The provision requires that the previous owners and operators remain liable for proper abandonment of the facility if the new owner and operator do not have adequate financial resources. This requirement parallels a California law applying to onshore oil wells [Public Resource Code 3237(c)]. It also reflects the practice of MMS and State Lands Commission, which often require previous offshore operators to remain responsible for abandonment costs.

Issue 4: Severe and unnecessary penalties

SUMMARY OF ISSUE: WSPA contends that the civil, criminal, and injunctive penalties are too severe because, for instance, jail time and \$25,000 per day in fines could be levied for a missed filing deadline. WSPA further contends that the mere requirement of County approval for any change of operator is sufficient to ensure compliance.

STAFF RESPONSE: Staff reiterates its recommendation that the ordinance provide a mechanism for enforcement, otherwise the County would have no defined recourse to address violations to the ordinance. For instance, what recourse would the County have without imposition of penalties if the operator of an applicable facility changed operators without receiving county approval? WSPA's explanation – that the mere requirement of obtaining County approval is sufficient – does not enforce compliance in itself. The penalties described in Section 25B-13 address cases of non-compliance just as traffic fines address cases of non-compliance with the California Vehicle Code. Section 25B-13 also provides an economic incentive for compliance with the ordinance.

Issues Resolved by Compromise

In a number of instances, staff believes we found a middle ground that partially answers industry's objections. For example:

- a) In response to a comment that the application contents were vague, a section was added specifying the required application contents, but a provision was included to allow the Director to require supplementary information, if needed.
- b) In response to industry's request that non-managing part-owners not be required to submit applications or be listed on the permit, we simplified the application requirements so that part-owners have only to agree to accept the permit, a process requiring but a single brief letter.
- c) Industry expressed two concerns about the requirement for review of an incoming operator's safety and compliance records, namely, the absence of hard and fast standards of past operating performance, and how to qualify a new operator that lacks the requisite track record. In staff's opinion, based in part on discussions with Minerals Management Service and State Commission, a fair evaluation of operating records can only be done on a case by case basis; evaluation of diverse records is not amenable to fixed standards, which preclude the use of judgement as well as consideration of all the relevant facts. However, we added to the ordinance a list of source agencies for operator records, in order to help ensure that operating record evaluation is based on objective source data. Also, we added a provision that enables a new operator that lacks a 7-year record to qualify. (This provision contrasts with the MMS rule requiring OCS platform operators to have 5 years of satisfactory operating record.)

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 3/5/02
Department Name: Planning and Development
Department No.: 053
Agenda Date: 3/19/02
Placement: Departmental
Estimate Time: 3-4 hours
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: John Patton, Director
Planning and Development Department

STAFF Doug Anthony, Energy Specialist, Energy Division, 568-2046
CONTACT: John Day, Planner, Energy Division, 568-2045

SUBJECT: Proposed amendment to the Santa Barbara County Code, adding Chapter 25B, Change of Owner, Operator, or Guarantor for Certain Oil and Gas Facilities

Recommendations:

- A. Conduct the first reading of recommended amendments to the Santa Barbara County Code as follows:
1. Adopt a new Chapter 25B, titled *Change of Owner, Operator, or Guarantor for Certain Oil and Gas Facilities*, as recommended by the Planning Commission and subsequently revised by staff (Exhibit A) and, in doing so, make the findings included herein (Exhibit D);
 2. Adopt amendments to sections of existing Chapter 24A, titled *Administrative Fines and Penalties*, so that it is applicable to the new Chapter 25B (Exhibit B).
- B. Continue this hearing to April 2, 2002, for purposes of conducting the second hearing for the foregoing actions.

Alignment with Board Strategic Plan: The recommendation primarily aligns with Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

INTRODUCTION

The proposed ordinance, *Change of Owner, Operator or Guarantor for Certain Oil and Gas Facilities*, is the first of several policy projects under development by the Energy Division that are designed to keep pace with the changing status of oil and gas development within and offshore Santa Barbara County. The proposed ordinance establishes regulations and provides a roadmap for handling changes of owner, operator or guarantor. Over 22 such changes have occurred in the past 8 years or are currently pending. The need for well-defined guidelines that can be uniformly applied is apparent and is acknowledged by the oil industry.

requirements for new plans and approval have been deleted, leaving the requirements for plan updates intact.

6. Operation Record finding replaced with Operator Capability finding.
[25B-10.1.i, deleted Appendix A of the proposed ordinance]

The *Operation Record* finding of the previous draft required evaluation of the operator's accident and compliance record for the past seven years to establish that the operator has the skills and training necessary operate the facility. For a new company that lacks such a track record, the operator would have to demonstrate that key personnel have the experience and expertise to operate the facility safely. The intention of this provision has always been to provide a mechanism for the County to deny a permit transfer to an operator, if that operator presented a real, documented, substantial threat to the public or environment.

The language of the new *Operator Capability* finding in the proposed ordinance is broader than the previous *Operation Record* finding. The proposed operator must be found to have the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable laws and have demonstrated the ability to comply with the compliance plans. To make this finding, the Director may require records of compliance and major incidents. Thus, the review of a proposed operator could consider track record, experience and expertise, criminal convictions, and any other information germane to assessing the capabilities of a proposed operator. The revised language is similar to that of the temporary operator provision [25B-9.6.c].

7. Enforcement section amended to provide for administrative fines and penalties. [25B-13]

Although the civil and criminal penalties of the proposed ordinance are essentially the same as those of the Zoning Ordinance, industry has expressed serious misgivings about them. Civil penalties of up to \$25,000 per day are possible, though a judge would be unlikely to assess such high penalties except for the most egregious, repeat violations. A more likely scenario than the excessive, unreasonable fine scenario is that staff would be hesitant to bring relatively small violations to the District Attorney for prosecution. Consequently, there may effectively be no means to force compliance until a violation escalates into a major problem.

Under the Zoning Ordinance, an alternative means to assess fines for minor violations exists through application of Chapter 24A of the County Code, *Administrative Fines and Penalties*. This chapter allows the Director to assess fines of up to \$500 per day for infractions. The ability to apply Chapter 24A under the proposed ordinance would provide an appropriate scale of fines for minor violations. Therefore, the enforcement section has been amended in the proposed ordinance to provide for utilization of *Administrative Fines and Penalties*.

Chapter 24A also must be amended to reference the proposed Change of Owner ordinance. The proposed revisions to Chapter 24A to accomplish this are included herewith in Attachment B.

CLARIFICATIONS: HOUSEKEEPING CHANGES

Several additional, comparatively minor changes were also made in the proposed ordinance, as follows:

Definition of Operator. [25B-3] The definition was augmented for greater clarity. The intention is that any company, including owners or third parties, that performs management functions for a facility must be