



Appeal Application

County Use Only | Appeal Case No.:

STEP 1: SUBJECT PROPERTY

N/A

ASSESSOR'S PARCEL NUMBER(S)

PROPERTY ADDRESS (IF APPLICABLE)
Las Flores Pipeline System (formerly AAPL Lines 901/903)

BUSINESS/ESTABLISHMENT NAME (IF APPLICABLE)

STEP 2: PROJECT DETAILS

Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System

PROJECT TITLE
88-DPF-033 (RV01)z; 88-CP-60 (RV01); 88-DPF-25cz; 85-DP-66cz; 83-DP-25cz

CASE NO(S).
County Planning Commis: 6/14/2023

DECISION MAKER | DATE OF ACTION

Is the appeal related to cannabis activities? Yes No

STEP 3: APPEAL CONTACTS

APPELLANT
Grey Fox Class Members c/o A. Barry Cappello

NAME (if LLC or other legal entity, must provide documentation)

831 State Street
STREET ADDRESS

Santa Barbara CA 93101
CITY STATE ZIP

805-564-2444 abc@cappellonoel.com
PHONE EMAIL

AGENT
A. Barry Cappello

NAME (if LLC or other legal entity, must provide documentation)

831 State Street
STREET ADDRESS

Santa Barbara CA 93101
CITY STATE ZIP

805-564-2444 abc@cappellonoel.com
PHONE EMAIL

ATTORNEY
A. Barry Cappello

NAME (if LLC or other legal entity, must provide documentation)

831 State Street
STREET ADDRESS

Santa Barbara CA 93101
CITY STATE ZIP

805-564-2444 abc@cappellonoel.com
PHONE EMAIL

STEP 4: APPEAL DETAILS

Is the Appellant the project Applicant? Yes No

If not, please provide an explanation of how you are an "aggrieved party", as defined in Step 5 on page 2 of this application form:

See Appellant Letters attached dated 3/22/2023 and 6/12/2023.

Please provide a clear, complete, and concise statement of the reasons or ground for appeal:

- Why the decision or determination is consistent/inconsistent with the provisions and purposes of the County's Zoning Ordinances or other applicable law;
- There was error or abuse of discretion;
- The decision is not supported by the evidence presented for consideration;
- There was a lack of a fair and impartial hearing; or
- There is significant new evidence relevant to the decision which could not have been presented at the time the decision was made.
- Coastal Zone – Accessory Dwelling Unit appeals: Appellant must demonstrate that the project is inconsistent with the applicable provisions and policies of the certified Local Coastal Program or that the development does not conform to the public access policies set forth in the Coastal Act.

See Appellant Letters attached dated 3/22/2023 and 6/12/2023.

RECEIVED
 2023 JUN 22 P 2:18
 COUNTY OF SANTA BARBARA
 BOARD OF SUPERVISORS


STEP 5: APPELLANT, AGENT, AND ATTORNEY ACKNOWLEDGEMENTS

I hereby certify under penalty of perjury that I have read the information below and that:

1. I have carefully reviewed and prepared the appeal application in accordance with the instructions; and
2. I provided information in this appeal application, including all attachments, which are accurate and correct; and
3. I understand that the submittal of inaccurate or incomplete information or plans, or failure to comply with the instructions may result in processing delays and/or denial of my application; and
4. I understand that it is the responsibility of the applicant/appellant to substantiate the request through the requirements of the appeal application; and
5. I understand that upon further evaluation, additional information/documents/reports/entitlements may be required; and
6. I understand that all materials submitted in connection with this appeal application shall become public record subject to inspection by the public. I acknowledge and understand that the public may inspect these materials and that some or all of the materials may be posted on the Department's website; and
7. I understand that denials will result in no refunds; and
8. I understand that Department staff is not permitted to assist the applicant, appellant, or proponents and opponents of a project in preparing arguments for or against the project; and
9. I understand that there is no guarantee – expressed or implied – that an approval will be granted. I understand that such application must be carefully evaluated and after the evaluation has been conducted, that staff's recommendation or decision may change during the course of the review based on the information presented; and
10. I understand an aggrieved party is defined as any person who in person, or through a representative, appears at a public hearing in connection with the decision or action appealed, or who, by the other nature of his concerns or who for good cause was unable to do either; and
11. Pursuant to California Civil Code Section 1633.5(b), the parties hereby agree that where this Agreement requires a party signature, an electronic signature, as that term is defined at California Civil Code Section 1633.2(h), shall have the full force and effect of an original ("wet") signature. A responsible officer of each party has read and understands the contents of this Agreement and is empowered and duly authorized on behalf of that party to execute it; and
12. I understand that applicants, appellants, contractors, agents or any financially interested participant who actively oppose this project who have made campaign contributions totaling more than \$250 to a member of the Planning Commission or Board of Supervisors since January 1, 2023, are required to disclose that fact for the official record of the subject proceeding. Disclosures must include the amount and date of the campaign contribution and identify the recipient Board member and may be made either in writing as part of this appeal, in writing to the Clerk of the legislative body before the hearing, or by verbal disclosure at the time of the hearing; and
13. If the approval of a Land Use Permit required by a previously approved discretionary permit is appealed, the applicant shall identify:
 - How the Land Use Permit is inconsistent with the previously approved discretionary permit;
 - How the discretionary permit's conditions of approval that are required to be completed prior to the approval of a Land Use Permit have not been completed;
 - How the approval is inconsistent with Section 35.106 (Noticing).

REQUIRED SIGNATURES

I have read and understand the above acknowledgements and consent to the submittal of this application.

SIGNATURE – APPELLANT	PRINT NAME	DATE
SIGNATURE – AGENT	PRINT NAME	DATE
	A. Barry Cappello	6/22/2023
SIGNATURE – ATTORNEY	PRINT NAME	DATE

Appeals to the Planning Commission. Appeals to the Planning Commission must be filed with Planning and Development no later than 10 days following the date of the decision, along with the appropriate fees. Please contact P&D staff below for submittal instructions and to determine the appropriate fee.

South County projects: front@countyofsh.org or (805) 568-2090
 North County projects: nczoning@countyofsh.org or (805) 934-6251

Appeals to the Board of Supervisors. Appeals to the Board of Supervisors must be filed with the Clerk of the Board and must be filed no later than 10 days following the date of the decision, along with the appropriate fees. Appeal instructions are located online at the Clerk of the Board website: <https://www.countyofsh.org/2837/Filing-Land-Use-Appeals-Claims>

A. Barry Cappello

June 12, 2023

Via E-Mail

Santa Barbara County Planning Commission
c/o David Villalobos,
Planning Commission Secretary
123 E. Anapamu Street
Santa Barbara, CA 93101
dvillalo@co.santa-barbara.ca.us

Re: Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System (Formerly AAPL Lines 901/903)

Dear Chair Parke and Members of the Planning Commission:

Our firm, together with co-counsel, represent the individual and class representative plaintiffs (collectively “Owners”) in *Grey Fox, LLC et al. v. Plains Pipeline L.P. et al.*, Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California. The certified Class in the *Grey Fox* case is comprised of all parcel Owners previously subject to easement contracts (“Easements”)¹ that previously provided Plains Pipeline, L.P. and Plains All American Pipeline, L.P. (collectively, “Plains”) with limited, narrow access to the parcels (“Properties”) to take certain actions related to Plains’ pipeline system, Lines 901 and 903 (collectively, the “Lines”).²

On behalf of the Owners, we outline our concerns that the Planning Commission’s consideration of the proposed Change of Operator, Change of Owner, and Change of Guarantor (collectively, “Ownership Change”) is being done with no reference to other pending projects. We believe that the Planning Commission may therefore incorrectly analyze these issues, all of which overlap with the other projects. This deficient analysis dictates denial of the Applications.

The Final Staff Report dated June 6, 2023 (“Final Staff Report”) mistakenly concludes that the proposed action is not subject to CEQA pursuant to CEQA Guidelines, 14 CFR 15378(b)(5), which exempt “Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.” (Final Staff Report at pp. 6-

¹ See, list of Owners in the *Grey Fox* case, attached as Exhibit A.

² See, January 28, 2020 Civil Minutes, attached as Exhibit B.

7.) That is not the case. In addition to other serious problems, the Ownership Change would apparently allow the “new” parties to re-open the Las Flores Pump Station – the largest emitter of greenhouse gases in the County of Santa Barbara (“County”) – with no CEQA review whatsoever.

Consider what is really occurring here. ExxonMobil Corporation (“Exxon”), Pacific Pipeline Company (“PPC”), and ExxonMobil Pipeline Company (“EMPCo”), have three pending projects, each of which accomplishes an end-run around the other. They now ask the County to put blinders on and do the following:

- First, ignore the 901/903 Replacement Pipeline Project (“Replacement Project”).³ This project was initially proposed by Plains and has been pending since August 15, 2017. It proposes to dig up the old pipeline and put in a new pipeline, since the old lines were clearly defective. Now that the pending “Owner” seeks a change, however, as Staff acknowledges, this Replacement Project could be abandoned at any time: “PPC may proceed with, or withdraw the application for the Pipeline Replacement Project at any time.” (Final Staff Report, p. 27.) If this occurs, it would frankly signal the County’s approval to re-start the old, corroded pipeline, with no CEQA review.
- Second, also ignore the Valve Upgrade Project (“Valve Project”).⁴ This project, now on appeal to the Board of Supervisors (“BOS”), was initially proposed as a purported attempt to comply with the requirements of AB 864 (2015). That statute was intended to allow pipeline operators of existing pipelines to install Best Available Technology (“BAT”), to reduce the volume of a potential release. It therefore assumes a potential release. But it was not enacted to impose a condition on a **non-operational** pipeline which cannot carry oil because of corrosive deficiencies.⁵ If ultimately approved, the Valve Project would also enable the “new” Owner to avoid having to replace the old pipeline at all. Rather, it would enable the “new” Owner to re-start the same pipeline, including the Las Flores Pump Station, without any CEQA review, and without any new safety conditions or accountability.
- Third, treat the instant Project as a stand-alone, divorced from the other Projects. In other words, ignore that this Ownership Change, which theoretically may not propose “physical changes,” “modifications,” or “restart activities” (see, Final Staff Report, page 7), actually throws the door wide open to vast amounts of direct or indirect physical changes to the environment, antithetical to CEQA Guidelines, 14 CFR 15378(a), (b)(5).

³ See, <https://www.countyofsb.org/3801/Plains-Replacement-Pipeline-Project>.

⁴ See, <https://www.countyofsb.org/880/901903-Valve-Upgrade>.

⁵ The County also acknowledged that the Lines were non-operational on April 26, 2022, when it revised the baseline for the replacement project. (See, e.g., Attachment C1: Addendum to EIR.pdf, p. C1-3 [“To-date, the Line 901 and 903 pipeline system from the Las Flores Pump Station to the Pentland Pump station remain non-operational.”].)

Here, the only revisions that the “new” Owner proposes would enable it to do exactly what Celeron (the original Owner) did, with some critical distinctions: *i.e.*, the revisions literally delete the original dates which expose the original DEIR/EIS as drafted in or about 1986 (almost 37 years ago); and they establish the same set of requirements for construction (which has already occurred), for noise (which should not occur as the pipeline was previously constructed), etc. that were originally reviewed in the early 1980s. This “re-do” tacitly acknowledges the reality that this is a CEQA Project. This re-do also includes references flatly inconsistent with the findings of cathodic lack of protection, and other failings under which the pipelines were shut down in 2015 after they had ruptured.

The Department of Transportation’s Pipeline and Hazardous Materials Safety Administration’s (“PHMSA’s”) Corrective Action Orders (“CAOs”) and Final Investigative Report (May 2016) (“PHMSA Final Report”) stated that the pipeline ruptured due to external corrosion and was shut down, purged, and filled with inert gas; and the system remained idle while the Owner/Operator worked to fulfill the requirements for the safe operation of the lines. The County has acknowledged these facts. (See, 6/6/2023 Final Staff Report at p. 4, 5.)

The PHMSA Final Report investigation and findings squarely indicate that the proximate or direct cause of the Line 901 failure was external corrosion that thinned the pipe wall to a level where it ruptured suddenly and released heavy crude oil. The PHMSA Final Report identified numerous contributory causes of the rupture, including ineffective protection against external corrosion of the pipeline because (1) the condition of the pipeline’s coating and insulation system fostered an environment that led to the external corrosion, and (2) the pipeline’s cathodic protection (CP) system was not effective in preventing corrosion from occurring beneath the pipeline’s coating/insulation system. (See, PHMSA Final Report, at p. 3.⁶)

In the face of PHMSA’s findings, and the inadequate safety inspection maintenance and quality assurance program (“SIMQAP”), the instant Final Staff Report incomprehensibly states that “The pipeline system satisfies the required project description elements outlined in the FDP Permit, which is the relevant requirement for this application. The system also satisfies the cathodic protection system described and analyzed in the 1984 DEIR/EIS.” (Final Staff Report p. 25, emphasis added.)

The purpose of the Santa Barbara County Land Use and Development Code is “to protect and to promote the public health, safety, comfort, convenience, prosperity, and general welfare of residents, and businesses in the County.” (Santa Barbara County Land Use and Development Code Chapter 35, Section 35.10.010.) The specific purpose of Chapter 25B, which governs “Change of Owner, Operator, or Guarantor for Certain Oil and Gas Facilities,” is “to protect public health and safety, and safeguard the natural resources and environment of the county of Santa Barbara, by ensuring that safe operation, adequate financial responsibility, and compliance

⁶ Accessible at:

https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public.pdf. See also Appendix E: Corrosion Control and Pipeline Conditions; Appendix N: Det Norske Veritas (U.S.A.), Inc. (DNV GL): Line 901 Release (5/19/15) Technical Root Cause Analysis.

with all applicable county laws and permits are maintained during and after all changes of owner, operator or guarantor of certain oil and gas facilities.” (Santa Barbara County Code, Chapter 25B, Section 25B-1.)

In other words, while PHMSA says the pipeline must be safe, the instant action clearly implies that the “new” Owner can restart the same corroded pipeline, without CEQA review.

Moreover, the instant transfer reveals that the parties involved have concealed significant information about their plans. Plains, Exxon, PPC, and EMPCo, the parties to these changes, have simply not been completely transparent. Yes, PPC purchased the Lines from Plains, but that is not the end of the transfer. There is no question that the platforms were involved as well, and that all of the platforms, as well as the Lines, are intended to be transferred to Sable Offshore Corporation (“Sable”) and/or Flame Acquisition Corp. (“Flame”).⁷ The Flame Securities and Exchange Commission (“SEC”) filing dated December 23, 2022 effectively admitted this.⁸

Sable/Flame, which borrowed funds from Exxon/PPC to complete the anticipated acquisition, cannot confirm either its solvency or its reliability to the citizens of the County of Santa Barbara (“County”). But it is clear that Sable/Flame has agreed to buy the facilities, and likely will take them over this month. The Final Staff Report brushes this aside, saying: “Sable would be required to submit an application to the County to transfer the FDP Permit either prior to, or shortly after, the final sale of the assets.” (Final Staff Report, p. 27.) This is no answer: the public needs to know who will be the operator, who will own the facilities, and who will guarantee a potential spill. If Sable/Flame is going to be the new owner, there is no reason to do this again; the County can wait for Sable/Flame to come in and take over, get a strong Exxon guarantee, and address the EIR issue.

The Final Staff Report recommends a simple change approving the amendment from Plains to “permittee:” but this demonstrates that the County is aware of the anticipated subsequent change, and is attempting to avoid the need for further amendment. But we do not want another oil spill with no responsible party. The above evidence, alone, demonstrates that the Valve Project and this Project relate directly to the Replacement Project. We urge this Commission to require Sable/Flame to come forward so the County can understand who is going to be doing this work, and who is going to be responsible going forward, including the effect of any post-closing litigation issues.⁹

Finally, the Easements have lapsed by their terms, and the Owners have given PPC, Exxon, and EMPCo notice that no access will be allowed.¹⁰ As stated in one of the Rights of Way (“ROW”): “It is agreed that all rights and privileges herein granted and given Grantee shall

⁷ See, Sable Offshore Corp. Investor Presentation, pages 2, 5. A copy of this presentation is attached hereto as Exhibit C.

⁸ See,

<https://www.sec.gov/Archives/edgar/data/1831481/000119312522311791/d377586dprer14a.htm> at p. 16.

⁹ See, <https://www.sec.gov/Archives/edgar/data/1831481/000119312522311791/d377586dprer14a.htm> at pp. 153, 167, G-33-34.

¹⁰ See, June 2, 2023, Letter from Cappello & Noël to O’Melveny & Meyers, attached hereto as Exhibit D.

automatically end and terminate in the event that Grantee, or its successor and assigns shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years.” (Right of Way Grant, recorded July 23, 1986, p. 2, emphasis added.) The original ROW corridor was also generally reduced to a width of 25 feet after construction of the original pipelines: “This right of way and easement shall have a temporary width as necessary to construct the pipeline but not to exceed on hundred (100) feet which width shall revert to a permanent width twenty-five feet six months after commencement of construction of the pipeline.” (*Id.*, p. 1.)

Sable/Flame has acknowledged it believes it is acquiring sufficient ROWs to operate, but also admits the existence of the federal dispute and the fact that it may not be able to acquire the easements: “We believe that we will have obtained sufficient right-of-way grants from public authorities (subject to receipt of certain governmental permits and consents) and private parties for us to operate our business. However, certain private landowners along sectors of Pipeline Segment 901 have made claims that the easement agreements with them are no longer effective because the pipeline is not transporting oil. If these landowners are successful with their claims, we may be required to make further easement payments. Our loss of any of these surface use agreements, rights-of-way or other easement rights through lapse or failure to satisfy or maintain certain conditions could require us to cease operations on the affected land or find alternative locations for our operations at increased costs, any of which could have a material adverse effect on our business, financial condition and results of operation.”¹¹

While the Final Staff Report expressly states that “compliance with the FDP Permit” has been achieved with respect to easements (see, Final Staff Report, pp. 14-15), these FDP Permit conditions have little relevance at this point, some 8 plus years after the system was shut down. Unless and until the above issues are addressed, the County should recognize that acquisition of easements is critical to pipeline operation, and that easement acquisition should become a condition and/or be settled through litigation before any new permit is granted or construction takes place.

Accordingly, we urge the Planning Commission to deny the Applications for Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System (Formerly AAPL Lines 901/903).

Sincerely,

CAPPELLO & NOËL LLP



A. Barry Cappello

Cc: Jacquelynn Ybarra
Katie Nall

¹¹ See, <https://www.sec.gov/Archives/edgar/data/1831481/000119312522311791/d377586dprer14a.htm> at p. 74.

Exhibit A

ID #	Current Owner	APN
1	La Poloma Ranch, LLC	081-230-029
2	OLIVO2337, LLC	081-230-028
3	Mark W. Tautrim Revocable Trust	081-230-021
3	Mark W. Tautrim Revocable Trust	081-230-024
4	Freeman 2004 Trust	081-210-051
4	Freeman 2004 Trust	081-210-050
5	Vargas Family Trust	081-210-046
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-210-047
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-028
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-032
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-031
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-033
7	Maz Properties/Hearst Properties	081-150-006
8	Paul Antolini /The Braille Institute/American Cancer Society	081-150-007
9	Land Trust for Santa Barbara County	081-150-002
10	Richard Simon	081-150-028
11	Brown Family Trust	081-140-019
12	Gaviota Springs Ranch	081-140-025
13	Native Energy Farms, LLC	081-140-023
14	Richard Woodall, Inc.	081-130-068
14	Richard Woodall, Inc.	081-130-053
15	Hvolboll Family	081-210-036
16	Parcel 123 Partnership	083-700-019
17	HR 127 Partnership	083-700-023
18	Brown Clyde Jackson Trustee	083-700-024

19	HPB Rancho Arbolado, LLC	083-500-025
20	Mathis Gaviota Ranch, LP	083-500-029
20	Mathis Gaviota Ranch, LP	083-430-034
20	Mathis Gaviota Ranch, LP	083-330-032
21	Nojoqui Falls Ranch Limited Partnership	083-500-004
22	Thomas Kopitnik (FKA Bryan & Kay Reid)	083-430-033
23	Eleanor Jean Graham Trust	083-430-035
24	Canutt	083-430-024
24	Canutt	083-430-028
25	New Frontiers Holdings Inc.	083-430-031
26	Satterthwaite Family Trust	083-430-030
27	Graef Family Trust (FKA Howard F. Williams)	083-430-022
28	The Jones Organization	083-330-024
29	Live Oak Bazzi Ranch, LP	083-330-012
30	Geraldine & William Mosby, Trustees	083-190-012
31	Lavendar Oak Ranch, LLC	083-190-013
32	Anne Chewning (FKA Debruin, Johannes & Nadine)	083-190-009
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-190-004
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-180-011
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-180-037
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-180-038
34	Givens, John & Carrie	083-180-013
34	Givens, John & Carrie	083-180-012
35	Baltoro Trust (AKA Chouinard Family Trust)	083-180-016
36	Valley Mobile Park Investments	099-690-001
37	Willemsen Family Trust	099-670-004
37	Willemsen Family Trust	099-670-005

38	Buellton Ranch LP	099-400-069
38	Buellton Ranch LP	099-400-073
38	Buellton Ranch LP	099-251-011
38	Buellton Ranch LP	099-251-063
38	Buellton Ranch LP	099-252-064
38	Buellton Ranch LP	099-252-008
39	Karen Ross (FKA Brian & Karen Keller)	099-400-090
40	ZACA Preserve, LLC	099-400-017
41	Powell - Hartman Family Trust	099-430-001
42	Stephen & Carissa Luke Family Trust	099-430-026
43	Deanerow, LLC	099-630-003
43	Deanerow, LLC	099-630-001
44	Buellton Sportsmens Association LLC	099-630-007
44	Buellton Sportsmens Association LLC	099-630-008
45	Maria R. McGee	099-640-003
46	Rancho La Purisima	099-640-006
46	Rancho La Purisima	099-640-005
47	Jeffrey Elings	099-040-025
48	Rancheria LLC	099-040-019
48	Rancheria LLC	099-040-009
49	Fred Chamberlin	133-151-058
50	Rancho San Juan, Inc.	133-110-062
51	Nolan Ranch, LLC	133-070-016
51	Nolan Ranch, LLC	133-070-015
51	Nolan Ranch, LLC	133-110-061
52	JTMT LLC (JT Ranch)	133-070-009
52	JTMT LLC (JT Ranch)	133-070-010

52	JTMT LLC (JT Ranch)	133-070-004
53	Flood Ranch Co.	133-070-027
53	Flood Ranch Co.	133-040-011
53	Flood Ranch Co.	133-010-024
53	Flood Ranch Co.	129-026-038
54	Lone Oak Springs Ranch, LLC	129-260-037
55	Dan & Marnie Donovan	129-260-030
56	Edwin Woods Jr. Separate Trust	129-260-033
56	Edwin Woods Jr. Separate Trust	129-260-031
57	Barbara Bank Revocable Trust	129-260-007
58	Tepusquet Ranch	129-050-014
59	Acquistapace Ranches LLC	131-130-016
60	H.D. & Carol Perrett	131-090-089
60	H.D. & Carol Perrett	131-190-016
60	H.D. & Carol Perrett	131-190-004
61	Marshall & Rhonda Munger Living Trust	131-090-024
61	Marshall & Rhonda Munger Living Trust	131-141-001
61	Marshall & Rhonda Munger Living Trust	131-090-023
62	Pensco Trust Company	131-090-073
63	Rory Oreilly	131-200-024
64	William Jr. & Sarah Moses	131-090-075
64	William Jr. & Sarah Moses	131-200-025
65	Barbara & Sivert Ross	131-200-013
66	Leno Louis DeLorenzi, Jr.	131-200-014
67	Libbey Trust	131-200-012
68	Timothy & Karissa Bennett	131-200-001
69	Barak & Alyssa Moffitt Revocable Trust	131-200-002

69	Barak & Alyssa Moffitt Revocable Trust	131-200-003
70	Manuel Valdez	131-190-005
71	Gerald Domingues	131-190-013
72	Robert Chin Pao Chou	131-190-006
73	Mary Lou Eleazar Cuellar	131-190-009
74	Leo & Marlene Miller Trust	131-190-008
75	Timothy & Freddie Larson	131-190-007
76	Mike & Denise McNutt	131-190-010
77	Tremper Trust	131-030-048
77	Tremper Trust	131-030-049
78	Bruce & Lynn Attig Family Trust	131-030-053
79	Quinones Family Trust	131-030-043
80	Hutchings Family Trust	131-030-003
80	Hutchings Family Trust	131-030-019
80	Hutchings Family Trust	131-030-021
80	Hutchings Family Trust	131-030-039
81	77 Broad Street LLC	131-010-026
81	77 Broad Street LLC	131-030-018
81	77 Broad Street LLC	131-010-066
82	Rinconada Ranch Association LLC	131-020-005
83	Thomas Rickard	094-381-015
84	James Rickard	094-381-010
85	Dennis Rickard (Deceased)	094-381-011
86	Robert Rickard	094-381-012
87	John Rickard	094-381-014
88	Hassan Baharloo	094-391-001
89	El Rancho Espanol de Cuyama No. 1	094-401-003

90	North Fork Cattle Co.	094-411-014
91	Glen H. Stoller	094-411-016
92	Heirs of Helen S. Reid	096-032-009
93	Brodiaea Inc.	096-141-004
93	Brodiaea Inc.	096-141-002
93	Brodiaea Inc.	096-141-003
93	Brodiaea Inc.	
94	Caliente Ranch Cuyama LLC	
94	Caliente Ranch Cuyama LLC	096-131-001
94	Caliente Ranch Cuyama LLC	096-121-001
94	Caliente Ranch Cuyama LLC	096-121-002
94	Caliente Ranch Cuyama LLC	096-411-008
94	Caliente Ranch Cuyama LLC	096-411-009
94	Caliente Ranch Cuyama LLC	096-421-012
94	Caliente Ranch Cuyama LLC	096-451-012
94	Caliente Ranch Cuyama LLC	149-300-010
94	Caliente Ranch Cuyama LLC	096-411-001
94	Caliente Ranch Cuyama LLC	147-030-012
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-006
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-023
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-013
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-019
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-015
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-016
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-020
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-004
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-005

95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-021
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-431-012
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-441-059
96	Diamond Farming CO	096-441-060
96	Diamond Farming CO	096-441-061
97	Constance Hawkins	096-191-003
98	Bolthouse Properties, LLC	096-441-065
98	Bolthouse Properties, LLC	096-441-026
99	Lapis Land Co.	096-441-025
99	Lapis Land Co.	096-441-012
99	Lapis Land Co.	096-441-013
99	Lapis Land Co.	096-441-014
99	Lapis Land Co.	096-441-015
100	Trust 4 LLC	240-260-021
100	Trust 4 LLC	240-260-19
100	Trust 4 LLC	240-260-10
100	Trust 4 LLC	240-260-13
100	Trust 4 LLC	240-260-11
100	Trust 4 LLC	240-251-02
100	Trust 4 LLC	239-232-02
101	Buena Vista Highland	240-260-15
102	Edmund Ansin Trust	239-232-03
102	Edmund Ansin Trust	239-231-21
102	Edmund Ansin Trust	239-231-18
102	Edmund Ansin Trust	239-231-06
103	Klipstein, Philip (Heirs)	239-231-07
104	Eyherabide Land Co., LLC	239-231-08

104	Eyherabide Land Co., LLC	239-212-14
104	Eyherabide Land Co., LLC	239-212-05
104	Eyherabide Land Co., LLC	239-212-10
104	Eyherabide Land Co., LLC	239-212-13
105	Beverly & Robert McGregor	239-211-18
106	Ballard Land Holdings, LLC	239-300-31
106	Ballard Land Holdings, LLC	239-300-14
106	Ballard Land Holdings, LLC	239-300-30
107	Abdi & Angelica Escobar	239-310-28
108	James Carlile	239-310-27
109	J.H. Kennedy	239-310-25
110	Alberta Weir Estate Trust	239-310-21
111	Robert Dodge	239-310-41
112	Ross, Louis H.	239-132-17
113	Gless Murcott Ranch, LLC	239-132-35
114	Joseph & Sharon Parker (FKA Trinity Partners)	099-750-001
115	Charles & Jill Rearick Survivor Trust	099-750-015
116	Signa Family Trust	099-750-018
117	Gosney Family Trust	099-750-019
118	David & Jennifer Ezell Living Trust	099-750-020
119	Kenneth Stevens	099-750-021
120	Barrett Wellington	099-750-022
121	B&K Buellton Homes LLC	099-750-023
122	Valley Dairy Road Land Trust	099-760-015
123	Gurdev Singh	099-760-016
124	James M Toscano	099-760-017
125	Ramon Leon	099-760-018

126	Rosalyn P Degraffinreid	099-760-019
127	Robert Joseph Mercado	099-760-020
128	Gerald Plier	099-760-021
129	Baker Family Trust	099-760-022
130	Elroy E & Virginia L Allain Living Trust	099-800-020
131	Ayala Roger (FKA Gregory D Tracy)	099-800-021
132	Ryan Metzger	099-800-017
133	Natalia S. Weed	099-800-022
134	Rexford Title, Inc.	099-800-023
135	Brian & Robyn Caplan	099-700-036

Exhibit B

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Present: The Honorable	Philip S. Gutierrez, United States District Judge		
	Wendy Hernandez		Not Reported
	Deputy Clerk		Court Reporter
	Attorneys Present for Plaintiff(s):		Attorneys Present for Defendant(s):
	Not Present		Not Present

Proceedings (In Chambers): The Court GRANTS IN PART and DENIES IN PART Plaintiffs’ motion for class certification

Before the Court is Plaintiffs Grey Fox, LLC, Maz Properties, Inc., Bean Blossom, LLC, Winter Hawk, LLC, Mark W. Tautrim, Trustee of the Mark. W Tautrim Revocable Trust, Live Oak Bazzi Ranch, L.P., JTMT, LLC, and Mike and Denise McNutt’s (collectively “Plaintiffs”) motion for class certification. *See* Dkt. # 92 (“*Mot.*”). Defendants Plains All American Pipeline, L.P. and Plains Pipeline, L.P. (“Defendants”) responded, *see* Dkt. # 95 (“*Opp.*”), and Plaintiffs replied, *see* Dkt. # 96 (“*Reply*”). The Court held a hearing on the matter on January 27, 2020. Having considered all of the papers and the arguments made at the hearing, the Court **GRANTS IN PART and DENIES IN PART** Plaintiffs’ motion for class certification.

I. Background

A. Factual Background

This action stems from the May 2015 rupture of an oil pipeline in Santa Barbara County.

Defendants own and operate two pipelines (collectively, the “Pipeline”) in Santa Barbara County: Line 901, an approximately 10-mile pipeline, and the adjoining Line 903, an approximately 130-mile pipeline. *See First Amended Complaint*, Dkt. # 71 (“*FAC*”) ¶ 2. The Pipeline runs through the real properties of Plaintiffs pursuant to written easement contracts. *Id.* ¶¶ 5, 66.

On May 19, 2015, the Pipeline ruptured, causing an oil spill that caused oil to flow onto property, coastal bluffs, the beach, and into the Pacific Ocean. *Id.* ¶ 77. The U.S. Department of Transportation Pipeline Hazardous Materials Safety Administration (“PHMSA”) ordered the

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Pipeline shut down. *Id.* ¶ 12. The PHMSA determined after a one-year investigation that the cause of the rupture was severe external corrosion, and that Plains had failed to detect or mitigate corrosion and timely detect and respond to the rupture. *Id.* ¶ 13. Plains allegedly failed to maintain the Pipeline. *Id.* ¶¶ 10 11.

The Pipeline was constructed in the late 1980s by Plains' predecessor-in-interest, Celeron Pipeline Company of California ("Celeron"). *Id.* ¶ 6. Prior to installing the Pipeline, Celeron executed written right-of-way grants, or easement contracts, with the owners of approximately 120 properties through which the existing Pipeline now travels. *Id.* Some of the original properties were further subdivided, and the easements now cover, and the Pipeline runs through, approximately 165 properties. *Id.*

The purpose of the easements was for Celeron and its successor in interest to install and maintain one pipeline through Plaintiffs' properties. *Id.* ¶ 72. The easement contracts provided a temporary construction easement of up to 100 feet, to install the Pipeline, each of which terminated when construction was completed. *Id.* ¶ 73. The temporary construction easement converted to a 25 to 50 foot wide permanent easement once the construction was completed. *Id.* The easements are substantially identical. *Id.* ¶ 8. In each easement contract, the property owner granted to Celeron a non-exclusive right-of-way and easement to take certain actions related to one pipeline, to "survey, lay, maintain, operate, repair, replace, and remove one underground pipeline and appurtenances thereto for the transportation of oil, gas, water and other substances" through the grantor's land. *Id.* ¶ 69. The grantor property owners did not convey any rights not contained in the easements. *Id.* ¶ 70.

The corrective measures ultimately required as a result of the PHMSA's investigation include replacement of the Pipeline, and various improvements. *Id.* ¶ 14. Subsequently, Plains sought regulatory approval for an entirely new pipeline system. *Id.* ¶ 17. In the permit application, Plains describes its plan to "abandon the existing pipelines," and "construct a replacement pipeline" which is intended to follow the same corridor as the existing pipeline along the same properties. *Id.* ¶ 17. The construction plan for the project contemplates constructing an entirely new pipeline system, utilizing hundreds of vehicles, hundreds of people, working six days a week on the properties. *Id.* ¶ 18. The work will include bulldozers, backhoes, tunneling beneath roads and rivers, welding, pressure testing, and backfill of resulting trenches. *Id.* ¶ 19. The construction corridor contemplated for the second pipeline will be between 100 and 200 feet or more, and a permanent maintenance corridor of at least 50 feet is sought (larger than the width of most current easements along the original pipeline). *Id.* ¶ 20.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 16-3157 PSG (JEMx) Date January 28, 2020

Title Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.

B. Procedural Background

On May 6, 2016, Plaintiffs filed this action against Defendants, *see* Dkt. # 1, and subsequently amended the complaint, *see FAC*. Plaintiffs bring the following causes of action:

First Claim for Relief: Declaratory relief limiting easement to “one pipeline.” *Id.* ¶¶ 157 70.

Second Claim for Relief: Declaratory relief for overburdening. *Id.* ¶¶ 171 76.

Third Claim for Relief: Injunctive relief. *Id.* ¶¶ 177 80.

Fourth Claim for Relief: Breach of written easement contract. *Id.* ¶¶ 181 93.

Fifth Claim for Relief: Negligent misrepresentation. *Id.* ¶¶ 194 202.

Sixth Claim for Relief: Negligence. *Id.* ¶¶ 203 11.

Seventh Claim for Relief: Violations of California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, et seq. *Id.* ¶¶ 212 25.

Eighth Claim for Relief: Breach of implied covenant of good faith & fair dealing. *Id.* ¶¶ 226 31.

Ninth Claim for Relief: Permanent nuisance. *Id.* ¶¶ 232 41.

Tenth Claim for Relief: Threatened nuisance. *Id.* ¶¶ 242 49.

Eleventh Claim for Relief: Trespass. *Id.* ¶¶ 250 58.

Twelfth Claim for Relief: Strict liability for ultrahazardous activities. *Id.* ¶¶ 259 69.

Thirteenth Claim for Relief: Negligence. *Id.* ¶¶ 270 79.

Fourteenth Claim for Relief: Breach of contract. *Id.* ¶¶ 280 84.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Subsequently, Defendants moved to dismiss, and the Court dismissed the fifth, seventh and ninth claims. *See* Dkt. # 80.

Plaintiffs now seek certification of a Rule 23(b)(2) Class for injunctive relief and/or declaratory relief. *See Mot.* 2:12 23. Plaintiffs do not now seek certification of their remaining claims for damages resulting from Plains' alleged failure to adequately maintain or remove the Pipeline, and will continue to pursue these damages claims. *See id.* 2:24 27. Plaintiffs seek to certify this Class on their first claim and second claim, for which they seek declaratory rulings, as well as their tenth claim for threatened nuisance, for which they seek injunctive relief. *See id.* 2:15 21. Although notice is not required, Plaintiffs propose direct mail notice to all Class members. *See id.* 3:9 12.

II. Legal Standard

“The class action is an ‘exception to the usual rule that litigation is conducted by and on behalf of the individual named parties only.’” *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 348 49 (2011) (citing *Califano v. Yamasaki*, 442 U.S. 682, 700 01 (1979)). In a motion for class certification, the burden is on the plaintiffs to make a prima facie showing that class certification is appropriate, *see In re Northern Dist. of Cal. Dalkon Shield IUD Liab. Litig.*, 693 F.2d 847, 854 (9th Cir. 1982), and the Court must conduct a “rigorous analysis” to determine the merit of plaintiffs’ arguments, *see Gen. Tel. Co. of Sw. v. Falcon*, 457 U.S. 147, 161 (1982). A plaintiff cannot merely allege the class certification requirements, instead a plaintiff bears the burden to “affirmatively demonstrate his compliance with the Rule.” *Dukes*, 564 U.S. at 350. Plaintiffs must be prepared to “prove” that there are “*in fact*” sufficiently numerous parties or that common questions exist, and frequently this will require some “overlap with the merits of the plaintiff’s underlying claim.” *Id.* at 350 51.

Federal Rule of Civil Procedure 23(a) provides that a class action may proceed only where “(1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the class; (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and (4) the representative parties will fairly and adequately protect the interests of the class.” Fed. R. Civ. P. 23(a). Additionally, plaintiffs must satisfy Rule 23(b)(1), (2), or (3). Here, Plaintiffs seek to certify a Rule 23(b)(2) class. Under Rule 23(b)(2), a class action may be maintained if: “the party opposing the class has acted or refused to act on grounds that apply generally to the class, so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole.”

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Although common issues must predominate for class certification under Rule 23(b)(3), no such requirement exists under 23(b)(2). *Walters v. Reno*, 145 F.3d 1032, 1047 (9th Cir. 1998).

III. Discussion

Plaintiff seeks to certify a Rule 23(b)(2) Class defined as:

All owners of real property through which Plains' Line 901 and/or Line 903 passes pursuant to Right-of-Way Grants.

Mot. 10:28 11:1.

Defendants support certification of Plaintiffs' first and second claims, except that they assert Plaintiffs cannot raise individualized course of conduct evidence involving individualized issues specific to each landowner. *See Opp.* 3 6. In addition, Defendants assert that Plaintiffs' tenth claim seeks individualized monetary relief and therefore is improper under Rule 23(b)(2).

The Court first addresses the Rule 23(b)(2) requirements as to each of Plaintiffs' claims, and simultaneously addresses Defendants' arguments. Then, the Court turns to the remaining requirements of Rule 23(a).

A. Rule 23(b)(2)

A Rule 23(b)(2) class may be certified if "the party opposing the class has acted or refused to act on grounds that apply generally to the class, so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole." "It is sufficient if class members complain of a pattern or practice that is generally applicable to the class as a whole." *Walters*, 145 F.3d at 1047. "The fact that some class members may have suffered no injury or different injuries from the challenged practice does not prevent the class from meeting the requirements of Rule 23(b)(2)." *Rodriguez v. Hayes*, 591 F.3d 1105, 1125 (9th Cir. 2010).

The Court assesses the Rule 23(b)(2) requirements as to Plaintiffs' first, second, and tenth claims in turn.

i. First and Second Claims for Declaratory Relief

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Plaintiffs' first claim alleges that "the Easements' terms, properly interpreted, only allow Plains' to put into the easement one pipeline and that one pipeline, the existing Line 901 and 903, was installed more than thirty years ago, and that Plains cannot install its contemplated pipeline without an adequate easement acquired either through consensual negotiations or, if Plains is so entitled, eminent domain," however, Defendants contend that "their ability under the Easements to 'repair' or 'replace' the one pipeline entitles them to install an entirely new pipeline system." *FAC* ¶¶ 159, 161. Plaintiffs seek a judicial determination regarding the "scope of Defendants' permissible rights under the easement contracts as related to Defendants intention to install the new pipeline system," and specifically "seek a judicial determination of their rights and duties and a declaration that use of the Easement is limited to one pipeline and that the easement's scope does not allow Defendants to install their new pipeline system." *Id.* ¶¶ 167 68.

Plaintiffs' second claim seeks declaratory relief and states that Plaintiffs "contend that the work required to construct and install a new pipeline, to the extent not otherwise prohibited, overburdens and otherwise exceeds the allowed uses of the Easements and is therefore not permissible." *Id.* ¶ 174. Plaintiffs seek a judicial determination that "will establish the extent to which the Easements may be used," and that "Defendants have no right to overburden the Easements by constructing and installing a new pipeline." *Id.* ¶¶ 174 76.

Plains has acted on grounds that apply generally to the proposed Class: Plaintiffs allege that it has failed to safely operate its Pipeline which crosses through each and every Class member's property resulting in the oil spill. *Mot.* 14:8 9; *FAC* ¶¶ 5, 77. Plains' actions have affected each Class member similarly: Plaintiffs allege that the Pipeline continues to corrode and decay on Class members' properties. *Mot.* 14:10 11. Plains has submitted a plan a to install a second pipeline through the Class members' properties, and Plains' position "is that it does not have to negotiate new easement rights to lay and install a new, second pipeline system." *Id.* 14:12 14; *FAC* ¶¶ 17 20. Plaintiffs' first two causes of action seek clarification of the terms of the easement, and whether new easements are required to construct a new pipeline. *FAC* ¶¶ 157 76. The relief "will provide each and every Class member with the necessary clarity of Plains' obligations vis-à-vis their properties," and this relief is "uniform across the entire class." *Mot.* 14:23 25; *Dukes*, 564 U.S. at 360. Accordingly, the Court concludes that the Rule 23(b)(2) requirements are satisfied as to Plaintiffs' first and second claims for declaratory relief.

Finally, the parties agree that "individualized course of conduct evidence" specific to each landowner will not be introduced. *Reply* 1:19 21. In their opposition, Defendants assert that certification is inappropriate if Plaintiffs plan to raise individualized course of conduct

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

evidence involving individualized issues specific to each landowner. *See Opp.* 3 6. Courts often find certification inappropriate where individualized extrinsic evidence is relevant to a contract interpretation question. *Id.* 5:5 19; *Monaco v. Bear Stearns Companies, Inc.*, No. CV 09-05438 SJO JCX, 2012 WL 10006987, at *8 (C.D. Cal. Dec. 10, 2012) (where individualized extrinsic evidence was needed to determine intent of putative class members and parties, because the contract language was ambiguous on its face, common issues did not predominate); *Gregurek v. United of Omaha Life Ins. Co.*, No. CV 05-6067GHK(FMOX), 2009 WL 4723137, at *7 (C.D. Cal. Nov. 10, 2009) (same). Courts do, however, permit certification where extrinsic evidence is standardized and uniform. *Opp.* 5:20 26; *In re First All. Mortg. Co.*, 471 F.3d 977, 991 (9th Cir. 2006) (class treatment appropriate and commonality requirement satisfied in fraud case where there was a standardized sales pitch, and centrally-orchestrated scheme by defendant); *In re Am. Cont'l Corp./Lincoln Sav. & Loan Sec. Litig.*, 140 F.R.D. 425, 430 (D. Ariz. 1992). Plaintiffs respond that they will not rely on individualized course of conduct evidence about each affected property, although they might seek to introduce common course of conduct evidence of Plains' actions. *Reply* 1:19 21, 2:21 28. Because there is no dispute on this point: the parties agree they will not present such individualized evidence, the Court does not consider this a hurdle to certification of the class under the Rule 23(a) or (b)(2) requirements.

ii. Tenth Claim for Threatened Nuisance

Plaintiffs' tenth claim for threatened nuisance alleges that Defendants' planned construction of a second pipeline "will necessarily burden Plaintiffs' properties unreasonably beyond the parameters of the existing easements," and constitutes a threatened nuisance on property owners' land because the "necessary work will also cause noise, vibration, dust and the release of noxious and malodorous gases, fumes, and other contaminants to further pollute the land and air in the vicinity of and over Plaintiffs' properties," and the "construction, maintenance and on-going presence of the second Pipeline will result in interference with Plaintiffs' comfortable enjoyment of life and property and injury to the health of Plaintiffs and their families." *FAC* ¶¶ 244 46. Plaintiffs assert that "[u]nless Defendants are enjoined," they will suffer irreparable injury to their health and land. *Id.* ¶ 248. Plaintiffs seek an injunction (1) "prohibiting Defendants from attempting to utilize the existing Easements for the construction and maintenance of new Lines 901R and 903R," and (2) "requiring them to provide appropriate compensation to Plaintiffs for the additional property rights and ongoing risk, burden and access needed to complete the process and consistently maintain the Pipeline in a sound matter." *Id.* ¶ 249.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Defendants argue that: (1) the first provision of Plaintiffs' requested injunction is duplicative of their first and second claims, and (2) the second seeks "individualized monetary relief," which is not appropriate under Rule 23(b)(2). *Opp.* 7:4 8.

First, Plaintiffs' claim seeking an injunction prohibiting Defendants from utilizing the existing easements for new lines under a threatened nuisance theory, even if "derivative" of Plaintiffs' first and second claims, is not improper. *See Reply* 5:6 13 ("Plaintiffs seek an injunction confirming that . . . Plains cannot ignore Plaintiffs' property rights and its own duties in tort . . . [t]he claims might result in similar remedies, but Plains offers no authority for the proposition that it is improper to certify multiple claims seeking the same relief, and Plaintiffs are aware of none."). As this injunction would provide uniform relief to the class as a whole, it meets the requirements of Rule 23(b)(2).

As to the second provision, Defendants argue that Plaintiffs are seeking the Court's determination of "appropriate" compensation to Plaintiffs in connection with the anticipated replacement project; and seeking an injunction "to determine the proper amount of monetary compensation for each Plaintiff" is inappropriate under the Rule. *Opp.* 9:1 5. Plaintiffs respond that they are not seeking a determination of the appropriate amount of compensation to each Plaintiff, but instead seeking an injunction "preventing Plains from beginning its massive construction project without first complying with California law by paying the class for the nuisance it will cause." *Reply* 3:8 12. Defendants state that Plaintiffs are essentially "cloaking a claim for damages as injunctive relief." *Opp.* 11:7 8.

A claim requiring "individualized determinations of eligibility for damages" is not appropriate for certification as a Rule 23(b)(2) class. *Fowler v. Guerin*, 899 F.3d 1112, 1120 (9th Cir. 2018). In *Dukes*, the Supreme Court explained that a class of Wal-Mart female employees alleging a discriminatory policy and seeking backpay as well as injunctive and declaratory relief could not be certified under Rule 23(b)(2) because the "individualized relief" of backpay claims did not satisfy the Rule's requirements. 564 U.S. at 360. "The key to the (b)(2) class is 'the indivisible nature of the injunctive or declaratory remedy warranted the notion that the conduct is such that it can be enjoined or declared unlawful only as to all of the class members or as to none of them.'" *Id.* (quotation omitted). Rule 23(b)(2) applies "only when a single injunction or declaratory judgment would provide relief to each member of the class. It does not authorize class certification when each individual class member would be entitled to a different injunction or declaratory judgment against the defendant. Similarly, it does not authorize class certification when each class member would be entitled to an individualized award of monetary damages." *Id.* at 360 61.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

But the Rule does not prohibit the certification of monetary claims entirely: a claim seeking an “indivisible injunction benefitting all its members at once,” even if related to damages, may be certified under the Rule. *Fowler*, 899 F.3d at 1120; *see also Dukes*, 564 U.S. at 360. In *Fowler*, the district court denied certification of a Rule 23(b)(2) class of public school teachers who sued the Washington State Department of Retirement Systems, alleging that it skimmed interest from their state-management retirement accounts. 899 F.3d at 1115-16. The defendant withheld interest, and the teachers sought an injunction “ordering the [defendant] to return savings taken from them,” by applying “a computerized formula to [the defendant’s] electronic records.” *Id.* at 1117-18, 1120. The district court concluded that the claim was really one for individualized monetary relief. *Id.* at 1120. The Ninth Circuit reversed, because the defendant’s policy denying daily interest “can be enjoined or declared unlawful only as to all of the class members, or as to none of them.” *Id.* The teachers did not bring a claim requiring individualized damage determinations, but instead the relief sought “correcting the entire records system for the class” which was in the nature of injunctive relief. *Id.*

The Court concludes it is not appropriate to certify a Rule 23(b)(2) class for the second provision of the requested injunction.¹ On the one hand, Plaintiffs do not simply seek an order for past damages, like the back pay in *Dukes*. *See Dukes*, 564 U.S. at 360. But, although prospective, the injunctive relief they request would require Defendants “to provide compensation” of particular and potentially differing amounts, for construction of a second pipeline on various properties. *See FAC* ¶ 249. Unlike in *Fowler*, where the injunction constituted a final order to the defendant to “apply a single formula” to correct the amount of interest to each class members’ account, the injunction requested here would require the payment of unspecified “appropriate” amounts to each class member should Defendants construct a second pipeline. *See Fowler*, 899 F.3d at 1120. A “plaintiff cannot transform a claim for damages into an equitable action by asking for an injunction that orders the payment of money.” *Richards v. Delta Air Lines, Inc.*, 453 F.3d 525, 531 (D.C. Cir. 2006); *Jamie S. v. Milwaukee Pub. Schs.*, 668 F.3d 481, 499 (7th Cir. 2012) (Rule 23(b)(2) inappropriate “if as a substantive matter the relief sought would merely initiate a process through which highly individualized determinations of liability and remedy are made”); *Cholakyan v. Mercedes-Benz, USA, LLC*, 281 F.R.D. 534, 561 (C.D. Cal. 2012). “[T]he declaratory judgment should perform the same function as an injunction. It should not lay the basis for a later damage award.” *Sarafin v.*

¹ The Court also notes that the second provision is a natural result of the first: if the Court enjoins Defendants from constructing a second pipeline by utilizing the existing easements, it follows that Defendants would have to negotiate different contracts with each property owner and provide some compensation for construction of a second pipeline.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Sears, Roebuck & Co., 446 F. Supp. 611, 615 (N.D. Ill. 1978) (citing 7A, Wright & Miller, Federal Practice & Procedure, s 1775 at 22 (1972)). While Plaintiffs argue that they are not requesting that the Court make individual determinations of the amount owed to each prospective Class member, it is unclear how an order requiring payment of an unspecified amount contingent on a future action would be “final.” See *Reply* 3:8 12. There would need to be a determination of the “appropriate” compensation as to each Plaintiffs’ specific property rights. See *Opp.* 11:21 25.

Plaintiffs argue that “specific problems with provisions” of a potential injunction are “not reasons to reject a class at the certification stage.” *Reply* 6:9 15. Courts will “bifurcate the action into liability and damages phases and certify a (b)(2) class on liability only, postponing consideration of whether certification is appropriate for the damages phase until plaintiffs have made it that far.” *Taylor v. D.C. Water & Sewer Auth.*, 241 F.R.D. 33, 47 (D.D.C. 2007) (in employment discrimination case, certifying (b)(2) class for injunctive relief regarding defendant’s pattern-and-practice liability, while postponing decision concerning certification of a (b)(3) damages class until after liability is adjudicated). But the Court is not convinced that bifurcation solves the problem of potentially certifying a class to pursue an injunction targeted at monetary compensation, and whether that is appropriate under Rule 23(b)(2).

Finally, Plaintiffs request that, if the Court finds that the second provision does not satisfy Rule 23(b)(2), the Court certify the class “in a manner that allows it to pursue the remaining injunctive relief” under the tenth cause of action: “a prohibition on the utilization of existing easements for the construction and maintenance of new oil transportation lines.”¹ *Reply* 7:1 16; *Raffin v. Mediacredit, Inc.*, No. CV 15-4912-GHK (PJWx), 2017 WL 131745, at *10 (C.D. Cal. Jan. 3, 2017) (“But Mediacredit fails to consider that we can certify Raffin’s claim for injunctive relief under (b)(2) and her claim for monetary relief under (b)(3).”).

The Court concludes that the second provision of Plaintiffs’ request for injunctive relief is impermissible under Rule 23(b)(2), but the first provision is permissible. Certifying a class action for the injunctive relief identified in the first provision of Plaintiffs’ tenth cause of action is appropriate under Rule 23(b)(2).

¹ The Court quotes directly from the language in Plaintiffs’ reply brief. In addition, the language requesting injunctive relief for the tenth claim in the FAC is as follows: “prohibiting Defendants from attempting to utilize the existing Easements for the construction and maintenance of new Lines 901R and 903R.” *FAC* ¶ 249.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

B. Rule 23(a)

The Court addresses the proposed Class's satisfaction of each of the Rule 23(a) requirements in turn.

i. *Numerosity*

Rule 23(a)(1) requires a proposed class be "so numerous that joinder of all members is impracticable." When the number of class members exceeds forty, the numerosity requirement is generally met. *See Rannis v. Recchia*, 380 Fed. App'x 646, 650 51 (9th Cir. 2010).

Here, the proposed Class includes more than 100 members; the pipeline covers approximately 165 parcels of property. *See FAC* ¶¶ 6, 62, 73. The Court concludes that numerosity is met.

ii. *Commonality*

"Federal Rule of Civil Procedure 23(a)(2) conditions class certification on demonstrating that members of the proposed class share common 'questions of law or fact.'" *Stockwell v. City & Cty. of San Francisco*, 749 F.3d 1107, 1111 (9th Cir. 2014). The commonality "analysis does not turn on the number of common questions, but on their relevance to the factual and legal issues at the core of the purported class' claims." *Jimenez v. Allstate Ins. Co.*, 765 F.3d 1161, 1165 (9th Cir. 2014). "[A] class meets Rule 23(a)(2)'s commonality requirement when the common questions it has raised are 'apt to drive the resolution of the litigation,' no matter their number." *Id.*

Plaintiffs' first claim requests declaratory relief that Plains has no right to install a second pipeline under the terms of the Right-of-Way Grants for "one pipeline." *Mot.* 11:23 25; *FAC* ¶¶ 157 70. Common questions include "whether Plains' felonious misconduct for failing to maintain the Pipeline in a usable condition renders the Right-of-Way Grants void," and if they are enforceable, whether they permit installation of a second pipeline. *Mot.* 11:25 12:4; *Home Real Estate Co. v. Los Angeles Pac. Co.*, 163 Cal. 710, 716 (1912) (finding railroad company's easement voided because the railroad failed to operate the easement according to its purpose and permitted a part of the track to become impassable).

Plaintiffs' second claim requests declaratory relief for overburdening of the Right-of-Way Grants. Common questions include "whether the installation of a second pipeline alongside the

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

first pipeline is incompatible with the nature of the easements such that an injunction is required.” *Mot.* 12:5 11; *Crimmins v. Gould*, 149 Cal. App. 2d 383, 391 (1957).

Plaintiffs’ tenth claim for threatened nuisance, as discussed above, contains two provisions: “prohibiting Defendants from attempting to utilize the existing Easements” for new lines and “requiring them to provide appropriate compensation.” *FAC* ¶ 249. Common questions include whether Plains’ construction plan to build a second pipeline system through Plaintiffs’ properties “will be a disturbance” that “interferes with the Class’s use and enjoyment of their properties.” *Mot.* 12:12 16. Whether the plan constitutes a threatened nuisance is a common question.

The Court concludes that each of Plaintiffs’ claims for injunctive and declaratory relief raise common questions of fact and law.

iii. Typicality

Rule 23(a)(3) requires that the claims or defenses of the named Plaintiffs be “typical of the claims or defenses of the class.” “[R]epresentative claims are ‘typical’ if they are reasonably co-extensive with those of absent class members; they need not be substantially identical.” *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1020 (9th Cir. 1998). “The test of typicality ‘is whether other members have the same or similar injury, whether the action is based on conduct which is not unique to the named plaintiffs, and whether other class members have been injured by the same course of conduct.’” *Evon v. Law Offices of Sidney Mickell*, 688 F.3d 1015, 1030 (9th Cir. 2012).

Here, like the absent class members with private property through which Plains’ Pipeline runs, Plains’ Pipeline runs through each of the Class Representatives’ private properties. *Mot.* 12:24 25; *FAC* ¶¶ 36 56. Like the absent class members, the Pipeline was installed on Representatives’ properties according to substantially similar Right-of-Way Grants. *Mot.* 12:25 27; *FAC* ¶¶ 36 56. Like the absent class members, the Representatives acquired or purchased their property for value without any notice of the claim that the easement governing the existing Pipeline allowed installation of a second pipeline. *Mot.* 12:27 13:1; *FAC* ¶¶ 36 56. The Court is satisfied that the typicality requirement is met.

iv. Adequacy

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3157 PSG (JEMx)	Date	January 28, 2020
Title	Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.		

Rule 23(a)(4) requires that the class representatives “will fairly and adequately protect the interests of the class.” Representation is adequate when the named plaintiffs and their counsel do not “have any conflicts of interest with other class members” and the named plaintiffs and their counsel will “prosecute the action vigorously on behalf of the class.” *Evon*, 688 F.3d at 1031.

The proposed Class Representatives each “volunteered to represent the Class because of his or her commitment to pursuing this litigation,” and there are “no conflicts among them, because they all seek the same injunctive relief.” *Mot.* 13:8 11. The Court is satisfied that the Class Representatives do not have conflicts and are adequate representatives. Class Counsel “remain committed to vigorously prosecuting this litigation for the putative Class.” *Id.* 13:11 13. The same Class Counsel is currently representing certified classes who were impacted by Plains’ oil spill, and this Court has found Class Counsel adequate to represent the fisher and property subclasses. *See Andrews et al. v. Plains et al.*, 2:15-cv-04113-PSG-JEM, Dkts. # 257, 457. The Court is satisfied that Class Counsel is adequate.

v. *Summation*

The Court concludes that the proposed Class satisfies all the requirements of Rule 23(a). In addition, the Court is satisfied that the proposed Class’s first claim for declaratory relief, second claim for declaratory relief, and the first provision of Plaintiffs’ tenth claim for injunctive relief for threatened nuisance satisfy the requirements of Rule 23(b)(2). The Court concludes that the second provision of the tenth claim is not appropriate for certification under Rule 23(b)(2).

IV. Conclusion

Because the Court concludes that the proposed Class satisfies the requirements of Rule 23(a) and Rule 23(b)(2), the Court **GRANTS IN PART** and **DENIES IN PART** Plaintiffs’ motion for class certification. For their first and second claims for declaratory relief, and tenth claim for injunctive relief under the first provision, the Court **CERTIFIES** the following Class pursuant to Rule 23(b)(2):

All owners of real property through which Plains’ Line 901 and/or Line 903 passes pursuant to Right-of-Way Grants.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 16-3157 PSG (JEMx) Date January 28, 2020

Title Grey Fox, LLC et al. v. Plains All American Pipeline, L.P. et al.

Plaintiffs Grey Fox LLC, MAZ Properties, Inc., Mark W. Tautrim, Trustee of the Mark W. Tautrim Revocable Trust, Live Oak Bazzi Ranch L.P., JTMT, LLC, and Mike and Denise McNutt are **APPOINTED** to serve as Class Representatives. Lief Cabraser Heimann & Bernstein, LLP, Keller Rohrback L.L.P., and Cappello & Noël LLP are **APPOINTED** to serve as Class Counsel. Although notice is not required, Plaintiffs have proposed direct mail notice to all Class members. *See Mot.* 3:9 12.

IT IS SO ORDERED.

Exhibit C

Sable Offshore Corp.
Investor Presentation



Disclaimer

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This presentation has been prepared solely for informational purposes and is being provided to you solely in your capacity as a prospective investor in considering an investment in Flame Acquisition Corp., (the "SPAC"), which will become the successor to Sable in a business combination (as defined below) and will be the issuer, in a private placement, of the PIPE securities described in this presentation. This presentation does not purport to contain all of the information that may be required or desired by you in order to evaluate the investment described in this presentation. This presentation shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation or sale would be unlawful. Neither the U.S. Securities and Exchange Commission (the "SEC") nor any securities commission of any other U.S. or non-U.S. jurisdiction has approved or disapproved of the securities in the proposed PIPE offering or of the proposed business combination as contemplated hereby or determined that this presentation is truthful or complete. Any representation to the contrary is a criminal offense. In all cases, interested parties should consult their own legal, regulatory, tax, business, financial and accounting advisors to the extent they deem necessary, and must make their own investment decision and perform their own independent investigation and analysis of the investment described in this presentation. Investors should be aware that they might be required to bear the final risk of their investment for an indefinite period of time. The securities referred to herein have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. Unless they are registered, any such securities may be offered and sold only in transactions that are exempt from registration under the Securities Act and the securities laws of any other jurisdiction.

No representations or warranties, express or implied are given in, or in respect of, this presentation and the accuracy, completeness or reliability of the information contained in this presentation. To the fullest extent permitted by law, in no circumstances will Sable, the SPAC, any bank serving as a placement agent in the proposed PIPE securities or any of their respective subsidiaries, security holders, affiliates, representatives, partners, directors, officers, employees, advisers, or agents be responsible or liable for any direct, indirect, or consequential loss or loss of profit arising from the use of this presentation, its contents, its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith. This information is subject to change.

FORWARD LOOKING STATEMENTS

The information in this presentation and the oral statements made in connection therewith include "forward looking statements" within the meaning of Section 27 A of the Securities Act and Section 21 E of the Securities Exchange Act of 1934 as amended. Forward-looking statements include information concerning assets of Exxon Mobil Corporation's ("Exxon"), Sable's or the SPAC's possible or assumed future results of operations, business strategies, debt levels, competitive position, industry environment, potential growth opportunities and effects of regulation, including Sable's ability to close the transaction to acquire Exxon's assets (the "asset acquisition"). Sable's ability to close the transaction with the SPAC (the "SPAC transaction" and, together with the asset acquisition, the "business combination"). When used in this presentation, including any oral statements made in connection therewith, the words "could," "should," "will," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," "continue," "plan," "forecast," "predict," "potential," "future," "outlook," and "target," the negative of such terms and other similar expressions are intended to identify forward looking statements, although not all forward looking statements will contain such identifying words. These forward looking statements are based on Sable's and the SPAC's management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Except as otherwise required by applicable law, Sable and the SPAC disclaim any duty to update any forward looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation. Sable and the SPAC caution you that these forward looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Sable and the SPAC, incidental to the development, production, gathering, transportation and sale of oil, natural gas and natural gas liquids. These risks include, but are not limited to, (a) the occurrence of any event, change or other circumstance that could give rise to the termination of negotiations and any subsequent definitive agreements with respect to the business combination; (b) the outcome of any legal proceedings that may be instituted against Sable, the SPAC or others following the announcement of the business combination and any definitive agreements with respect thereto; (c) the inability to complete the business combination due to the failure to obtain approval of the shareholders of the SPAC, to obtain financing to complete the business combination or to satisfy other conditions to closing; (d) the ability to meet the applicable stock exchange listing standards following the consummation of the business combination; (e) the ability to recommence production of the assets acquired in the asset acquisition and the cost and time required therefor, production levels once recommenced; (f) commodity price volatility, low prices for oil and/or natural gas, global economic conditions, inflation, increased operating costs, lack of availability of drilling and production equipment, supplies, services and qualified personnel, processing volumes and pipeline throughput; (g) uncertainties related to new technologies, geographical concentration of operations, environmental risks, weather risks, security risks, drilling and other operating risks, regulatory changes and regulatory risks; (h) the uncertainty inherent in estimating oil and natural gas reserves and in projecting future rates of production; (i) reductions in cash flow and lack of access to capital; (j) the SPAC's ability to satisfy future cash obligations; (k) restrictions in existing or future debt agreements or structured or other financing arrangements; (l) the timing of development expenditures, managing growth and integration of acquisitions, and failure to realize expected value creation from acquisitions; and (m) the ability to recognize the anticipated benefits of the business combination. Should one or more of the risks or uncertainties described in this presentation and the oral statements made in connection therewith occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward looking statements. You should also carefully consider the risks and uncertainties described in the "Risk Factors" section of the SPAC's registration statement on Form S-1 and its Annual Report on Form 10-K for the year ended December 31, 2021. In addition, there will be risks and uncertainties described in the proxy statement on Form DEF 14A relating to the proposed business combination, which is expected to be filed by the SPAC with the Securities and Exchange Commission (the "SEC"), and other documents filed by the SPAC and Sable from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. The SPAC's SEC filings are available publicly on the SEC's website at www.sec.gov.

Disclaimer (Cont'd)

PARTICIPANTS IN A SOLICITATION

In connection with the proposed business combination, the parties intend to prepare and file with the SEC a preliminary proxy statement of the SPAC and to mail a definitive proxy statement relating to the proposed business combination to the SPAC's stockholders as of a record date to be established for voting on the proposed business combination. Stockholders and other interested persons are urged to read these documents and any amendments thereto, as well as any other relevant documents filed with the SEC when they become available because they will contain important information about Sable, the SPAC and the proposed business combination. Stockholders will also be able to obtain free copies of the preliminary proxy statement, the definitive proxy statement and other documents filed with the SEC, once available, without charge, at the SEC's website located at www.sec.gov, or by directing a request to Flame Acquisition Corp., 700 Milam Street Suite 3300, Houston, TX 77002. Sable, the SPAC and their respective directors and executive officers and other persons may be deemed to be participants in the solicitations of proxies from the SPAC's stockholders in respect of the proposed business combination and the other matters set forth in the proxy statement. Information regarding the SPAC's directors and executive officers is available in the SPAC's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which was filed with the SEC and is available free of charge at the SEC's website located at www.sec.gov, or by directing a request to Flame Acquisition Corp., 700 Milam Street Suite 3300, Houston, TX 77002. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests by security holdings or otherwise, will be contained in the proxy statement relating to the proposed business combination when it becomes available.

NON-PRODUCING ASSETS

The assets that are the subject of the asset acquisition and the business combination have not produced commercial quantities of hydrocarbons since the assets were shut-in during May of 2015 when the only pipeline transporting hydrocarbons produced from such assets to market ceased operations. We estimate in this presentation that production can be recommenced by January 1, 2024; however, there can be no assurance that the necessary permits will be obtained that would allow the pipeline to recommence transportation and allow the assets to recommence production by that date or at all. If production is not recommenced by January 1, 2026, the terms of the asset acquisition with Exxon Mobil Corporation ("Exxon") would result in the assets, which are expected to be the major assets of the SPAC at the closing of the business combination, being reverted to Exxon without any compensation to the SPAC therefor as further described in this presentation.

OIL AND GAS RESOURCE AND RESERVE INFORMATION

This presentation includes information regarding estimates of oil and natural gas resources and reserves attributable to the assets that are the subject of the business combination. Although this presentation refers to "reserves," none of the oil and gas resources attributable to the assets are currently classifiable as proved or other reserves because, since the cessation of operations on the pipeline transporting production from the assets, there has been no means to deliver production from the assets to market.

Sable has obtained a report (the "NSAI Report") from Netherland, Sewell & Associates, Inc. ("NSAI"), independent petroleum consultants, with respect to the estimated net contingent resources attributable to the acquired assets and the related pre-tax discounted (at 10%) future net contingent cash flow from such contingent resources, as of December 31, 2021, based on 12-month unweighted arithmetic average of the first-day-of-the-month prices for each month in the period from January to December 2021.

As defined by the Society of Petroleum Engineers and used in the NSAI Report, "contingent resources" are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable. Contingent resource estimates may be characterized further as 1C (low estimate), 2C (best estimate) and 3C (high estimate). The contingent resources reflected in the NSAI Report are, as stated in the report, category 1C (low estimate). The NSAI Report states that the estimates included in the report are contingent on (1) approval from federal, state and local regulators to restart production, (2) reestablishment of oil transportation systems to deliver production to market, and (3) commitment to restart the wells and facilities. The NSAI Report states that, if these contingencies are successfully addressed, some portion of the contingent resources estimated in the report may be reclassified as reserves but notes that the estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. The NSAI Report does not address (1) the portion of the contingent resources that could be reclassified as reserves if the contingencies are successfully addressed or (2) whether or to what extent any of the contingent resources that could be so reclassified would be classified as proved, probable or possible reserves.

The reserve and resource estimates and related future cash flow information included in this presentation reflect management's estimates, based in part on the contingent resources estimated in the NSAI Report and supplemented by management's own estimates of contingent resources attributable to the acquired assets and using the pricing and other assumptions noted in this presentation, of the reserves that would be attributable to the acquired assets if the contingencies had been addressed successfully on the date as of which the reserve information is presented.

Reserve engineering is a process of estimating underground accumulations of hydrocarbons that cannot be measured in an exact way. The accuracy of any resource or reserve estimate depends on the quality of available data, the interpretation of such data, and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing, and production activities may justify revisions of estimates that were made previously. If significant, such revisions could impact the combined company's strategy and change the schedule of any production and development drilling. Accordingly, resource or reserve estimates may differ significantly from the quantities of oil and natural gas that are ultimately recovered.

Disclaimer (Cont'd)

USE OF PROJECTIONS

This presentation contains financial projections for Sable and the SPAC (as successor to Sable in the business combination) after giving effect to the business combination, including with respect to its future revenues, EBITDA, capital expenditures and non-GAAP cash flow measures referred to under "Use of Non-GAAP Financial Measures" below. Neither Sable's nor the SPAC's auditors have audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and, accordingly, no such auditors have expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the projected information are inherently uncertain and are subject to a wide variety of significant business, regulatory, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projected information. Even if the assumptions and estimates are correct, projections are inherently uncertain due to a number of factors outside Sable and the SPAC's control. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the SPAC after completion of the business combination or that actual results will not differ materially from those presented in the projected information. Inclusion of the projected information in this presentation should not be regarded as a representation by any person, including, without limitation, Sable, the SPAC and any placement agent, that the results contained in the projected information will be achieved.

USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes projections for Sable and the SPAC (as successor to Sable in the business combination) of certain non-GAAP financial measures (including on a forward-looking basis) after giving effect to the business combination, including EBITDA, Unlevered Free Cash Flow, and Levered Free Cash Flow. Sable defines EBITDA as net income before interest expense, income tax expense and depletion, depreciation and amortization. Sable defines (1) Unlevered Free Cash Flow as EBITDA minus capital expenditures, (2) Levered Free Cash Flow as Unlevered Free Cash Flow minus interest expense, and (3) Net free cash flow as revenue less operating expenses, taxes, and capital expenditures. Sable believes that these measures are useful to investors for the following reasons. First, Sable believes that these measures may assist investors in evaluating the SPAC's projected future performance and ability to pay cash dividends to its stockholders by excluding the impact of items that do not reflect core operating performance or that are not expected to affect the ability of the SPAC to pay cash dividends to its stockholders. Second, these measures are expected to be used by Sable's management to assess the SPAC's performance following completion of the business combination. Sable believes that the future, continuing use of these non-GAAP financial measures will provide an additional tool for investors to use in evaluating ongoing operating results and trends over various reporting periods on a consistent basis. These non-GAAP financial measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Other companies may calculate these non-GAAP financial measures differently, and therefore such financial measures may not be directly comparable to similarly tilted measures of other companies.

INDUSTRY AND MARKET DATA

This presentation has been prepared by Sable and includes market data and other statistical information from sources believed by Sable to be reliable, including independent industry publications, governmental publications or other published independent sources. Some data is also based on the good faith estimates of Sable, which are derived from their review of internal sources as well as the independent sources described above. Although Sable believes these sources are reliable, neither Sable, the SPAC nor any placement agent has independently verified the information and can guarantee its accuracy and completeness.

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Key Transaction Highlights

Sable Offshore Corp. ("Sable") has entered into an agreement to merge with Flame Acquisition Corp. ("FLME", "Flame", or the "Company"). Sable has separately agreed to acquire the Santa Ynez Field and associated assets ("Santa Ynez", "SYU", or the "Acquired Assets") from ExxonMobil ("Exxon")

Acquisition Background

- Proprietarily sourced, bi-laterally negotiated, and seller financed**
- Identified by Sable / Flame executives as a foundational public company asset and exclusively negotiated with Exxon
 - Purchase price is financed by a 1st Lien Term Loan held by Exxon

High Quality Asset

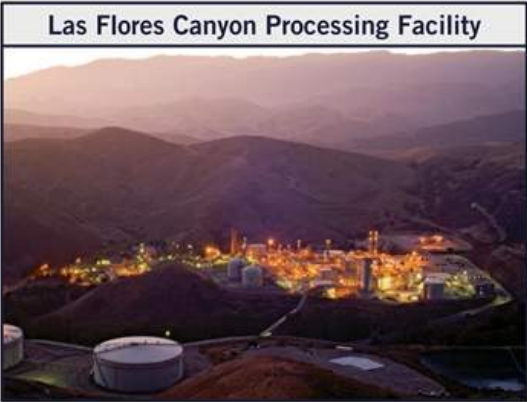
- Santa Ynez is a massive oil-weighted resource**
- Three offshore platforms located in federal waters north of Santa Barbara, California
 - Wholly owned onshore production treatment facilities
 - Discovered in 1968 with significant production history
 - >100 identified infill drilling and step-out opportunities, along with workovers and ESP ⁽¹⁾ installation on existing wellbores

Pathway to Production

- Asset re-start process well underway**
- Facilities well maintained during downtime; ~34 MBoe/d average gross production in 2014 prior to shut-in for pipeline leak
 - March 2020 consent decree establishes path for pipeline restart; permitting process well underway
 - Target online date of January 2024

Highly-Qualified Stewards of the Asset

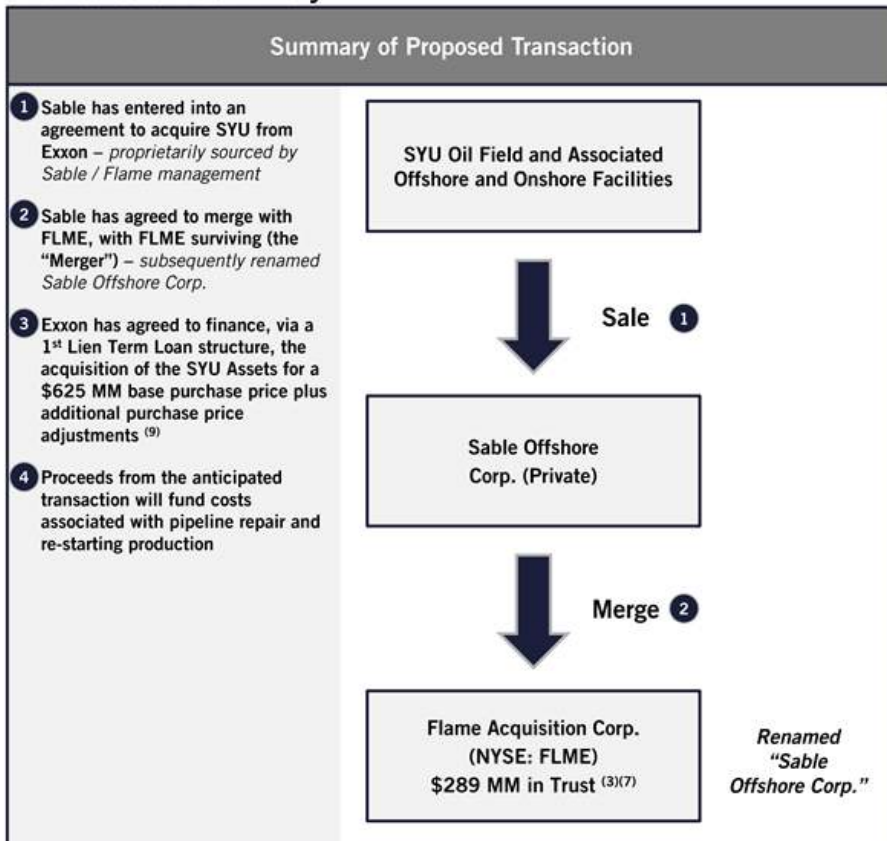
- Sable management are well-qualified to operate Santa Ynez**
- Exemplary track record of operating safely in California and offshore ⁽²⁾
 - Demonstrated expertise via numerous awards from state and federal agencies
 - Developing strategy for carbon capture and underground storage ("CCUS") leveraging existing infrastructure and access



⁽¹⁾ Electric submersible pump.

⁽²⁾ While at Plains Exploration & Production, current Sable management team operated platforms included Irene at Point Pedernales and Hidalgo, Harvest and Hermosa at Point Arguello.

Transaction Summary



Indicative Transaction Overview

Sources of Funds (\$MM)	
3 1L Term Loan (Net of \$19 MM Deposit) ⁽¹⁾	\$623
PIPE ⁽²⁾	300
Cash in Trust ⁽³⁾	289
Total Sources of Funds	\$1,212
Uses of Funds (\$MM)	
Assumption of 1L Term Loan	\$623
Cash to Balance Sheet	258
4 Start-Up Expenses & Accrued LOE ⁽⁴⁾	331
Total Uses of Funds	\$1,212

Pro Forma Capitalization

	Capitalization	% Ownership
Share Price	\$10.00	NA
Merger Consideration Shares ⁽⁵⁾⁽⁶⁾	3.0	4%
Founders Shares	7.2	10%
PIPE Shares	30.0	44%
IPO Shares	28.8	42%
Pro Forma Shares Outstanding ⁽⁷⁾	68.9	100%
Equity Value (\$MM)	\$689	NA
1L Term Loan (Net of Deposit) ⁽¹⁾	623	NA
Cash on Balance Sheet ⁽⁸⁾	430	NA
Net Debt	\$194	NA
Pro Forma Enterprise Value	\$883	NA

(1) Key terms of Exxon's 1st Lien Term Loan: Interest: 10.00% per annum, compounded annually with payment-in-kind (subject to borrower's right to pay in cash) and payable on the Maturity Date; to be accrued from January 1, 2022 Effective Time. Maturity: Will occur on the earlier of (a) the 5th anniversary of the Effective Time and (b) 180 days after restart production. No Call / Pre-Payment Penalty: Can repay or pay down a portion at any time without penalty.

(2) Sable is targeting a total of \$300 MM in financing prior to closing.

(3) Cash in trust account as of 9/30/2022. Assumes no stockholder redemptions at closing. FLME may seek other arrangements to offset any stockholder redemptions at closing.

(4) Estimate includes (i) cash start-up expenses of \$172 MM for bringing the Acquired Assets online by the estimated production re-start date of Q1 2024, (ii) post-effective date accrued LOE of \$75 MM incurred from January 1, 2022 effective date associated with ongoing maintenance, (iii) transaction fees and expenses of \$65 MM, and (iv) deposit paid to Exxon of \$19 MM.

(5) Does not include 3.6 MM incentive shares to be issued pursuant to post-closing grants to Sable senior management, which are subject to vesting and lockup periods. The 3.6 MM incentive shares may be adjusted to a lesser number of shares on a proportionate basis such that the number of incentive shares and merger consideration shares, together, will not represent greater than 15% of the outstanding Flame shares immediately following the Merger (taking into account the issuance of shares in the PIPE and redemptions in connection with the Merger).

(6) Consists of 3.0 MM shares to be issued to Jim Flores as consideration for his equity in the Merger, which are subject to lockup period.

(7) Enterprise metrics assume 100% participation from IPO shareholders and pro forma shares outstanding of 68.9 MM (3.0 MM Merger Consideration Shares, 7.2 MM Founders Shares, 30.0 MM PIPE Shares, and 28.8 MM IPO Shares).

(8) Cash balance includes \$258 MM of cash plus \$172 MM of cash for start-up expenses, \$300 MM PIPE financing.

(9) \$643 MM principal balance inclusive of additional purchase price adjustments; \$623 MM remaining after payment of \$19 MM deposit.

Key Investment Highlights

Santa Ynez & Sable are Highly Integrated, Synergistic Assets with a Compelling Investment Profile

	<i>Consistent with Flame Investment Thesis</i>	1
	<i>Experienced Executive & Operations Team with Offshore California Expertise</i>	2
	<i>Commitment to ESG & Best-in-Class Operations</i>	3
	<i>Oil-Weighted Asset with Substantial Production Base & Anticipated Upside</i>	4
	<i>Wholly-Owned Infrastructure Including Oil, Gas, and Water Processing & Pipeline</i>	5
	<i>Attractive Financial Metrics & Commitment to Return of Capital Program</i>	6
	<i>Enterprise Benchmarks Very Favorably vs. Public Peers</i>	7
<i>Santa Ynez is a Differentiated, Value Driven Opportunity</i>		



1 Strategically Aligned with Flame Thesis

✓	Attractive Returns	<ul style="list-style-type: none"> Asset acquisition metrics are very favorable against intrinsic value and public benchmarking 	✓	Conservative Leverage Profile	<ul style="list-style-type: none"> Sable management targeting long-term leverage ratios of ~1.0x to maximize flexibility for distributions, development or acquisitions
✓	Significant Free Cash Flow	<ul style="list-style-type: none"> Modest reinvestment required in the near-term as Sable focuses on workovers and ESP⁽¹⁾ installation on existing wellbores 	✓	Bolt-on Acquisition Opportunities	<ul style="list-style-type: none"> Numerous opportunities to grow asset base, however, must be accretive to cash flow and ROCE
✓	Substantial Upside	<ul style="list-style-type: none"> De-risked reservoir first discovered in the 1960's Potential for additional growth with accelerated development 	✓	Access to Infrastructure & End Markets	<ul style="list-style-type: none"> Wholly owned pipeline and processing will preserve margin Oil sales contracts linked to Brent Crude
✓	High Operational Control	<ul style="list-style-type: none"> 100% Sable operated with favorable 16.4% royalty burden 	✓	HS&E Stewardship	<ul style="list-style-type: none"> Sable is well-qualified to own the asset given our HS&E ⁽²⁾ and operational track record Opportunity for CCUS utilizing existing assets

(1) Electrical submersible pump.
(2) Health, safety and environment.

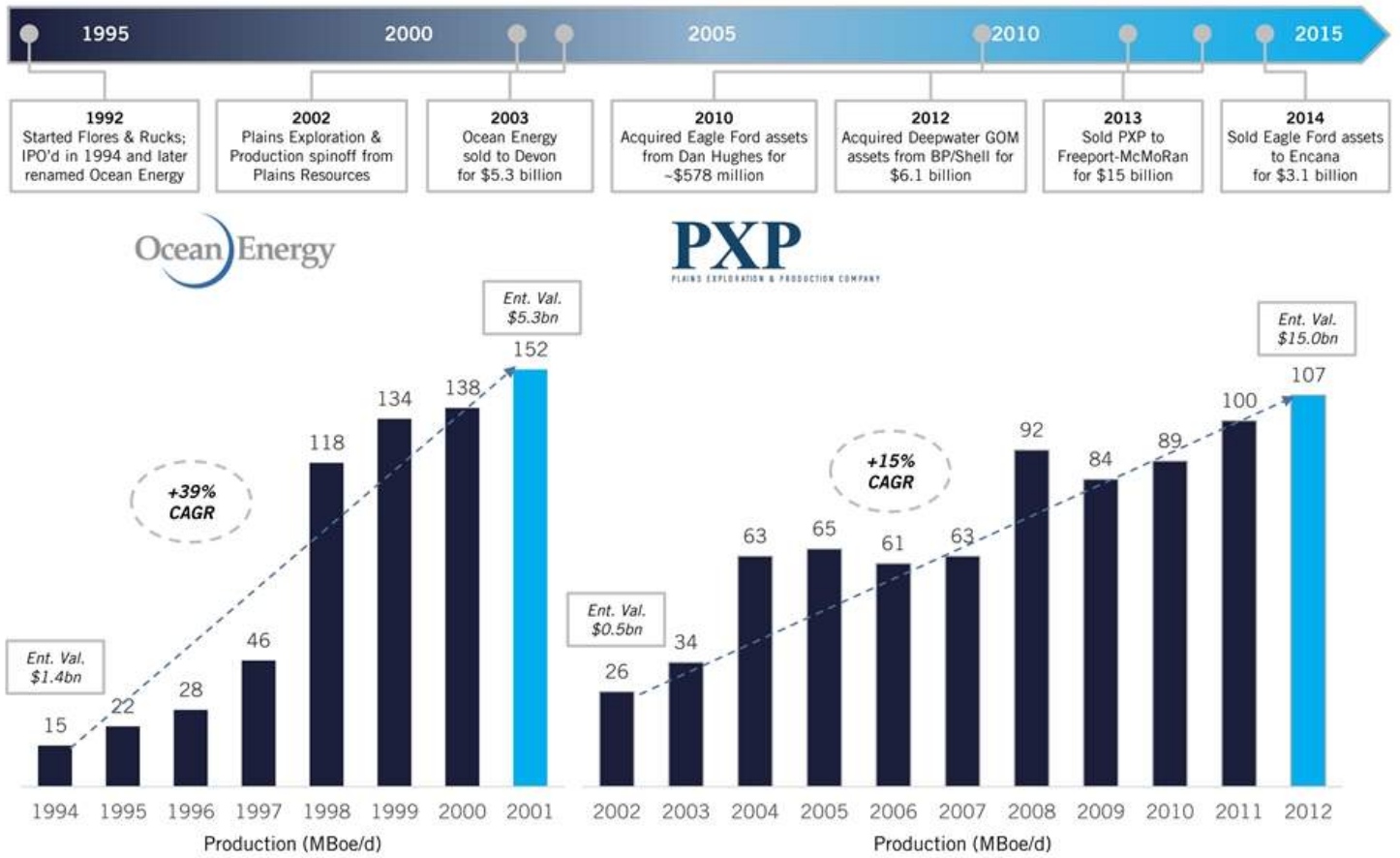
2 Sable – Management Team

Sable has Re-Assembled its Premier Management and Operations Team

<p>Jim Flores <i>Chairman of the Board and Chief Executive Officer</i></p>		<ul style="list-style-type: none"> Mr. Flores is Sable's founder and has served as the Chairman and Chief Executive Officer since its inception From May 2017 until February 2021, Mr. Flores served as Chairman, Chief Executive Officer and President of Sable Permian Resources Prior to Sable Permian Resources, Mr. Flores served as Vice Chairman of Freeport-McMoRan, Inc. and CEO of Freeport-McMoRan Oil & Gas, a wholly owned subsidiary of Freeport-McMoRan Inc. From 2001 until 2013, Mr. Flores was the Chairman, CEO and President of Plains Exploration & Production Company and Chairman and CEO of Plains Resources Inc. Mr. Flores founded and oversaw the IPO of Flores & Rucks, renamed Ocean Energy, and served multiple offices including President, CEO, Vice Chair and Chairman through 2001
<p>Gregory Patrinely <i>Chief Financial Officer</i></p>		<ul style="list-style-type: none"> Mr. Patrinely has served as the Chief Financial Officer of Sable since its inception From June 2018 until February 2021, Mr. Patrinely served as Executive Vice President and Chief Financial Officer of Sable Permian Resources Mr. Patrinely previously served as Treasurer for Sable Permian Resources, from May 2017 to June 2018, where he oversaw the financial analysis and execution of refinancing, restructuring and acquisition efforts Prior to Sable Permian Resources, Mr. Patrinely was a Manager in the Acquisitions & Divestments Group of Freeport-McMoRan Oil & Gas, a wholly owned subsidiary of Freeport-McMoRan Inc.



2 Sable – Management Team History of Value Creation



3 Sable Management Team Has a Strong ESG & Operational Track Record in California

Sable Management Team is an Award-Winning California Operator

Offshore Highlights

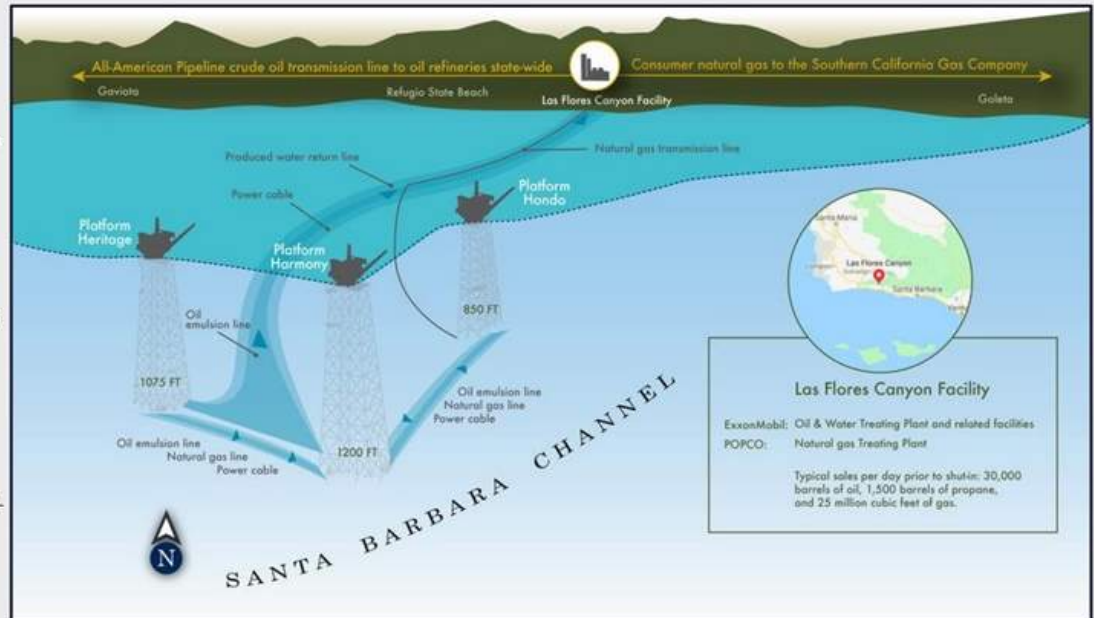
- In 2004, Received Santa Barbara County's First and Only "Resolution for Good Operator" Recognizing PXP's Outstanding Operating Performance
- In 2004, Ranked MMS's Best Operator in the Pacific OCS for Safety of Platform and Pipeline Operations
- In 2008, Santa Barbara County Commendation for Outstanding Maintenance Practices at LOGP

 <ul style="list-style-type: none"> ▪ 2011: Occupational Excellence Achievement Award for 21 PXP locations ▪ 2010: Occupational Excellence Achievement Award for PXP's California Los Angeles Basin San Vicente and Packard locations ▪ 2009 – 2010: Perfect Record Award for operating 11,390 employee hours without occupational injury or illness involving days away from work ▪ 2009: National Industry Leadership Award ▪ 2008: Occupational Excellence Achievement Awards for Outstanding Safety Practices ▪ 2007: Occupational Excellence Achievement Awards for Outstanding Safety Practices 	 <ul style="list-style-type: none"> ▪ 2008: Recipient of the Environmental Lease Maintenance Award ▪ 2007: Recipient of the Environmental Lease Maintenance Award ▪ 2006: Recipient of the Clean Lease Awards ▪ 2006: Recipient of the Environmental Lease Maintenance Award ▪ 2005: Recipient of the Environmental Lease Maintenance Award ▪ 2004: Recipient of the Environmental Lease Maintenance Award 	 <ul style="list-style-type: none"> ▪ 2006: U.S. Bureau of Land Management Operator of the Year Award ▪ 2006: Best Management Practices National Award in the area of Habitat Conservation
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4 SYU – Premier Offshore Project Developed by Exxon Over 40+ Years

SYU Development Background

- **Discovered in 1968, over the course of 14 years Exxon consolidated more than a dozen offshore federal oil leases into a streamlined production unit known as SYU**
 - SYU construction began in 1976 with Platform Hondo, with first production in 1981, followed by Platform Harmony and Platform Heritage (both online in 1994); both Harmony and Heritage have dedicated rigs for future development
 - SYU includes 112 wells (90 producers, 12 injectors, 10 idle); sizable inventory of infill drilling and additional step-out drilling opportunities ⁽¹⁾
 - Platforms located 5 to 9 miles offshore Santa Barbara County in shallow water depths of 900-1,200' ⁽²⁾
- **Wholly owned onshore oil and natural gas processing facility at Las Flores Canyon (not visible from highway)**
- **Shut in since June 2015 due to pipeline issue (Plains All-American Pipeline ("AAPL") operated)**
 - Production at all Exxon platforms and facilities was safely suspended. SYU was placed into a preserved state with regular inspections and maintenance
 - AAPL received Consent Decree and is undertaking work to restart
 - Targeting potential SYU restart in January 2024
 - Exxon acquired pipeline from AAPL
- **Sable has agreed to acquire ownership and assume operatorship of the AAPL pipeline**
- **Sable actively evaluating strategy for CCUS utilizing existing infrastructure and access**



(1) Sable management have identified >100 infill drilling and step-out opportunities.

(2) Primary Reservoir: Miocene Monterey formation (Sour low-gravity oil (4-26 API); Secondary Reservoirs: Oligocene and Eocene oil/gas sandstone (Sweet high-gravity oil (35 API)).

4 SYU – Significant Production History & Significant Resource Potential

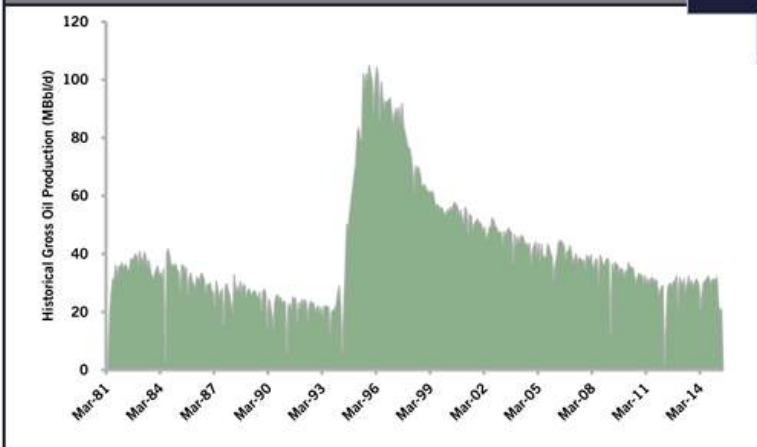
Santa Ynez Unit Overview

- Between 1981 and 2014, SYU produced over 671 MMBoe
 - Production averaged 29 MBbl/d and 27 MMcf/d in 2014 (gross), the last full year when the asset was online
 - Low, stable decline anticipated of ~8% on average annually from existing PDP over the next five years ⁽¹⁾
- Sable has also identified >100 additional infill development and step-out opportunities across the leasehold
 - In 2010, Exxon drilled the world's longest extended-reach well from an existing fixed platform drilling rig, increasing the ability to produce more oil from existing facilities; the well extends more than six miles horizontally



Robust Production Prior to Pipeline Closure

1 Billion + Barrels Recoverable



SYU Reservoir Characterization	1,700'	Original Oil Column
	(300')	Depleted Oil
	(400')	Gas Cap Expansion
	1,000'	Oil Column Remaining
Massive Resource	1,094	MMBoe of Net Recoverable Total Reserves
	(561)	MMBoe of Net Cum. Prod.
	533	MMBoe of Remaining 1P Including 133 NSAI PDP and Company Estimates for Total Undeveloped ⁽²⁾

Note: Management estimates are inherently uncertain. Actual results may differ in a material amount from management estimates and projections.
 (1) 5-year period begins after production re-start date in January 2024.
 (2) NYMEX SEC category for nonproducing reserves is contingent.

5 Wholly-Owned Infrastructure at Las Flores Canyon Reduces Cash Costs

Las Flores Canyon Cogeneration & Processing Facility

- Fully integrated oil and gas processing facilities to be acquired by Sable for managing 100% of the SYU produced volumes with additional capacity for future SYU development
- Gas and NGL volumes sold into the Southern California market to homes and businesses and oil volumes sold against Brent to local refineries
- Sable management believes that the facilities have been well maintained during the downtime and the asset restart process is well underway having received a consent decree in Q4 2020 establishing path for AAPL's pipeline restart
- Evaluating significant CCUS opportunity leveraging existing infrastructure and access

Crude Storage Tanks

- 540 kbbl capacity

Biologic Water Treating Plant

- Free Oil Removal
- Degassing
- Biological Treatment

Go-Generation Power Plant

- Gas Turbine (40 MW)
- Steam Generation
- Steam Turbine (10 MW)

Oil Treating Plant

- Crude Dehydration
- Crude Stabilization
- Gas Separation & Compression

Transportation Terminal

Produced Water Pipeline

LPG Storage & Loading

POPCO Gas Plant

- Gas Sweetening
- NGL Fractionation
- Sulfur Recovery
- Gas Compression

Gas Processing Plant

- Gas Sweetening
- Sulfur Recovery
- NGL Fractionation
- Fuel Gas sent to Power Plant
- CCUS opportunities available through existing infrastructure

6 Substantial Run-Rate Cash Flow Generation Once SYU Re-Start is Complete...

Ability to Implement a Robust Shareholder Return Policy Once SYU is Online

Forecast & Financial Summary		Overview of Financial Projections – “Run Rate” Annual Cash Flow ⁽¹⁾																																																																																																																																									
<ul style="list-style-type: none"> Run-Rate period reflects the first 12 months after production re-start, which is January 2024 through December 2024 Sable management anticipate initial production rates of 28.1 MBoe/d based upon historic production, reservoir characteristics, and precedent shut-in events Forecast PDP decline of ~8% per annum for the initial five years after production re-start based upon management forecast; NSAI decline forecast of ~8% Management capital forecast assumes ~\$27 MM of annual ESP capex in first three years of production, along with ~\$5 MM of annual average capex attributable to the workover program over the same period; ~\$36 MM of annual average capex attributable to sidetrack drilling beginning one year after production start ⁽⁵⁾ Asset generates significant free cash flow and Sable anticipates implementing a robust dividend policy once the asset is online As part of the acquisition and asset re-start, Sable will have a large NOL that will limit corporate cash taxes in the near-term Sable management also plans to implement a hedging strategy after production restarts that caps downside and preserves upside ⁽⁷⁾ 																																																																																																																																											
<table border="1"> <thead> <tr> <th colspan="2">Pre-Production Estimated Costs & Expenses (\$MM) ⁽⁸⁾</th> </tr> </thead> <tbody> <tr> <td>Operating Expenses ⁽⁹⁾</td> <td>\$60</td> </tr> <tr> <td>General & Administrative</td> <td>37</td> </tr> <tr> <td>Pipeline Repair ⁽¹⁰⁾</td> <td>75</td> </tr> <tr> <td>Total Pre-Production Costs & Expenses</td> <td>\$172</td> </tr> </tbody> </table>		Pre-Production Estimated Costs & Expenses (\$MM) ⁽⁸⁾		Operating Expenses ⁽⁹⁾	\$60	General & Administrative	37	Pipeline Repair ⁽¹⁰⁾	75	Total Pre-Production Costs & Expenses	\$172	<table border="1"> <thead> <tr> <th></th> <th>Strip ⁽²⁾</th> <th>\$90 / \$4.50</th> <th>\$80.00 / \$4.50</th> </tr> </thead> <tbody> <tr> <td>Benchmark Price (\$ / Bbl)</td> <td>\$78.14</td> <td>\$90.00</td> <td>\$80.00</td> </tr> <tr> <td>Benchmark Price (\$ / MMBtu)</td> <td>\$4.69</td> <td>\$4.50</td> <td>\$4.50</td> </tr> <tr> <td>Oil Production (MMBoe)</td> <td>9</td> <td>9</td> <td>9</td> </tr> <tr> <td>Gas Production (Bcf)</td> <td>9</td> <td>9</td> <td>9</td> </tr> <tr> <td>NGL Production (MMBoe)</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total Production (MMBoe)</td> <td>10</td> <td>10</td> <td>10</td> </tr> <tr> <td>Daily Rate (MBoe/d)</td> <td>28.1</td> <td>28.1</td> <td>28.1</td> </tr> <tr> <td>% Oil</td> <td>85%</td> <td>85%</td> <td>85%</td> </tr> <tr> <td>Oil Revenue</td> <td>\$641</td> <td>\$744</td> <td>\$657</td> </tr> <tr> <td>Gas Revenue</td> <td>44</td> <td>42</td> <td>42</td> </tr> <tr> <td>NGL Revenue</td> <td>4</td> <td>5</td> <td>4</td> </tr> <tr> <td>Total Revenue</td> <td>\$688</td> <td>\$790</td> <td>\$703</td> </tr> <tr> <td>Production Expenses</td> <td>(168)</td> <td>(168)</td> <td>(168)</td> </tr> <tr> <td>Production Taxes</td> <td>(5)</td> <td>(6)</td> <td>(5)</td> </tr> <tr> <td>General & Administrative</td> <td>(38)</td> <td>(38)</td> <td>(38)</td> </tr> <tr> <td>Interest Expense</td> <td>(75)</td> <td>(75)</td> <td>(75)</td> </tr> <tr> <td>Depreciation Expense</td> <td>(0)</td> <td>(0)</td> <td>(0)</td> </tr> <tr> <td>Income Taxes</td> <td>(0)</td> <td>(0)</td> <td>(0)</td> </tr> <tr> <td>Net Income</td> <td>\$402</td> <td>\$503</td> <td>\$416</td> </tr> <tr> <td>Interest Expense</td> <td>75</td> <td>75</td> <td>75</td> </tr> <tr> <td>Depreciation Expense</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Income Taxes</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>EBITDA ⁽³⁾</td> <td>\$477</td> <td>\$579</td> <td>\$492</td> </tr> <tr> <td>Pro Forma Enterprise Value / EBITDA ⁽⁴⁾</td> <td>1.8x</td> <td>1.5x</td> <td>1.8x</td> </tr> <tr> <td>Capital Expenditures ⁽⁵⁾</td> <td>(30)</td> <td>(30)</td> <td>(30)</td> </tr> <tr> <td>Unlevered Free Cash Flow ⁽³⁾</td> <td>\$447</td> <td>\$549</td> <td>\$462</td> </tr> <tr> <td>Interest Expense</td> <td>(75)</td> <td>(75)</td> <td>(75)</td> </tr> <tr> <td>Levered Free Cash Flow ⁽³⁾</td> <td>\$372</td> <td>\$473</td> <td>\$386</td> </tr> <tr> <td>Total Debt ⁽⁶⁾</td> <td>\$623</td> <td>\$623</td> <td>\$623</td> </tr> <tr> <td>Total Debt / Run-Rate EBITDA</td> <td>1.3x</td> <td>1.1x</td> <td>1.3x</td> </tr> </tbody> </table>					Strip ⁽²⁾	\$90 / \$4.50	\$80.00 / \$4.50	Benchmark Price (\$ / Bbl)	\$78.14	\$90.00	\$80.00	Benchmark Price (\$ / MMBtu)	\$4.69	\$4.50	\$4.50	Oil Production (MMBoe)	9	9	9	Gas Production (Bcf)	9	9	9	NGL Production (MMBoe)	0	0	0	Total Production (MMBoe)	10	10	10	Daily Rate (MBoe/d)	28.1	28.1	28.1	% Oil	85%	85%	85%	Oil Revenue	\$641	\$744	\$657	Gas Revenue	44	42	42	NGL Revenue	4	5	4	Total Revenue	\$688	\$790	\$703	Production Expenses	(168)	(168)	(168)	Production Taxes	(5)	(6)	(5)	General & Administrative	(38)	(38)	(38)	Interest Expense	(75)	(75)	(75)	Depreciation Expense	(0)	(0)	(0)	Income Taxes	(0)	(0)	(0)	Net Income	\$402	\$503	\$416	Interest Expense	75	75	75	Depreciation Expense	0	0	0	Income Taxes	0	0	0	EBITDA ⁽³⁾	\$477	\$579	\$492	Pro Forma Enterprise Value / EBITDA ⁽⁴⁾	1.8x	1.5x	1.8x	Capital Expenditures ⁽⁵⁾	(30)	(30)	(30)	Unlevered Free Cash Flow ⁽³⁾	\$447	\$549	\$462	Interest Expense	(75)	(75)	(75)	Levered Free Cash Flow ⁽³⁾	\$372	\$473	\$386	Total Debt ⁽⁶⁾	\$623	\$623	\$623	Total Debt / Run-Rate EBITDA	1.3x	1.1x	1.3x
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(1) Estimated re-start date of January 2024. Run-rate period reflects 12 months of cash flows following production re-start, which is January 2024 through December 2024. In \$MM unless otherwise noted.

(2) 2024 monthly NYMEX Brent Crude and Henry Hub pricing as of October 5, 2022.

(3) Sable defines EBITDA as net income before interest expense, income tax expense and depletion, depreciation and amortization. Sable defines Unlevered Free Cash Flow as EBITDA minus capital expenditures. Sable defines Levered Free Cash Flow as Unlevered Free Cash Flow minus interest expense.

(4) Pro Forma Enterprise Value (“TEV”) metrics assume 100% participation from IPO shareholders, \$300 MM in PIPE financing and pro forma shares outstanding of 68.9 MM (3.0 MM Merger Consideration Shares, 7.2 MM Founders Shares, 30.0 MM PIPE Shares, and 28.8 MM IPO Shares), and \$10.00 per share.

(5) Sable management anticipates near-term capital expenditures will be focused on workovers and ESP installation to improve production from existing producing wellbores.

(6) Reflects initial balance of the Exxon 1st Lien Term Loan less \$19 MM deposit.

(7) Hedge plan likely to consist of costless deferred premium put spread / 3-way collar strategy. Hedging strategy is consistent with Sable management prior experience.

(8) Estimated costs for the annual period prior to production re-start in January 2024. Excludes post-effective date accrued LOE of \$75 MM post-effective date incurred from January 1, 2022 effective date associated with ongoing maintenance, transaction fees and expenses of \$65 MM, and deposit paid to Exxon of \$19 MM.

(9) Estimated annual pre-production opex prior to production start date.

(10) Estimated pipeline repairs accrued prior to production start date.

7 ...& Attractive Valuation Relative to Peer Group

	Category	Acquired Asset Metric ⁽¹⁾	PF Multiple	Peer Average ⁽²⁾
Highest Yield of the Peer Group	1 st Full Year Unlevered Free Cash Flow Yield (%) ⁽³⁾	\$447 MM ⁽⁴⁾	51%	25% ⁽⁵⁾
32% Discount to Peer Group on TEV / EBITDA	TEV / 1 st Full Year EBITDA ⁽³⁾	\$477 MM ⁽⁴⁾	1.8x	2.7x ⁽⁵⁾
Deep Discount to Intrinsic Value	NSAI Contingent PDP PV-10 / TEV	\$1,745 MM	1.9x	NA ⁽⁶⁾
71% Discount to Peer Group on PDP Reserves	TEV / NSAI Contingent PDP Reserves (\$/Boe)	133 MMBoe ⁽⁷⁾	\$6.64	\$23.23
38% Discount to Peer Group on Net Production	TEV / Net Production (\$/MBoe/d)	28.1 MBoe/d ⁽⁸⁾	\$31,358	\$50,834

Note: Sable metrics assume NYMEX Brent Pricing as of October 5, 2022 and effective date of January 1, 2022, and are based on management estimates. Management estimates are inherently uncertain. Actual results may differ in a material amount from management estimates and projections. Sable TEV assumes no redemptions and \$10.00 per share.

(1) Assumes NYMEX Brent Pricing as of October 5, 2022.

(2) Peer group includes: BRY, CHR, CIVI, CRC, KOS, MGY, MUR, TALO and WTI as of October 5, 2022. TALO pro forma for EnVen Energy.

(3) Sable defines EBITDA as net income before interest expense, income tax expense and depletion, depreciation and amortization. Sable defines Unlevered Free Cash Flow as EBITDA minus capital expenditures.

(4) Reflects cash flows from first 12 months online: January 2024 – December 2024.

(5) Reflects 2023E metrics.

(6) Peer group does not disclose PDP PV-10 metrics at a similar pricing and effective date.

(7) NYMEX SEC category for nonproducing reserves is contingent; NSAI PDP increased due to extension of field life with development drilling program and management estimated LOE.

(8) Reflects January 2024 through December 2024 production.

7 Favorable Operational & Financial Metrics

I	Large Production Base	~28 MBoe/d Net Production Forecast Once Online	■ Substantial production base that is ~80% oil with decades of productive history
II	High Margin	~\$46.47 / Boe ⁽¹⁾⁽²⁾ Run-Rate EBITDA Margin	■ Supported by wholly owned infrastructure and access to Brent oil pricing
III	Substantial Free Cash Flow & Distribution Capacity	\$372 MM ⁽¹⁾⁽²⁾ Run-Rate Levered Free Cash Flow	■ High cash distribution capacity relative to peers given reduced reinvestment rates and shallower decline profile
IV	Attractive Valuation	1.8x ⁽¹⁾⁽²⁾ TEV / Run-Rate EBITDA	■ Implied pro forma enterprise value represents a significant discount vs. the peer group ⁽⁵⁾
V	Conservative Leverage Profile	~1.3x ⁽¹⁾⁽²⁾ Total Debt / Run-Rate EBITDA	■ Asset de-levers quickly once online toward long-term target of ~1.0x, with excess cash funding distributions ■ Ability to refinance at lower rates once the asset is on-line
VI	Low Reinvestment	<15% ⁽¹⁾⁽³⁾⁽⁴⁾ 5-year Average Reinvestment Rate	■ Low investment required to maintain production and cash flow ■ Benchmarks favorably vs. public peer group ⁽⁵⁾
VII	Deep Inventory Opportunity	>100 Identified, Undrilled Opportunities	■ Highly economic oil development opportunities representing infill and step-out locations with decades of performance history
VIII	Shallow Decline	~8% YoY ⁽³⁾ 5-Year Annual Average PDP Decline	■ Shallow decline profile reduces reinvestment rate required to maintain projected production

Note: Management estimates are inherently uncertain. Actual results may differ in a material amount from management estimates and projections.

(1) Reflects October 5, 2022 NYMEX Brent pricing.

(2) Run-Rate reflects period from January 2024 through December 2024 after the production re-start date. Sable defines EBITDA as net income before interest expense, income tax expense and depletion, depreciation and amortization. Sable defines Levered Free Cash Flow as Unlevered Free Cash Flow minus interest expense.

(3) 5-year period begins after production re-start date in January 2024.

(4) Reinvestment rate defined as annual capex divided by EBITDA.

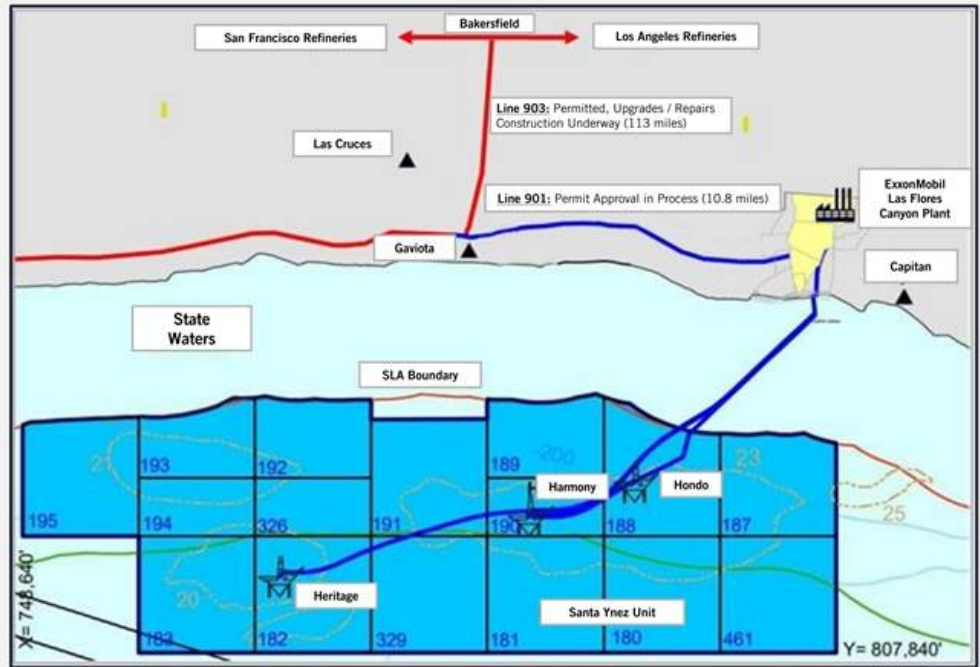
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Additional Detail

SYU Acreage Overview

Acreage Overview

- **Offshore Position**
 - 16 Federal Leases, ~76,000 acres
 - First leased in 1968
- **Santa Ynez Unit Agreement**
 - Effective date: November 12, 1970
 - Unit blocks: OCS-P 180, 181, 182, 183, 187, 188, 189, 190, 191, 192, 193, 194, 195, 326, 329, 461
 - Exxon operated, 100% WI, 83.6% NRI
 - Annual lease extensions granted by BSEE since shut-in; supported by quarterly updates
- **Onshore Position**
 - ~1,480 surface acres, facilities occupy ~35 acres
 - Facilities 100% Sable owned and operated (previously owned and operated by Exxon)



SYU Pipeline Status

Significant Planning Effort Underway to Prepare for Restart

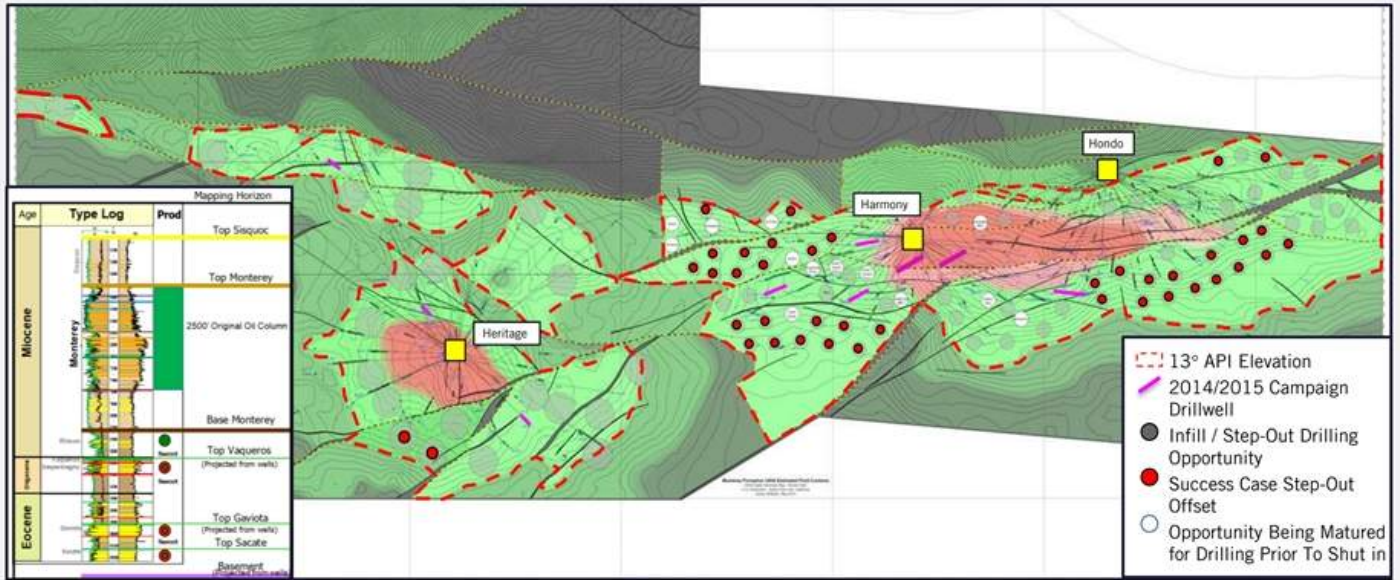
- 4/1/21 AAPL submission to the California Fire Marshal (“OSFM”) for approval of the AB864/Consent Decree compliance plans
- 12/4/21 OSFM accepts AAPL’s AB 864 Supplemental Implementation Plan
- 3Q22 zoning clearance approved; awaiting appeal process resolution before requesting final OSFM approval for 901/903 restart
- 1Q24 Sable targets possible restart of the onshore and offshore facilities
 - March 2020 consent decree establishes path for 901/903 restart
- Exxon purchased pipeline from AAPL

		1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	
901/903	Approvals				★ Approval AB864			★ Zoning Clearances				★ OSFM Final Approval						
	Regulatory Work																	
	Integrity and Construction																	
SYU	Field Activities:																	
	Restaffing / Contracting																	
	LFC / SYU Restart																	★ SYU Full Restart (target)

Undrilled Inventory Overview

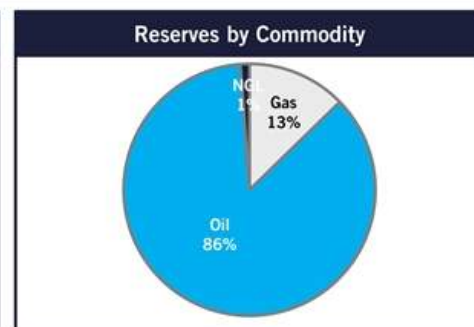
New Drill Inventory Overview

- SYU comprises several discrete fault bound accumulations; compartments defined by pressure compartments
- 2015 analysis identified step out potential for untested fault compartments or sub accumulations
 - Technical opportunity inventory based on spacing assumptions range from 20–80 acres (102 total opportunities)
 - For every platform, more opportunities exist than available donor wellbores at current spacing assumptions (i.e., slot-constrained)



Substantial Reserve & Resource Base

Reserve and Resource Summary ⁽¹⁾⁽²⁾										
Reserve Category	Net Reserves						Cash Flows (\$MM)			
	Oil	Gas	NGL	Total	2024E Prod.	R / P	Capex	PV-10		
	(MMBbls)	(MMcf)	(MMBbls)	(MMBoe)	(MBoe/d)	(x)	(\$MM)	Current Strip	5% Strip Inc.	10% Strip Inc.
PDP	111	123	2	133 ⁽³⁾	27	13.7x	\$0	\$1,703	\$1,856	\$2,008
ESP Installation	25	20	0	29	2	NA	\$80	\$460	\$495	\$530
Proved Developed	136	143	2	162	28	15.7x	\$80	\$2,163	\$2,351	\$2,538
Development Drilling Program	223	182	3	256	0	NA	\$1,897 ⁽⁴⁾	\$1,054	\$1,149	\$1,243
Development Workover Program	100	82	1	115	0	NA	\$300	\$1,119	\$1,185	\$1,252
Total Undeveloped	323	264	4	371	0	0.0x	\$2,197	\$2,173	\$2,334	\$2,495
Total Net Reserves / Total Blended NAV	459	407	6	533	28	51.9x	\$2,277	\$4,336	\$4,685	\$5,033



Note: Management estimates are inherently uncertain. Actual results may differ in a material amount from management estimates and projections.

(1) Assumes NYMEX Brent Strip Pricing as of October 5, 2022 and effective date of January 1, 2022.

(2) Oil and gas resources presented as "reserves" in this presentation are currently classified as "contingent resources" rather than as "reserves" because of the absence of means to deliver production to market. See "Oil and Gas Resource and Reserve Information" on page 2 for additional information regarding the presentation of oil and gas reserves in this presentation.

(3) NSAI PDP at Brent Pricing and Management Estimated LOE; NSAI PDP increased due to extension of field life with contemplated drilling program.

(4) Field expenses beyond PDP only life applied to upside drills.

Historical Net Lease Operating Expenses

Overview of Historical Net Lease Operating Expenses (\$MM)										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD 2022 ⁽¹⁾
Production ⁽²⁾										
Oil Production (MMBoe)	9.2	8.9	3.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Gas Production (Bcf)	8.5	8.2	3.1	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0
NGL Production (MMBoe)	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Production (MMBoe)	10.8	10.4	3.6	0.3	0.0	(0.0)	0.0	0.0	0.0	0.0
Daily Rate (MBoe/d)	29.5	28.4	9.8	0.9	0.0	(0.0)	0.0	0.0	0.0	0.0
% Oil	86%	86%	84%	98%	0%	(1)%	0%	0%	0%	0%
Revenue										
Oil Revenue	\$806	\$683	\$113	\$3	\$0	\$0	\$0	\$0	\$0	\$0
Gas Revenue	\$25	\$29	\$10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NGL Revenue	\$7	\$8	\$2	(\$0)	(\$0)	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$14	\$20	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$852	\$738	\$128	\$3	\$0	\$1	\$0	\$0	\$0	\$0
Operating Expenses										
Operating	\$73	\$72	\$48	\$21	\$29	\$17	\$20	\$19	\$24	\$10
Maintenance	\$60	\$53	\$171	\$27	\$19	\$27	\$41	\$16	\$39	\$25
Logistics	\$10	\$9	\$14	\$11	\$8	\$8	\$8	\$7	\$6	\$3
Facility Modification	\$23	\$73	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Well Work	\$22	\$8	\$6	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0
Energy	\$27	\$26	\$12	\$4	\$5	\$5	\$5	\$5	\$4	\$3
Exploratory Costs	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1
Total Operating Expenses	\$215	\$241	\$252	\$62	\$60	\$57	\$75	\$46	\$74	\$43
Taxes										
Ad Valorem Taxes	\$5	\$5	\$5	\$3	\$2	\$2	\$0	\$2	\$1	\$1
Area & License Fees	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$5	\$5	\$6	\$4	\$2	\$2	\$0	\$2	\$1	\$1
Net Operating Cash Flow	\$633	\$492	(\$130)	(\$63)	(\$62)	(\$58)	(\$75)	(\$47)	(\$75)	(\$43)
Capital Expenditures										
Capital Expenditures, DC&E	\$97	\$166	\$45	(\$3)	\$2	\$0	(\$2)	\$0	\$0	\$0
Capital Expenditures, Abex ⁽³⁾	\$16	\$9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Expenditures	\$113	\$175	\$45	(\$3)	\$2	\$0	(\$2)	\$0	\$0	\$0
Net Free Cash Flow ⁽⁴⁾	\$520	\$317	(\$174)	(\$61)	(\$64)	(\$59)	(\$74)	(\$47)	(\$75)	(\$43)

(1) For the period January through August 2022.

(2) Excludes volumes consumed in field operations. 9.2 MBoe/d consumed in field operations in 2014.

(3) Abandonment capital expenditures.

(4) Net free cash flow defined as revenue less operating expenses, taxes, and capital expenditures.

Ownership Analysis Across Redemption Levels

Ownership Analysis Across Redemption Levels						
	Redemption Levels					
	0.0%		50.0%		100.0%	
Investor Units	Shares (MM)	Ownership (%)	Shares (MM)	Ownership (%)	Shares (MM)	Ownership (%)
Merger Consideration Shares ⁽¹⁾	3.0	4.4%	3.0	5.5%	3.0	7.5%
Founders Shares	7.2	10.4%	7.2	13.2%	7.2	17.9%
PIPE Shares	30.0	43.5%	30.0	55.0%	30.0	74.7%
IPO Shares	28.8	41.7%	14.4	26.3%	0.0	0.0%
Pro Forma Units Outstanding ⁽²⁾	68.9	100.0%	54.6	100.0%	40.2	100.0%

(1) Consists of 3.0 MM shares to Sable as consideration for the merger. Does not include 3.6 MM incentive shares to be issued pursuant to post-closing grants to Sable senior management, which are subject to vesting and lockup periods. The 3.6 MM incentive shares may be adjusted to a lesser number of shares on a proportionate basis such that the number of incentive shares and merger consideration shares, together, will not represent greater than 15% of the outstanding Flame shares immediately following the Merger (taking into account the issuance of shares in the PIPE and redemptions in connection with the Merger).

(2) Excludes FLME warrants.

Summary Risk Factors

Risks Related to Restart of Production

We need to satisfy a number of permitting obligations and other requirements before we can restart production. The requirements to restart Lines 901 and 903 include those set forth in a federal court consent decree. While the operator of the lines has satisfied most of the conditions to restart including under the consent decree, there is no assurance that we will be successful in satisfying the remainder of the requirements and restarting production in a timely manner.

Our assumptions and estimates regarding the total costs associated with restarting production may be inaccurate.

Risks Related to the Business of SYU

Our business plans require significant amount of capital. In addition, our future capital needs may require us to issue additional equity or debt securities that may dilute our shareholders or introduce covenants that may restrict our operations or ability to pay dividends.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and noncompliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition, and reputation.

Changes in U.S. or international trade policy, including the continuation or imposition of tariffs and the resulting consequences, could adversely affect our business, prospects, financial condition, and operating results.

Any financial or economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence, may materially and adversely affect our business, financial condition, and results of operations.

Our business, financial condition and results of operations may be adversely affected by pandemics (including COVID-19) and epidemics, natural disasters, terrorist activities, political unrest, and other outbreaks.

Our estimated reserves are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves.

We are subject to compliance with environmental and occupational safety and health laws and regulations that may expose us to significant costs and liabilities. Our ability to retain and/or obtain necessary licenses and permits to operate the business may negatively impact our financial results.

Oil, natural gas and natural gas liquids, or "NGL" prices are volatile, due to factors beyond our control, and greatly affect SYU's business, results of operations and financial condition. Any decline in, or sustained low levels of, oil, natural gas and NGL prices will cause a decline in SYU's cash flow from operations, which could materially and adversely affect its business, results of operations and financial condition.

If commodity prices decline and remain depressed for a prolonged period, SYU's business may become uneconomic and result in write downs of the value of our properties, which may adversely affect our financial condition and our ability to fund operations.

An increase in the differential between the Brent or other benchmark prices of oil and natural gas and the wellhead price we expect to receive for our future production could significantly reduce our cash flow and adversely affect our financial condition.

Our hedging strategy in the future may not effectively mitigate the impact of commodity price volatility from our cash flows, and our hedging activities could result in cash losses and may limit potential gains.

Developing and producing oil, natural gas and NGLs are costly and high-risk activities with many uncertainties that may adversely affect our business, financial condition, results of operations and cash flows. Many of these risks are heightened for us due to the fact that most of our equipment has been shut-in for more than seven years.

Development and production of oil, natural gas and/or NGLs in offshore waters have inherent and historically higher risk than similar activities onshore.

Oil and natural gas producers' operations are substantially dependent on the availability of water and the disposal of waste, including produced water and drilling fluids. Restrictions on the ability to obtain water or dispose of waste may impact our operations.

The unavailability or high cost of equipment, supplies and crews could delay our operations, increase our costs and delay forecasted revenue.

The third parties on whom we rely for transportation services are subject to complex federal, state and other laws that could adversely affect the cost, manner or feasibility of conducting our business.

Our business depends in part on pipelines, gathering systems and processing facilities owned by us or others. Any limitation in the availability of those facilities could interfere with our ability to market our oil, natural gas and NGL production.

We may incur losses as a result of title defects or deficiencies in our properties.

We will not own all of the land on which the assets are located or all of the land that we must traverse in order to conduct our operations. There are disputes with respect to certain of the rights-of-way or other interests and any unfavorable outcomes of such disputes could require us to incur additional costs.

We may be unable to restart production by January 1, 2026, which would permit ExxonMobil to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement.

Restrictive covenants in the term loan agreement or any future agreements governing our indebtedness could limit our growth and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in other business activities that may be in our best interests.

Under the terms of the term loan agreement, restarting production leads to an accelerated maturity date following a specified grace period, and there is no assurance that we will be able to refinance the term loan agreement on acceptable terms or at all prior to the accelerated maturity date.

We may in the future refinance our existing indebtedness or incur new indebtedness at variable rates and without the option to pay interest in-kind, which would subject us to interest rate risk and could cause our debt service obligations to increase significantly.

We are exposed to trade credit risk in the ordinary course of our business activities.

We may incur substantial losses and be subject to substantial liability claims as a result of catastrophic events. We may not be insured for, or our insurance may be inadequate to protect us against, these risks.

Expenses not covered by our insurance could have a material adverse effect on our financial position and results of operations.

We are subject to complex federal, state, local and other laws, regulations and permits that could adversely affect the cost, manner or feasibility of conducting our operations.

Summary Risk Factors (Cont'd)

The listing of a species as either "threatened" or "endangered" under the federal and/or California Endangered Species Act could result in increased costs, new operating restrictions, or delays in our operations, which could adversely affect our results of operations and financial condition.

Conservation measures, technological advances and increasing public attention and activism with respect to climate change and environmental matters could reduce demand for oil, natural gas and NGLs and have an adverse effect on our business, financial condition and reputation.

Climate change legislation or regulations restricting emissions of "greenhouse gases" could result in increased operating costs and reduced demand for the oil, natural gas and NGL we expect to produce.

The enactment of derivatives legislation could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business.

Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels in California.

Our production, revenue and cash flow from operating activities are derived from assets that are located in California and offshore areas, making us vulnerable to risks associated with having operations concentrated in one geographic area.

All of our operations are in California and offshore areas, much of which are conducted in areas that may be at risk of damage from fire, mudslides, earthquakes or other natural disasters. Increasing attention to environmental, social and governance matters may impact our business.

Environmental groups may initiate litigation and take other actions to attempt to delay or prevent us from obtaining required approvals to restart production.

The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and may impose new costs on our operations.

Certain U.S. federal income tax deductions currently available with respect to oil and natural gas exploration and production may be eliminated as a result of future legislation. The cost of decommissioning and the cost of financial assurance to satisfy decommissioning obligations are uncertain.

We may be required to post cash collateral pursuant to our agreements with sureties, letter of credit providers or regulators under our existing or future bonding or other arrangements, which may have a material adverse effect on our liquidity and our ability to execute our capital expenditure plan and our asset retirement obligation plan and comply with the agreements governing our existing or future indebtedness. Our business could be negatively affected by security threats, including cybersecurity threats, destructive forms of protest and opposition by activists and other disruptions.

Risks Related to Ownership of Flame Securities and the Potential Business Combination

Our Sponsor, certain members of the Flame board of directors and certain other Flame officers have interests in the potential business combination that are different from or are in addition to other stockholders in recommending that stockholders vote in favor of approval of the potential business combination proposal and approval of the other proposals described in the proxy statement that will be filed in connection with the potential business combination.

Our sponsor, certain insiders, directors, officers, advisors and their affiliates may elect to purchase public shares from public stockholders, which may influence a vote on the potential business combination, reduce the public "float" of Flame common stock and affect its market price, and have interests in the potential business combination different from the interests of Flame's public stockholders.

We and SYU will be subject to business uncertainties and contractual restrictions while the potential business combination is pending.

We have identified material weaknesses in our internal control over financial reporting. These material weaknesses could continue to adversely affect investor confidence in us and materially adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.

Shareholder litigation could prevent or delay the closing of the potential business combination or otherwise negatively impact our business, operating results and financial condition.

The exercise of Flame's directors' and officers' discretion in agreeing to changes or waivers in the terms of the potential business combination may result in a conflict of interest when determining whether such changes to the terms of the potential business combination or waivers of conditions are appropriate and in Flame's stockholders' best interest.

Our ability to successfully effect the potential business combination and to be successful thereafter will be dependent upon the efforts of certain key personnel, including the key personnel of SYU whom we expect to stay with the post-combination business following the potential business combination. The loss of key personnel could negatively impact the operations and profitability of our post-combination business and its financial condition could suffer as a result.

Upon closing of the potential business combination, we expect to have a significant amount of cash and our management will have broad discretion over the use of that cash, subject to limitations imposed on us under the term loan agreement with ExxonMobil. We may use our cash in ways that stockholders may not approve.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations. Going public through a merger rather than an underwritten offering presents risks to unaffiliated investors.

Subsequent to completion of the potential business combination, Flame may be required to take write-downs or write-offs, restructure its operations, or take impairment or other charges, any of which could have a significant negative effect on Flame's financial condition, results of operations and Flame's stock price, which could cause you to lose some or all of your investment.

Exhibit D

Lawrence J. Conlan

June 2, 2023

Via E-mail

Dawn Sestito
Lauren Kaplan
O'Melveny & Meyers
400 South Hope Street
Los Angeles, CA 90071
dsestito@omm.com
lkaplan@omm.com

Dear Dawn and Lauren:

We are writing in response to your letter dated May 30, 2023. In that letter you informed us that, despite our disagreement regarding your clients' demands to access the properties of class members, your clients and their agents intend to access properties anyway, over our objection.

We deny your demand and reject the access you describe. Based on recent communications from you, such access would be a violation of the letter agreement dated February 21, 2023, (the "letter agreement") and would be illegal as the easements under which you claim access rights are terminated as a matter of law.

Specifically, you have admitted in writing that the work your clients intend to do is "diagnostic" and preliminary to repair work. Such work is not related to maintenance or integrity because the pipeline is not operable. And while you attempt to draw a distinction between "diagnostic" work and "repair work", from our perspective they are one and the same. As you acknowledge, the diagnostic work is prerequisite to and an essential part of PPC/Exxon's repair plan. Any such repair plan must be approved by Federal, State and County regulators. The letter agreement, however, expressly states that no "actions taken by PPC or its agents, or the fact of any work done by PPC or its agents, pursuant to this Agreement, shall be used as evidence *in any dispute, litigation, or for any other purpose*, to contradict Plaintiffs' contention that the Pipeline was not properly maintained or operated before or after the spill in May 2015, and that the Pipeline and easements were abandoned by Plains." (Emphasis added).

As such, there is no reason to enter class members' properties pursuant to the letter agreement because the actions taken during access, or any information obtained during such access, may not be used for any reason.

June 2, 2023

Page 2

The letter agreement therefore extends beyond the litigation to all matters related to the pipeline, including those in which PPC/Exxon seeks regulatory approval to repair and restart the pipeline. The letter agreement broadly covers “any dispute” and prevents PPC from using its actions for “any purpose.”

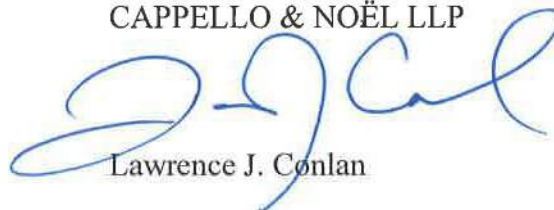
Hence, any work that PPC/Exxon has done and/or intends to do may not be relied on or submitted to regulators in order to seek permission or approval to perform repair work. In other words, PPC/Exxon is prohibited from using any actions taken through access as you intend, and will therefore be in violation of the agreement if such information is used. At a minimum, PPC/Exxon is already in anticipatory breach of the agreement based on your communications to us.

Again, your demand for access is denied. If your clients or their agents attempt to gain any access to the class members’ properties they will be in violation of the letter agreement and the law. Doing so will be an illegal trespass and at PPC/Exxon’s peril. Contrary to your assertion, it will be your clients, not ours, who are engaging in improper self-help because the easements have terminated as a matter of law.

If you wish to discuss access issues any further please let us know immediately. For now, all further access is denied.

Sincerely,

CAPPELLO & NOËL LLP

A handwritten signature in blue ink, appearing to read "L. Conlan", is written over the printed name.

Lawrence J. Conlan

A. Barry Cappello

March 22, 2023

Via E-Mail and Hand Delivery

Santa Barbara County Planning Commission
c/o David Villalobos,
Planning Commission Secretary
123 E. Anapamu Street
Santa Barbara, CA 93101
dvillalo@co.santa-barbara.ca.us

Re: Appeal of March 13, 2023 Director Action Letter re: Decision Approving Transfer of Permit for Change of Ownership, Change of Guarantor, and Substitution of a Temporary Operator for the Las Flores Pipeline System (formerly AAPL Lines 901/903). Final Development Plan No. 88-DPF-033 (RV01)z, 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz)

Honorable Members of the Planning Commission:

Our firm, together with co-counsel, represent the individual and class representative plaintiffs (collectively “Owners”) in *Grey Fox, LLC et al. v. Plains Pipeline L.P. et al.*, Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California. The certified Class in the *Grey Fox* case is comprised of all parcel Owners previously subject to easement contracts (“Easements”) that provided Plains Pipeline, L.P. and Plains All American Pipeline, L.P. (collectively, “Plains”) with limited, narrow access to the parcels (“Properties”) to take certain actions related to Plains’ pipeline system, Lines 901 and 903 (collectively, the “Lines”). The *Grey Fox* Class includes approximately 150 Owners.

On behalf of the Owners, we appeal the March 13, 2023 Director Action Letter re: Transfer of Permit for Change of Ownership, Change of Guarantor, and Substitution of a Temporary Operator for the Las Flores Pipeline System (collectively, “Director Action”). The grounds for this appeal are that the Director Action made and relied on findings that (1) are inconsistent with the provisions/purposes of the Land Use and Development Code, (2) were an abuse of discretion; (3) were not supported by the evidence presented; and (4) the “hearing” was not fair or impartial.

First, the Director Action unrealistically failed to consider the facts of this transfer. Plains, ExxonMobil Corporation (“Exxon”), Pacific Pipeline Company (“PPC”), and

ExxonMobil Pipeline Company (“EMPCo”), the parties involved in this requested transfer, failed to disclose all the relevant terms of the transfer of ownership from Plains to PPC, which occurred on October 13, 2022. In fact, the purchase was not just the Lines but the platforms, as part of its further plan to transfer all of them to Sable Offshore Corporation (“Sable”) and/or Flame Acquisition Corp. (“Flame”).¹ It is patently clear that Sable, which borrowed funds from ExxonMobil/PPC to complete the anticipated acquisition (see Exhibit A at p. 5), cannot confirm either its solvency or its reliability to the citizens of the County of Santa Barbara (“County”).

The Sable investor presentation, among other things, advises that the “Asset re-start process [is] well underway,” and that “Sable management are well-qualified to operate Santa Ynez.”² This is false: that same investor presentation also notes that Sable management came from Plains.³ And Plains is the prior operator whose drastic and ongoing failure to maintain the Lines led to the irrevocable corrosion anomalies⁴ and Plains’ criminal conviction for *knowingly* discharging oil. (See, *State of California v. Plains All American Pipeline, L.P.*, Santa Barbara Superior Court, Case No. 1495091, September 7, 2018.)

The Director Action also fails to acknowledge that Plains – which is not the current owner – has a related and pending valve upgrade application to allow it (or the new owner) to install new valves into the Lines without further review.⁵ This related valve project is requested for Lines which the County is aware have been shut down since May 2015:

“In May 2015, the pipeline ruptured due to external corrosion, and released crude oil on land, beaches, and into the Pacific Ocean near Refugio Beach. Under Corrective Action Orders (COAs) from the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA), the system was shut down, purged, and filled with inert gas. The system remains idle while the Owner/Operator works to fulfill the requirements for the safe operation of the lines.” (See, 2/28/23 Director’s Mem/Staff Report, p. 2; see also, 2/24/2023 Notice of Pending Action by Director to Amend a Development Plan [“The pipeline system was purged in 2015 and remains idle to date”].)⁶

¹ See, Sable Offshore Corp. Investor Presentation, pages 2, 5. A copy of this presentation is attached hereto as Exhibit A hereto.

² Exhibit A at p. 4.

³ Exhibit A at p. 4, fn 2.

⁴ See, U.S. Department of Transportation, PHMSA Failure Investigation Report, Plains Pipeline, LP, Line 901 Crude Oil Release, May 19, 2015 (May 2016) (Final Investigative Report), available at: phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public_0.pdf.

⁵ See, Zoning Administrator’s action of August 22, 2022 Re: Plains Line 901-903 Valve Upgrade Project, 21 AMD-00000-00009 & 22CDP-00000-00048 (“Valve Upgrade”).

⁶ The County also acknowledged that the Lines were non-operational on April 26, 2022, when it revised the baseline for the replacement project. (See, e.g., Attachment C1: Addendum to EIR.pdf, p. C1-4 [“To-date, the Line 901 and 903 pipeline system from the Las Flores Pump Station to the Pentland Pump station remain non-operational.”].)

Moreover, Plains previously applied for a Pipeline Replacement Project for the Lines.⁷ The Valve Upgrade project mentioned above and this Director Action therefore would effectively amend the Pipeline Replacement Project. As a result, this Director Action undoubtedly will encourage another “new” owner such as Sable to restart and operate the corroded Lines with impunity, rather than fully comply with the County’s obligations to process the Pipeline Replacement Project. To approve this transfer would thus endorse a change to a party and/or parties with no accountability, *knowing* these parties fully intend to transfer again in a few months and perpetuate this shell game. This is not a straightforward transfer; rather, it demonstrates a compelling need for closer examination.

The purpose of the Santa Barbara County Land Use and Development Code is “to protect and to promote the public health, safety, comfort, convenience, prosperity, and general welfare of residents, and businesses in the County.” (Santa Barbara County Land Use and Development Code Chapter 35, Section 35.10.010.) The specific purpose of Chapter 25B, which governs “Change of Owner, Operator, or Guarantor for Certain Oil and Gas Facilities,” is “to protect public health and safety, and safeguard the natural resources and environment of the county of Santa Barbara, by ensuring that safe operation, adequate financial responsibility, and compliance with all applicable county laws and permits are maintained during and after all changes of owner, operator or guarantor of certain oil and gas facilities.” (Santa Barbara County Code, Chapter 25B, Section 25B-1.)

The above evidence, alone, shows that the Valve Upgrade project and this Director Action both relate to the Pipeline Replacement Project. These facts dictate that the Director should have considered whether this purportedly straightforward permit application had “a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” (14 Cal. Code Reg. § 15378(a).) As it stands, the Director Action unquestionably opens the door for potential direct and/or indirect physical change in the environment; *i.e.*, a further oil spill with no responsible party.

Second, the Easements have lapsed or terminated under their written terms, which limited the life of the easement to between 3-5 years after non-operation. As stated in one of the Rights of Way (“ROWs”): “It is agreed that all rights and privileges herein granted and given Grantee shall *automatically* end and terminate in the event that Grantee, or its successors and assigns shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years.” (Right of Way Grant, recorded July 23, 1986, p. 2, emphasis added.)

It is now more than 7 years since May 2015, when the Lines were ordered to be shut down by the Pipeline and Hazardous Materials Safety Administration. The Easements all have therefore automatically terminated under their terms. The validity of the Easements is being litigated in the federal *Grey Fox* case, and here, neither party can claim a right.⁸

⁷ See, <https://www.countyofsb.org/3801/Plains-Replacement-Pipeline-Project>.

⁸ The original ROW corridor also was generally reduced to a width of 25 feet after construction of the pipelines: “This right of way and easement shall have a temporary width as necessary to construct the pipeline but not to exceed one hundred (100) feet which width shall revert to a permanent width of twenty-five feet six months after commencement of construction on the pipeline.” (Right of Way Grant, recorded July 23, 1986, page 1.) It follows that the temporary corridor ceased to exist after the construction of the pipeline.

March 22, 2023

Page 4

This Easement issue is painfully relevant to the Director Action. The Director has simply approved a change to the existing 1988 Final Development Plan Conditions; they now refer only to the “permittee” instead of All American Pipeline Project. (See, Director Action, pp. 8-60.) This generic change demonstrates the County is already well aware of (and anticipating) a further application for Change in Ownership and does not want to have to change the permit conditions yet again.

Moreover, the prior existing Section J conditions (“Land Use and Recreation”), just like the Easements, no longer reflect the facts on the ground. All of the Section J conditions relate to the construction of the main pipeline, which occurred decades ago. Consider: Condition J-4, Privacy and Security of Property Owners During Construction, which requires controls for maintaining privacy and security of affected properties while construction is in progress; or Condition J-10, which requires a demonstration that the “permittee” has obtained a right of way to enter the property for purposes of construction. (See, Director Action, pp. 43-46 [or pp. 31-34 of the attached Conditions of Approval].) None of these Conditions (and indeed, few if any of the other Conditions) reflect what has occurred in the many years since the Lines were constructed and went into operation.

The Director Action should have required a new Condition, which would have been applicable to all of the other J Conditions: *i.e.*, that the acquisition of Easements must occur prior to the approval of the Final Development Plan, rather than prior to construction. At this point in time, and with lapsed Easements, there is no other way to ensure compliance with the Land Use and Development Code, thereby protecting the general welfare.

It is also unclear whether the alleged “new” Owner and/or Operator can utilize eminent domain if necessary. There has been no showing that Exxon, PPC, or EMPCo – let alone Sable/Flame -- have been granted public utility status in this case, such that they could invoke that doctrine.

Accordingly, we urge the Planning Commission to uphold this Appeal and disapprove the March 13, 2023 Director Action.

Sincerely,

CAPPELLO & NOËL LLP



A. Barry Cappello

Cc: Katie Nall, Planner
Jacquelynn Ybarra, Planner
