Katherine Douglas Appellant Comment - EDC # 3

LATE DIST

From: Tara Rengifo <trengifo@environmentaldefensecenter.org>
Sent: Friday, October 31, 2025 10:56 AM
To: sbcob
Cc: Linda Krop
Subject: Agenda Item No. 3: Comments re Sable Change of Owner, Operator, and Guarantor - OPPOSE
Attachments: 2025_10_31_EDC Ltr to BOS re Sable permit transfer w att_FINAL.pdf

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Dear Clerk of the Board,

Attached please find the comment letter with Attachments A-X on Agenda Item No. 3, Sable's Change of Owner, Operator, and Guarantor, submitted by the Environmental Defense Center (EDC) on behalf of GOO!, Santa Barbara County Action Network, Sierra Club, by and through the Santa Barbara-Ventura Chapter, Santa Barbara Channelkeeper, and EDC.

The comment letter and attachments are also available in a Dropbox link here: https://www.dropbox.com/scl/fo/orq859m2ch8upfpvnluia/AKqebxGVVQ1GoStJykqJvrM?rlkey=s3frwgvowj2zdem1bx16o66it&st=2gb237qy&dl=0

Please confirm receipt and inclusion into the record.

Sincerely,
Tara

environmental DEFENSE CENTER

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

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environmental
DEFENSE CENTER

October 31, 2025

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

Re: <u>Agenda Item No. 3: Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System — OPPOSE</u>

Dear Chair Capps and Honorable Supervisors:

On behalf of Get Oil Out! ("GOO!"), Santa Barbara County Action Network ("SBCAN"), Sierra Club, by and through the Santa Barbara-Ventura Chapter ("Sierra Club"), Santa Barbara Channelkeeper ("SBCK"), and the Environmental Defense Center ("EDC"),[1] we urge the Board to deny Sable Offshore Corp., Pacific Offshore Pipeline Company (POPCO), and Pacific Pipeline Company's (PPC) (collectively, "Sable") Applications for Change in Owner, Operator, and Guarantor of the Santa Ynez Unit (SYU), POPCO Gas Plant, and Las Flores Pipeline System (LFPS) ("Applications") pursuant to Chapter 25B in the Santa Barbara County ("County") Code of Ordinances. In addition, and consistent with a recent federal court order, the Board should direct staff to cease allowing Sable to operate the Facilities unless the ***<u>Board</u>*** authorizes such operations.

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

It has been nearly 9 months since this Board last evaluated Sable's operator capability, financial wherewithal, and compliance with the Permit requirements. In that time, Sable created its own minefield of litigation, fines, notices of violations, and even criminal charges—most of which the October 2025 Board Letter omits. Specifically, County staff did not provide the Board with a range of critical, relevant information, including, but not limited to:

- Office of State Fire Marshal letter (OSFM) letter stating that repairs have NOT been completed as required by the State Waivers;
- A recent state court order finding that Sable unlawfully conducted repairs without the required permits (and thus rejecting County staff's February 12 letter to Sable);
- The injunction in place from the litigation between the California Coastal Commission (CCC) and Sable;
- The injunction against the OSFM;
- Santa Barbara District Attorney's Felony Complaint;
- A letter from the Chair of the California State Lands Commission (CSLC) questioning Sable's ability to be a transparent operator and related shareholder lawsuits;
- The passage of SB 237, requiring a CDP for restart of the pipeline; and
- Sable's operations of the onshore facilities without the Board's approval of the change of operator.

These omissions in County staff's analysis are alarming, particularly given the relevance of the information to this proceeding. Failing to include this evidence in the October 2025 Board Letter skewed staff's analysis and as a result, its ultimate conclusions. For the reasons set forth herein, Sable's disregard for our community, our natural resources, and our laws must be met with a resounding "no" vote today.

Consistent with its stated purpose, Chapter 25B prohibits the transfer of a Final Development Plan (FDP) to a transferee if doing so would place the environment and public health at risk.[2] County Code § 25B-1. The Board has discretion in evaluating whether substantial evidence supports the necessary findings under the ordinance, as recently affirmed by a federal judge in *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR). The Honorable Dolly M. Gee confirmed that Chapter 25B gives the Board the discretion to evaluate the evidence presented to it, ask for more information if needed, and determine whether the findings are supported to effectuate a permit transfer.[3]

It is abundantly clear for the reasons set forth herein that the County cannot make the necessary findings of approval under Chapter 25B. *See Topanga Assn. for a Scenic Community v. County of Los Angeles* (1974) 11 Cal.3d 506, 514-15.

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[2] Civil Min. In Chambers—Order Granting Mot. to Intervene at 6, Dkt. No. 39, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA July 25, 2025), attached hereto as "Attachment A."

[3] Order Re Cross-Mot. for Summ. J. at 18, 23, Dkt. No. 52, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA September 12, 2025), attached hereto as "Attachment B."

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

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

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

Chapter 25B was intended to protect the public from this *exact* scenario. Sable has not demonstrated that it has the financial or operational capacity to be entrusted with the great weight of responsibility that comes with operating these facilities. Approving the transfers would simply pose an unacceptable risk to our community, our natural resources, and our local economy. Thus, we urge the Board to deny the Applications and direct staff to cease allowing Sable to operate the Facilities unless the Board authorizes such operations.

I. Background

The SYU is an inactive oil and gas production unit located on the Gaviota Coast.[4] It consists of three offshore platforms, on- and offshore pipelines, and onshore oil and gas processing facilities.[5] The onshore pipelines and processing facilities are within the County's land use authority.[6] The oil processing facility is permitted under FDP Permit No. 87-DP-032cz (RV06) (the "SYU Permit").[7] The natural gas is processed at the POPCO Gas Plant, which is permitted under FDP Permit No. 93-FDP-015 and 74-CP-11(RV1) (the "POPCO Permit").[8] Once processed, crude oil travels from Las Flores Canyon inland through CA-324 and CA-325, collectively referred to as the LFPS (together with the SYU and POPCO Gas Plant, the "Facilities").[9] The LFPS is permitted under FDP Permit Nos. 88-DPF-033 (RV01)z; 88-CP-60 (RV01); and 88-DPF-25cz, 85-DP-66cz, 83-DP-25cz (the "LFPS Permit," and together with the SYU and LFP Permits, "FDPs" or the "Permits").[10]

On May 19, 2015, pipeline CA-324—then owned by Plains Pipeline, L.P. ("Plains")—ruptured at Refugio State Beach Park, releasing more than 120,000 gallons of heavy crude oil into the surrounding environment.[11] Thousands of acres of shoreline and subtidal habitat were

[4] Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors at 3 (February 21, 2025).
[5] *Id.*
[6] *Id.*
[7] *Id.*
[8] *Id.*
[9] *Id.*
[10] *Id.*
[11] *Id.*

destroyed, and untold numbers of wildlife were injured or killed.[12] It was later determined that the spill was a result of pervasive corrosion, and that cathodic protection—intended to prevent such corrosion—is ineffective on the pipeline system.[13] Effective cathodic protection is, and always has been, required by the LFPS Permit.[14]

Following the spill, the LFPS was idled, and it remains idle to date.[15] Due to the unavailability of the pipelines, production at the SYU was suspended indefinitely.[16] Initially, Plains attempted to replace the defective LFPS.[17] However, it later sought instead to divest itself of the pipelines, triggering the Chapter 25B transfer process.[18] On September 19, 2023, the Board granted de novo approval of a transfer of the LFPS from Plains to Pacific Pipeline Company (PPC) (Owner), ExxonMobil Pipeline Company (Operator), and ExxonMobil Corporation (Guarantor).[19] Then, on or around February 14, 2024, ExxonMobil sold the SYU and all associated assets to Sable—a new company formed specifically to acquire the SYU assets.[20] ExxonMobil also divested its exclusive ownership of shares in PPC to Sable, and with them, the LFPS.[21] Because it lacked the capital to finance the $625M acquisition, Sable was forced to secure a $622M loan from ExxonMobil.[22] Notably, Sable intends to restart the LFPS despite its lack of effective cathodic protection, leaving it vulnerable to pervasive corrosion and another spill.[23] One analysis prepared for the County determined that restarting the LFPS could result in a spill every year, and a rupture every four years.[24]

The Permits, which are subject to Chapter 25B of the County Code, do not currently list Sable as the owner, operator, and/or guarantor of the Facilities. The Permits are not transferable, and the owner, operator, or guarantor listed on the Permits cannot be changed, except in accordance with Chapter 25B. County Code § 25B-4(c). Chapter 25B is intended to protect

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[12] *Id.*
[13] *Id.*; *see also* Pipeline and Hazardous Materials Safety Administration, *Failure Investigation Report, Plains Pipeline, LP, Line 901, Crude Oil Release, May 19, 2015, Santa Barbara County, California* at 3, 14 (May 2016), available at: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public.pdf.
[14] *Id.* at 26-29.
[15] *Id.* at 4.
[16] *Id.*
[17] *Id.* at 6-7.
[18] County of Santa Barbara, *901/903 Pipeline Permit Transfer*, available at: https://www.countyofsb.org/3773/901903-Pipeline-Permit-Transfer.
[19] *Id.*
[20] Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors at 5 (February 21, 2025).
[21] *Id.*
[22] *Id.* at 5-6.
[23] *Id.* at 26-29; *see also* Pipeline and Hazardous Materials Safety Administration, *Failure Investigation Report, Plains Pipeline, LP, Line 901, Crude Oil Release, May 19, 2015, Santa Barbara County, California* at 3, 14 (May 2016), available at: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public.pdf.
[24] County of Santa Barbara, *Administrative Draft of Draft EIR for Plains Pipeline Replacement Project* at 5.6-79.

public safety and preserve environmental quality by ensuring responsible operations, financial solvency, and adherence to regulatory requirements. *Id.* at § 25B-1.

On or around March 14, 2024, Sable submitted its Applications to change the owner, operator, and guarantor of the Facilities pursuant to Chapter 25B.[25] After several incompleteness determinations, a hearing on the Applications before the Planning Commission was held on October 30, 2024 at which time the Planning Commission approved the Applications.[26] On November 7, 2024, GOO!, EDC, and SBCAN filed an appeal of the Commission's decision to the Board.[27] On February 21, 2025, GOO!, EDC, and SBCAN submitted a comment letter to the Board with over 200 pages of evidence attached, urging the Board to deny Sable's Applications.[28] As part of their submittal, they included a letter from John Day, former Planning and Development staff and one of the authors of Chapter 25B, to counter staff's misguided interpretation of its requirements.[29] Appellants also submitted several notices of violation and cease and desist orders from multiple state agencies to Sable concerning alleged non-compliance with state laws.[30] The letter also compared Sable's cash assets, debt, and insurance limits to the $870 million dollar price tag on the 2015 spill to demonstrate inadequate financial resources to respond to another spill.[31]

At the Board's de novo hearing, the Board heard the matter anew, received additional evidence, and decided whether it should grant or deny the Applications. EDC, on behalf of appellants GOO!, SBCAN, and EDC, presented evidence at the hearing to the Board. The Board ultimately voted 2-2, meaning it took no action, and the Permits did not transfer to Sable.[32]

Sable and Exxon ("Petitioners") initiated a lawsuit in federal court against the County over the Board's 'no action' vote on May 8, 2025.[33] On September 12, 2025, the Court rejected Petitioners' arguments that the Planning Commission's approval was affirmed and instead issued an order remanding the matter back to the Board for an entirely new hearing on the Applications.[34]

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[25] County of Santa Barbara, *Board of Supervisors Agenda Letter* at 2 (October 24, 2025) (hereinafter, "October 2025 Board Letter").
[26] County of Santa Barbara, *Board of Supervisors Agenda Letter* at 2 (February 25, 2025) (hereinafter, "February 2025 Board Letter").
[27] Appeal Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Lavagnino and the Board of Supervisors (November 7, 2024).
[28] Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors (February 21, 2025).
[29] *Id.* at Attachment 1.
[30] *Id.* at 21-23.
[31] *Id.* at 15-20.
[32] Attachment B, Order Re Cross-Mot. for Summ. J. at 18, 23.
[33] *Id.* at 10.
[34] *Id.* at 25.

II. All Prior Comments on Sable's Transfer Applications are Incorporated by Reference as Though Fully Set Forth Herein.

On October 28, 2024, GOO!, EDC, and SBCAN submitted comments to the County Planning Commission urging denial of the Applications and after the Planning Commission's approval, EDC, on behalf of its clients, filed a timely appeal of that decision to the Board on November 7, 2024.[35] On February 21, 2025, EDC, on behalf of our clients and appellants, submitted a comment letter to the Board urging it to deny Sable's Applications.[36] This comment letter builds on these past letters (including attachments) and incorporates them herein by reference, without reiterating the extensive factual and legal analysis previously provided. A summary of our prior arguments is provided below.

The previous letters provide substantial evidence demonstrating that the Board cannot make the necessary findings to approve the Applications, including, but not limited to, the "Financial Guarantees" finding under sections 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2); the "Compliance with Existing Requirements" finding under section 25B-9(a)(5) and 25B-10(a)(5); and the "Operator Capability" finding under section 25B-10(a)(9).

A. Prior Comments and Appeal Demonstrate the Lack of Evidence to Support a Finding of "Financial Guarantees" under Sections 25B-9(a)(2), 25B-9(e)(1), and 25B-10(a)(2).

As it relates to financial assurances, Chapter 25B requires a showing that *Sable* has sufficient financial resources and secured adequate financial instruments necessary to comply with the Permit requirements and County ordinances. County Code §§ 25B-10(a)(9), 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2). Previous letters and appeal set forth substantial evidence demonstrating that Sable is unable to do so, specifically because it:

(1) has not demonstrated that it has the financial capacity to remediate a worst-case spill from its facilities, particularly as required by SYU Permit Condition XI-2.w;[37]

(2) has not demonstrated it has the financial wherewithal to abandon the Facilities, particularly where Sable itself had publicly acknowledged a distinct risk that the Permits transfer, Sable bankrupts before it ever restarts, and Sable has no resources to abandon the Facilities;[38] and

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[35] Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Martinez and Planning Commission (October 28, 2024); Appeal Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Lavagnino and the Board of Supervisors (November 7, 2024).
[36] Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors (February 21, 2025).
[37] *See, e.g., Id.* at 15-20.
[38] *See, e.g., Id.* at 20-24.

(3) has not posted any performance bonds for the abandonment of the Facilities pursuant to the Permits.[39]

B. Prior Comments and Appeal Demonstrate the Lack of Evidence to Support a Finding of "Compliance with Existing Requirements" under Sections 25B-9(a)(5) and 25B-10(a)(5).

The comments also set forth substantial evidence to support a finding that ExxonMobil and Sable are not in compliance with the LFPS Permit because the LFPS lacks effective cathodic protection.[40] The conditions for the LFPS incorporate "the procedures, operating techniques, design, equipment and other descriptions" articulated in the 1985 joint Environmental Impact Report and Environmental Impact Statement for the pipelines (the "1985 EIR/EIS") as "required elements" of the LFPS Permit.[41] The 1985 EIR/EIS' description of the LFPS requires installation of *effective* cathodic protection to prevent external corrosion.[42] Since the LFPS' cathodic protection system is ineffective in preventing corrosion from occurring beneath their coating/insulation system, Exxon is not in compliance with this permit condition and the requisite finding under Chapter 25B is therefore unsatisfied. County Code §§ 25B-9(a)(5); 25B-10(a)(5).

C. Prior Comments and Appeal Demonstrate the Lack of Evidence to Support a Finding of "Operator Capability" under Section 25B-10(a)(9).

Finally, the letters demonstrate that Sable has not provided evidence to support a finding that the company possesses the skills, training, and resources necessary to operate the Facilities in compliance with the Permits pursuant to Chapter 25B-10(a)(9).[43] The letters detail several past failures and unsafe practices by Sable management, the company's blatant disregard for state law, its willful violations of agency directives, and utter ineptitude before governing bodies.[44]

In conclusion, the letters and appeal provide substantial evidence demonstrating that approval of the transfers would contravene Chapter 25B's core purpose and the County's duty to safeguard public health, the environment, and coastal resources.[45] Accordingly, the letters urge denial of the Applications outright.

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[39] *See, e.g., Id.* at 24-26.
[40] *Id.* at 26-29.
[41] *See* LFPS Permit, Condition A-7; California State Lands Commission et al., *Final Environmental Impact Report Environmental Impact Statement* (January 1985).
[42] California State Lands Commission et al., *Draft Environmental Impact Report Environmental Impact Statement* at 4-106 (August 1984) (emphasis added). Note that the Final EIR published in 1985 is a finalizing addendum to the 1984 Draft EIR. The preface of the Final EIR explains that the Final EIR is intended to be read "in conjunction with, rather than in place of, the Draft EIR/EIS that was released for public review on August 1, 1984." Thus, collectively, the two documents and their appendices form the project EIR.
[43] *See, e.g.,* Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors at 30-33 (February 21, 2025).
[44] *Id.*
[45] *Id.* at 33-34.

III. County Code Chapter 25B

Chapter 25B has been the subject of two recent federal court rulings and analyzed by County Counsel in its court filings. It is imperative that the Board is not only aware of these recent developments, but also understand that a federal court has made clear that the Board has the authority to conduct independent fact-finding and exercise discretion in making a decision under Chapter 25B.

A. Chapter 25B is Designed to Bar the Transfer of FDPs to a Transferee That Would Place the Environment and Public Health at Risk.

In the late 1990s and early 2000s, the County experienced a growing trend where major oil companies were selling oil and gas facilities to smaller and more speculative companies.[46] Out of concern that the smaller companies would not have the financial resources or capability to operate these facilities in a safe manner, the County enacted Chapter 25B to expressly prohibit the transfer of County permits for certain oil and gas facilities *unless the transfer complies with the requirements of the Chapter*.[47] County Code §§ 25B-3,[48] 25B-4(c). These provisions apply broadly to any person, as defined, that "seeks to own, operate or guarantee performance for" a range of oil and gas facilities located in the County, including, but not limited to, "[a]ny facility involved in exploration, production, processing, storage or transportation of oil or gas extracted from offshore reserves;…." *Id.* at § 25B-2.

The stated purpose of Chapter 25B 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. *Id.* at § 25B-1.

In accordance with this purpose, ***a federal judge recently declared that "Chapter 25B does not merely provide for the transfer of FDPs, it creates an administrative process designed to bar the transfer of FDPs to a transferee that would place the environment at risk."***[49]

Any change in owner, operator, or guarantor requires application and approval by the County. *Id.* at §§ 25B-2, 25B-4(e), (f), (g).[50] An application must be approved only if each and

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[46] Resp't-Defs. Resp. to Pet'rs-Pls. Mot. for Summ. J. at 11, Dkt. No. 40, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA August 1, 2025), attached hereto as "Attachment C."

[47] *Id.*

[48] Chapter 25B defines "[p]ending owner or operator" to "mean any person who owns or operates a facility subject to this chapter and is ***required*** to but has not yet obtained an amendment to any necessary permit that requires county approval prior to the transfer of the permit to that owner or operator." County Code § 25B-3 (emphasis added).

[49] Attachment A, Civil Min. In Chambers—Order Granting Mot. to Intervene at 6.

every finding is supported by substantial evidence. County Code § 25B-10(a)(1)-(9); *Topanga Ass'n for a Scenic Community*, 11 Cal. 3d at 514. On the contrary, a denial may be sustained where a single requirement is not met. *See Desmond v. County of Contra Costa,* 21 Cal. App. 4th 330, 336-37 (1993); *Saad v. City of Berkeley*, 24 Cal. App. 4th 1206, 1213-14 (1994).

Critically, unless the County approves the transfer, Chapter 25B makes clear that the existing owner, operator or guarantor remains listed on the permit, must comply with all conditions of such permit, and is responsible for the proper abandonment of the facility. County Code § 25B-4(h), (i)(1).

Sable submitted to the requirements of Chapter 25B by applying to the County for a transfer of ExxonMobil's Facilities. A decision on Sable's Applications has not been made.[51] For the reasons set forth herein, Chapter 25B was enacted to protect the County, its constituents, and its natural resources against this exact situation, the required findings cannot be made, and the Applications must be denied by the Board.

B. The Board's De Novo Review Requires Independent Fact-Finding and the Exercise of Discretion in Making a Decision under Chapter 25B.

Chapter 25B requires County decision-makers to conduct a searching inquiry[52] into a proposed owner/operator's finances and capabilities to ensure that the entity can safely operate certain oil and gas facilities, remediate a spill (or any other type of accident), and abandon the facilities at issue. County Code §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), 25B-10(a)(9), 25B-(a)(5). Indeed, without such discretion, the County could not effectuate the ordinance's stated purpose to protect public health and the environment. *Id.* at § 25B-1.

The general framework of Chapter 25B bears out its discretionary nature. To protect County residents and the environment from unqualified or underfunded operators, Chapter 25B authorizes decisionmakers to engage in deliberation to ensure "safe operation, adequate financial responsibility, and [legal] compliance … during and after" changes in ownership or operation of certain oil and gas facilities. *Id.* at § 25B-1. What qualifies as "*safe* operation" and "*adequate* financial responsibility" requires the exercise of judgment based on information provided by the applicant and requested by the decision-makers.

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[50] Applications for change of operator are under the jurisdiction of the Planning Commission. County Code § 25B-8(b). Applications for change of owner and guarantor are under the jurisdiction of the Santa Barbara County Director. *Id.* at §§ 25B-3, 25B-8(a). Where, as is the case here, an application includes components under both the Planning Commission and the Santa Barbara County Director's jurisdiction, the application may be processed with a combined application and decided by the Planning Commission. *Id.* at § 25B-8(c). Decisions by the Planning Commission may be appealed to the Board by the applicant or any interested person adversely affected by such decision. *Id.* at § 25B-12(b)(1).

[51] *See* October 2025 Board Letter.

[52] *See* Attachment B, Order Re Cross-Mot. for Summ. J. at 19 (the court emphasized the *de novo* nature of the review under Chapter 25B, "and the Board's authority to do fact-finding, [as well as] the requirement of a public hearing and lack of evidentiary constraints…").

Moreover, section 25B-6 explicitly grants decisionmakers with discretion to request "[a]ny … information" that decisionmakers "may require" to make a decision on an application.[53] *Id.* at § 25B-6(f)(2). This provision likewise indicates that Chapter 25B does not require decision-makers to act in a prescribed manner but vests it with discretion in making findings under 25B. *See Ortega v. Sacramento Cnty. Dep't of Health & Hum. Servs*., 161 Cal.App.4th 713, 733 (2008) ("[T]he exercise of discretion invariably entails the collection and evaluation of information.").

On appeal, the Board must hold a de novo hearing and render its own independent decision. County Code § 25B-12(b)(4). The discretion afforded to the Board under Chapter 25B was recently affirmed by a federal judge in *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR). The Honorable Judge Dolly M. Gee concluded that the Board can carefully scrutinize a proposed transfer and, if necessary, "bar the transfer of FDPs to a transferee that would place the environment at risk."[54] This litigation arose after the Board voted 2-2 on Sable's transfer Applications in February 2025 and the County appropriately withheld transferring the permits. Sable then filed a lawsuit against the County and this Board in federal court on May 8, 2025.

At the center of this lawsuit are the provisions under Chapter 25B and specifically, the Board's *discretion* in deciding whether the findings can be met to transfer the Permits to Sable. On cross-motions for summary judgment, the Court rejected Sable's arguments and held that Chapter 25B gives the Board the discretion to evaluate the evidence presented to it, ask for more information if needed, and determine whether the findings are supported to effectuate a permit transfer.[55] The Court further declared that "the Board has the authority to conduct de novo fact-finding," and is not just "giving a thumbs up or down."[56] *See Vedanta Soc. of S. California v. California Quartet, Ltd.*, 84 Cal. App. 4th 517, 519 (2000).

Judge Gee's recent rulings concerning Chapter 25B are also consistent with County Counsel's briefing analyzing the ordinance. In a motion submitted to the Court in response to Sable and ExxonMobil's Motion for Summary Judgment, County Counsel made abundantly clear that the Board's "decision of whether findings for approval can be made is discretionary," and "the County cannot be forced to exercise its discretion in a particular manner,…."[57]

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[53] The utility of this provision was confirmed by County staff during the February 25 Board hearing. Board of Supervisors' Tr., Vol. 21, p. 44, lines 13-14, excerpts from which are attached hereto as "Attachment D" ("we can ask for any information at any time, and if you wanted to do that today with [the applicant] here in the room"). Notably, Chair Martinez and Chair Capps both exercised their discretion under this provision to request a copy of Sable's insurance policy, which Sable never produced. Planning Commission Tr., Vol. 21, p. 37, lines 11-19, excerpts from which are attached hereto as "Attachment E"; Attachment D, Board of Supervisors' Tr., Vol. 21, p. 44, lines 5-16.

[54] Attachment A, Civil Min. In Chambers—Order Granting Mot. to Intervene at 6.

[55] Attachment B, Order Re Cross-Mot. for Summ. J. at 18, 23.

[56] *Id.* at 17.

[57] Attachment C, Resp't-Defs. Resp. to Pet'rs-Pls. Mot. for Summ. J. at 23.

Therefore, as codified, Chapter 25B grants the Board the discretion needed to fulfill the ordinance's core purposes, and for the reasons set forth in our appeal, February 21, 2025, letter to the Board, and herein, the record amply supports denial of the requested transfers.

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

Pursuant to Chapter 25B, the Board must make a finding of "Operator Capability;" specifically, that Sable "has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has demonstrated the ability to comply with compliance plans…." County Code § 25B-10(a)(9). This finding must be supported by substantial evidence in the record. *Topanga Ass'n for a Scenic Community*, 11 Cal. 3d at 514. A reviewing court may reverse the agency's decision "if, based on the evidence before it, a reasonable person could not have reached the conclusion reached by it." *McAllister v. Cal. Coastal Comm'n*, 169 Cal. App. 4th 912, 921 (2008) (*quoting* (*Kirkorowicz v. Cal. Coastal Comm'n*, 83 Cal. App. 4th 980, 986 (2000)).

No reasonable person would reach the conclusions offered by County staff in the October 2025 Board Letter, i.e., to transfer the Permits to Sable (thus making a finding of operator capability) despite "notable compliance issue related to Sable and the subject assets," and "several state regulatory agencies [issuing] their own violation notices and legal directives…."[58] County staff's draft findings for approval narrowly focus on Sable employees' *past* years of experience and transfer rate while completely ignoring how the company itself has operated in its short lifespan (e.g., criminal charges, record $18 million administrative penalty).[59] Fortunately, as stated by County Counsel, "the Board, not County staff and not the Planning Commission, have purview to decide de novo appeals to the Board," citing to *Lagrutta v. City Council*, 9 Cal.App.3d 890, 895-96 (1970).[60]

Staff's basic understanding of this finding is also inconsistent with County Counsel's interpretation. In its recent briefing filed in federal court, County Counsel rejected Sable's "narrow construction" of the Operator Capability finding in section 25B-10(a)(9), describing the company's interpretation as "contrary to the plain language of the ordinance."[61] County Counsel made clear that ***Chapter 25B does not "limit[] what the decision-maker may consider when evaluating the proposed operator's skills, training, and resources."***[62]

County Counsel explained that the County's past practice has been to interpret the Operator Capability "finding [under Chapter 25B] … broadly to look at the applicant's years of experience and other evidence supporting the requisite expertise."[63] By way of example, County

[58] October 2025 Board Letter at 3; *see also* October 2025 Board Letter, Attachment A – Findings for Approval at 6-7, 11, 16.
[59] October 2025 Board Letter, Attachment A – Findings for Approval at 6-7, 11, 16.
[60] Attachment C, Resp't-Defs. Resp. to Pet'rs-Pls. Mot. for Summ. J. at 23.
[61] *Id.* at 20.
[62] *Id.* (emphasis added).
[63] *Id.* at 22.

Counsel's briefing cited to a host of "contrary evidence" that would not support the Operator Capability finding for Sable's Applications, including, but not limited to:

- Cease and Desist order from the Coastal Commission for unpermitted work in sensitive habitat;
- Letter from U.S. Department of the Interior directing Sable to seek take authorization to comply with federal law upon finding that the work Sable was doing could injure or kill endangered species;
- Letter from Central Coast Regional Water Quality Control Board regarding unauthorized discharge of waste to waters to the state as well as a second and third notice of noncompliance;
- An outpouring of public opposition.[64]

The evidence set forth below and elsewhere in the record before the Board shows the requisite finding of operator capability cannot be made and the Board must deny the Applications.

A. Sable is Facing Several Civil Lawsuits and Criminal Charges That Demonstrate It Lacks the Skills, Training, and Resources Necessary to Operate the Facilities Safely and Responsibly as Required by 25B-10(a)(9).

The discussion set forth below and information attached hereto provide substantial evidence demonstrating that a finding of "Operator Capability" under section 25B-10(a)(9) cannot be made. The October 2025 Board Letter omits most of the below information in a weak attempt to paint a skewed and incomplete picture to support its preferred outcome. Most egregious, County staff entirely failed to mention the pending criminal charges against Sable. For the reasons below, the Board cannot make a finding of operator capability and must deny the Applications.

1. *People of the State of California v. Sable*: A Felony Complaint Has Been Filed by the Santa Barbara County District Attorney Against Sable for Alleged Environmental Violations.

The Board Letter fails to inform the Board and the public that nn September 16, 2025, the Santa Barbara County District Attorney filed criminal charges against Sable Offshore Corp. in Santa Barbara County Superior Court for environmental violations.[65] "The complaint alleges that [Sable] committed ***five felony violations*** of the California Water Code for knowingly discharging dredged or fill material into waters of the United States; ***11 misdemeanor violations*** of the California Fish and Game Code for substantially diverting or obstructing, or substantially changing or using material from the bed, bank, or channel of any river, stream, or lake; and ***five***

[64] *Id.* at 22-23.
[65] Felony Compl. (Case No. 25CR07677) (September 16, 2025), attached hereto as "Attachment F."

misdemeanor violations of the Fish and Game Code for placing excavated materials in or where they could pass into the waters of the State."[66] Arraignment is scheduled for November 4, 2025.

Sable only acquired the Facilities from Exxon last year and does not even have all necessary approvals to begin operating the Facilities. But within that short period and prior to operations, our own District Attorney's Office has gathered enough evidence of Sable's complete indifference to the law and disregard for the County's natural resources to bring criminal charges against this new company. Notably, "[p]rosecutions can be civil or criminal,"[67] yet here the District Attorney intentionally filed a felony complaint, demonstrating the severity of the charges alleged therein.

In response to the charges, Sable made a public statement that the company is "fully cooperating and compliant with the Regional Water Quality Control Board," but for the reasons detailed below, that claim could not be farther from the truth.[68]

2. *People of the State of California ex rel. California Regional Water Quality Control Board, Central Coast Region v. Sable:* Central Coast Water Board Filed a Lawsuit against Sable for Unauthorized Waste Discharges.

Since December 2024, the Central Coast Regional Water Quality Control Board (CCRWQCB) has issued Sable several notices of violation for unauthorized waste discharges to County waterways.[69] CCRWQCB also directed Sable to obtain permits for future work and submit technical reports that "includ[e] an inventory of all of its land disturbance activities, and discharges to waters of the state and United States."[70] Sable failed to provide CCRWQCB staff with this "critical required information."[71] Moreover, although it submitted after-the-fact permit applications for restoration work at sites where it previously performed unauthorized work, Sable "continued to perform work and discharge waste at new locations without filing required reports of waste discharge," despite being acutely aware of those requirements.[72]

Ultimately, on April 17, 2025, the CCRWQCB Board adopted a resolution referring the matter to the Attorney General's Office ("AG").[73] In its resolution, the CCRWQCB Board

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[66] Office of the District Attorney for the County of Santa Barbara, *Press Release; District Attorney Files Criminal Charges Against Sable Offshore Corp. For Environmental Violations* (September 18, 2025), available at: https://content.civicplus.com/api/assets/9ac411e4-e806-4e8d-adb0-4214f28c3951 (emphasis added).
[67] Office of the District Attorney for the County of Santa Barbara, *Protecting the Environment*, available at: https://da.countyofsb.org/environmental-law.
[68] Sable Offshore, *Sable Rejected Politically Motivated Attack by Santa Barbara DA* (September 18, 2025), available at: https://sableoffshore.com/news/news-details/2025/Sable-Rejects-Politically-Motivated-Attack-by-Santa-Barbara-DA/default.aspx.
[69] California Regional Water Quality Control Board Central Coast Region, *Resolution R3-2025-0024; Authorizing Referral for Potential Judicial Civil Enforcement to the California Attorney General* at 1 (April 18, 2025), attached hereto as "Attachment G."
[70] *Id.*
[71] *Id.*
[72] *Id.* at 2.
[73] *Id.*

described Sable as having a "practice of performing unauthorized work in waters of the state and United States…."[74] CCRWQCB Chair Jane Gray further stated that Sable "chose to ignore state environmental regulation" and that "[n]o corporation should gain a business advantage by ignoring the law and harming the environment."[75]

On October 3, 2025, the California AG brought a lawsuit against Sable on behalf of CCRWQCB for civil liabilities and injunctive relief in the Santa Barbara Superior Court.[76] The complaint alleges three causes of action under the Water Code: (1) failure to comply with an investigative order, (2) failure to report waste discharges, and (3) discharge of waste without permit requirements.[77]

Several allegations by the California AG in the complaint provide evidence of Sable's complete inability to operate safely, responsibly, and in accordance with the law, as required by Chapter 25B-10(a)(9). For example, the California Attorney General alleged that:

- "Rushing to meet a July 1, 2025 deadline imposed by the California Office of State Fire Marshal for restarting its onshore crude oil pipeline network, Sable ***intentionally*** ignored its obligations under California Water Code…."[78]
- "…Sable placed profits over environmental protection in its rush to get oil on the market."[79]
- Sable's representations to CCRWQCB were "***patently false***."[80]
- "One would expect a *responsible* oil production company running 125 miles of underground pipeline with unique integrity challenges through the high consequence areas of Santa Barbara and San Luis Obispo Counties would have that information readily available in a database for use by its integrity and environmental management teams. Not so."[81]
- "…Sable ***deliberately avoided its obligation*** to obtain waste discharge requirements before commencing work…."[82]
- "…Sable's ***blatant and knowing failure*** to first obtain waste discharge requirements…before commencing excavation work that could affect water quality."[83]
- "…the location of streams, channels and drainage along Sable's pipeline route is something any responsible operator should have at their fingertips."[84]

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[74] *Id.*
[75] State Water Resources Control Board, *Central Coast Water Board files lawsuit against Sable Offshore Corp. for unauthorized waste discharges* (October 3, 2025), available at: https://www.waterboards.ca.gov/press_room/press_releases/2025/pr20251003-sable-new-release.html.
[76] Compl. (Case No. 25CV06285) (October 3, 2025), attached hereto as "Attachment H."
[77] *Id.*
[78] *Id.* at ¶ 1 (emphasis added).
[79] *Id.*
[80] *Id.* at ¶ 29.
[81] This allegation directly addresses whether Sable is a responsible company and concludes "[n]ot so." *Id.* at ¶ 34 (emphasis added).
[82] *Id.* at ¶ 46 (emphasis added).
[83] *Id.* at ¶ 47 (emphasis added).

- "…Sable's ongoing evasion of regulation…."[85]
- "To the extent these requirements came to the attention of any responsible environmental management, the response should have been swift and comprehensive. Not so with Sable."[86]
- Describing Sable as "uninformed and unprepared."[87]
- "Sable's cynical and unwarranted delay prevented the Regional Water Board from identifying and addressing water quality impacts at these sites and assuring Sable used best management practices to timely mitigate impacts."[88]
- "Sable ***cynically refused*** to obtain waste discharge requirements…until the excavation work was completed so as to avoid delay and impede the Regional Water Board's ability to provide input into the application of best management practices to address impacts to water quality."[89]
- "…***Sable management misinformed the Regional Water Board*** by assuring staff that Sable had assessed how its excavation work could affect water quality."[90]

The complaint concludes as follows:

> Sable's V.P. of Environmental Management was ***at best misinformed, incompetent and incorrect***. At worst, Sable was simply bamboozling the Regional Water Board to meet a critical deadline. Either way, substantial penalties are warranted for Sable's egregious conduct.[91]

Incompetent. Not a responsible operator. Uninformed. Cynical approach. These are the California AG's own words to describe Sable's interactions (or rather inaction) with just one permitting agency. The voluminous record of noncompliance and violations before the CCRWQCB leading up to the resolution referring the matter to the AG and the AG's complaint provide substantial evidence that a finding of Operator Capability cannot be made.

3. <u>*Sable Offshore Corp. and Pacific Pipeline Company v. California Coastal Commission*: Judge Ruled That Sable Engaged in Unauthorized Development in Violation of the Coastal Act and That the Coastal Commission Had the Authority to Issue its April 10 Orders.</u>

The October 2025 Board Letter misleadingly states, without explanation, that litigation between Sable and the CCC is simply "ongoing." The Letter fails to inform the Board and the public that on May 28, 2025, the court in that case granted the CCC's request for a preliminary injunction preventing Sable from conducting repairs on the pipelines. The Board Letter also

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[84] Again, this allegation directly contests that Sable is a "responsible operator." *Id.* at ¶ 54.
[85] *Id.* at ¶ 55.
[86] Another allegation highlighting that Sable does not operate responsibly. *Id.*
[87] *Id.*
[88] Id. at ¶ 56.
[89] *Id*. at ¶ 58 (emphasis added).
[90] *Id.* (emphasis added).
[91] *Id.* (emphasis added).

omits any reference to the fact that on October 15, 2025, the same court affirmed the CCC's determination that Sable's unpermitted pipeline repair work in the coastal zone related to Lines 324/325 required Coastal Act authorization, and the absence of which violated the County's Local Coastal Program (LCP) and Coastal Act.[92] Hence, the injunction remains in effect.

Prior to and throughout the litigation, CCC made several attempts to stop Sable's activities because it "understood the environmental damage it could result in."[93] Without any prior authorization, Sable used heavy equipment to remove major vegetation and excavate substantial areas, some of which were located in "protected habitat areas, including federally designated critical habitat for wildlife protected under the Endangered Species Act, or within sensitive stream corridors and wetlands."[94] CCC staff further explained in its March 28 Staff Report to the Commission:

> The timing of Sable's onshore work is also problematic in that it has ***occurred during the breeding season*** for the federally listed southern California steelhead and the California red legged frog, a species which is listed as threatened under the federal Endangered Species Act. The work also ***occurred during the nesting season*** for most bird species, as well as the time of year in which ground disturbance is most likely to result in erosion, scarring, and discharge of sediment into wetlands and watercourses. Moreover, several ***work sites are in or adjacent to environmentally sensitive habitat areas*** (ESHA), including coastal scrub and chaparral habitats, and in, or near, areas mapped as wetlands and riparian habitat. Other work sites are in annual or native grassland, and woodlands. Importantly, native grasslands are ESHA, while certain non-native habitats such as annual grasslands can also be ESHA if rare species are present, under Policy NS-4 (Coastal) of Santa Barbara County's Gaviota Coast Plan.[95]

After only a few months since purchasing the Facilities, Sable received its first Notice of Violation dated September 27, 2024, from CCC for its unpermitted activities in the coastal zone and was instructed to cease and desist.[96] Instead, Sable deliberately ignored CCC's command and continued with business-as-usual. From there, CCC issued Sable another Notice of Violation dated February 11, 2025; a Notice of Intent to issue an Executive Director Cease and Desist Order dated October 4, 2024; and two Executive Director Cease and Desist Orders dated November 12, 2024 and February 18, 2025.[97] Still, Sable barreled ahead with complete disregard

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[92] Ruling on Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction (Case No. 25CV00974) (October 15, 2025), attached hereto as "Attachment I."
[93] Excerpt from Tr. of the Town Hall of State Oversight of Crude Oil Pipelines CA-324 & CA-325 at 26, lines 16-17 (March 13, 2025), attached hereto as "Attachment J."
[94] *Id.* at 26, lines 1-4.
[95] California Coastal Commission, *Staff Report: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty* at 5 (March 28, 2025), attached hereto as "Attachment K" (emphasis added).
[96] Attachment I, Ruling on Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction.
[97] *Id.*

for the sensitive coastal resources in areas where it conducted unpermitted work,[98] CCC's orders, state law, and local policies.[99] CCC Deputy Director Cassidy Teufel described Sable's actions as constituting "***the first time in the agency's history that we've had a party blatantly ignore a cease-and-desist order like this and refuse to submit a [permit] application***."[100] According to Deputy Director Teufel, "Sable's representatives have told [CCC] that they'll only stop if a court makes them."[101]

The CCC's administrative process culminated in a "five-hour, noticed, public hearing [on April 10, 2025], at the conclusion of which [the Commission] issued Sable a Cease and Desist Order and Restoration Order and imposed an administrative penalty [amounting to $18 million]. The Cease and Desist Order required, among other things, that Sable cease operations until securing Coastal Act authorization or a formal, final exemption determination for any work it wished to pursue. It also required that Sable seek after-the-fact Coastal Act authorization for work already completed and prospective authorization for anticipated work."[102] Even still, Sable continued its work and has not applied for authorization under the Coastal Act.[103]

Sable initiated litigation against CCC in state court on February 18, 2025, and CCC subsequently cross-complained.[104] On May 28, 2025, the court granted CCC's request for a preliminary injunction, which restrains Sable "from conducting any further development in violation of the duly-ordered cease and desist order issued by the Commission on April 10, 2025."[105] The injunction remains in place to date.

On October 15, the judge considered Sable's request for a writ of mandate. The issue before the court was whether CCC was authorized to issue the April 10 Orders and whether Sable engaged in unauthorized development in violation of the Coastal Act.[106] The court found in favor of CCC, ruling that Sable was required to first obtain a coastal development permit (CDP) before conducting repairs and installing valves on the pipelines, and that CCC's orders were supported by substantial evidence. By affirming CCC's determinations in full, Sable got exactly what it asked for: a judge telling it to comply with the law.[107]

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[98] *See* California Coastal Commission, *Staff Report: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty* at 5 (March 28, 2025), attached hereto as "Attachment K."
[99] Attachment I, Ruling on Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction.
[100] Attachment J, Excerpt from Tr. of the Town Hall of State Oversight of Crude Oil Pipelines CA-324 & CA-325 at 27, line 24 to 28, line 2.
[101] *Id.* at 28, lines 3-4.
[102] California Natural Resources Agency, *Summary of State Regulation of Crude Oil Pipelines in Santa Barbara County* (September 12, 2025), available at: https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Educational-Portal/Pipeline-Summary-91225.pdf.
[103] *Id.*
[104] Attachment I, Ruling on Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction.
[105] Order Granting Appl. for Prelim. Inj. (Case No. 25CV00974) (June 10, 2025) (originally ordered on May 28, 2025), attached hereto as "Attachment L."
[106] *Id.*
[107] *Id.*

As an aside, County staff's actions throughout the CCC administrative process must also be acknowledged. To say that County staff "complicated" this situation (as CCC did) is an understatement.[108] Despite several efforts by CCC to communicate with Sable about its unpermitted work in the coastal zone, on February 12, 2025, the County Planning & Development Department ("P&D") sent Sable a letter concluding that its pipeline anomaly repair work was authorized under existing permits.[109] As explained by CCC Deputy Director Teufel in March 2025, CCC "strongly disagree[s]" with "the County of Santa Barbara Planning Department's position" in the February 12 letter, i.e., "that the work is covered by a permit issued nearly 40 years ago for the original construction of the pipeline."[110] In its October 15 order, the court agreed with CCC and held that P&D's February 12 letter was "conclusory…, reflects the position of staff rather than a decisional body of the County, and contains express qualifications as to the limitations of it as a County decision."[111] The court instead gave deference to CCC's determination that a new CDP was required.[112] The October 2025 Board Letter omits these material developments and in fact, still cited to the February 12 letter without disclosing Judge Anderle's ruling.[113]

The CCC's administrative actions against Sable and the court's complete rejection of Sable's arguments further demonstrate Sable's complete disregard for the law—both state and local—and its repeated refusal to obtain permits *before* conducting activities that can and have caused environmental damage. The foregoing discussion provides substantial evidence that Sable does not have "the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes…." County Code § 25B-10(a)(9). If Sable won't listen to our state agencies, what evidence does the County have that Sable will adhere to the County's permits and ordinances?

4. *Tracy Johnson v. Sable Offshore Corp. et al.*: Class Action Securities Lawsuit and Public Statements by CSLC Chair Questioning Sable's Ability to be a Transparent Operator.

The Board Letter fails to disclose that on July 28, 2025, a class action securities lawsuit was filed against Sable in the California Central District Court for alleged violations of federal securities laws.[114] Specifically, the case relates to alleged "materially false and misleading statements" made by Sable in its press release and its U.S. Securities Exchange Commission

[108] Attachment J, Excerpt from Tr. of the Town Hall of State Oversight of Crude Oil Pipelines CA-324 & CA-325 at 27, line 7.
[109] *Id.*
[110] *Id*. at 28, lines 7-10.
[111] Attachment I, Ruling on Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction.
[112] *Id.*
[113] *Id.; see also* October 2025 Board Letter at 3.
[114] Class Action Compl. for Violations of the Federal Securities Laws, Dkt. No. 1 (Case No. 2:25-cv-06869) (July 28, 2025), attached hereto as "Attachment M."

(SEC) filing.[115] "The lawsuit seeks to recover losses on behalf of investors who were adversely affected by alleged securities fraud."[116]

The lawsuit in part stems from public statements made by the Chair of the CSLC, Lieutenant Governor Eleni Kounalakis, to Sable in a letter dated May 23, 2025.[117] This letter is also not mentioned in the Board Letter. In the letter, Chair Kounalakis publicly denounced Sable's May 19 press release announcing that it had restarted operations at the SYU, even though it had not.[118] Chair Kounalakis expressed "serious concerns regarding [Sable's] press release dated May 19, 2025," which she stated "appears to mischaracterize the nature of recent activities, causing significant public confusion and raising questions regarding Sable's intentions."[119] She described Sable's claims as "not only misleading but also highly inappropriate," particularly because Sable (once again) had not obtained approvals to restart the SYU.[120]

Chair Kounalakis' letter specifically calls into question whether Sable is a responsible operator:

> Sable's failure to clearly and timely communicate these activities to the Commission undermines trust of Sable's motives, demonstrates a lack of understanding of the significant concerns held by many regarding the resumption of activities, and ***raises serious questions about Sable's willingness to be a transparent operator***. … ***The willful disregard for the directives of regulatory agencies does not engender trust or confidence in Sable's willingness to serve as a responsible partner***,….[121]

Chair Kounalakis' public statements admonishing Sable's representations to the public, its investors, and permitting authorities, and calling into question Sable's ability to operate as a "responsible" and "transparent" operator are directly relevant to whether the Board can make a finding of operator capability under section 25B-10(a)(9).[122] Based on this evidence, and the substantial evidence set forth herein, the Board cannot make a finding of operator capability and Sable's Applications must be denied.

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[115] *Id.* at ¶¶ 30-44.
[116] PR Newswire, *Shareholders that lost money on Sable Offshore Corp.(SOC) Urged to Join Class Action - Contact Levi & Korsinsky to Learn More* (September 26, 2025), available at: https://www.prnewswire.com/news-releases/shareholders-that-lost-money-on-sable-offshore-corpsoc-urged-to-join-class-action--contact-levi--korsinsky-to-learn-more-302567849.html.
[117] Letter to Steve Rusch, Vice President of Environmental & Governmental Affairs for Sable, from Lieutenant Governor Eleni Kounalakis, Chair of the California State Lands Commission (CSLC) (May 23, 2025), attached hereto as "Attachment N."
[118] *Id.* at 1.
[119] *Id.*
[120] *Id.*
[121] *Id.* at 1-2 (emphasis added).
[122] *Id.*

B. The Operator Capability Finding Cannot be Made Because Sable Has Received Several Notices of Violations and Caused Multiple Leaks and Spills at the Facilities.

Sable is not yet identified as the owner, operator, and/or guarantor on the County Permits for the Facilities but there is already mounting evidence demonstrating that the company lacks the skills, training, and resources to operate safely, transparently, and in accordance with the law. Since the Board last heard this matter a mere eight months ago, Sable has continued to flout the law and as a result, be subject to multiple enforcement actions initiated by several different state and local agencies. Information from other agencies, such as the CCC, CCRWQCB, and California Department of Fish and Wildlife (CDFW), demonstrate that Sable's activities to date have been conducted without the requisite approvals and in a manner that significantly impacts sensitive ecological and cultural resources. As discussed above, these impacts led to a preliminary injunction prohibiting further repairs until and unless Sable obtains a CDP, as well as a Felony Complaint filed by the Santa Barbara County District Attorney and an enforcement lawsuit filed by the California AG.

Our February 21 comment letter to the Board detailed Sable's history, propensity to cut regulatory corners, and willful violation of multiple agency directives up and until the February 25 Board hearing.[123] We hereby incorporate those comments by reference herein.[124] The below list of administrative enforcement actions and spills is limited in time to February 26 to present date—just a matter of months—and is far more comprehensive than the limited discussion in the October 2025 Board Letter.[125]

1. OSFM

On October 22, 2025, OSFM sent a notification of deficiency to Sable regarding noncompliance with the State Waiver requirements, providing yet another example of Sable's failure to comply with agency orders and safety requirements.[126] The State Waivers were sought by Sable due to "inadequate cathodic protection," as described by OSFM.[127] According to the notice of deficiency, Sable failed to remediate certain anomalies, as required by conditions in the State Waivers.[128] OSFM determined that the failure to comply with these requirements prevented restart under the law.[129] The OSFM warned that it "may have further comment or requirements arising out of [its] review."[130]

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[123] Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors at 30-33 (February 21, 2025).
[124] *Id.*
[125] October 2025 Board Letter at 2-4.
[126] Letter from Daniel Berlant, State Fire Marshal, to Lance Yearwood, Sable Vice President (October 22, 2025), attached hereto as "Attachment O."
[127] *Id.* at 1. EDC, on behalf of its clients, initiated a lawsuit in April against OSFM challenging the State Waivers for the LFPS. Sable is involved in the case as a Real Party in Interest. This case is pending in Santa Barbara Superior Court.
[128] *Id.* at 1-2.
[129] *Id.* at 2.
[130] *Id.*

As discussed above, the injunction previously granted in *Sable Offshore Corp. and Pacific Pipeline Company v. California Coastal Commission* remains in place to prohibit Sable from conducting additional repair work on the LFPS.[131] The developments in the CCC litigation are directly relevant to OSFM's notice of deficiency because Sable may be entirely prevented from taking actions to comply with the OSFM's October 22 notice of deficiency while the injunction is in effect.

The October 2025 Board Letter inaccurately claims that Sable has "[c]ompleted all necessary upgrades and repairs on the [LFPS]…."[132] This is patently false and directly contradicted by OSFM's October 22 letter, which was made publicly available days before the release of staff's analysis. The OSFM letter is critical information that was improperly omitted from the October 2025 Board Letter.

2. California Coastal Commission

On April 10, 2025, CCC issued Sable a Cease and Desist Order and Restoration Order and imposed a whooping administrative penalty of $18 million dollars for activities onshore including, but not limited to, excavation with heavy equipment; removal of major vegetation; grading and widening of roads; installation of metal plates and other fill material within wetlands; dewatering and discharge of water; pipeline removal, replacement, and reinforcement; installation of shutoff valves; and other development associated with the Las Flores Pipelines CA-324 and CA-325; as well as offshore development including, but not necessarily limited to, placing sand and cement bags on the seafloor below and adjacent to out-of-service offshore oil and water pipelines; all without the requisite Coastal Act authorization, as part of an effort to restart SYU oil production operations and bring the pipelines back into use.[133]

3. Central Coast Regional Water Quality Control Board

On April 15, 2025, CCRWQCB issued a second notice of violation for unauthorized waste discharge into County waterways and for failure to submit the technical report due on March 10, 2025.[134] On April 16, 2025, CCRWQCB issued a second directive to seek permit coverage.[135] On April 17, 2025, at a public hearing, CCRWQCB adopted a resolution referring Sable's alleged violations of the California Water Code for potential civil judicial enforcement to

[131] Attachment L, Order Granting Appl. for Prelim. Inj.
[132] October 2025 Board Letter at 2.
[133] Attachment K, Staff Report: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty at 5; Attachment I, Ruling on Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction.
[134] California Natural Resources Agency, *Summary of State Regulation of Crude Oil Pipelines in Santa Barbara County* (September 12, 2025), available at: https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Educational-Portal/Pipeline-Summary-91225.pdf.
[135] *Id.*

the California AG.[136] On July 24, 2025, CCRWQCB issued a third notice of violation for Sable's continued failure to submit the technical report due on March 10, 2025.[137]

4. State Parks

On August 14, 2025, EDC submitted a letter to State Parks documenting Sable's violations of its State Park Right of Entry (ROE) permit that threatened wildlife, water quality, air quality and public health, and visual resources.[138] This harm was confirmed in an email from State Parks to Sable, in which State Parks noted that "areas outside of the pipeline easement and the roads were traversed and damaged" during anomaly digs conducted pursuant to the ROE.[139]

5. Santa Barbara Air Pollution Control District (SBAPCD)

The Board Letter fails to inform the Board and the public that Sable has received multiple notices of violation from the SBAPCD. On July 15, 2025, SBAPCD issued a violation to Sable for failing to operate a vapor recovery compressor for the Las Flores Canyon Processing Facility.[140] SBAPCD also issued a violation to Sable for failing to operate the flare pilot system flame at all times when combustible gases are being vented for the Las Flores Canyon Processing Facility.[141] On August 18, 2025, SBAPCD issued a violation to Sable for failing to operate the Waste Gas Incinerator Continuous Emissions Monitoring System for SOx for 5 days.[142] On September 25, 2025, SBAPCD issued a violation to Sable for failing to monitor sulfur content of fuel gas in the Central Process Heater at Platform Harmony.[143] In a little over two months, Sable received four notices of violation from SBAPCD for failing to comply with the permit requirements and/or SBAPCD rules, further demonstrating the company lacks the skills necessary to operate in compliance with the Permits and County Code.

6. Santa Barbara County

The Board Letter also fails to inform the Board and the public of known accidents at the onshore facilities. On or around August 6, 2025, Sable reported a chemical spill of 280 gallons of Hydrochloric Acid leaked onto the ground.[144] On or around August 27, 2025, 5,000 CuFt of anaerobic biosolid sludge material used in the produced water treatment process for dissolving

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[136] *Id.*
[137] *Id.*
[138] Letter to Armando Quintero and Dena Bellman from EDC regarding Sable Offshore Corp.'s Violations of the May 8, 2025, Gaviota State Park Right of Entry Permit (August 14, 2025), attached hereto as "Attachment P"
[139] Email from Emma Siverson, Senior Staff Counsel, California State Parks, to Christian Marsh, attached hereto as "Attachment Q."
[140] Santa Barbara County Air Pollution Control District (SBCAPCD), *Board Agenda Item; Notice of Violation Report* at 9 (August 21, 2025), attached hereto as "Attachment R."
[141] *Id.*
[142] Santa Barbara County Air Pollution Control District (SBCAPCD), *Board Agenda Item; Notice of Violation Report* at 3 (October 16, 2025), attached hereto as "Attachment S."
[143] *Id.* at 7.
[144] California Governor's Office of Emergency Services ("CalOES"), *Hazardous Materials Spill Report* (August 6, 2025), attached hereto as "Attachment T."

oil residue at Sable's oil and gas production facility was released, some of which leaked beyond the contaminant area.[145] The cause of the release was operator error.[146] "Samples [of the sludge material was] taken…showing a slight uptick in the barium level, indicating it may possibly be hazardous."[147]

Sable has also demonstrated that it does not have the skills to comply with the conditions in the FDPs, despite not even being listed on these Permits.[148] On April 11, 2025, P&D sent Sable a Notice of Violation and Determination of Fine after the County received complaints about construction activities occurring at night and thus outside of the work hours identified in the Permits.[149] These activities constituted a violation of the County Land Use & Development Code. Aside from the fact that Sable was operating the Facilities without a Permit, which we address in a separate letter dated October 22, 2025,[150] Sable blatantly ignored the simplest FDP requirements for its own interests—"activities shall be limited to the period between 7 a.m. and 7 p.m. …."[151] This express requirement is objective and could not have been clearer yet Sable disregarded the community members it disrupted and the potential impacts on biological resources for its own gain. The Board Letter fails to mention this Notice of Violation.

Finally, the October 2025 Board Letter makes the conclusory assertion that Sable completed work on the correction items required prior to restart listed in the County's System Safety & Reliability Review Committee's (SSRRC) audit matrix.[152] This statement is meaningless without more information and context. The company's history demonstrates that the concern lies not merely in the work performed, but in how and where it was conducted, and whether it adhered to all applicable legal obligations. The information disclosed in the matrix confirms that Sable once again did not comply with the County's rules. For example, the matrix explains that "Sable brought in ***57 truckloads of diesel*** for re-start and unloaded in a crude oil storage (Rerun) Tank. Since this is a crude oil storage tank, storing diesel resulted in Change of Service. … ***EMC or the SSRRC were not notified for this Change in Service***."[153] Sable was required to provide this notice *before* taking action, particularly given the "magnitude" of Sable's

[145] CalOES, *Hazardous Materials Spill Report* (August 27, 2025), attached hereto as "Attachment U."
[146] *Id.*
[147] *Id.*
[148] On October 22, 2025, EDC, on behalf of our clients, submitted a letter to P&D Director Lisa Plowman to request that the County direct Sable to immediately cease any and all activities related to the Facilities as authorized by the FDPs. Letter from Linda Krop, EDC Chief Counsel, Tara Rengifo, EDC Senior Attorney, and Ryan Smith, EDC Legal Fellow, to Lisa Plowman, Director of P&D (October 22, 2025), attached hereto as "Attachment V". The letter states that the Board has not acted on the transfer Applications and therefore Sable does not have the required County entitlements to conduct any activities related to these Facilities. *Id.* The letter explains if P&D allows Sable to continue to operate without the Permits, it would improperly allow Sable to circumvent the Board's authority, obviate the County's own ordinance (Chapter 25B), and undermine the recent court orders requiring the Board to make the permit transfer decision and rejecting P&D's February 12 letter purporting to authorize Sable's anomaly repair work. *Id.*
[149] Santa Barbara County, Planning & Development, *Notice of Determination of Fine* (April 11, 2025).
[150] Attachment V, Letter from EDC to P&D.
[151] Santa Barbara County, Planning & Development, *Notice of Determination of Fine* at 1 (April 11, 2025).
[152] October 2025 Board Letter at 3.
[153] County of Santa Babara, System Safety & Reliability Review Committee (SSRRC), *Sable LFC SIMQAP Audit Matrix Outstanding Findings* (revised October 6, 2025) (emphasis added).

work.[154] The County identified Sable's noncompliance with its requirements as "Priority 1," meaning there was a "[s]ignificant potential for serious: personal injury, negative environmental impact, property damage or hazardous material release."[155] As demonstrated by this example, County staff's simple claim that Sable "completed" these correction items without any further information or analysis does not amount to substantial evidence necessary to support the requisite findings under Chapter 25B.

7. CalGEM

On May 9, 2025, CalGEM threatened to initiate an enforcement against Sable and impose civil penalties for violations.[156] Sable is contesting CalGEM's authority over the Las Flores Canyon Processing Facility and the bonding requirements found in Public Resources Code Section 3205.8.[157] CalGEM's May 9 letter dismisses Sable's arguments and confirms its authority over production facilities.[158]

8. CSLC

On May 23, 2025, and as detailed above, CSLC Chair Kounalakis sent Sable a letter publicly rejecting the company's claims that operations at the SYU had restarted, even though it had not, and expressing "serious concerns" about Sable's ability to be a responsible and transparent operator.[159]

In conclusion, Sable is clearly not a capable operator. The October 2025 Board Letter references only a fraction of the evidence presented herein and provides no analysis of the relation between these "notable compliance issues" and the requisite Operator Capability finding.[160] Given the lack of substantial evidence to support a finding of operator capability, the Board must deny the Applications.

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

To approve the Applications, the Board must make a finding supported by substantial evidence that all insurance, bonds or other instruments or methods of financial responsibility "necessary to comply with the permit and any county ordinance" are updated and will remain in

[154] *Id.*
[155] *Id.*
[156] Letter to Michael Mills from Courtney Kasberg, CalGEM, (May 9, 2025), attached hereto as "Attachment W." We have a pending Public Records Act request with CalGEM for records related to its subsequent communications with Sable, but we have not yet received responsive records. We urge the Board to ask Sable to provide documentation to demonstrate the status of its compliance with CalGEM's statutory and regulatory authority over the Facilities, particularly whether it posted the bond and is complying with the requirements pursuant to SB 1137.
[157] *Id.*
[158] *Id.*
[159] Attachment N, Letter to Sable from Chair of the California State Lands Commission.
[160] October 2025 Board Letter at 3-4.

full effect.[161] *See, e.g.,* County Code § 25B-10(a)(2). The Board must also make a finding that Sable "has the…resources necessary to operate the [Facilities] in compliance with the [Permits] and all applicable county codes…." *Id.* at § 25B-10(a)(9). These findings require a comprehensive understanding of the requirements of each Permit as well as the relevant County Code provisions. The Board is afforded discretion in not only evaluating whether this finding can be satisfied, but also whether to "impose *additional conditions* on the [P]ermit[s] in order to ensure that any insurance or other financial guarantees that were…relied on by the [Board]…are maintained." *Id.* at § 25B-10(b) (emphasis added).

Here, substantial evidence does not support these findings as required by sections 25B-9 and 25B-10[162] because:

(1) Adequate financial guarantees for abandonment of the Facilities required by the express terms of the FDPs and County Code have not been provided; and

(2) Sable has not demonstrated that *the company* has sufficient capital to remediate after a spill or accident as required by SYU Permit Condition XI-2.w.

The October 2025 Board Letter did not address either of these arguments anew in its analysis except to add a sentence that Sable increased its insurance policy.[163] No other information about the policy is discussed or attached to the Board Letter. For the reasons detailed below, the policy limit is still millions of dollars below the estimated costs from the Plains oil spill in 2015, the policy appears to expire on November 1, 2026, and the full policy was once again withheld by Sable, which prohibits a meaningful evaluation of the policy's terms, conditions, and exclusions.

The Applications must therefore be denied.

A. Adequate Financial Assurances Have Not Been Provided to Cover Abandonment of the Facilities.

First, Sable has not shown that it has the financial wherewithal to abandon the Facilities, particularly if the Permits transfer and operations never resume at the Facilities (which the Board Letter fails to address). Second, Sable has failed to post performance bonds for the Facilities, which is required by the POPCO Permit and authorized by the SYU and LFPS Permits.

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[161] Furthermore, section 25B-10(a)(9) mandates a showing that the proposed operator has the … resources necessary…." *Id.* at § 25B-10(a)(9). Accordingly, per the findings' plain language, Sable must demonstrate ***it*** has the resources—including money, insurance, and bonds—to operate in compliance with the permit and County Code. Whether the company has the funds and other instruments to do so is central to both the operator capability inquiry as well as the financial guarantees finding.

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

[163] October 2025 Board Letter at 3.

1. Evidence in the Record Does Not Support a Finding that Sable Has Sufficient Resources and Financial Guarantees to Abandon the Facilities.

Sable reported absolutely nothing in revenue through June 2025, meaning the company continues to operate without cash inflows.[164] The company's financial conditions will remain unchanged unless it is able to restart production, for which it has several outstanding approvals.[165] Even Sable's management acknowledges the company's extreme financial risks; "substantial doubt exists about the Company's ability to continue" due to ongoing losses, dependence on new financing, and uncertainty in refinancing its loan.[166]

Sable is also facing an extremely heavy debt burden with a looming maturity cliff. The maturity date for its Senior Secured Term Loan accelerated to January 10, 2026, meaning it must be refinanced or otherwise paid in full to ExxonMobil in a little over two months.[167] This loan had an initial principal of $625 million but was recorded as over $875 million as of June 2025.[168] The interest rate on the Senior Secured Term Loan is *currently*[169] approximately 10.0% and over a mere six month period, Sable incurred around $42 million in interest on its loan.[170] Rather than pay that interest in cash, Sable has rolled the unpaid interest into the loan balance.[171] This means that Sable is being charged interest on the interest it has accumulated, compounding its debt.[172] Failure to refinance or repay this loan could result in default and asset foreclosure.

There are also several restrictive covenants in the loan that impose "significant operating and financial restrictions on [Sable]."[173] These restrictions exert an incredible amount of control over the company's activities, essentially making it so the only way Sable would be permitted to repay the loan is by initiating operations.

Sable estimates around $106 million[174] in asset retirement obligations related to the future plugging and abandonment of oil and gas properties and related facilities.[175] This figure is likely

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[164] Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 4, 37, 42 (August 12, 2025), available at: https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/307c3806-d22a-4dd0-9a99-cc9c5de4bb4a.pdf.
[165] *Id.* at 9, 42.
[166] *Id.*
[167] *Id.* at 8.
[168] *Id.* at 3, 19.
[169] If additional amendment(s) are made to the terms of the loan, Exxon could (and likely would) put pressure on Sable by increasing the interest rate to even more than 10% due to the increasing risk.
[170] *Id.* at 4, 19-20, 40.
[171] *Id.* at 19.
[172] *Id.*
[173] *Id.* at 19.
[174] This estimate is based on Sable's "assumptions and judgments regarding such factors as the existence of a legal obligation for an asset retirement obligation, technical assessments of the assets, estimated amounts and timing of settlements, discount rates, and inflation rates," which are not disclosed in the Form 10-Q. *Id.* at 45. It is critical to know these assumptions and for Sable to 'show its work' to inform discussions related to the true costs of abandonment.
[175] *Id.* at 18.

woefully inadequate and inaccurate,[176] but even assuming *in arguendo* otherwise, Sable likely cannot afford even that amount for abandonment based on its Form 10-Q.[177] The company reports around $247 million in cash and cash equivalents as of June 2025, which can be quickly depleted by its $875 million loan, around $20 million in deferred tax liability, etc.

The Board must seriously consider that based on Sable's own financial disclosures, it likely would not have enough money to cover its estimated abandonment obligations at present. This is critical because starting the day the Permits are transferred (rather than at the time production resumes), Sable—not ExxonMobil—will be financially responsible for abandoning these old and risky oil and gas Facilities. In assessing whether substantial evidence supports a finding of financial guarantees, the Board must not ignore the fact that Sable may never restart the Facilities and in this likely scenario, Sable could go bankrupt, leaving it unable to properly abandon the Facilities. It is foreseeable that Sable will never restart the Facilities given the several pending lawsuits in state and federal courts (see discussion above, which is not exhaustive) and significant remaining local, state, and federal approvals required prior to restart including, but not limited to, a new easement from State Parks, CDPs for repair work and post-January 1, 2026, restart, Right of Way from the U.S. Bureau of Land Management, restart plans from OSFM, among others.[178] Without an adequate showing that Sable has the financial capacity at this time to properly abandon the Facilities pursuant to the terms of the Permits, the financial guarantees finding cannot be made.[179]

2. <u>The Board Must Require That Sable Post a Performance Bond Now for Abandonment Costs.</u>

Each Permit contemplates that, if transferred, Sable will ultimately be responsible for the abandonment of the Facilities, with the POPCO Permit expressly requiring that Sable post a performance bond for abandonment and the SYU and LFPS Permits authorizing the County to require performance bonds.[180]

> **POPCO Permit, Condition Q-2, "Abandonment Procedures"**
> Immediately following permanent shut down of the facilities permitted herein, POPCO shall abandon and restore all facility sites covered under this permit consistent with County policies on abandonment and restoration of said facilities in effect at that time. Absent any policies, POPCO shall remove any and all abandoned processing facilities and portions of the import pipeline, buried or

[176] CalGEM has estimated the total cost of decommissioning the Las Flores Canyon Facility *alone* would be $31.9 million, which also seems low. Attachment W, Letter from CalGEM.
[177] Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 3 (August 12, 2025), available at: https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/307c3806-d22a-4dd0-9a99-cc9c5de4bb4a.pdf.
[178] *See also,* Letter from California Department of State Parks to Sable (Dec. 20, 2024),
[179] The February 2025 Board Letter claims that ExxonMobil could potentially be liable under Chapter 25B-4. February 2025 Board Letter at 6. But the question before the Board is not whether some third-party can conceivably be held liable for abandonment in the future. The question is whether Sable, who is applying to be the guarantor of the Facilities, can assure the County that it alone is capable of abandoning the Facilities.
[180] SYU Permit, Condition XIX-1; POPCO Permit, Condition Q-2; LFPS Permit, Condition O-1.

> unburied, constructed and/or operated under this permit, excavate any contaminated soil, re-contour all sites and revegetate all sites in accordance with a County approved abandonment and restoration plan within one year of permanent shut down. POPCO ***shall post a performance bond, or other security device acceptable to County Counsel, in an amount determined by the County***.[181]
>
> **SYU Permit, Condition XIX-1, "Abandonment Procedures and Performance Bond"**
> When averaged (arithmetic mean) operational throughput of oil and gas processing facilities, storage, or transportation facilities over any twelve (12) consecutive month period is at or below 3 percent of the maximum permitted operating capacity, the County shall review the permits at a duly noticed public hearing to determine if facility abandonment or facility modifications are appropriate, and if the site should be rezoned or redesignated in the Comprehensive Plan. If such a determination is made, ExxonMobil shall remove any and all abandoned facilities constructed under this permit, excavate any contaminated soil, recontour the site, and revegetate the site in accordance with a County approved Abandonment Plan within one year of such determination. ExxonMobil ***shall post a performance bond or other security device acceptable to County Counsel to ensure compliance, or continue to pay property taxes as assessed during project operation until site restoration is complete, as determined by the County***.[182]
>
> **LFPS Permit, Condition O-1, "Removal of Pipeline and Pump Stations Upon Permanent Shut Down"**
> Immediately following permanent shut down of the pipeline, PPC shall remove abandoned pump stations and unburied portions of the pipeline within Santa Barbara County constructed under this permit, recontour the site and revegetate the site in accordance with a County approved revegetation plan within one year of permanent shut down. PPC ***shall post a performance bond to insure compliance, or continue to pay property taxes as assessed during project operation until site restoration is complete, as determined by the County***.[183]

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

[181] POPCO Permit, Condition Q-2 (emphasis added).
[182] SYU Permit, Condition XIX-1 (emphasis added).
[183] LFPS Permit, Condition O-1 (emphasis added).

commencement of operations) is both logical and prudent. On the other hand, County staff's interpretation of when the Facilities' decommissioning performance bonds would be required (i.e., "immediately following the permanent shut down of the facilities") is illogical, contrary to the plain language of the Permit conditions, and inconsistent with County Code section 35-153.[184]

The only way to assure the Board that Sable has the funds to abandon the Facilities is to estimate the costs of abandonment and restoration of the sites and then require performance bonds for each Facility. This not only makes sense and is consistent with best practices but is also required by the terms of the POPCO Permit and within the Board's authority under the other two Permits. Moreover, it is absurd that the County would elect for Sable to pay property taxes rather than post a bond. Paying property taxes in no way guarantees sufficient funds to pay for abandonment and decommissioning, as the County now knows given recent decommissioning projects on the Gaviota Coast. The only way to ensure the public is not left responsible for abandonment costs is to require Sable to post performance bonds for each of its facilities. Thus, the Board must exercise its discretion to require such. Unless and until these performance bonds are posted for the Facilities by Sable in an amount determined by the County to sufficiently abandon and restore the sites, the requisite finding of financial guarantees cannot be satisfied.

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

County staff does not dispute that the SYU Permit Condition XI-2.w requires the permittee to submit financial responsibility documents ("[***the permittee***] shall be responsible for the cleanup of all affected coastal and onshore resources, and for the successful restoration of all affected areas and resources to prespill conditions.").[185] Moreover, all of the Permits clarify that Sable would be held liable in the event of a spill or other accident from the Facilities.[186] Pursuant to the terms of the Permits, it therefore follows that section 25B-10(a)(2) ("insurance, bonds…necessary to comply with the permit") mandates a showing that ***Sable*** has sufficient resources to cover remediation and restoration after a spill.[187] For the reasons detailed below, the record lacks substantial evidence to support these findings and the Applications must be denied.

First, based on Sable's most recent[188] 10-Q disclosure to the SEC and as discussed in part above, there are numerous red flags indicating that the company is undercapitalized and

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[184] County staff appears to misread this condition as stating: "Immediately following permanent shut down . . . POPCO shall post a performance bond." That is not what the condition says. It says that *abandonment* should occur "immediately following" shutdown, which makes sense. But the bonding requirement is not so qualified. February 2025 Board Letter at 5.
[185] SYU Permit Condition XI-2.w (emphasis added); February 2025 Board Letter at 4.
[186] SYU Permit, Condition XI-2.w ; POPCO Permit, Condition A-12; Las Flores Pipeline Permit, Condition A-12.
[187] *See also,* section 25B-10(a)(9), which requires a finding that ***Sable*** has the "resources necessary to operate the permitted facility in compliance with the permit." County Code §25B-10(a)(9).
[188] The discussion herein is based on Sable's most recent Form 10-Q for the period ending in June 2025. The disclosures and analysis set forth therein may not be fully representative of the company's current financial state. As more time passes and Sable still has not generated any revenue, its debt and liabilities likely continue to grow, which may cause further financial instability for the company. Moreover, the most recent Form 10-Q captured the flurry of

financially risky including, but not limited to liquidity constraints, debt burden, and structural or contingent risks. Focusing on its high spend rate and lack of profits, Sable disclosed a rapid decline of unrestricted cash from approximately $300 million in December 2024 to around $247 million by June 2025—an approximate 19% burn rate in six months, despite no revenue being recorded yet.[189] Sable also reported that it spent around $143 million in operating cash flow for the first six months of 2025, an *increase* as compared to the previous year by about 22.9%.[190] As Sable continues to ramp up in the hopes of operating, it is likely that even *more* spending will be needed. And perhaps most importantly, the Form 10-Q for the reporting period ending in June 2025 shows a significant amount of the company's cash flow is from financing, meaning it is basically borrowing to finance a business that is now running towards a cliff with a huge debt payment owed. But at some point, it could become either too expensive or too much risk for investors to keep betting on, as evidenced by its declining share value.

Additionally, as of June 2025—around six months from the maturity date for a multi-million dollar loan repayment and still no income—Sable reported an ***accumulated deficit of $936 million***, reflecting massive losses since formation.[191] With no revenue and outstanding approvals still necessary prior to restart, Sable itself is doubtful about its ability to continue and even if it is able to do so, how much capital will the company have on hand when it resumes operations and in the months following?[192] Based on the forgoing discussion and the financial disclosures in Sable's most recent Form 10-Q, the evidence before the Board does not support a finding of sufficient financial capacity to remediate after a spill or other accident if one should occur during or shortly after Sable restarts the Facilities.

Second, Sable's alleged insurance policy is once again missing from the record, despite previous requests by the Board to produce this information during the February 2025 hearing.[193] The Board is vested with the authority under Chapter 25B to conduct independent fact-finding without "evidentiary constraints" prior to making a decision about each finding.[194] Consistent with this authority, Chair Capps asked why Sable had not provided its insurance policy to the County despite previous requests to do so.[195] Disclosure of the insurance policy is necessary prior to making any finding of adequate financial guarantees. Without the actual policy, the County cannot assess the terms, conditions, and possible limitations on Sable's coverage, and thus the adequacy of its insurance. For example, does the insurance only apply to "wells," which are specifically referenced, or does it extend to subsea pipeline ruptures? What about the onshore

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stock activity resulting from Sable's May 19 press release announcing that it had restarted operations at the SYU (even though it had not). The next Form 10-Q will be released in November.

[189] Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-K* at 61 (March 17, 2025), available at: https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/04be1d82-191a-4cb1-9923-de8348e660fa.pdf; Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 8 (August 12, 2025), available at: https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/307c3806-d22a-4dd0-9a99-cc9c5de4bb4a.pdf.

[190] Sable Offshore Corp., *U.S. Securities and Exchange Commission Form 10-Q* at 42 (August 12, 2025), available at: https://d18rn0p25nwr6d.cloudfront.net/CIK-0001831481/307c3806-d22a-4dd0-9a99-cc9c5de4bb4a.pdf.

[191] *Id.* at 3.

[192] *Id.* at 4, 9, 37, 42.

[193] Attachment D, Board of Supervisors' Tr., Vol. 21, pp. 201-203.

[194] Attachment B, Order Re Cross-Mot. for Summ. J. at 19.

[195] Attachment D, Board of Supervisors' Tr., Vol. 21, p. 202.

facilities? Does it cover negligent behavior, similar to what we saw with Plains? Does it require permit compliance? The single line in the October 2025 Board Letter does nothing to respond to these questions or inform the scope of Sable's insurance coverage.

The October 2025 Board Letter also fails to disclose the type of insurance policy, which, based on information and belief, is an umbrella policy with various policy numbers. This further complicates the liability scheme and coverage because typically an umbrella policy sits on top of underlying coverage. It is uncertain how Sable's umbrella policy may interact with its other policies unless the full policies are produced.

The importance of reviewing the actual insurance policy document is evidenced by the Ninth Circuit's decision in *BITCO Gen. Ins. Corp. v. J. Burns Brown Operating Co.*, 845 F. App'x 567 (9th Cir. 2021).[196] There, the Ninth Circuit evaluated whether an umbrella insurance policy purchased by an oil and gas company from an insurer covered pollution costs incurred after a well spilled oil and related contaminants into a reservoir. *Id.* at 568. The district court held that the policy barred coverage and the Ninth Circuit affirmed. *Id.* at 568-69. The case involved a close reading of both the underlying policy and umbrella policy, the stated exclusions, and even exceptions to those exclusions. *Id.* The insured also argued that the policy itself was ambiguous, further demonstrating the types of disputes that may arise over insurance claims. *Id.* The Ninth Circuit ultimately held that the policy was unambiguous, the narrow exception to the pollution exclusion did not apply, and the umbrella policy barred coverage. *Id.* at 568. The court also rejected the oil and gas company's argument that as an oil and gas company, "it could reasonably expect [the] oil-and-gas insurer, to cover its pollution costs." *Id.* at 569. The court reasoned that "'a policyholder's expectations which are contrary to a clear exclusion from coverage are not objectively reasonable.'" *Id.* (internal citation omitted).

From the little information provided, we know the insurance limits[197] would still be insufficient to fully respond to an accident comparable to the 2015 disaster ($870M).[198] The U.S. Coast Guard's National Pollution Funds Center identified key factors that increase the cost of an oil spill, which include, but are not limited to: location (e.g., site is not easily accessible or within sensitive habitat areas), extent of impact on environmentally sensitive areas, type of oil spilled,[199] types of natural resources impacted by the spill, area and length of time for fisheries closures, and magnitude and length of time for business interruptions, among others.[200] As we saw from

[196] This case is unpublished but provides a real-world example of the concerns and issues we raise here.
[197] It is also highly uncertain whether Sable would be fully reimbursed for a claim up to the full policy limits.
[198] As detailed in our February 21 letter to this Board, the $870M cost to respond to the 2015 Plains Oil Spill establishes a baseline for assessing financial assurances here. Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors at 15-16 (February 21, 2025).
[199] National Oceanic and Atmospheric Administration, Office of Response and Restoration, *What Type of Oil Spilled at Refugio State Beach?* (May 2015).
[200] U.S. Coast Guard, *Oil Spill Liability Trust Fund (OSLTF) Funding for Oil Spills* at 7 (January 2006), available at: https://www.uscg.mil/Portals/0/NPFC/docs/PDFs/OSLTF_Funding_for_Oil_Spills.pdf?ver=2017-08-15-124834-470.

the 2015 oil spill, several of these factors would apply to any future oil spill from the Facilities and/or offshore platforms to significantly drive up cleanup costs and damages.[201]

The policy also appears to expire on November 1, 2026. The October 2025 Board Letter does not disclose or assess the effect of this expiration date, but it is clear that the ticking clock on Sable's insurance coverage seriously weakens any showing of financial guarantees.

Finally, the February 2025 Board Letter provides a false sense of security by referencing federal oil spill funding as additional "protection[]" from an oil spill.[202] The cursory reference to these funds in the February 2025 Board Letter (and not mentioned in the October 2025 Board Letter) is far from substantial evidence to support a finding of financial guarantees for several reasons. Most importantly, the plain language of the findings required under Chapter 25B focus exclusively on whether the particular owner, operator, and/or guarantor satisfies the various criteria. The inquiry here is thus whether *Sable* has made adequate financial assurances to support this finding, which it has not. Even assuming these funds are relevant to the analysis here—contrary to the ordinance itself—the Board still cannot make a finding of financial guarantees.

There are also several notable limitations to receiving funding through the federal Oil Spill Liability Trust Fund (OSLTF) neither disclosed nor analyzed by County staff in the February 2025 Board Letter. Most notably, it is entirely unknown (and unlikely given the above discussion) if Sable would be permitted to reduce its liability under the statutory scheme of the Oil Pollution Act of 1990 (OPA) should a spill occur. The OPA, which established the OSLTF, imposes its own liability scheme to explicitly limit the liability of the responsible party, *unless* one of the enumerated exceptions applies, e.g., such as the incident was caused by gross negligence, willful misconduct, or violation of applicable Federal safety, construction, or operating regulations, or failure to report the incident and provide cooperation in removal activities.[203] This exception was analyzed by a federal appellate court a few years ago, which reasoned "one (primary) purpose was to force the oil industry to internalize the negative externalities of its business—i.e., to incentivize the oil industry to avoid financially and environmentally costly oil spills *in the first instance*." *Savage Servs. Corp. v. United States*, 25 F.4th 925, 945 (11th Cir. 2022) (emphasis added). Yet Sable has shown multiple instances of "willful disregard for the directives of regulatory agencies"[204] and "blatant and knowing

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[201] For example, the location of the spill increased costs because it affected several sensitive and recreational areas including Refugio and El Capitan State Beaches, Santa Barbara Channel, and portions of the southern California coastline south to the Los Angeles area. CDFW, *Refugio*, available at: https://wildlife.ca.gov/OSPR/NRDA/Refugio. The types of resources impacted, e.g., birds, marine mammals, fish, coastal and subtidal habitats, and human uses, also drove up costs. *Id.* The spill involved the release of more than 120,000 gallons of *heavy* crude oil into the surrounding environment, which is extremely viscous (i.e., thick and sticky). California Department of Fish and Wildlife et al., *Refugio Beach Oil Spill Final Damage Assessment and Restoration Plan/Environmental Assessment* at 4 (June 2021), available at: https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=193144&inline. Finally, the spill forced the closure of fisheries and beaches, which jeopardized local businesses and caused an estimated 140,000 lost recreational user days between Santa Barbara and Ventura Counties. *Id.* at 3.
[202] *Id.* at 7.
[203] 33 U.S.C. § 2704(c)(1)-(2).
[204] Attachment N, Letter to Sable from Chair of the California State Lands Commission.

failure[s]" to comply with the law.[205] Because the limits on liability do not apply if there has been gross negligence, willful misconduct, or violation of applicable Federal regulations, serious doubt exists as to whether Sable would be entitled to reduce its liability under OPA's statutory framework in the event of a spill.

Additional limitations to funding under the OSLTF that remain unaddressed in the Board Letters include, but are not limited to:

- **Limited Coverage Based on Where the Spill Is:** The discharge must be into or on the navigable waters of the United States or adjoining shorelines or the Exclusive Economic Zone (EEZ);[206]
- **Limited Coverage Based on the Substance Discharged:** The discharge must be oil and cannot include any substance which is specifically listed or designated as a hazardous substance under Comprehensive Environmental Response, Compensation, and Liability Act;[207]
- **Cap on Funding:** In general, the maximum amount available from the OSLTF per incident is $1.5 billion and the natural resource damage assessments and claims in connection with any single incident shall not exceed $750,000,000.[208]

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

C. Substantial Evidence Does Not Support a Finding of "Compliance with Existing Requirements" Pursuant to Sections 25B-9(a)(5) and 25B-10(a)(5).[209]

Chapter 25B further prohibits the County from approving a change of owner or operator unless Exxon complied with all Permit requirements as of July 30, 2024, i.e., the date Sable's Applications were deemed complete. County Code §§ 25B-9(a)(5) and 25B-10(a)(5). However, Exxon and Sable are not in compliance with Condition A-7 of the LFPS Permit because the pipeline lacks effective cathodic protection.[210]

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[205] Attachment H, Compl. (Case No. 25CV06285) at ¶¶ 46-47.
[206] U.S. Coast Guard, *Oil Spill Liability Trust Fund (OSLTF) Funding for Oil Spills* at 2 (January 2006), available at: https://www.uscg.mil/Portals/0/NPFC/docs/PDFs/OSLTF_Funding_for_Oil_Spills.pdf?ver=2017-08-15-124834-470; Congress.Gov, *The Oil Spill Liability Trust Fund Tax: Background and Selected Issues* (June 30, 2025), available at: https://www.congress.gov/crs-product/IF13049.
[207] *Id.*
[208] 26 U.S.C. § 9509(c)(2)(A)(i)-(ii).
[209] All prior comments on the lack of evidence to support the requisite findings under Chapter 25B-9(a)(5) and 25B-10(a)(5) are incorporated by reference as though fully set forth herein. *See* Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Martinez and Planning Commission (October 28, 2024); Appeal Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Lavagnino and the Board of Supervisors (November 7, 2024); Letter from Linda Krop, EDC Chief Counsel, and Jeremy Frankel, EDC Staff Attorney, to Chair Capps and the Board of Supervisors (February 21, 2025).
[210] Condition A-7, entitled "Substantial Conformity," provides, in its entirety: "The procedures, operating techniques, design, equipment and other descriptions (hereinafter procedures) described in 83-DP-25 cz, 83-CP-97 cz and in subsequent clarifications and additions to that application and the Final Development Plan are incorporated

Condition A-7, entitled "Substantial Conformity," has two corollary requirements, each of which are critical to public safety and environmental integrity. First, it requires strict compliance with the pipelines' initial project proposal, which is the proposal that received environmental review and, based on that review, approval.[211] Second, it requires that any deviations from that proposal be reviewed and approved.[212]

As relevant here, the 1985 EIR/EIS included a comprehensive description of the proposed project, from design and construction of the pipeline through to operation and abandonment.[213] Of the design features detailed in the 1985 EIR/EIS, the most important was the proposed pipelines' cathodic protection system—the primary means by which the pipelines would be protected from corrosion. A cathodic protection system forces electricity toward the pipe at bare spots in the coating, which, when effective, protects the bare steel from corrosion.[214]

The importance of the LFPS' proposed cathodic protection system, and its centrality to the project itself, cannot be overstated. As the pipeline's primary means of corrosion control, cathodic protection was foundational to the overall design of the pipeline and the ultimate success of the project; "[p]rotection of a pipeline from corrosion is of *critical importance* to the environment as well as the pipeline operator."[215] The project description in the 1985 EIR/EIS specified that "[t]he entire pipeline would be protected from corrosion with cathodic protection systems consisting of groundbeds and rectifiers."[216] Obviously, environmental review of the project was largely premised on an *effective* cathodic protection system. For example, in predicting the likelihood of an oil spill, the 1985 EIR/EIS explicitly relied on cathodic protection as a design specification that "would reduce the probability of an event [oil spill] occurring," and would be "very effective" in doing so.[217]

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herein as permit conditions and shall be *required elements* of the project. *Since these procedures were part of the project description which received environmental analysis, a failure to include such procedures in the actual project could result in significant unanticipated environmental impacts*. Therefore, modifications of these procedures will not be permitted without a determination of substantial conformity or a new or modified permit. The use of the property and the size, shape, arrangement and location of buildings, structures, walkways, parking areas and landscaped areas shall be in substantial conformity with the approved Final Development Plan." LFPS Permit, Condition A-7.

[211] *Id.*

[212] *Id.*

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

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

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

[216] *Id.* at 2-5.

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

Thus, cathodic protection was a foundational aspect of the project and its environmental review; as repeatedly alluded to throughout the 1985 EIR/EIS, such protection was an essential design element of the project, and the principal technology relied on to prevent a spill.[218] Any departure from the "required elements of the project" and "the project description which received environmental analysis"[219] must be approved after a determination of substantial conformity or a new or modified permit—neither of which has occurred here in violation of Condition A-7.

OSFM also recognized that the LFPS has "*inadequate* cathodic protection," which led to Sable having to apply for State Waivers from this protection.[220] The February 2025 Board Letter referenced the State Waivers granted to Sable "for information only."[221] But the State Waivers are a separate and distinct issue from the substantial conformity determination by the *County* mandated by *County* Permits. While perhaps relevant to that determination, the fact that OSFM granted the waivers does not obviate or otherwise change the necessary procedure under LFPS Permit Condition A-7. Moreover, "[t]he OSFM granted the State Waivers *on the condition that Sable complies with the specific requirements contained therein*," and as evidenced by OSFM's notice of deficiency dated October 22, Sable has failed to do so.[222] OSFM made clear in its October 22 letter that Sable has outstanding repair work that must be completed in order to comply with the specific requirements of the waivers.[223] OSFM concluded that it "may have further comment or requirements arising out of [the agency's] review."[224] Whether Sable will be able to comply with the waiver requirements, which are prerequisites for the waivers to apply to the LFPS, remains uncertain. It is not only premature for County staff to rely on these waivers but also not relevant to the inquiry under sections 25B-9(a)(5) and 25B-10(a)(5), which pertain to the *County's* permits.

Accordingly, restarting the LFPS without effective cathodic protection represents a substantial deviation of the project that was initially envisioned and approved, and thus a violation of Condition A-7. Therefore, the Board cannot find that Exxon/Sable is in compliance with its LFPS Permit necessary to approve the Applications.

D. <u>The Board Should Exercise Its Authority to Request Additional Information.</u>

As explained above, Judge Gee recently determined that Chapter 25B gives the Board the discretion to "conduct de novo fact-finding" and ask for more information if needed to determine whether the findings are supported to effectuate a permit transfer.[225] Here, the following

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

[219] LFPS Permit, Condition A-7.

[220] Attachment O, Letter from State Fire Marshal to Sable.

[221] February 2025 Board Letter at 8-9.

[222] Attachment O, Letter from State Fire Marshal to Sable at 1.

[223] *Id.*

[224] *Id.* at 2.

[225] Attachment B, Order Re Cross-Mot. for Summ. J. at 17-18, 23.

information is improperly missing from the record and must be produced prior to the Board issuing any decision on the Applications:

- A copy of Sable's complete insurance policy;
- Evidence (or lack thereof) of compliance with CalGEM's bonding requirements;
- Financial disclosures for the period ending on September 30, 2025, to be reported in the November Form 10-Q.

E. Conclusion

There is extensive and compelling evidence that Sable does not have the financial or operational capacity necessary to safely and reliably operate the Facilities in a manner to protect public health and safeguard the environment. County Code § 25B-1. Substantial evidence supports a denial based on the requirements of, among others, sections 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), 25B-10(a)(9), 25B-9(a)(5) and 25B-10(a)(5).[226] *See Desmond*, 21 Cal.App.4th at 336-37.

Thus, we urge the Board to deny Sable's Applications. In addition, consistent with Judge Gee's order, the Board should direct staff to cease allowing Sable to operate the Facilities unless the ***Board*** authorizes such operations.

Sincerely,

Tara C. Rengifo

Tara C. Rengifo
Senior Attorney

Attachments:

A - Civil Min. In Chambers—Order Granting Mot. to Intervene, Dkt. No. 39, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA July 25, 2025)

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

[226] To the extent that Sable again attempts its baseless arguments related to preemption, vagueness, and/or vested rights in its comments, we hereby reference and incorporate the attached excerpt from our Reply Brief In Support of Intervenors' Cross-Motion for Summary Judgment. Excerpt from Reply Br. In Supp. of Intervenors' Cross-Mt. for Summ. J., Dkt. No. 47, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA August 29, 2025), attached hereto as "Attachment X."

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

D - Board of Supervisors' Tr., Vol. 21

E - Planning Commission Tr., Vol. 21

F - Felony Compl. (Case No. 25CR07677) (September 16, 2025)

G - California Regional Water Quality Control Board Central Coast Region, *Resolution R3-2025-0024; Authorizing Referral for Potential Judicial Civil Enforcement to the California Attorney General* (April 18, 2025)

H - Compl. (Case No. 25CV06285) (October 3, 2025)

I - Ruling on Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction (Case No. 25CV00974) (October 15, 2025)

J - Excerpt from Tr. of the Town Hall of State Oversight of Crude Oil Pipelines CA-324 & CA-325 at 26, lines 16-17 (March 13, 2025)

K - California Coastal Commission, *Staff Report: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty* (March 28, 2025)

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

M - Class Action Compl. for Violations of the Federal Securities Laws, Dkt. No. 1 (Case No. 2:25-cv-06869) (July 28, 2025)

N - Letter to Steve Rusch, Vice President of Environmental & Governmental Affairs for Sable, from Lieutenant Governor Eleni Kounalakis, Chair of the CSLC, (May 23, 2025)

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

P - Letter to Armando Quintero and Dena Bellman from EDC regarding Sable Offshore Corp.'s Violations of the May 8, 2025, Gaviota State Park Right of Entry Permit (August 14, 2025)

Q - Email from Emma Siverson, Senior Staff Counsel, California State Parks, to Christian Marsh

R - SBCAPCD, *Board Agenda Item; Notice of Violation Report* (August 21, 2025)

S - SBCAPCD, *Board Agenda Item; Notice of Violation Report* (October 16, 2025)

T - CalOES, *Hazardous Materials Spill Report* (August 6, 2025)

U - CalOES, *Hazardous Materials Spill Report* (August 27, 2025)

V - Letter from Linda Krop, EDC Chief Counsel, Tara Rengifo, EDC Senior Attorney, and Ryan Smith, EDC Legal Fellow, to Lisa Plowman, Director of P&D (October 22, 2025)

W - Letter to Michael Mills from Courtney Kasberg, CalGEM, (May 9, 2025)

X - Excerpt from Reply Br. In Supp. of Intervenors' Cross-Mt. for Summ. J., Dkt. No. 47, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA August 29, 2025)

Attachment A

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES—GENERAL

Case No.	**25-4165-DMG (AGRx)**	Date	July 25, 2025
Title	***Sable Offshore Corp., et al. v. County of Santa Barbara, et al.***	Page	1 of 9

Present: The Honorable DOLLY M. GEE, CHIEF UNITED STATES DISTRICT JUDGE

DEREK DAVIS	NOT REPORTED
Deputy Clerk	Court Reporter
Attorneys Present for Plaintiff(s)	Attorneys Present for Defendant(s)
None Present	None Present

Proceedings: IN CHAMBERS—ORDER GRANTING MOTION TO INTERVENE [25]

Petitioners and Plaintiffs Sable Offshore Corp. ("Sable Offshore"), Pacific Pipeline Company ("PPC"), and Pacific Offshore Pipeline Company ("POPCO") (collectively, "Sable") and Petitioners and Plaintiffs Exxon Mobil Corporation ("ExxonMobil"), Mobil Pacific Pipeline Company ("MPPC"), and ExxonMobil Pipeline Company ("EMPCo") (collectively, "Exxon Mobil Affiliates") (together with Sable, "Petitioners") filed this action on May 8, 2025, against Respondents and Defendants County of Santa Barbara (the "County") and Santa Barbara County Board of Supervisors (the "Board") (collectively, "Respondents"). [Doc. # 1 ("Compl.").] Respondents filed an Answer on May 30, 2025. [Doc. # 21.]

On June 6, 2025, the Court bifurcated this action into Phase I and Phase II and set deadlines for Phase I. [Doc. # 24.] Petitioners filed their Motion for Summary Judgment with regard to Phase I on July 3, 2025. [Doc. # 36.] Respondents' Response is due August 4, 2025, and Petitioners' Reply is due August 25, 2025. [Doc. # 24 at 2.][1]

Five non-profit environmental organizations, Environmental Defense Center ("EDC"), Get Oil Out! ("GOO!"), Santa Barbara County Action Network ("SBCAN"), Sierra Club, and Santa Barbara Channelkeeper ("SBCK") (collectively, "Proposed Intervenors") filed a motion to intervene pursuant to Federal Rule of Civil Procedure 24 on June 12, 2025. [Doc. # 25 ("MTI").] Respondents do not oppose, but Petitioners do. [Doc. ## 26, 29 ("Opp."), 35 ("Reply").]

Upon due consideration of the parties' arguments, the Court **GRANTS** the motion to intervene.

[1] All page citations herein refer to the number inserted by the CM/ECF system.

I.
FACTUAL AND PROCEDURAL BACKGROUND

The POPCO facility and Santa Ynez Unit (the "facilities") are onshore oil and gas production and transportation facilities located in Santa Barbara County and connected to offshore platforms Hondo, Harmony, and Heritage. Compl. at ¶ 26, Ex. 1 at 4 [Doc. # 1-1]. The POPCO facility is an onshore gas production facility located in Las Flores Canyon (FDPs 93-FDP-015 and 74-CP-ll). *Id.* at ¶ 28. The Santa Ynez Unit, as referred to here, consists of the onshore oil processing facility also located in Las Flores Canyon (FDP 87-DP-32cz). *Id.* at ¶ 29, Ex. 1 at 4; Decl. of Linda Krop ("Krop Decl.") at ¶ 6 [Doc. # 25-1]. The Las Flores Pipeline (the "pipeline"), formerly known as the Plains All American Pipeline, transports oil produced from the Santa Ynez Unit to the Pentland Station in Kern County (FDPs 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85-DP-66cz, and 83-DP-25cz). Compl. at ¶ 27, Ex. 1 at 4.

All oil and gas facilities in Santa Barbara County must have Final Development Permits ("FDPs") in order to operate. Compl. at ¶¶ 1, 2. Transfer of FDPs is governed by Santa Barbara County Code Chapter 25B. *Id.* at ¶ 3. The purpose of Chapter 25B 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.

Chapter 25B-1. Any change in owner or guarantor requires application and approval by the County. Chapter 25B-4(e), (g). Proposed Intervenor EDC supported and participated in the County's adoption of Chapter 25B in 2002. Krop Decl. at ¶ 5.

In February of 2024, Sable Offshore acquired PPC, POPCO, the facilities, and the pipeline, from the Exxon Mobil Affiliates for $625,000,000. *Id.* at ¶ 2; MTI at 9 (citing AR-3204-3205). To fund this purchase, Sable secured a $622,000,000 loan from Exxon. MTI at 9 (citing AR-3204-3205). The Santa Barbara County Planning Commission held a public hearing on the application on October 30, 2024. Compl. at ¶ 59. Prior to the hearing, the County Staff released a Report recommending the Planning Commission approve Sable's application to transfer the FDPs. Compl. at ¶¶ 4, 58, Ex. 1. Proposed Intervenors submitted written comments and testified at the hearing in opposition to the transfer. Decl. of Walter Morton ("Morton Decl.") at ¶ 10 [Doc. # 25-7]; Decl. of Maureen Ellenberger ("Ellenberger Decl.") at ¶ 10 [Doc. # 25-4]; Decl. of Michael Lyons ("Lyons Decl.") at ¶¶ 9, 10 [Doc. # 25-6]; Decl. of Ken Hough ("Hough Decl.") at ¶ 9 [Doc.

25-5]; Decl. of Alex Katz ("Katz Decl.") at ¶ 8 [Doc. # 25-2]; Krop Decl. at ¶ 13.[2] The Planning Commission adopted the Staff Report and approved the application in a three to one vote. Compl. at ¶¶ 5, 58, 59; MTI at 10 (citing AR-002007-002009).

Proposed Intervenors EDC, GOO!, and SBCAN filed an appeal of the Planning Commission's approval to the Board.[3] Compl. at ¶¶ 6, 63. The Board held a public hearing on February 25, 2025. *Id.* at ¶¶ 7, 68. SBCK and Sierra Club submitted comments and testified at the Board hearing. *Id.* at ¶ 66; Morton Decl. at ¶ 11; Ellenberger Decl. at ¶ 11. EDC, GOO!, and SBCAN submitted a comment letter to the Board in support of their appeal. Compl. at ¶¶ 64, 66; MTI at 11 (citing AR-003200-003472). The County issued a Staff Report that recommended the Board deny the Appeal. *Id.* at ¶ 65. With one member of the Board recused, the Board ended up with a two to two tie vote. *Id.* at ¶¶ 7, 70.

Sable sent two letters to the County asserting that the tie vote left the Planning Commission's approval intact, thereby permitting transfer. *Id.* at ¶¶ 76, 77. Sable requested the County promptly transfer the FDPs. *Id.* EDC submitted letters to the Board in opposition. Krup Decl. at ¶ 16. The County did not respond to EDC's letters. *Id.* at ¶ 17. The Board went into closed session to discuss the issue during its April 16, 2025 meeting, and did not take action following the meeting. Compl. at ¶¶ 78, 79. As of the date of the Complaint, the County has not transferred the FDPs. *Id.* at ¶ 79.

Petitioners contend, in sum, that the County should transfer the permits to them and their failure to do so violates Chapter 25B (Compl. at ¶¶ 83–105), the Takings Clause of the Fifth and Fourteenth Amendments to the United States Constitution and Article I, Section 19 of the California Constitution (Compl. at ¶¶ 106–119), and the Supremacy Clause of the United States Constitution and Article XI, Section 7 of the California Constitution (Compl. at ¶¶ 120–129).

The Proposed Intervenors submitted declarations from, and/or on behalf of, their members who live, work, and recreate in areas that would be affected by operation of the facilities and pipeline. *See* Katz Decl. at ¶¶ 6, 7 (EDC); Ellenberger Decl. at ¶¶ 3, 5, 7 (Sierra Club); Hough

[2] GOO!, SBCAN, Sierra Club, and SBCK are clients of EDC. Krup Decl. at ¶ 4. EDC was hired by GOO! and SBCAN to oppose the proposed transfer, and later added the Sierra Club and SBCK to its appeal as clients. *Id.* at ¶ 13, 14.

[3] Two other non-profit environmental organizations also filed an appeal. Compl. at ¶ 63. These organizations (Center for Biological Diversity and Wishtoyo Foundation) are not Proposed Intervenors in the MTI at hand. *Id.* The Board considered both appeals. *See* Compl. Ex. 2 at 4 [Doc. # 1-2].

Decl. at ¶¶ 3, 5 (SBCAN); Morton Decl. at ¶¶ 3, 5, 7 (SBCK); Lyons Decl. at ¶¶ 4, 5 (GOO!). They also filed a proposed Answer. [Doc. # 25-8.]

II.
LEGAL STANDARD

Federal Rule of Civil Procedure 24 sets forth the standard for intervention as of right and permissive intervention. Rule 24(a)(2), intervention of right, requires a court, on timely motion, to permit anyone to intervene who "claims an interest relating to the property or transaction that is the subject of the action, and is so situated that disposing of the action may as a practical matter impair or impede the movant's ability to protect its interest, unless existing parties adequately represent that interest." The Court is required to take "all well-pleaded, nonconclusory allegations in the motion to intervene, the proposed complaint or answer in intervention, and declarations supporting the motion as true absent sham, frivolity or other objections." *Sw. Ctr. for Biological Diversity v. Berg*, 268 F.3d 810, 820 (9th Cir. 2001).

When analyzing a motion to intervene as of right under Rule 24(a)(2), the Ninth Circuit applies a four-part test:

> (1) the motion must be timely; (2) the applicant must claim a "significantly protectable" interest relating to the property or transaction which is the subject of the action; (3) the applicant must be so situated that the disposition of the action may as a practical matter impair or impede its ability to protect that interest; and (4) the applicant's interest must be inadequately represented by the parties to the action.

Wilderness Soc'y v. U.S. Forest Serv., 630 F.3d 1173, 1177 (9th Cir. 2011) (*en banc*) (quoting *Sierra Club v. EPA*, 995 F.2d 1478, 1481 (9th Cir. 1993)). The proposed intervenor has the burden to show the four elements are met. *Citizens for Balanced Use v. Mont. Wilderness Ass'n*, 647 F.3d 893, 897 (9th Cir. 2011) (internal citation omitted). The Court broadly interprets these elements in favor of intervention. *Id.*

Rule 24(b)(1), permissive intervention, allows the Court in its discretion to permit intervention if: (1) independent grounds for jurisdiction exist; (2) the request is timely; and (3) the applicant's claim or defense and the main action share common questions of law or fact. Fed. R. Civ. P. 24(b)(1)(B); *Perry v. Proposition 8 Official Proponents*, 587 F.3d 947, 955 (9th Cir. 2009). The Court must consider whether "the intervention will unduly delay or prejudice the adjudication of the original parties' rights." Fed. R. Civ. P. 24(b)(3).

III. DISCUSSION

A. Intervention of Right

1. Timeliness

The motion to intervene is undoubtedly timely. *See W. Watersheds Project v. Haaland*, 22 F.4th 828, 836 (9th Cir. 2022). The Proposed Intervenors filed their motion only one month after the Complaint was filed and before the Court bifurcated the action. Furthermore, they agree to adhere to the existing briefing schedule for Phase I. MTI at 17. There will be no prejudice, disruption, or delay. *See generally W. Watersheds Project*, 22 F.4th at 836-840. Petitioners seem to concede this point and do not contest the timeliness of the motion. *See generally* Opp. at 14–27.

2. Protectable Interest and Impairment

The "operative inquiry" to determine a "significantly protectable" interest is "whether the 'interest is protectable under some law' and whether 'there is a relationship between the legally protected interest and the claims at issue.'" *Wilderness Soc.*, 630 F.3d at 1180 (quoting *Sierra Club*, 995 F.2d at 1484). This is a "practical, threshold inquiry" and "no specific legal or equitable interest need be established." *Nw. Forest Res. Council v. Glickman*, 82 F.3d 825, 837 (9th Cir. 1996) (internal quotations omitted). Here, the Proposed Intervenors have multiple interests in this action: (1) the Proposed Intervenors were involved in the Chapter 25B administrative process; and (2) the Proposed Intervenors have demonstrated an interest in the conservation of the environment.

EDC was involved in Chapter 25B since its inception. It supported the County's adoption of Chapter 25B and participated in its enactment by testifying at the public hearing held by the Board in 2002. Krup Decl. at ¶ 5. The Ninth Circuit generally allows public interest groups to intervene where they were "directly involved in the enactment of the law or in the administrative proceedings out of which the litigation arose." *Nw. Forest Res. Council*, 82 F.3d at 837 (collecting cases); *see also Idaho Farm Bureau Fed'n v. Babbitt*, 58 F.3d 1392, 1397 (9th Cir. 1995) (collecting cases) and *Prete v. Bradbury*, 438 F.3d 949, 954 (9th Cir. 2006) ("[A] public interest group that has supported a measure . . . has a "significant protectable interest" in defending the legality of the measure").

More importantly, it is EDC's appeal—made for itself and on the other Proposed Intervenors' behalf—that is at issue in this action. The Board reviewed the Planning Commission's approval pursuant to EDC's appeal. EDC retains an interest in seeing its appeal upheld, as exemplified through Petitioners and EDC's exchange of letters to the Board following the tie vote. Indeed, all of the Proposed Intervenors actively participated in the process through testimony and comments, and their total involvement here goes beyond "mere[] exercise" of a right to provide comment." Opp. at 16–17.

Petitioners claim this action has no connection to the environment and simply involves the transfer of permits from one oil company to another. Opp. at 17–18. Petitioners' argument is unavailing. One codified purpose of Chapter 25B is to "safeguard the natural resources and environment of the county of Santa Barbara." Chapter 25B-1. Chapter 25B does not merely provide for the transfer of FDPs, it creates an administrative process designed to bar the transfer of FDPs to a transferee that would place the environment at risk.

The Proposed Intervenors have a well-recognized interest in the conservation, use, and enjoyment of the land related to this action, as shown in their declarations. *See Citizens for Balanced Use*, 647 F.3d at 897 ("Applicants have a significant protectable interest in conserving and enjoying the wilderness character of the [area]"); *United States v. Carpenter*, 526 F.3d 1237, 1240 (9th Cir. 2008) ("we held that the intervenors were entitled to intervene because they had the requisite interest in seeing that the wilderness area be preserved for the use and enjoyment of their members.").[4]

Moreover, as a practical matter, Sable cannot restart oil and gas processing and transport in the facilities and pipeline without an FDP. *See Sw. Ctr. for Biological Diversity*, 268 at 822 ("If an absentee would be substantially affected in a practical sense by the determination made in an action, he should, as a general rule, be entitled to intervene."). A writ of mandamus by this Court directing the County to transfer the FDP would impair the Proposed Intervenors' interests because it would effectively resolve their appeal and threaten the environment that the members of the

[4] Petitioners' citations are unpersuasive in the face of longstanding Ninth Circuit authority, or are inapplicable to the case at hand. *See* Opp. at 18 (citing *Pub. Serv. Co. of New Hampshire v. Patch*, 136 F.3d 197, 204 (1st Cir. 1998) and *Roman Cath. Bishop of Monterrey v. Cota*, No. CV 15-8065-JFW (RAOx), 2016 WL 320741, at *6 (C.D. Cal. Jan. 8, 2016) (denying an untimely motion to intervene in a quiet title action where judgment was entered more than 100 years ago), *aff'd sub nom. Roman Cath. Bishop of Monterey v. Cota*, 711 F. App'x 428 (9th Cir. 2018)). Similarly, the district court's single page order denying intervention as of right but allowing permissive intervention is unhelpful. Opp. at 17 (citing *Greater Yellowstone Coal., Inc. v. Servheen*, No. CV 07-134-M (DWMx), 2008 WL 11348733, at *1 (D. Mont. Apr. 25, 2008)).

Proposed Intervenors use and enjoy—the very risks Chapter 25B is meant to prevent. *See Citizens for Balanced Use*, 647 F.3d at 897-898.

3. Adequacy of Representation

"The burden of showing inadequacy of representation is 'minimal' and satisfied if the applicant can demonstrate that representation of its interests 'may be' inadequate." *W. Watersheds Project*, 22 F.4th at 840 (quoting *Citizens for Balanced Use*, 647 F.3d at 898). The Court considers three factors: "(1) whether the interest of a present party is such that it will undoubtedly make all of a proposed intervenor's arguments; (2) whether the present party is capable and willing to make such arguments; and (3) whether a proposed intervenor would offer any necessary elements to the proceeding that other parties would neglect." *Id.* at 840-841 (quoting *Citizens for Balanced Use*, 647 F.3d at 898).

The "most important factor" is "how the interest compares with the interests of existing parties." *Arakaki v. Cayetano*, 324 F.3d 1078, 1086 (9th Cir. 2003). Where the existing party and the proposed intervenor share the same "ultimate objective," there is a presumption the existing party adequately represents the proposed intervenor's interests. *W. Watersheds Project*, 22 F.4th at 841; *Arakaki*, 324 F.3d at 1086. A "compelling showing" of inadequacy of representation is required to rebut this presumption. *Arakaki*, 324 F.3d at 1086; *Citizens for Balanced Use*, 647 F.3d at 898. Similarly, where the government is acting on behalf of a constituency that it represents, there is an assumption of adequacy. *Arakaki*, 324 F.3d at 1086 (citing *United States v. City of Los Angeles, Cal.*, 288 F.3d 391, 401 (9th Cir. 2002)). A "compelling showing to the contrary" is required to rebut this assumption. *Id.* Still, intervention of right "does not require an *absolute certainty* that a party's interests will be impaired or that existing parties will not adequately represent its interests." *Citizens for Balanced Use*, 647 F.3d at 900 (emphasis added).

Unlike other cases where petitioners challenge the legality of the measure itself, Petitioners here do not challenge the legality of Chapter 25B. *See, e.g.*, *Prete*, 438 F.3d at 954; *Idaho Farm Bureau Fed'n*, 58 F.3d at 1397. Instead, Petitioners challenge the County's inaction after the Board's tie vote. *See* Compl. at ¶¶ 80, 81. Logically, Respondents' interests are to defend and uphold the County's inaction following the Board's closed session. *See* Answer at ¶¶ 75, 78; MTI at 23. On the other hand, the Proposed Intervenors have a demonstrated interest in *reversing* the Planning Commission's approval and they have affirmatively asserted their stance on the legal implications of the tie vote to Respondents. *See* Reply at 16. Moreover, the County may have an interest in upholding its Planning Commission's initial approval of the transfer—the very decision Proposed Intervenors appealed. Respondents and Proposed Intervenors hold "fundamentally differing points of view . . . on the litigation as a whole." *Citizens for Balanced Use*, 647 F.3d at

899. Because of this fundamental difference, it is likely the Respondents will not advance the same arguments as the Proposed Intervenors, and therefore that representation of the Proposed Intervenors' interests may be inadequate. *See Sw. Ctr. for Biological Diversity*, 268 F.3d at 824.[5] Intervention as of right is therefore warranted.

B. Permissive Intervention

Because the Court finds the Proposed Intervenors may intervene as of right, it need not consider permissive intervention. Nevertheless, even if the Court concluded it was not warranted, the Court would have allowed intervention as a matter of discretion. Independent subject matter question jurisdiction, specifically federal question jurisdiction, exists, the request is timely, and there are common questions of law and fact. There would be no delay or prejudice to Petitioners because the Proposed Intervenors agree to adhere to the existing briefing schedule. Moreover, the arguments of the Proposed Intervenors will add an important perspective to the litigation.

C. Scope of Intervention

Petitioners assert in an offhand footnote that the Proposed Intervenors only seek to intervene in Phase I of this action. Opp. at 7 n.1. Petitioners intend to raise their constitutional claims in Phase II. Opp. at 8. The interests of the Proposed Intervenors and the subject of the litigation (the County's non-transfer of the FDPs) remain the same in Phase II. *See Sagebrush Rebellion, Inc. v. Watt*, 713 F.2d 525, 528 (9th Cir. 1983) (holding the proposed intervenor's interest and adequacy of representation are measured in relation to the "the subject of the action" not "the particular issue before the court at the time of the motion"); Reply at 20–21. The Court will therefore allow intervention as to both Phases and all of Petitioners' claims.

[5] Additionally, the Proposed Intervenors contend they will contribute necessary elements to the proceeding that Respondents would neglect. Namely, they argue they represent environmental and conservation interests and concerned members in Santa Barbara County who would otherwise go unheard. MTI at 24–25; Reply at 17. Petitioners again assert Chapter 25B has no relationship to the environment, which the Court rejects for the same reasons previously stated. Opp. at 23–24. Although the Court recognizes the Proposed Intervenors would add an important perspective to the litigation, this argument sounds similar to "expertise" arguments rejected by the Ninth Circuit. *See Oakland Bulk & Oversized Terminal, LLC v. City of Oakland*, 960 F.3d 603, 621 (9th Cir. 2020) (holding an expertise in environmental issues does not warrant intervention of right) (citing *Prete v. Bradbury*, 438 F.3d 949, 958-959 (9th Cir. 2006) (holding expertise in the subject is insufficient)). Regardless, this is not the most important factor in the Court's inquiry.

IV.
CONCLUSION

In light of the foregoing, the Proposed Intervenors' motion to intervene is **GRANTED**. The Proposed Intervenors shall file their Response to Petitioners' Motion for Summary Judgment in Phase I by **August 4, 2025**. *See* Doc. # 24.

IT IS SO ORDERED.

Attachment B

JS-6

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SABLE OFFSHORE CORP., *et al.*,

Petitioners/Plaintiffs,

v.

COUNTY OF SANTA BARBARA, *et al.*,

Respondents/Defendants,

and

ENVIRONMENTAL DEFENSE CENTER, *et al.*

Intervenors.

No. CV 25-4165-DMG (AGRx)

ORDER RE CROSS-MOTIONS FOR SUMMARY JUDGMENT [36] [43]

Petitioners/Plaintiffs Sable Offshore Corp. ("Sable Offshore"), Pacific Pipeline Company ("PPC"), and Pacific Offshore Pipeline Company ("POPCO") (collectively, "Sable") filed applications seeking the transfer of Final Development Permits ("FDP") to Sable from Petitioners/Plaintiffs Exxon Mobil Corporation ("ExxonMobil"), Mobil Pacific Pipeline Company ("MPPC"), and ExxonMobil Pipeline Company ("EMPCo") (collectively, "Exxon Mobil Affiliates"). Petitioners seek a writ of mandate following the Santa Barbara County Board of Supervisors' (the "Board") tie vote on the appeal of the Santa Barbara County Planning Commission's (the "Planning Commission") decision to approve the transfer of FDPs pursuant to Santa Barbara County Code Chapter 25B (hereinafter "Chapter 25B"). Respondents/Defendants are the Board and the County of Santa Barbara (the "County").

Before the Court are two cross-motions for summary judgment ("MSJ"), brought by Petitioners [Doc. # 36-1 ("Petitioners MSJ")] and by Intervenors Environmental Defense Center ("EDC"), Get Oil Out! ("GOO!"), Santa Barbara County Action Network ("SBCAN"), Sierra Club, and Santa Barbara Channelkeeper ("SBCK") [Doc. # 43-1 ("Intervenors MSJ")]. Both motions are fully briefed. [Doc. ## 40 ("County's Response"), 46 ("Petitioners Opp."), 47 ("Intervenors Reply").]

Pursuant to the Petitioners and Respondents' proposed bifurcated schedule which was ordered by the Court [Doc. ## 17, 24], these cross-motions for summary judgment solely address the Petition/Complaint's first and second claims for relief for writ of mandate pursuant to California Code of Civil Procedure section 1085 and third claim for relief for writ of administrative mandate pursuant to California Code of Civil Procedure section 1094.5. [Doc. ## 1, 17.] At the center of this dispute is the proper interpretation of Santa Barbara County Code Chapter 25B. The Court held a hearing on September 12, 2025. Having duly considered the parties' written submissions and oral argument, the Court **GRANTS in part and DENIES in part** Petitioners' MSJ and **GRANTS in part and DENIES in part** the Intervenors' MSJ for the following reasons.

I.

FACTUAL AND PROCEDURAL BACKGROUND[1]

A. The Facilities, Pipeline, and FDPs

The POPCO facility and Santa Ynez Unit (the "facilities") are onshore oil and gas production and transportation facilities located in Santa Barbara County and connected to offshore platforms Hondo, Harmony, and Heritage in the Santa Barbara Channel. County Staff Report Admin Record ("A.R.") 15–17 (Vol. 1 at 20–22) [Doc. # 13-1].[2] The POPCO facility is an onshore gas production facility located in Las Flores Canyon. County Staff Report A.R. 17 (Vol. 1 at 22). The Santa Ynez Unit ("SYU"), as referred to here, consists of the onshore oil processing facility also located in Las Flores Canyon. *Id.* The Las Flores Pipeline (the "pipeline"), formerly known as the Plains All American Pipeline, transports oil produced from the SYU to the Pentland Station in Kern County. *Id.*

FDPs can be transferred for change of owner, operator, or guarantor. County Code §§ 25B-2, 25B-4(e), (f), (g). The transfer applications at issue are: (1) the SYU (FDP No. 87-DP-32cz) from ExxonMobil to Sable (owner, operator, and guarantor; (2) the POPCO facility (FDP No. 93-FDP-015 and 74-CP-11) from ExxonMobil Corporation to Sable (operator and guarantor); and (3) the pipeline (FDP Nos. 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85-DP-66cz, 83-DP-25cv) from EMPCo to Sable (operator) and ExxonMobil to Sable (guarantor). County Staff Report A.R. 16 (Vol. 1 at 21); A.R. 162 (Vol. 1 at 167).

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[1] The facts in this section are drawn from the Administrative Record, except where otherwise indicated. The Court has reviewed the entire record [Doc. ## 13, 28, 33] but only discusses the facts that are necessary to or affect its analysis.

[2] All citations to the A.R. herein will have the following format: Bates Citation (Volume Number at CM/ECF Page Number). All other citations to the docket will refer to the page numbers inserted by the CM/ECF system. Any citations to Volumes 12 and 13 refer to the Amended Volumes. *See* Doc. # 28 (noticing amendment due to document malformations).

B. The Refugio Spill and Sable

On May 19, 2015, a section of the Las Flores Pipeline ruptured and released oil on land, beaches, and into the ocean near Refugio State Beach (hereinafter the "Refugio Spill"). County Staff Report A.R. 19 (Vol. 1 at 24). Following the spill, the pipeline was shut down, purged, and isolated, and the facilities were shutdown. *Id.* A.R. 19–20 (Vol. 1 at 24–25). The FDPs remain active. *Id.* A.R. 17 (Vol. 1 at 22).

Sable Offshore, led by Chief Executive Officer Jim Flores, was initially formed as several special purpose entities for the purpose of evaluating the opportunity to acquire the SYU assets. Appellants Board Comment Letter A.R. 3203 (Vol. 11 at 1061) [Doc. # 13-11]. On February 14, 2024, Sable Offshore acquired the facilities and the pipeline from the Exxon Mobil Affiliates. County Staff Report A.R. 18 (Vol. 1 at 23); Appellants Board Comment Letter A.R. 3204 (Vol. 11 at 1062). It also acquired PPC, which owned the pipeline. *Id.* A.R. 3204 (Vol. 11 at 1062). To fund the $625,000,000 acquisition, Sable secured an approximately $622,000,000 loan from Exxon. *Id.* A.R. 3200 (Vol. 11 at 1058).

C. Chapter 25B

Chapter 25B governs the transfer of FDPs. County Code § 25B. The purpose of Chapter 25B 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.

County Code § 25B-1. Any change in owner, operator, or guarantor, requires application and approval by the County. County Code §§ 25B-2, 25B-4(e), (f), (g).[3]

[3] Applications for change of operator are under the jurisdiction of the Planning Commission. County Code § 25B-8(b). Applications for change of owner and guarantor are under the jurisdiction of

1. Operator

The Planning Commission "shall approve or deny any application to transfer a permit for change of operator." County Code § 25B-8(b)(1). A public hearing is required. County Code § 25B-8(b)(3). "Prior to approval," the Planning Commission "shall make all findings required . . . and shall take all actions necessary []." County Code § 25B-8(b)(2). County Code section 25B-10 states that the Planning Commission "shall approve an application for change of operator only if the [Planning Commission] makes the following findings." The section lists nine findings: (1) fees and exactions, (2) financial guarantees, (3) acceptance of permit, (4) facility safety audit, (5) compliance with existing requirements, (6) compliance plans, (7) transitional plan, (8) emergency response plan drills, (9) operator capability. County Code §§ 25B-10(a)(1)–(9).

2. Owner

The Planning Commission[4] "shall approve or deny any application to transfer a permit for . . . change of ownership." County Code § 25B-8(a)(1)(a). "Prior to approval of such application, the [Planning Commission] shall make all findings required . . . and shall take all actions necessary . . . ." County Code § 25B-8(a)(2). The Planning Commission "shall approve an application for a change of owner only if the [Planning Commission] makes the following findings:" (1) fees and exactions, (2) financial guarantees, (3) acceptance of permit, (4) facility safety audit, and (5) compliance with existing requirements. County Code §§ 25B-9(a), (a)(1)-(5). The financial guarantees

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the Santa Barbara County Director. County Code §§ 25B-3, 25B-8(a). Where, as here, an application includes components under both the Planning Commission and the Santa Barbara County Director's jurisdiction, the application may be processed with a combined application and decided by the Planning Commission. County Code § 25B-8(c). The Court will therefore refer to the Planning Commission as the decisionmaker for changes of owner and guarantor in the combined application at hand.

[4] Changes of owner and guarantor do not require a public hearing. County Code § 25B-8(a)(3). But because Sable made a combined application and the Planning Commission handled all three components, the Planning Commission was required to hold a public hearing. *See* County Code § 25B-8(b)(3).

finding for change of owner is identical to the financial guarantees finding for change of operator. *Compare* County Code §§ 25B-9(a)(2) *with* 25B-10(a)(2).

3. Guarantor

The Planning Commission "shall approve an application . . . for a change in guarantor only if the [Planning Commission] makes the following finding" with regard to financial guarantees: "[t]he proposed guarantor has provided all necessary instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance." County Code §§ 25B-9(e), (e)(1).

4. Appeals

Decisions by the Planning Commission may be appealed to the Board by the applicant or any interested person adversely affected by such decision. County Code § 25B-12(b)(1). In the appeal, the appellant must "state specifically" how the Planning Commission's decision is "inconsistent with the provisions or purposes of this chapter" or "there was an error or abuse of direction" by the Planning Commission. County Code § 25B-12(b)(2). The Planning Commission transmits to the Board copies of the application and "a statement of findings setting forth the reasons for the planning commission's decision." County Code § 25B-12(b)(3). The Board's hearing "shall be de novo" and the Board "shall affirm, reverse, or modify the planning commission's decision at a public hearing." County Code § 25B-12(b)(4). The hearing must be noticed. *Id.*

D. Sable's Applications to the Planning Commission

On March 14, 2024, Sable submitted a combined application to the Planning Commission for change of owner, operator, and guarantor of the FDPs. SYU Application A.R. 240 (Vol. 1 at 245); POPCO Facility Application A.R. 254 (Vol. 1 at 259); Pipeline Application A.R. 269 (Vol. 1 at 274). Under Chapter 25B, if an application is found

incomplete, County Staff[5] issue a notice of incompleteness and the applicant shall provide "any additional information" required through an incompleteness letter. County Code § 25B-8(d). Sable was required to supplement its applications in response to notices of incompleteness three times. A.R. 284 (Vol. 1 at 289); A.R. 294 (Vol. 1 at 299); A.R. 307 (Vol. 1 at 312).

The County Staff deemed Sable's application complete on July 30, 2024. County Staff Report A.R. 18 (Vol. 1 at 23). The County Staff found that Sable had satisfied the requirements under Chapter 25B and recommended the Planning Commission approve Sable's applications. County Staff Presentation A.R. 1985 (Vol. 10 at 234) [Doc. # 13-10]. The Planning Commission held a public hearing on October 30, 2024. A.R. 2170 (Vol. 11 at 28). The Planning Commission, by a vote of three to one, made the required findings for approval under Chapter 25B and approved the change of owner, operator, and guarantor for the facilities and pipeline. A.R. 2170 – 2171 (Vol. 11 at 28-29). In a letter to Sable, the Planning Commission attached its findings of approval. A.R. 2172 – 2184 (Vol. 11 at 30–42).

E. The Appeal to the Board

On November 7, 2024, Intervenors EDC, GOO!, and SBCAN (hereinafter "Appellants"),[6] filed an appeal of the Planning Commission's approval.[7] Appeal Letter A.R. 2058 (Vol. 10 at 307). They previously submitted a comment letter with the same concerns to the Planning Commission. Planning Commission Comment Letter A.R. 1867

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[5] Although Chapter 25B states the Director will issue the notice of incompleteness, the County Staff Report states the County Staff were responsible for deeming the application complete. County Staff Report A.R. 18 (Vol. 1 at 23). In Sable's incompleteness letters, it also refers to the County as the notice issuer. *See, e.g.*, A.R. 284 (Vol. 1 at 289).

[6] Appellants did not include Intervenors Sierra Club and SBCK. A.R. 2058 (Vol. 10 at 307). The Sierra Club and SBCK retained EDC to represent them following the appeal. A.R. 3200 (Vol. 11 at 1058).

[7] The Center for Biological Diversity and the Wishtoyo Foundation filed a separate appeal. A.R. 2050 (Vol. 10 at 299). Because that appeal is not at issue in this action, the Court will not address it.

(Vol. 10 at 116). Appellants argued the Planning Commission made findings unsupported by evidence, plainly controverted by evidence, and/or inconsistent with Chapter 25B. Appeal Letter A.R. 2059 (Vol. 10 at 308).

F. The Board Hearing and Tie Vote

The Board held a public hearing on February 25, 2025. A.R. 2949 (Vol. 11 at 807). County Staff recommended the Board deny the appeal. Board Agenda Letter A.R. 2953 (Vol. 11 at 811). The Board has five members, one for each district: Roy Lee, Laura Capps, Joan Hartmann, Bob Nelson, and Steve Lavagnino. A.R. 2927 (Vol. 11 at 785). Hartmann recused herself. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11) [Doc. # 13-21]. The hearing lasted over five hours with almost 100 public comments. Board Hearing Minute Order A.R. 6753 – 6754 (Vol. 21 at 9–10). County Staff (Hearing Transcript A.R. 6965 – A.R. 6975 (Vol. 21 at 221–231)), EDC for Appellants (Hearing Transcript A.R. 6987 – A.R. 6992 (Vol. 21 at 243–248)), and Sable (Hearing Transcript A.R. 7013 – A.R. 7023 (Vol. 21 at 269–279)) each spoke and answered questions from the Board.

As documented in the Minute Order following the Board Hearing, Lavagnino made a motion, seconded by Nelson, to: (1) deny the appeals; (2) "[make] the required findings for approval" for change of owner, operator, and guarantor; (3) approve, and (4) "grant[] de novo approval" of the change of owner, operator, and guarantor. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11). The motion "failed" at the first stage, with Nelson and Lavagnino voting in favor of denying the appeals and Lee and Capps voting to uphold the appeals. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11); Hearing Transcript A.R. 7140 (Vol. 21 at 396) (Nelson), A.R. 7137 (Vol. 21 at 393) (Lavagnino), A.R. 7138 (Vol. 21 at 394) (Lee), A.R. 7142 (Vol. 21 at 398) (Capps), A.R. 7143 (Vol. 21 at 399) ("Motion fails two to two").

As the Supervisors voted, they articulated the basis behind their votes. Lee remarked the "restart" of the pipeline was an "insane" and "very bad" idea and voted to uphold the appeals "because that's the right thing to do." Hearing Transcript A.R. 7137 –

7138 (Vol. 21 at 393–394). Capps, "within the narrow confines" of the FDP transfer, and related to the Board's "fiscal oversight" and "fiscal responsibility" to the County's budget, concluded she lacked the "reassurance of fiscal stability" in evaluating the FDP transfers. A.R. 7140 – 7142 (Vol. 21 at 396–398). Capps identified three "red flags," or reasons, in support of her position: Sable had to obtain a loan from Exxon in order to purchase the facilities and pipeline, Sable did not show the Board the insurance policy, and the California Coastal Commission issued notices of violation against Sable around five to six months after Sable filed their applications at issue here. *Id.* A.R. 7140 – 7142 (Vol. 21 at 396–398); *see* Planning Commission Comment Letter A.R. 1889 – 1890 (Vol. 10 at 138–139), A.R. 1908 (Vol. 10 at 157), A.R. 1969 (Vol. 10 at 218).

Once the first motion failed, County Counsel advised the Board members that they did not need to reach the next step of making factual findings or granting *de novo* approval of the transfers of the FDPs. Hearing Transcript A.R. 7143 (Vol. 21 at 399); *see also* Board Agenda Letter A.R. 2953 (Vol. 11 at 811) (recommending findings of fact and *de novo* approval as subsections "b" and "d" following subsection "a" denial of the appeal). County Counsel recommended the Board make a conceptual motion to uphold the appeals. Hearing Transcript A.R. 7143 (Vol. 21 at 399). A conceptual motion was made by Capps, seconded by Lee, to uphold the appeals. A.R. 6755 (Vol. 21 at 11). The motion again "failed," as Nelson and Lavagnino voted against it. A.R. 6755 (Vol. 21 at 11); Hearing Transcript A.R. 7144 (Vol. 21 at 400) ("Motion fails two to two").

G. Sable's Letters Following the Vote

On February 26, 2025, one day after the Board hearing, Sable sent the Director a letter requesting the County transfer the FDPs. A.R. 6771 – 6773 (Vol. 21 at 27–29). Sable asserted the legal outcome of the tie vote was that it let the Planning Commission's approval stand, and therefore the County should transfer the FDPs. A.R. 6772 (Vol. 21 at 28). On March 1, 2025, EDC sent a letter to the Board in opposition. A.R. 6774 – A.R. 6778 (Vol. 21 at 30–34). EDC argued the tie vote constituted "no action," which effectively resulted in denial of the FDP applications. A.R. 6775 (Vol. 21 at 31). On

April 11, 2025, Sable sent a second letter with a request that the County transfer the FDPs and accompanied it with a threat to commence litigation for a writ of mandate. A.R. 6768 – 6770 (Vol. 21 at 24–26).

At the time of the vote during the public hearing, Capps asked County Counsel what the "potentially odd result" of the tie vote was. A.R. 7144 (Vol. 21 at 400). County Staff answered that "in order for the board to take any action, the board needs a majority vote. . . . So, on a tie vote, that's no action of the board." Hearing Transcript A.R. 7144 (Vol. 21 at 400). Following Sable's second letter, the Board went into closed session on April 16, 2025 to discuss the County's exposure to litigation regarding the FDPs. A.R. 6783 (Vol. 21 at 39). The action summary reflects the Board did not take any reportable action following the closed session. A.R. 6783 (Vol. 21 at 39). To date, the County has not taken any relevant subsequent action such as transferring the FDPs or holding a second public hearing and vote. *See also* Response at 10.

H. Petitioners File Suit

On May 8, 2025, Petitioners filed the instant lawsuit against Respondents. [Doc. # 1.] On July 25, 2025, the Court granted the Intervenors' Motion to Intervene. [Doc. # 39.] The cross-MSJs seek summary adjudication of the Complaint's first and second claim for relief for writ of mandate pursuant to California Code of Civil Procedure section 1085 and third claim for relief for writ of administrative mandate pursuant to California Code of Civil Procedure section 1094.5.

I. Requests for Judicial Notice ("RJNs")

Petitioners and Intervenors filed Requests for Judicial Notice ("RJN"). Petitioners request notice of: (1) a transcript of the Board's hearing on September 19, 2023 regarding the transfer of these FDPs to the Exxon Mobile Affiliates; (2) the County's agenda for the September 19, 2023 hearing; (3) the minute order following the September 19, 2023 hearing. [Doc. # 36-3 ("Petitioners RJN").] The transcript is a record of an agency's public hearing and the agenda and minute order are public records of agency action. *Coal. for a Sustainable Delta v. Fed. Emergency Mgmt. Agency*, 812 F. Supp. 2d

1089, 1093 (E.D. Cal. 2011); Fed. R. Evid. 201(b). The Court therefore **GRANTS** Petitioners' RJN.

Intervenors request notice of : (1) a 2025 letter from the California Fair Political Practices Commission ("FPPC") regarding Board Supervisor Hartmann; (2) Santa Barbara County Code Chapter 25B; (3) Santa Barbara County Planning and Development Department's Land Use Appeal Application Form; and (4) a transcript of the Board's hearing on August 22, 2023. [Doc. ## 43-6 ("Intervenors RJN"), 46-1, 47-2.]

The Court can take judicial notice of regulations and therefore **GRANTS in part** Intervenors' RJN as to Chapter 25B. *See Roemer v. Board of Public Works of Maryland*, 426 U.S. 736, 743 n.2 (1976) (taking judicial notice of state regulations); Fed. R. Evid. 201. The FPPC letter is a public record posted on a public agency's official website and is not subject to reasonable dispute. *Coal. for a Sustainable Delta*, 812 F. Supp. 2d at 1093; Fed. R. Evid. 201(b). Intervenors' RJN is **GRANTED in part** as to the letter. Judicial notice is taken to prove the public record's existence and content, but not for the truth of the matters asserted therein. *Coal. for a Sustainable Delta*, 812 F. Supp. 2d at 1093. The remainder of Intervenors' RJN is **DENIED as moot** as the Court did not rely upon this evidence. Because the Court grants Intervenors' RJN as to the 2025 letter, Petitioners' Alternative RJN for a 2016 letter from the FPPC regarding Hartmann is **GRANTED** for the same reasons. [Doc. # 46-4 ("Alternative RJN").]

The Court also takes *sua sponte* judicial notice of the Procedural Rules Governing Planning, Zoning and Subdivision Hearings Before the Board of Supervisors and Planning Commission (Santa Barbara County Res. No. 91-333) (hereinafter "Governing Procedural Rules"). Resolution 91-333 is posted on the Santa Barbara County website and is a public record. *See Coal. for a Sustainable Delta*, 812 F. Supp. 2d at 1093; Fed. R. Evid. 201(b).

II.

LEGAL STANDARD

Summary judgment should be granted "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a); *accord Wash. Mut. Inc. v. United States*, 636 F.3d 1207, 1216 (9th Cir. 2011). Material facts are those that may affect the outcome of the case. *Nat'l Ass'n of Optometrists & Opticians v. Harris*, 682 F.3d 1144, 1147 (9th Cir. 2012) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). Where the issues before the Court are questions of law, the case is particularly "well suited" for summary judgment. *Del Real, LLC v. Harris*, 966 F. Supp. 2d 1047, 1051 (E.D. Cal. 2013); *see also Asuncion v. Dist. Dir. of U.S. Immigration & Naturalization Serv.*, 427 F.2d 523, 524 (9th Cir. 1970).

A. California Code of Civil Procedure Section 1085

A traditional writ of mandate under California Code of Civil Procedure section 1085 "is used to compel a public entity to perform a legal and usually ministerial duty." *Move Eden Hous. v. City of Livermore*, 100 Cal. App. 5th 263, 272 (2024) (quoting *Schmid v. City & Cnty. of San Francisco*, 60 Cal. App. 5th 470, 484–485 (2021); Cal. Civ. Proc. Code § 1085.[8] A writ of mandate under Code 1085 is available "where the petitioner has no plain, speedy and adequate alternative remedy; the respondent has a clear, present and usually ministerial duty to perform; and the petitioner has a clear, present and beneficial right to performance." *Conlan v. Bonta*, 102 Cal. App. 4th 745, 752 (2002).

[8] Section 1085(a) states: "A writ of mandate may be issued by any court to any inferior tribunal, corporation, board, or person, to compel the performance of an act which the law specially enjoins, as a duty resulting from an office, trust, or station, or to compel the admission of a party to the use and enjoyment of a right or office to which the party is entitled, and from which the party is unlawfully precluded by that inferior tribunal, corporation, board, or person." Cal. Civ. Proc. Code § 1085(a).

B. California Code of Civil Procedure Section 1094.5

California Code of Civil Procedure section 1094.5, writ for administrative mandamus, "provides the procedure for judicial review of adjudicatory decisions rendered by administrative agencies." *Schmid*, 60 Cal. App. 5th at 483. Section 1094.5 applies to decisions made by agencies resulting from proceedings where "a hearing is required to be given, evidence is required to be taken, and discretion in the determination of facts is vested in the inferior tribunal, corporation, board, or officer." Cal. Civ. Proc. Code § 1094.5(a). These administrative proceedings are quasi-judicial in character. *Bright Dev. v. City of Tracy*, 20 Cal. App. 4th 783, 793 (1993). The reviewing court looks to see whether the required findings are supported by the evidence. *Id.* The inquiry under section 1094.5 is "whether the respondent has proceeded without, or in excess of, jurisdiction; whether there was a fair trial; and whether there was any prejudicial abuse of discretion." Cal. Civ. Proc. Code § 1094.5(b).

III.
DISCUSSION

A. First Claim for Relief: Traditional Writ of Mandate Under Section 1085

Petitioners' first claim for relief turns on the legal effect of the Board's tie vote on the Planning Commission's approval of Sable's FDP applications. *See* Petitioners MSJ at 14; Intervenors MSJ at 12. Petitioners argue the Board was not required to issue its own findings or take direct action to approve the FDP transfers, and therefore the tie vote leaves the appealed Planning Commission decision intact, similar to a tie vote in an appellate court. Petitioners MSJ at 14. Intervenors contend that because the hearing before the Board was *de novo*, the tie vote constitutes "no action" and effectively functions as a denial. Intervenors MSJ at 12–13. Respondents decline to take a position on the tie vote. Response at 8. Instead, Respondents provide a general overview of applicable law, conclude the effect of the tie vote is unclear, and defers to the Court. Response at 16.

"As a general rule an even division among members of an administrative agency results in no action." *Lopez v. Imperial Cnty. Sheriff's Off.*, 165 Cal. App. 4th 1, 4 (2008) (quoting *Clark v. City of Hermosa Beach*, 48 Cal. App. 4th 1152, 1176 (1996) (quoting *Graves v. Comm'n On Pro. Competence*, 63 Cal. App. 3d 970, 976–977 (1976))). This general rule, however, is subject to an exception dependent upon the nature of the administrative agency's review. "Tie votes mean different things in different contexts." *Vedanta Soc. of S. California v. California Quartet, Ltd.* (hereinafter "*Vedanta*"), 84 Cal. App. 4th 517, 521 (2000).

1. California Law on the Effect of Tie Votes

In order to resolve this context-dependent question, the Court turns to cases where California courts considered the issue of a tie vote. In *Vedanta*, the elected board argued the "default" result of a deadlock vote was an adoption of the lower planning commission's findings and explanations. 84 Cal. App. 4th at 528. The Court of Appeal reasoned that a tie vote *can* result in an acquiescence, but not where it constitutes "an affirmative act de novo." *Id.* at 529. According to the Court of Appeal, the "very fact" that findings "must be made *at all* is incompatible with the nature of a tie vote" and findings "are by nature affirmative acts" which inherently require the fact-finder to take "unambiguous" action." *Id.* In support of this, the Court of Appeal pointed to the requirements that the board at issue in *Vedanta* provide brief explanations of their rationale of any findings or state in writing the specific reasons to support its action. *Id.* The regulation required *de novo* review and *de novo* fact finding. *Id.* Although the Court of Appeal in *Vedanta* declined to rule on the effects of tie votes outside of the regulation at issue, its reasoning is persuasive in the case at hand. *Id.* at 534–5.

Similarly, in *Clark*, the Court of Appeal analyzed the effect of a tie vote on a planning commission's decision. *Clark,* 48 Cal. App. 4th at 1175. Petitioners argued one member of the council should have recused himself and, if he did, the resulting tie vote post-recusal would have affirmed the planning commission's decision. *Id.* at 1175. The Court of Appeal rejected this argument. Instead, the Court of Appeal ruled that a

theoretical tie vote would have affirmed one type of appeal provision (the parcel map) but would not have affirmed another (the conditional use permit). *Id.* This result was dictated by the differences between the applicable provisions. *Id.* The conditional use permit provision in *Clark*, presumably unlike the parcel map provision, required the council to hear the matter *de novo*, take additional evidence at a public hearing, and decide whether it should grant or deny the permit. *Id.* The Court of Appeal based this conclusion on language from the municipal code, which stated the council "shall order that the conditional use permit be granted, denied, or modified" and the action by the council shall be by three affirmative votes. *Id.* (internal quotations removed). This language dictated "[a] tie vote would not suffice." *Id.* at 1176. The municipal code in *Clark* was "virtually identical" to the one in *Anderson*. *Id.* (citing *Anderson v. Pittenger*, 197 Cal. App. 2d 188, 194–5 (1961)).

In *Anderson*, the city council ended in a tie vote over an appeal of an application for a zoning variance. 197 Cal. App. 2d at 189. The Court of Appeal ruled the tie vote constituted "no action," and not an affirmance of the order of the lower commission's decision, because: (1) the council was required to hold a public hearing after publishing notice, and (2) the council did not merely review and "affirm, reverse, or modify" the order of the commission, but was required by ordinance to "act upon the appeal." *Id.* at 194, 195. Moreover, the council was not bound by the findings of the commission or the testimony before the commission, and there were no limitations on new or additional testimony. *Id.* If the council were bound by the findings of the commission, there would be "no point" in requiring the public hearing. *Id.* The *Anderson* Court of Appeal concluded the council heard the matter *de novo* and made its own determination as to the facts. *Id.*

The Court of Appeal in *Rea* considered a similar set of facts. *Rea Enters. v. California Coastal Zone Conservation Com.* (hereinafter "*Rea*"), 52 Cal. App. 3d 596 (1975). In *Rea*, the regional commission approved petitioners' application for a coastal zone development permit. *Id.* at 601. The decision was appealed to the state

commission, which conducted a public hearing that resulted in a six-to-six tie vote. *Id.* The state commission's review was a "new, unlimited look at the same request for a permit by a de novo public hearing" and a "redetermination" "of the merits of the application." *Id.* at 605 (quoting *Klitgaard & Jones, Inc. v. San Diego Coast Reg'l Com.*, 48 Cal. App. 3d 99, 108 (1975)). The petitioners argued the jurisdiction of the state commission was one "strictly of an appellate nature" and therefore the tie vote resulted in an affirmance of the regional commission's decision approving the permit. *Id.* at 606–607. In support, they contended the *de novo* public hearing referred only to the process by which the state commission is required to gather evidence and the state commission could only "affirm, reverse, or modify" the regional commission's decision. *Id.* at 607. The Court of Appeal disagreed, noting that the language of "affirm, modify, or reverse" was not dispositive—although "grant or "deny" would have been "clear[er]." *Id.* at 608–609. Rather, the Court of Appeal looked to the legislative intent and other rules of statutory interpretation and concluded the tie vote did not affirm the regional commission's approval. *Id.* at 606–611.

Petitioners rely upon *Grist Creek Aggregates*, but that case is distinguishable. *Grist Creek Aggregates, LLC v. Superior Ct.*, 12 Cal. App. 5th 979 (2017). The *Grist Creek* Court analyzed California case law to address whether the tie votes were subject to judicial review. 12 Cal. App. 5th at 990. Regarding the *effect* of the tie vote, the court relied on three of the parties' *agreement* that the effect of the tie vote was to deny the appeal. *Id.* Accordingly, most of the *Grist Creek Aggregates* opinion is inapplicable.[9]

[9] Petitioners' reliance on the unpublished decision in *Serv. Emps. Int'l Union Loc. 1021* is not particularly helpful to their cause. *Serv. Emps. Int'l Union Loc. 1021 v. Cnty. of Mendocino*, No. 20-CV-05423-RMI, 2021 WL 3471176, at *1 (N.D. Cal. Aug. 6, 2021). There, the district court did not perform a robust analysis of the legal effect of a tie vote. Rather, it addressed the plaintiffs' failure to state a claim that a tie vote amounted to a violation of his federal due process rights. *Id.* at *3. In the process of that analysis, the district court tersely found that the tie vote functioned like an appellate court vote and left the original termination decision intact—as alleged in the plaintiffs' complaint. *Id.* at *4.

2. The Board's Tie Vote Meant It Took No Action on the Planning Commission's Decision

Chapter 25B is not identical to any of the applicable regulations in the cases described above. On one hand, Chapter 25B's procedural rules share some similarities with a purely appellate review. Rather than "grant or deny" the permits, the Board shall "affirm, reverse, or modify" the Planning Commission's decision to approve the FDPs. County Code § 25B-12(b)(4). The Planning Commission is the entity that "approve[s] or "deni[es]" applications for change of operator, owner, or guarantor. County Code §§ 25B-8(b)(1), 25B-8(a)(1)(a), 25B-9(e). And, unlike in *Clark*, Chapter 25B does not require any specific number of affirmative votes.[10] 48 Cal. App. 4th at 1175. The absence of "grant, deny, or modify" language in Chapter 25B, however, is not dispositive, and the cases other than *Clark* do not turn on regulatory language mandating a certain number of affirmative votes. *See Rea*, 52 Cal. App. 3d at 607–608. All other aspects of Chapter 25B appear to be consistent with the Court of Appeal's reasoning in *Vedanta*, *Clark*, and *Anderson*.

Chapter 25B provides that the Board's hearing shall be *de novo* and the Board shall hold a public hearing. County Code § 25B-12(b)(4). This suggests that the Board has the authority to engage in affirmative acts that go beyond merely reviewing the administrative record and giving a thumbs up or down. Here, like in *Vedanta*, the Board has the authority to conduct *de novo* fact-finding. 84 Cal. App. 4th at 519. When appealed, the Planning Commission supplies copies of the application and a statement of

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[10] The majority vote requirement is instead sourced from separate procedural rules that govern hearings before the Board. Governing Procedural Rules, Sec. IV, 1 ("Any action taken by the Board of Supervisors must be by a majority of the Board of Supervisors. An abstention shall not be counted as an affirmative vote on the motion."); *see also* A.R. 6772 (Vol. 21 at 29).

The same rules state "[i]n the event the Board takes no action because a motion on the item failed to carry by the affirmative vote of a majority of the membership, the matter may be continued at the request of any party or any Board member." Governing Procedural Rules, Sec. IV, 2. This rule is consistent with the Court's conclusion that a failure to reach a majority vote does not constitute affirmance or denial.

its findings setting forth the reasons for its decision to the Board. County Code § 25B-12(b)(3). Chapter 25B does not limit the Board's review to these findings, impose any evidentiary constraints, or mandate deference to the Planning Commission's findings. *See, e.g., Anderson*, 197 Cal. App. 2d at 189; *Clark*, 48 Cal. App. 4th at 1175; *cf. Today's Fresh Start, Inc. v. Los Angeles Cnty. Off. of Educ.*, 128 Cal. Rptr. 3d 822, 839 (Ct. App. 2011), *review granted and opinion superseded*, 262 P.3d 854 (Cal. 2011), *and aff'd*, 57 Cal. 4th 197 (2013) (holding a tie vote upheld the lower decision where the review was limited to findings made by the lower body).[11] Instead, it simply states the public hearing "shall be de novo." County Code § 25B-12(b)(4). If the Board were bound by the findings of the Planning Commission, there would be "no point" to requiring the public hearing. *Anderson*, 197 Cal. App. 2d at 195.

Furthermore, the requirement that the Board make factual findings logically flows from its *de novo* review of the Planning Commission's decision. Chapter 25B requires the Planning Commission to make specific factual findings, and the applications for change of owner, guarantor, and operator, shall be approved "only if" those findings are met. *See* County Code §§ 25B-9(a), (e), 25B-10(a). The Board must look to the evidence supporting these required factual findings and determine whether those findings are supported.

Finally, it appears everyone throughout the entirety of the Board appeal and public hearing process agreed that the Board was required to make factual findings. County Staff recommended that the Board "make" the required findings for approval and "grant *de novo*" approval of the applications. Board Agenda Letter A.R. 2953 (Vol. 11 at 811). The failed motion, as reflected in the Board minutes following the hearing, was to deny

[11] Federal courts may consider unpublished California appellate decisions as persuasive authority. *Holt v. Noble House Hotels & Resort, Ltd*, 370 F. Supp. 3d 1158, 1165 (S.D. Cal. 2019) (citing California Rule of Court 8.1115(a)).

the appeal, make the required findings for approval, and grant *de novo* approval.[12] A.R. 6755 (Vol. 21 at 11). Sable's own response to the appeal is in accordance with this approach (A.R. 5240 (Vol. 14 at 495) [Doc. # 13-14] ("[T]he Planning Commission did not err in approving the Transfers, and [] the Board should *do the same*.") (emphasis added)) (A.R. 5257 (Vol. 14 at 512) ("We respectfully request that the Board . . . deny the Appeals, *make the required findings*, and grant *de novo* approval of the Transfers.") (emphasis added)).

In sum, although Chapter 25B is not a model of clarity, the *de novo* nature of the review and the Board's authority to do fact-finding, combined with the requirement of a public hearing and lack of evidentiary constraints, lead the Court to conclude the Board's review is not one "strictly of an appellate nature." *Rea*, 52 Cal. App. 3d at 606. Accordingly, the tie vote by the Board in an appeal under Chapter 25B was "no action," was not "acquiescence," and did not affirm or reverse the Planning Commission's approval of the FDPs. *Vedanta*, 84 Cal. App. 4th at 529. Petitioners' MSJ is **DENIED in part** and Intervenors' MSJ is **GRANTED in part** as to Petitioners' first claim for relief to the extent Intervenors assert the tie vote "did not affirm, reinstate, or otherwise leave in place" the Planning Commission's decision.

B. Second Claim for Relief: Traditional Writ of Mandate Under Section 1085

1. Ministerial Duty or Discretionary Duty

Under section 1085, the Court may issue a writ of mandate in two circumstances: (1) where the agency has a "mandatory" and "ministerial duty capable of direct enforcement" or (2) where the agency has a discretionary "quasi-legislative duty entitled to a considerable degree of deference" and that agency has abused its discretion. *CV*

[12] The motion by the Board includes all proposed findings and execution of all actions recommended in the County Staff's report. *See* Governing Procedural Rules, Sec. VII, 1 ("In the case of final action by the Board of Supervisors on a motion to affirm the Planning Commission's action or recommendation . . . the motion shall be deemed to include all proposed findings and execution of all actions recommended in the staff report.").

Amalgamated LLC v. City of Chula Vista, 82 Cal. App. 5th 265, 279 (2022). Whether a duty is ministerial is generally a question of law, namely statutory interpretation. *Id.*; *see also Rodriguez v. Solis*, 1 Cal. App. 4th 495, 502 (1991).

Where the duty is mandatory and ministerial, a court may issue a writ of mandate to compel a public agency or officer to perform this duty. *CV Amalgamated LLC*, 82 Cal. App. 5th at 279. A "ministerial act" is an act the public officer "is required to perform in a prescribed manner in obedience to the mandate of legal authority and without regard to his own judgment or opinion concerning such act's propriety or impropriety, when a given state of facts exists." *Id.* (quoting *Kavanaugh v. W. Sonoma Cnty. Union High Sch. Dist.*, 29 Cal. 4th 911, 916 (2003)). "A public entity has a ministerial duty to comply with its own rules and regulations where they are valid and unambiguous." *Id.* (quoting *Gregory v. State Bd. of Control*, 73 Cal. App. 4th 584, 595, (1999)).

If a public agency has abused its discretion in carrying out a discretionary function, a court may issue a writ of mandate to correct this abuse of discretion. *CV Amalgamated LLC*, 82 Cal. App. 5th at 279. Discretion is "the power conferred on public functionaries to act officially according to the dictates of their own judgment." *AIDS Healthcare Found. v. Los Angeles Cnty. Dep't of Pub. Health*, 197 Cal. App. 4th 693, 700 (2011) (quoting *Rodriguez*, 1 Cal. App. 4th at 501–502. Discretionary agency action amounts to an abuse of discretion where it is "palpably unreasonable and arbitrary." *CV Amalgamated LLC*, 82 Cal. App. 5th at 280 (quoting *Ellena v. Dep't of Ins.*, 230 Cal. App. 4th 198, 205 (2014)).[13]

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[13] Petitioners cite to cases interpreting "discretionary projects" and "ministerial projects" within the meaning of the California Environmental Quality Act (CEQA). *See* Petitioners MSJ at 19 (citing *Prentiss v. City of S. Pasadena*, 15 Cal. App. 4th 85, 89 (1993), *Health First v. Mar. Joint Powers Auth.*, 174 Cal. App. 4th 1135, 1142 (2009) and *Friends of Juana Briones House v. City of Palo Alto*, 190 Cal. App. 4th 286, 299 (2010)), 20 (citing *Sierra Club v. Cnty. of Sonoma*, 11 Cal. App. 5th 11, 19 (2017) and *Sierra Club v. Napa Cnty. Bd. of Supervisors*, 205 Cal. App. 4th 162, 176 (2012)). Although CEQA uses the terms "discretionary" and "ministerial," these terms and the interpretations thereof are based upon CEQA regulatory definitions that are not binding in this case. *See* Cal. Code Regs. §§ 15268, 15369.

2. Duties Under Chapter 25B

Petitioners assert two theories of duty: (1) the Board had a mandatory ministerial duty to act on the appeal, *i.e.*, affirm, reverse, or modify the Planning Commission's decision, and (2) the Board had a mandatory ministerial duty to deny the appeals once the required findings were met. Petitioners MSJ at 18. The Court will first address the duty to act on the appeal.

Chapter 25B mandates that the Board "shall affirm, reverse, or modify the planning commission's decision at a public hearing." County Code § 25B-12(4). A cardinal rule of statutory interpretation is that the Court's inquiry "begins with the statutory text, and ends there as well if the text is unambiguous." *BedRoc Ltd., LLC v. United States*, 541 U.S. 176, 183 (2004); *see also California Priv. Prot. Agency v. Superior Ct.*, 99 Cal. App. 5th 705, 722 (2024) (same under California law); *Herrera v. Zumiez, Inc.*, 953 F.3d 1063, 1070 (9th Cir. 2020) (holding courts apply California rules of statutory interpretation to California regulations). Statutory interpretation begins with the "plain and commonsense meaning" of the words themselves. *Herrera*, 953 F.3d at 1070. The language here is unambiguous. The Board *shall* affirm, reverse, or modify the decision, but the Board's tie vote did not do any of these things. Because the language is unambiguous, the Court need not look to Chapter 25B's legislative history or other extrinsic aids. *BedRoc Ltd., LLC*, 541 U.S. at 183; *see also Herrera*, 953 F.3d at 1071.

The Board's duty to affirm, reverse, or modify the Planning Commission's decision is mandatory and ministerial. Chapter 25B does not provide the Board discretion to decline—if an eligible appellant appeals with the required specific statement, the Board must hear the appeal and act upon it to affirm, reverse, or modify the underlying decision. *See* County Code §§ 25B-12(b)(1), (2); *accord California Priv. Prot. Agency v. Superior Ct.*, 99 Cal. App. 5th 705, 723 (2024) (where the timeline to adopt final regulations "shall be" a certain date, the agency had a mandatory duty to adopt final regulations by that date); *Sustainability of Parks, Recycling & Wildlife Legal Def. Fund v. Cnty. of Solano Dep't of Res. Mgmt.*, 167 Cal. App. 4th 1350, 1359 (2008)

(agency's obligation to hold a hearing upon receipt of a petition was ministerial); *Lazan v. Cnty. of Riverside*, 140 Cal. App. 4th 453, 460 (2006) (where employer "shall apply for disability retirement" upon a certain condition, the employer has a mandatory and ministerial duty to apply because it "has no authority to do otherwise"). The Board has no option, for example, to remand the matter back to the Planning Commission for further consideration. *Cf. Woody's Grp., Inc. v. City of Newport Beach*, 233 Cal. App. 4th 1012, 1026 (2015) (the municipal code allows the reviewing body to remand).

The use of the word "shall" indicates a legislative intent to impose a mandatory duty. *California Priv. Prot. Agency*, 99 Cal. App. 5th at 723 (citing *In re Luis B.*, 142 Cal. App. 4th 1117, 1123 (2006)). Respondents and Intervenors claim the word "shall" does not *necessarily* create a mandatory duty under *AIDS Healthcare Found.*, 197 Cal. App. 4th at 693. *See* Response at 19, Intervenors MSJ at 24. Although *AIDS Healthcare Found.* may stand for this general proposition, the facts and reasoning undergirding it are inapplicable to the case at hand. In *AIDS Healthcare Found.,* the petitioners sought a writ of mandamus to compel the health department to issue a regulatory order requiring adult film industry performers to take certain specific actions. 197 Cal. App. 4th at 696. The applicable statute stated the health department "shall take measures as may be necessary to prevent the spread of the disease or occurrence of additional cases." *Id.* at 701. In this context, the Court of Appeal found the term "shall" did not necessarily create a mandatory duty, because "[e]ven if mandatory language appears in a statute creating a duty, the duty is discretionary if the public entity must exercise significant discretion to perform the duty." *Id.* (quoting *Sonoma Ag Art v. Dep't of Food & Agric.*, 125 Cal. App. 4th 122, 127 (2004) (internal punctuation removed)). The Court of Appeal concluded the statute left the "measures as may be necessary," or the prescribed course of action to address the spread of diseases, to the health department's discretion.[14]

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[14] Intervenors also rely on *Thompson* to claim the duty is not mandatory. Intervenors MSJ at 24 (citing *Thompson v. City of Lake Elsinore*, 18 Cal. App. 4th 49, 56 (1993)). In *Thompson*, although the

Here, the Board has no such discretion as to *what* courses of action it can take—it must affirm, reverse, or modify. Nor does it have the option *not* to take any of those three actions. It has discretion to decide *which* action of the three to take, and discretion within its *de novo* review process (*see supra* Part III(A)), but these discretionary actions are separate from the mandatory and ministerial process of hearing and affirmatively acting on the appeal. *See, e.g., CVG Amalgamated LLC*, 82 Cal. App. 5th at 221 (separating the ministerial procedural requirements of the ordinance from the discretionary merit-based scoring portion of the ordinance).

Although the Board's failure to act was not purposeful, as the tie vote presumably was unexpected and unplanned, the Board has yet to "affirm, reverse, or modify" the decision following Petitioners' demand letters and the Board's closed session. *See* Petitioners MSJ at 18. A traditional writ of mandamus is appropriate here to compel the Board to "affirm, reverse, or modify" the Planning Commission's decision where it essentially has failed to act following the tie vote. Moreover, "[m]andamus does not lie to compel a public agency to exercise discretionary powers in a particular manner, only to compel it to exercise its discretion in some manner." *AIDS Healthcare Found.*, 197 Cal. App. 4th at 700–701 (citing *Excelsior Coll. v. Bd. of Registered Nursing*, 136 Cal. App. 4th 1218, 1238 (2006)); *see also* Intervenors Reply at 12–13. In other words, having concluded that the Board's *de novo* review of the Planning Commission's decision is discretionary rather than purely appellate in nature, the Court may not compel the Board to affirm or reverse the Planning Commission's decision before the Board has made any decision at all. But the Court may compel the Board to *exercise* its discretion to affirm, reverse, or modify and essentially try again until it reaches a determination in compliance with the requirements of Chapter 25B—an affirmance, reversal, or

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ordinance stated the building official "shall" issue a permit if the application met all requirements, the Court of Appeal concluded the issuance of building permits is a historically discretionary function. *Id.* at 56 n.9, 57. This action does not concern building permits—the reasoning in *Thompson* is inapposite.

modification tethered to factual findings under Chapter 25B-8, 9, and 10 would satisfy the Board's mandatory duty to act.

Indeed, the Board has expressed its willingness to hold a new hearing. *See* Response at 24. The trial court in *Lopez* similarly remanded the matter back to the board to conduct another vote. *Lopez*, 165 Cal. App. 4th at 3. The Board here, like in *Lopez*, had five members "to foster decisions by majority votes and to avoid tie votes." *Id.* at 5. The fifth abstaining board member in *Lopez* abstained on an erroneous basis. *Id.* Accordingly, with the Court of Appeal's instruction, the remand restored the board to its intended odd number of members. *Id.* Here, Hartmann recused herself from the vote, but her presumed conflict of interest may not in fact exist.[15] On June 27, 2025, the FPPC sent a letter to County Counsel for Santa Barbara County, at County Counsel's request, regarding Hartmann's purported conflict of interest based upon her ownership of a real property parcel approximately 900 feet from the pipeline. Intervenors RJN, Ex. 1 [Doc. # 43-6 at 6–13.][16] The letter states that under certain conflict-of-interest provisions, Hartmann does not have a disqualifying financial interest in the County's decisions regarding Sable's Chapter 25B FDP applications. *Id.* at 8. That said, as Petitioners point out, Hartmann received a similar letter from the FPPC in 2016 but still recused herself in 2023. Alternative RJN, Ex. 1 [Doc. # 46-5 at 4–8]. Regardless, this factual development does not undermine the Court's ruling as the Court does not rely upon Hartman's recusal status. Whether or not Hartmann participates in the vote, the Board members must vote to "affirm, reverse, or modify" the Planning Commission's decision—which includes

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[15] Regarding the Sable FDP applications, Hartmann did not state on the record her reasons for recusal. In 2023, however, regarding the Exxon Mobil Affiliates application for FDP transfer of the pipeline, she stated "the pipeline runs directly adjacent to the northeastern corner of my property," so "due to conflict of interest potential" she recused herself. Petitioners RJN, Ex. 1 at 3 [Doc # 36-5]; *see also* Petitioners RJN, Ex. 3 at 2 [Doc. # 36-7].

[16] County Counsel originally made this request to the Attorney General's Office and the Santa Barbara County District Attorney's Office, who forwarded it to the FPPC. Intervenors RJN, Ex. 1 at 6.

upholding or denying the appeals and making the required factual findings under Chapter 25B-8, 9, and 10.[17]

C. Third Claim for Relief: Administrative Writ of Mandate Section 1094.5

Because the Court remands this matter back to the Board pursuant to Petitioners' second claim for relief under section 1085, it need not reach Petitioners' third claim for relief in the alternative for administrative writ of mandate under section 1094.5. *See* Petitioners MSJ at 26–28.

IV.
CONCLUSION

In light of the foregoing, as to the first claim for relief, the Court **DENIES in part and GRANTS in part** Petitioners' MSJ and **GRANTS in part** the Intervenors' MSJ insofar as it concludes that the Board's tie vote constitutes no action and does not affirm or reverse the Planning Commission's decision. Regarding the second claim for relief, and only as to the Board's ministerial duty to "affirm, reverse, or modify" the Planning Commission's decision, the Court **GRANTS in part** Petitioners' MSJ and **DENIES in part** Intervenors' MSJ.

Petitioners are entitled to issuance of a peremptory writ of mandate pursuant to California Code of Civil Procedure 1085 directing the Board to "affirm, reverse, or modify" the Planning Commission's decision in compliance with Santa Barbara County Code Chapter 25B. The Court will issue a peremptory writ of mandate forthwith.

---

[17] In upholding or denying the appeals, Board members must comply with the requirements of Chapter 25B and Governing Procedural Rules. Lee's sparse remarks to the effect that restarting the facilities and pipeline was an "insane" and "bad" idea, and his vote was the "right thing to do," without a single mention of the findings required under Chapter 25B, would not exemplify compliance. *See* Governing Procedural Rules, Sec. VII, 1 (requiring any final action to be accompanied by written findings); *see also Topanga Assn. for a Scenic Cmty. v. Cnty. of Los Angeles*, 11 Cal. 3d 506 (1974) (agencies making decisions must render findings sufficient to allow the parties to determine whether and on what basis they should seek review and to apprise the reviewing court of the basis behind the Board's findings).

This action is **STAYED and administratively closed** pending the Board's compliance with the Court's peremptory writ of mandate. Any party may file a motion to lift the stay upon verification of the Board's compliance with the writ of mandate and, as appropriate, move to reopen the case or dismiss it.

IT IS SO ORDERED.

DATED: September 12, 2025

DOLLY M. GEE
CHIEF U.S. DISTRICT JUDGE

Attachment C

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SABLE OFFSHORE CORP. et al,

Petitioners/Plaintiffs,

v.

COUNTY OF SANTA BARBARA et al.,

Respondents/Defendants,

and

ENVIRONMENTAL DEFENSE CENTER et al.,

Intervenors.

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

RESPONDENTS COUNTY OF SANTA BARBARA AND SANTA BARBARA COUNTY BOARD OF SUPERVISORS' RESPONSE TO PETITIONERS' MOTION FOR SUMMARY JUDGMENT

[Filed concurrently with Request to Take Judicial Notice; Response to Petitioners' Statement of Uncontroverted Facts and Conclusions of Law; and [Proposed] Order]

Complaint Filed: May 8, 2025

Date: September 12, 2025
Time: 2:00 p.m.
Ctrm.: 8C
Judge: Hon. Dolly M. Gee
Mag. Judge: Hon. Alicia G. Rosenberg

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Respondents/Defendants County of Santa Barbara and Santa Barbara County Board of Supervisors (collectively "County") hereby respectfully submit the below Memorandum of Points and Authorities in response to Petitioners/Plaintiffs Sable Offshore Corp., Pacific Pipeline Company, Pacific Offshore Pipeline Company ("Sable"), Exxon Mobil Corporation, Mobil Pacific Pipeline Company, and Exxonmobil Pipeline Company's ("Exxon" and collectively "Petitioners") Memorandum of Points and Authorities in Support of their Motion for Summary Judgment on the first, second, and third causes of action in this matter.

Dated: August 1, 2025

Respectfully submitted,

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I. INTRODUCTION

The County of Santa Barbara adopted Chapter 25B of the County Code to protect public health and safety, natural resources, and the environment by ensuring that safe operation, adequate financial responsibility, and regulatory compliance are maintained during and after any change to the owner, operator, or guarantor of certain oil and gas facilities. Chapter 25B requires any new owner, operator, or guarantor to submit certain documentation and information to the County and for the County to make findings for approval before issuing a new permit reflecting the transfer.

This case concerns the application of Chapter 25B to facilities that caused a catastrophic oil spill in 2015 and have been largely shut down since that time. Exxon acquired the facilities in 2023 and then sold the facilities in 2024 to a new company, Sable Offshore Corporation. Sable filed Chapter 25B applications for the facilities, and after conducting a public hearing, the County Planning Commission voted three-to-two to approve the transfers.

Several organizations appealed to the County Board of Supervisors, asserting that the transfer of potentially hazardous facilities from a major oil company to a smaller, less experienced, and less financially secure company was precisely the scenario Chapter 25B was designed to address and that the findings to approve the transfer could not be made. The Board received substantial documentation and held a lengthy de novo hearing. Ultimately, the Board, with one member recused, voted two-to-two on separate motions: one to approve the requested transfers and one to deny the requested transfers. Because the Board cannot act without the concurrence of a majority of all the members, the permits remain in Exxon's name.

Petitioners filed this lawsuit to force the County to transfer the permits. In their motion for summary judgment, Petitioners ask this Court to hold: 1) the Board's tie vote left the Planning Commission's approval of the transfers intact,

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2) Chapter 25B's process is ministerial and the Board has a mandatory duty to deny the appeals and approve the transfers, or 3) the Board must hold another public hearing that complies with Chapter 25B.

The County disputes that Chapter 25B's process is ministerial. Although there are aspects of the process that function like a checklist and require little judgment, there are other aspects of the process that call for the exercise of discretion. With respect to Petitioners' other arguments, in light of the absence of a Board majority, the County responds by setting forth the facts and applicable law without taking a position on whether the Board's tie vote leaves the Planning Commission decision intact or whether this Court should remand for another hearing before the Board.

II. FACTUAL BACKGROUND

As may be seen from the County's Response to Petitioner's Statement of Undisputed Facts, the County does not dispute the majority of facts asserted by Petitioners. The County, therefore, offers the following short summary.

A. The Facilities

The Santa Ynez Unit (SYU) and Pacific Offshore Pipeline Company (POPCO) Gas Plant are existing permitted facilities that produce and treat crude oil and natural gas from offshore Platforms Hondo, Harmony, and Heritage in the Santa Barbara Channel. (SUF ¶¶ 1, 3.) Historically, oil produced from the SYU was transported via the Las Flores Pipeline System to the Pentland Station in Kern County (formerly known as the Plains All American Pipeline). (SUF ¶ 5; Dkt. 13-1, 22.) In 2015, a section of the Las Flores Pipeline System ruptured and released over 100,000 gallons of crude oil onto the beach and into the ocean near Refugio State Beach ("Refugio Oil Spill") resulting in the shutdown of both the Las Flores Canyon Facilities and the pipeline system. (Dkt. 13-1, 25; Dkt. 13-10, 118; Dkt. 13-20, 13.) The Refugio Oil Spill caused significant financial and environmental damage and harm to the surrounding communities and cost

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roughly $100 million dollars to remediate in the immediate aftermath of the spill and is projected to cost the company responsible for the spill a total of $750 million. (Dkt. 13-10, 1875.)

B. Sable's Application to Transfer the Permits and the Tie Vote

Sable was created for the purpose of acquiring the facilities from Exxon. (Dkt. 13-10, 119.) As a new company, Sable lacked the capital to purchase the facilities outright, and therefore entered into an agreement with Exxon similar to a loan. (Dkt. 13-10, 120.) Sable acquired the SYU, as well as POPCO and Pacific Pipeline Company (PPC), the owners of the Gas Plant and the Las Flores Pipeline System, in 2024. (SUF ¶ 9.) The Facilities are Sable's only assets. (Dkt. 13-10, 120; Dkt. 13-21, 283.)

Sable submitted applications to transfer the permits for the three facilities on March 14, 2024.[1] (SUF ¶ 10.) After staff for the Department of Planning and Development determined the applications were complete, staff recommended the Planning Commission approve the transfers. (SUF ¶¶ 13, 14.) The Planning Commission held a hearing, made findings, and approved the transfers. (SUF ¶ 16.)

The Environmental Defense Center ("EDC"), Get Oil Out! ("GOO!"), and Santa Barbara County Action Network ("SBCAN") submitted a notice of appeal from the Planning Commission's decision. (SUF ¶ 17.) The Center for Biological Diversity ("CBD") and the Wishtoyo Foundation also submitted a notice of appeal. (*Id.*) After holding a lengthy public hearing, the Board, with one member recused, voted two-to-two on the following motions: one to approve the requested transfers and one to deny the requested transfers. (SUF ¶ 20.)

[1] The parties refer to the applications as requesting the "transfer" of the three permits. The request is actually to issue revised permits reflecting the new owner, operator, or guarantor. For ease of reading, however, the County uses the term "transfer" to describe the request.

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After the hearing, Sable sent the Director of the Planning and Development Department a letter stating that the Board's tie vote results in the affirmance of the Planning Commission's approval and requested that the Department transfer the permits. (SUF ¶ 21.) Separately, the County received letters from EDC asserting the tie vote did not affirm the Planning Commission's decision and constituted no action, which effectively resulted in denial of the request to transfer the permits. (Dkt. 13-21, 30-33; Dkt. 33-1, 9-12.) The County has not transferred the permits. (SUF ¶ 23.)

III. LEGAL STANDARDS

Summary judgment is proper under Federal Rule of Civil Procedure 56 if "the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). "[S]ummary judgment must be denied if, viewing the evidence in the light most favorable to the non-moving party,' there are genuine issues of material fact." *Nolan v. Heald Coll.*, 551 F.3d 1148, 1154 (9th Cir. 2009).

In their first and second causes of action, Petitioners seek a traditional writ of mandamus under California Civil Code section 1085. To obtain relief under Code of Civil Procedure section 1085, the petitioner must show among other things that the respondent has a clear, present, and ministerial duty to act in a particular way. *Pub. Emp. Rels. Bd. v. Bellflower Unified Sch. Dist.*, 29 Cal.App.5th 927, 939 (2018).

In their third cause of action, Petitioners challenge the County's inaction in response to its requests to transfer the permits pursuant to California Code of Civil Procedure section 1094.5. In a writ of administrative mandate under California Code of Civil Procedure section 1094.5, the inquiry is "whether there was any prejudicial abuse of discretion. Abuse of discretion is established if the respondent has not proceeded in the manner required by law, the order or

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decision is not supported by the findings, or the findings are not supported by the evidence." Cal. Civ. Proc. Code § 1094.5(b).

IV. LEGAL ISSUES

A. County Code Chapter 25B

In 2002, the County of Santa Barbara adopted Chapter 25B of the County Code. Chapter 25B was a response to major oil companies selling facilities to smaller and smaller companies, and the County's concern that smaller companies did not have the financial resources or capability of operating facilities in a safe manner. (Dkt. 13-21, 232-33.) Chapter 25B's purpose is "to protect public health and safety, and safeguard the natural resources and environment of the [C]ounty 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." Respondents' Request to Take Judicial Notice in Support of Response to Petitioner's Motion for Summary Judgment ("RJN"), Exhibit A, County Code § 25B-1 ("Chapter 25B," "Section 25B" or "§25B"). To achieve this purpose, Chapter 25B requires the decision-maker to make certain findings before the County will transfer permits to a new owner, operator, and/or guarantor. *See* §§25B-9, 25B-10.

Chapter 25B provides, "[t]he decision of the planning commission to approve or deny an application may be appealed to the board of supervisors by the applicant or any interested person adversely affected by such decision." §25B-12(b). The appellant must state how the planning commission's decision is inconsistent with the provisions or purposes of Chapter 25B or how there was an error or abuse of discretion by the planning commission. §25B-12(b)(2). When an appeal is filed, the planning commission sends to the board "copies of the application, including all attachments and related materials, and a statement of findings setting forth the reasons for the planning commission's decision."

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§25B-12(b)(3). "The board of supervisors hearing shall be de novo and the board shall affirm, reverse, or modify the planning commission's decision at a public hearing." §25B-12(b)(4).

Although Chapter 25B does not set forth findings the Board must make on appeal, the ordinance does provide findings that must be made by the decision-maker tasked with reviewing the application. §25B-9 & 25B-10. Those same findings are considered on appeal. (*See* Dkt. 13-11, 828-844 (proposed Board findings); *see also* Dkt. 36-6, 9 (Board findings made when the transfer of the same permits from its prior owner to the Exxon affiliates were challenged on appeal in 2023).)

B. The Legal Effect of the Tie Vote Is Ambiguous

In their Motion for Summary Judgment ("Mot." or "Motion"), Petitioners ask the Court to issue a traditional writ of mandamus requiring the County to transfer the permits because the Board's tie vote leaves the Planning Commission approval intact. Mot. at 8. According to Petitioners, the Board acts solely as a reviewing body in a Chapter 25B appeal, reviewing only the decision made by the Planning Commission and not deciding whether to grant or deny the underlying transfers. *Id.*

Petitioners rely on a number of cases where, unlike the appeals process under Chapter 25B, the decision-maker on appeal was not required to consider the matter de novo or make de novo findings. For instance, in *Grist Creek Aggregates, LLC v. Superior Court*, the court held that a tie vote on appeal from an air quality management district effectively allowed the district's permit approval to stand. 12 Cal.App.5th 979, 991 (2017). Unlike Chapter 25B, the hearing board in *Grist Creek* was not required to review the denial de novo. The applicable statute states only that: "the hearing board shall hold a public hearing

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and shall render a decision on whether the permit was properly issued." Cal. Health & Safety Code § 42302.1.[2]

Petitioners also rely on *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, which has been depublished and superseded. Mot. at 9. There, a school board revoked the charter for a school and the decision was appealed to the State Board of Education. *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, 128 Cal.Rptr.3d 822, 828 (2011). The State Board held a hearing that ended in a tie vote on whether the decision to revoke the charter should be reversed. *Id.* at 833. The statute governing the appeal provided that the State Board may reverse the decision to revoke a charter if it determines that the findings made below "are not supported by substantial evidence.'" *Id.* at 839 (citing Cal. Educ. Code § 47607, subd. (g)(2)). Because the statute did not require the State Board to make independent factual findings, the court concluded that the tie vote amounted to a final decision by the State Board to deny the appeal and uphold the revocation. *Id.* 839-40.

Petitioners also rely on cases in the employment context, which rest on a burden of proof that is not applicable in Chapter 25B appeals. In *Lopez v. Imperial County Sheriff's Office,* employees of the sheriff's office appealed their termination to a county employment appeals board. 165 Cal.App.4th 1, 3 (2008). The hearing before the board ended in a tie vote, which the terminated employees argued meant that their terminations had been reversed. *Id.* at 3-4. The court noted that "[i]n disciplinary administrative proceedings, the burden of proving the charges rests upon the party making the charges." *Id.* at 4. It

[2] Also unlike the circumstances in this case, the applicant and appellant agreed that the tie vote resulted in affirming the district's decision to grant the permit. *Grist Creek Aggregates,* 12 Cal.App.5th at 986. The decision was therefore focused on the hearing board's position, which had been adopted by the trial court, that there was nothing for the court to review because the hearing board had not adopted findings. The appellate court rejected this argument, concluding that the trial court may review whether the hearing board proceeded in the manner required by law or whether the decision not to set aside the district's approval was supported by the evidence. *Id.* at 991.

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concluded, the sheriff's office did not meet its burden of proving its charges to the satisfaction of a majority of the board. *Id.* at 5. But, the court held the board's inaction did not require a reversal of the sheriff's office's termination decisions. Instead it returned the employees "to the status *quo ante*", and the terminations "remain in effect until the [b]oard conducts another vote." *Id.; see also Serv. Emps. Int'l Union Local 1021 v. Cnty. of Mendocino*, 2021 WL 3471176 (N.D. Cal. Aug. 6, 2021) (holding that because "just cause" for termination was found below, a tie vote at the Civil Service Commission was sufficient to carry the County's burden on appeal and left the County's original termination decision intact).

None of Petitioners' cases are directly on point because Chapter 25B requires the Board to hold a de novo hearing and because in deciding Chapter 25B appeals, the Board makes independent findings without deference to the Planning Commission. §25B-12(b)(4). Petitioners assert the Board does not make its own findings on a Chapter 25B appeal. Mot. at 10, fn. 7. Yet, the Board made de novo findings when it granted Exxon's request to transfer the permits in 2023, and staff presented the Board with proposed de novo findings at the hearing at issue in this case, which the Board lacked a majority to adopt. (Dkt. 13-11, 828-844; Dkt. 36-6, 9.) Indeed, Petitioners appear to acknowledge that the Board must determine for itself whether the findings can be made when it asks this Court to issue an administrative writ directing the Board to decide the appeals by considering only the nine factors under Chapter 25B. Mot. at 20. Petitioners liken the Board's role in a Chapter 25B appeal to that of an appellate court, however, a de novo proceeding in an administrative process is different and typically means "the entire case is repeated." *Lagrutta v. City Council*, 9 Cal.App.3d 890, 895 (1970).

The cases the Environmental Defense Center ("EDC") cited in its letters to the County to support its position that the Board's tie vote does not affirm the

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Planning Commission's decision involve local codes that require the decision maker on appeal to take direct action on the underlying matter. For example, in *Clark v. City of Hermosa Beach*, the planning commission approved a project and the approval was appealed to the city council. 48 Cal.App.4th 1152, 1159 (1996). By a three-to-two vote, the city council denied the project. The trial court later determined, however, that one member of the city council had a conflict of interest and that the applicants were denied a fair hearing on appeal. *Id.* at 1166. As a remedy, the trial court ordered that due to the resulting two-to-two split, the planning commission's approval of the permits should be reinstated. *Id.* at 1167. The appellate court reversed, holding that on appeal from a planning commission decision on a conditional use permit, the city council does not merely review the commission's decision for error—it hears the matter de novo, takes additional evidence, and decides whether to grant or deny the permit. *Id.* at 1175. Accordingly, the court held the city council must vacate its decision and rehear the appeal. *Id.* at 1177.

Another case previously cited by EDC is *Anderson v. Pittenger*, which concerned an ordinance that required the appellate body to order a variance or conditional use permit to be granted, denied, or modified and state its reasons for doing so. 197 Cal.App.2d 188, fn. 3 (1961). There, an applicant for a variance filed a lawsuit after the planning commission's decision to approve the variance was appealed to the city council, which first reached a tie vote and later denied the variance. *Id.* at 190-92. The applicant argued that due to the tie vote, the city council failed to comply with its ordinance, which required a decision within 30 days after closing the hearing. *Id.* at 192. The trial court ordered that the denial be vacated and the planning commission's approval reinstated. *Id.* at 193. The appellate court reversed, holding that the tie vote was no action, it was not an affirmance of the order of the commission. *Id.* at 194. "[T]he function of the council was not merely to review the proceedings before the commission and

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affirm, reverse, or modify the order of the commission; it was required to act upon the appeal." *Id.* at 195. The court noted "there is no limitation upon the right of the council to hear new or additional testimony. If the council were bound by the findings of the commission, there would be no point in requiring the council to hold a public hearing." *Id.*

In *REA Enterprises v. California Coastal Zone Com*., a regional commission approved a development permit, which was then appealed to a state commission. 52 Cal.App.3d 596, 601 (1975). The state commission held a public hearing and reached a tie vote and as a consequence refused to issue the permit. *Id.* at 602. The trial court held that the state commission only had limited jurisdiction of an appellate nature and therefore held the tie vote amounted to an affirmance of the lower body's decision. *Id*. The appellate court reversed, holding that the "failure to obtain a majority vote . . . effectuated a denial of the issuance of the development permit." *Id.* at 607. The court noted the applicable section of the Public Resources Code required "an affirmative vote by the majority of the authorized members of the State Commission to grant a permit." *Id*. at 609. The court also examined the term "de novo" and interpreted it in the context of an administrative body reviewing the decision of a lower body to "contemplate not merely a new public hearing, but that all matters involved are to be decided 'anew; afresh; over again.'" *Id.* at 613.

In sum, it is unclear whether Chapter 25B's unique process, whereby the Board is required to review the decision of the Planning Commission not the underlying transfers, but conducts a de novo hearing, takes new evidence, and makes de novo findings without deference to the Planning Commission, is more akin to the *Grist Creek Aggregates* line of cases or the *Anderson* line of cases. Given the lack of a majority on this issue, the County defers to the Court and will abide by the Court's decision.

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C. The County Does Not Have a Mandatory, Ministerial Duty to Deny the Appeals.

Petitioners argue in the alternative that this Court should issue a writ of mandamus because the Board failed to fulfill its mandatory, ministerial duties. Mot. at 11. A ministerial duty is one "that a public officer is required to perform in a prescribed manner . . . without regard to his [or her] own judgment or opinion concerning such act's propriety or impropriety, when a given state of facts exists." *AIDS Healthcare Found. v. Los Angeles Cnty. Dep't of Pub. Health*, 197 Cal.App.4th 693, 700 (2011) (citations omitted). Discretion on the other hand "is the power conferred on public functionaries to act officially according to the dictates of their own judgment." *Id.*

According to Petitioners, the Board had two ministerial duties: 1) to act on the appeals and 2) to deny the appeals because Chapter 25B is ministerial and the Board did not identify any lawful basis to reverse the Planning Commission's decision. *Id.*Petitioners rely on *CV Amalgamated LLC v. City of Chula Vista*, 82 Cal.App.5th 265 (2022), *as modified on denial of reh'g* (Aug. 12, 2022). There, a court held that a city had "a mandatory and ministerial duty to follow" the procedures outlined in the city's ordinance. *Id.* at 282. The court distinguished the procedures for processing an application from "the discretionary merit-based scoring the City undertakes as part of its decision process." *Id.* at 282. "In deciding what merit-based score to assign to an applicant, the City indisputably exercises discretion and judgment" and therefore the court's review was limited to "whether it was 'arbitrary, capricious or entirely without evidentiary support, and whether it failed to conform to procedures required by law.'" *Id.* at 284.

Here, Petitioners do not contend that the County failed to follow its procedures for processing Chapter25B appeals to the Board, which require:

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- The Clerk of the Board to notify the Planning Commission that an appeal has been filed;
- The Planning Commission to transmit to the Board copies of the application, including all attachments and related materials, and a statement of findings setting forth the reasons for the Planning Commission's decision;
- Notice of the time and place of the hearing be given in accordance with Santa Barbara County Code and also mailed to the appellant; and
- The Board hearing to be de novo.

§25B-12(b).

The only aspect of the process Petitioners assert the County failed to follow is the requirement that the Board "affirm, reverse, or modify the planning commission's decision at a public hearing." §25B-12(b)(4). But the term "shall" does not necessarily create a mandatory duty—if the duty requires the public entity to exercise significant discretion, the duty is still discretionary. *See AIDS Healthcare Found.*, 197 Cal.App.4th at 701. As discussed below, the Board's ultimate decision about whether it can make the requisite findings for approval requires the Board to exercise its discretion, much like the discretionary merit-based scoring the City undertakes in *CV Amalgamated LLC*, 82 Cal.App.5th at 282. In other words, the only aspect of the process Petitioners allege the County failed to adhere to is making the final discretionary decision, not some mandatory procedural requirement leading up to that decision.

Moreover, the County Code does not provide for any mandatory duty the County must take in the event of a tie vote. The individual members of the Board who were not recused did move and vote to affirm or reverse the Planning Commission's decision. Yet, as Petitioners acknowledge, without a majority the

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Board was without authority to take a final action. Mot. at fn. 5; Cal. Gov't Code § 25005.

Petitioners also argue the County had a mandatory duty to deny the appeals. They contend Chapter 25B's findings require the decision maker to apply "fixed standards" to determine "objective" facts that do not permit the exercise of discretionary judgment. Mot. at 13. They rely on *Witt Home Ranch, Inc. v. Cnty. of Sonoma*, where a court held the issuance of a certificate of compliance "is a ministerial act, requiring the responsible local agency to determine whether a valid final or parcel map has been recorded or, if not, what must be done to complete the process." 165 Cal.App.4th 543, 565 (2008). The Court contrasted the certificate of compliance with "the actual approval of a subdivision map" which requires "the exercise of judgment, and the careful balancing of conflicting interests[.]" *Id.* at 565-66.

Chapter 25B includes a mix of ministerial and discretionary elements. For instance, 25B requires that an appeal must state how "the planning commission decision is inconsistent with the provisions or purposes" of [Chapter 25B] or that "there was an error or abuse of discretion by the planning commission." §25B-12(b) (emphasis added). And at least one of the Chapter 25B findings clearly calls for the exercise of discretion—the decision-maker must determine whether "[t]he proposed operator has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes." §25B-10(a)(9).

Petitioners assert that finding 10(a)(9) does not provide the County with broad discretion to consider any skills, training, and resources. Mot. at 17. They contend the ordinance should be interpreted to set out a narrow objective path for making the finding—by examining only relevant records of compliance and corrective actions to determine whether the proposed operator has a record

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of non-compliance or unsafe operations systemic in nature for similar facilities. *Id.*

Federal courts apply California's rules of statutory construction when interpreting a state statute or local ordinance. *See Turnacliff v. Westly*, 546 F.3d 1113, 1117–18 (9th Cir. 2008) (interpreting a state statute); *Symons Emergency Specialties v. City of Riverside*, 99 Cal.App.5th 583, 594 (2024) ("Courts interpret municipal ordinances in the same manner and pursuant to the same rules applicable to the interpretation of statutes."). "Statutory interpretation under California law begins with the words themselves, giving them 'their plain and commonsense meaning[.]'" *Herrera v. Zumiez, Inc.*, 953 F.3d 1063, 1071 (9th Cir. 2020) (citing *Murphy v. Kenneth Cole Prods., Inc.*, 40 Cal.4th 1094 (2007)). If the "language is clear and unambiguous [the] inquiry ends." *Id.* "If the relevant statutory language permits more than one reasonable interpretation, [courts] look to appropriate extrinsic sources, such as the statute's purpose, legislative history, and public policy." *Prang v. Los Angeles Cnty. Assessment Appeals Bd.*, 15 Cal.5th 1152, 1170 (2024). California courts also extend some deference to the agency's construction of the statute or ordinance if the agency has consistently maintained the interpretation in question and the interpretation is long-standing. *Id.*; *see also Yamaha Corp. of Am. v. State Bd. of Equalization*, 19 Cal.4th 1, 13 (1998).

Petitioners' narrow construction of finding 10(a)(9) is contrary to the plain language of the ordinance. There is no language in the ordinance that limits what the decision-maker may consider when evaluating the proposed operator's skills, training, and resources. Certain relevant records must be considered to evaluate past compliance, but there is nothing precluding the decision-maker from considering any other information or records it deems necessary:

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

Moreover, legislative history does not support Petitioners' narrow interpretation. A memorandum drafted by staff of the Planning and Development Department to the Planning Commission about an earlier draft of the ordinance included a summary explaining how aspects of Chapter 25B had been revised in response to objections from the oil and gas industry. (Dkt. 28-1, 11-57.) It states:

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

(Dkt. 28-1, 30 (emphasis added).)

When the ordinance went to the Board, the finding discussed above for "Operation Record" had been revised. It had been replaced with a "Operator Capability" finding, which staff described as "broader" than the "Operation Record" finding. (Dkt. 28-1, 77) Staff informed the Board: "To make this finding, the Director may require records of compliance and major incidents. Thus, the review of a proposed operator could consider track record, renders experience and expertise, criminal convictions, and any other information

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germane to assessing the capabilities of a proposed operator." (*Id.*) This legislative history reveals neither staff, nor the Board when it ultimately adopted the language proposed by staff, intended finding 10(a)(9) to restrict the decision maker to evaluating only fixed standards and objective facts that call for no judgment. §25B-10(a)(9).

The County's past practice also supports the County's interpretation of finding 10(a)(9). As evidenced by the proposed findings provided by staff as well as the Board's 2023 findings and Sable's own presentation to the Board, this finding has been interpreted broadly to look at the applicant's years of experience and other evidence supporting the requisite expertise. (Dkt. 13-11, 828-844; Dkt. 13-20, 73; Dkt. 36-6, 9.) "A court should hesitate before construing a statute in a way that renders years of consistent agency practice unlawful." *Cnty. of Amador v. United States Dep't of the Interior*, 872 F.3d 1012, 1023–24 (9th Cir. 2017).

Petitioners also assert that undisputed evidence confirms the Planning Commission's 10(a)(9) finding was correct. Mot. at 14, 17. They point to evidence presented at the hearing that Sable's executive team has decades of experience, that management teams are experienced with local facilities and nearly two-thirds of employees transferred from Exxon to Sable, and that Sable has no record of prior major incidents or unsafe operations. Mot. at 17.

Petitioners fail to discuss, however, the contrary evidence presented by appellants and members of the public, including:

- A Cease and Desist Order from the California Coastal Commission for unpermitted work in sensitive habitat. (Dkt. 28-1, 161-174.)
- A letter from United States Department of the Interior that work Sable was doing on the pipeline could injure or kill endangered species and directing Sable to seek an exemption or take authorization to comply with federal law. (Dkt. 28-1, 176-178.)

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- A letter from the Central Coast Regional Water Quality Control Board notifying Sable it had "evidence of unauthorized discharge of waste to waters of the state," as well as a second and third notice of noncompliance. (Dkt. 28-1, 181-186.)
- Public comment that:
    - "Sable has never operated an oil and gas facility. All we have to judge is the last year and in that short time, it has repeatedly violated state law, racking up close to a dozen [Notices of Violation] and cease and desist orders and it has willfully ignored these directives." (Dkt. 13-12, 247.)
    - "They were digging up in creeks, drainages, really sensitive areas along the Gaviota coast, all willfully ignoring these agency directives. I think it paints a very concerning picture of what we can expect them to be like as an operator." (Dkt. 13-21, 256.)

In addition, Petitioners emphasize staff's recommendations and the Planning Commission's conclusions in its statement of undisputed facts. But the Board, not County staff and not the Planning Commission, have purview to decide de novo appeals to the Board. *See Lagrutta,* 9 Cal.App.3d at 895-96 (noting the city council makes final decisions, not the planning commission).

In short, the County does not have a mandatory duty to deny the appeals. The decision of whether findings for approval can be made is discretionary and the Board heard evidence in support of both approval and denial. Because the County cannot be forced to exercise its discretion in a particular manner, this Court should deny Petitioners' request to direct the Board to deny the appeals and approve the transfers. *See Common Cause v. Bd. of Supervisors*, 49 Cal.3d 432, 442 (1989) ("Mandamus will not lie to control an exercise of discretion, i.e., to compel an official to exercise discretion in a particular manner.").

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D. A New Hearing May Be Appropriate to Allow the Board to Reach a Decision and Make Findings.

As a final alternative, Petitioners ask this Court to issue an administrative writ directing the Board to deny the appeals or decide the appeals by considering only the nine factors under Chapter 25B. In a writ of administrative mandate, a court considers whether there was a prejudicial abuse of discretion, which "is established if the respondent has not proceeded in the manner required by law, the order or decision is not supported by the findings, or the findings are not supported by the evidence." Cal. Civ. Proc. Code § 1094.5(b).

Petitioners assert that two Supervisors, Chair Capps and Supervisor Lee, abused their discretion by considering matters outside Chapter 25B's scope. Mot. at 20. But the majority of the statements Petitioners point to were made by appellants, CBD and the Wishtoyo Foundation and EDC, GOO!, and SBCAN in writing and at the hearing. Mot. at 20-21. Chapter 25B provides a right of appeal and the Brown Act requires the County to allow public comment on all matters within its jurisdiction. Cal. Gov't Code § 54954.3. The arguments made by appellants or any members of the public are outside the County's control. *See Breakzone Billiards v. City of Torrance*, 81 Cal.App.4th 1205, 1242 (2000) ("Members of the public have a right to voice their views at [de novo] hearings and neither applicant nor council member can be certain of the specific facts that will be presented.").

As for the two Supervisors who allegedly abused their discretion, Chair Capps kept her deliberation within the scope of the Chapter 25B process, which includes the evaluation of whether "[t]he proposed operator has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes." §25B-10(a)(9). She noted that the hearing was not about pipeline restart, stating: "That is not what we're

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doing here." (Dkt. 13-21, 397.) She then identified a variety of "red flags" that led her to believe she could not make the findings to approve the transfers:

- Sable was formed to take over a pipeline that was deemed to be potentially too risky by a major company;
- Sable did not have adequate funds to purchase the pipeline so Exxon loaned Sable the money;
- Sable refused to provide its insurance policy when it was requested; and
- Sable violated cease and desist orders from the California Coastal Commission.

(Dkt. 13-21, 397-398.)

As for Supervisor Lee, although he mentioned pipeline restart, with respect to his decision on the transfer of the permits, he stated: "After considering listening to the appellant and Sable and listening to the public, and I came to conclude that I support upholding the appeals, because that's the right thing to do, and that's where I'm at." (Dkt. 13-21, 393-94.) This fails to establish Supervisor Lee relied on evidence outside the scope of Chapter 25B when voting on the item.

This Court may, however, conclude that a remand is necessary to allow the Board to affirm, deny, or modify the decision of the Planning Commission and to set forth findings "sufficient both to enable the parties to determine whether and on what basis they should seek review and, in the event of review, to apprise a reviewing court of the basis for the board's action." *Topanga Assn. for a Scenic Cmty. v. Cnty. of Los Angeles*, 11 Cal.3d 506, 514 (1974); *see also Mountain Def. League v. Bd. of Supervisors*, 65 Cal.App.3d 723, 732 (1977) ("Although the raw evidence supports the decision of the Board, there is nothing to bridge the gap between the evidence and the Board's resolution. The matter

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must be remanded for the Board to make the necessary findings to support its resolution.").

Similar to the court in *Lopez*, this Court may remand the matter for a rehearing before the Board because neither Sable nor the appellants met their burden of convincing a majority of the members of the Board to affirm, deny, or modify the decision of the Planning Commission. *See Lopez*, 165 Cal.App.4th at 4-5 (holding that the tie vote constituted a failure to act and affirming trial court's decision to remand for the board to conduct another vote because respondent did not meet its burden of proving its charges to the satisfaction of a majority of the Board); *cf. Clark,* 48 Cal.App.4th at 1172-73 (holding the trial court should have remanded the matter for a rehearing before the city council because one member who voted with the majority in a three-to-two vote had a conflict of interest).

V. CONCLUSION

For the foregoing reasons, the County respectfully requests that this Court decide whether the tie vote affirmed the decision of the Planning Commission or requires a remand for a hearing to allow the Board to decide the appeals and make findings to support its decision.

Dated: August 1, 2025

Respectfully submitted,

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Senior Deputy County Counsel for
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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Respondent and Defendant, certifies that this brief contains 6505 words, which complies with the word limit of L.R. 11-6.1.

Dated: August 1, 2025

Respectfully submitted,

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COUNTY COUNSEL

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Callie Patton Kim
Senior Deputy County Counsel for
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Attachment D

at the New York Stock Exchange today, the company's valued at $2.6 billion. Certainly, they have pretty significant resources on hand. I would really like to defer specific questions about their financial ability to them. I'm sure they could speak to that.

CHAIR CAPS: Fair enough. Last question on the insurance policy. I asked about this. So, we've seen this. They've produced the certificate, but we have not seen the insurance policy.

MR. BRIGGS: Correct.

CHAIR CAPS: I understand that's the requirement, but could we have seen the insurance policy? Could we have asked for the insurance policy? Can we still ask for the insurance policy to actually review it?

MR. BRIGGS: Madam Chair, we can ask for any information at any time, and if you wanted to do that today with them here in the room, I'm…

CHAIR CAPS: Excellent. Thanks for that, appreciate it. Okay. I realize I might have skipped over Supervisor Nelson. If you had any questions?

MR. NELSON: I have questions [INDISCERNIBLE 01:41:03].

CHAIR CAPS: Yeah, sorry about that. Just feel free to…

MR. NELSON: No, no, no, I asked my questions.

CHAIR CAPS: Okay, you did. I just wanted to make sure. Okay. All right, any other questions for staff before we move on to the appellant? Supervisor Lee?

COSB AR006983

I'm compelled by the engineers and the scientists and the legal experts at the county, at the state, and the federal government, and I will support the [PH 07:17:09] PC and the staff recommendations to deny the appeal and approve the transfer of the permit.

CHAIR CAPS: Okay, thank you. Like Supervisor Lavanino, I was a little kid after the oil spill of 1969, and it's actually the reason why I went into a world of politics and advocacy. It was the first issue that really struck me. My parents were very engaged, would take me to early rallies, early days of Goo, and all of the activism that sprouted up, and obviously, the birth birthplace of Earth Day. So, I just have to say that I really appreciate how everyone's hung in here today in such, again, such a conducive, collaborative way of respect. I mean, this was a marathon, and I have to say too, I'm so proud of UCSB and our gauchos for showing up in such force. I had no idea. I mean, I shouldn't be surprised, but they just one after one after one really putting your future where your heart is by speaking so eloquently, and by being here and being so dedicated. So, thank you. It's an honor to represent you. It really is, and it has been stated. This is our one shot. I agree. I do agree with my colleagues, even though I'm not going to vote with them, this is not fair to the public that this is the one shot that you've all had here in Santa Barbara, where we experienced a devastating spill in 2015, and this is what you get, a technicality on a permit change for a hearing, because there's so many layers. It's designed to be completely confusing. It's designed to be completely in favor of big interests, big, powerful

COSB AR007140

interests with lobbyists and influence, so that we don't know why things are being decided the way they are. We don't know why things are not moving forward. This was this one chance, and it's extremely… I agree with you. It shouldn't be… it's not fair for some folks to walk out of here and think, okay, we stopped the pipeline, or we started the pipeline. That is not what we're doing here, and that is completely unfair. But there are too… so, even within the narrow confines of what we're actually doing here, there are too many red flags, because we are, this is about fiscal oversight, and we do sit up here with a fiscal responsibility of a budget of $1.6 billion annually, and to me, it's too risky to have an applicant that was formed when a major company decided that having this pipeline was potentially too risky. So, then it's just too, it's just… as I said earlier, it's fishy to me

[07:20:00]

that you would sell a pipeline to a new company that doesn't have the funds for it, and again, maybe this is extremely common, but it doesn't pass my smell test, and then loan them the money. If they had wanted to show the insurance policy, they could have, and so much has been made over the last several months about this policy. Why not just show it? Why not just go above and beyond the checklist? That is another red flag for me. Compliance with the Coastal Commission is another red flag for me. Why have a cease and desist? Why not just cooperate with this governing body? So, really, what we're looking at is fiscal stability. That's what we're charged with trying to do, and

COSB AR007141

there are far too many flags. It was said by Mr. Day, in his interpretation of the ordinance that he wrote, that it's a gamble. This was not meant to be toothless. Our job, I get the tension of what we're being asked to do, but I do feel I was elected to look at the big picture and to extrapolate of what we're actually doing here, and I cannot, in good faith, say that this transfer gives me reassurance of fiscal stability. So, I will be voting to uphold the appeal. So, let's do a roll call vote. A motion. So, I would need a motion from somebody.

MR. LAVAGNINO: Well, this is going to be weird.

CHAIR CAPS: We can just do two.

MR. LAVAGNINO: Yeah. Okay. Why don't you guys do your questions?

CHAIR CAPS: Wait, well, I'll go [INDISCERNIBLE 07:21:37].

MR. LAVAGNINO: Yeah, because I'm trying to find the language.

CHAIR CAPS: I could make a motion. Thank you. We have our most…

MR. LAVAGNINO: Yes. All right, I will move staff recommendations A through D.

MR. NELSON: I will second that motion.

CHAIR CAPS: So, then, Madam Clerk, when you're ready, we'll do a roll call vote.

MR. LAVAGNINO: Pins and needles.

CLERK: Supervisor Lee?

MR. LEE: No.

COSB AR007142

Attachment E

all be controlled by…so if they get the signal that there's a pressure drop, then boom, the valves get shut in. That's all funneled through that. And also if there is an issue, then the calls go out from that local facility to our spill response teams, which we've added to at Gaviota, at Las Flores Canyon, above and beyond what the prior operator had so that they can respond to that location. They'll know where that location is where that pressure drop's been. So that control center, again, in Santa Maria, I think at one of the existing facilities, is something we're working on right now.

[02:50:16]

COMMISSIONER MARTINEZ: And here's my last question, really, and I've heard a lot about the insurance policies, which is good to hear, but I don't know exactly what are the ratings, if you have them even available. I know that ratings have changed from my days when it was plus, plus, then it went to AA and so forth. If that information can be provided at some time, if you don't have it now, but within today's time, that'd be great.

STEVE RUSCH: We don't have that right now, but we'll get it while we're going through the comment period.

COMMISSIONER MARTINEZ: Okay. Commissioner Bridley?

COMMISSIONER BRIDLEY: Just to follow up for you, the Coastal Commission's Notice of Violation, we've had a lot of letters about that, and I see that you reminded us that you thought it was maintenance and repair, and I'm familiar with maintenance and repair not requiring a permit. So can you just explain again, did you think

COSB AR006823

Attachment F

FILED
SUPERIOR COURT of CALIFORNIA
COUNTY of SANTA BARBARA
09/16/2025
Darrel E. Parker, Executive Officer
BY Ballinger, Ryan
Deputy Clerk

THE SUPERIOR COURT, STATE OF CALIFORNIA
For the County of Santa Barbara
Figueroa Division

THE PEOPLE OF THE STATE OF CALIFORNIA
Plaintiff,

vs.

SABLE OFFSHORE CORP.

Defendant.

DA No. 25-000333
Court No. 25CR07677

FELONY COMPLAINT

The undersigned is informed and believes that:

COUNT 1

Between or approximately between October 29, 2024 and November 11, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **WATER CODE SECTION 13387(c)**, a Felony, by knowingly discharging dredged or fill material into Waters of the United States, to wit: discharging excavated material into Asphaltum Creek, which is considered Waters of the United States, located at approximately 34.80753, -120.192297.

COUNT 2

Between or approximately between October 29, 2024 and November 11, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material on and near the bank of Asphaltum Creek, located at approximately 34.80753, -120.192297.

COUNT 3

Between or approximately between October 11, 2024 and November 14, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a tributary to Peterson Creek, located at approximately 34.627648, -120.200107.

COUNT 4

Between or approximately between October 11, 2024 and November 14, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 5650(a)(6)**, a Misdemeanor, by depositing in, permitting to pass into, or placing where it can pass into waters of the state, any substance or material deleterious to fish, plant life, mammals, or bird life, to wit: placing excavated materials in or where they could pass into a tributary to Peterson Creek, located at approximately 34.627648, -120.200107.

COUNT 5

Between or approximately between October 22, 2024 and November 8, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **WATER CODE SECTION 13387(c)**, a Felony, by knowingly discharging dredged or fill material into Waters of the United States, to wit: discharging excavated material into a tributary to Nojoqui Creek that is considered Waters of the United States, located at approximately 34.5738, -120.195932.

COUNT 6

Between or approximately between October 22, 2024 and November 8, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a tributary to Nojoqui Creek, located at approximately 34.5738, -120.195932.

COUNT 7

Between or approximately between September 13, 2024 and September 27, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.467019, -120.103147.

COUNT 8

Between or approximately between September 16, 2024 and November 25, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.46834, -120.106234.

COUNT 9

Between or approximately between September 16, 2024 and November 25, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 5650(a)(6)**, a Misdemeanor, by depositing in, permitting to pass into, or placing where it can pass into waters of the state, any substance or material deleterious to fish, plant life, mammals, or bird life, to wit: placing excavated materials in or where they could pass into Waters of the State located at located at approximately 34.46834, -120.106234.

COUNT 10

Between or approximately between February 12, 2025 and February 15, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.46834, -120.106234.

COUNT 11

Between or approximately between February 12, 2025 and February 15, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 5650(a)(6)**, a Misdemeanor, by depositing in, permitting to pass into, or placing where it can pass into waters of the state, any substance or material deleterious to fish, plant life, mammals, or bird life, to wit: placing excavated materials in or where they could pass into Waters of the State located at located at approximately 34.46834, -120.106234.

COUNT 12

Between or approximately between September 4, 2024 and November 25, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.469643, -120.111754.

COUNT 13

Between or approximately between September 4, 2024 and November 25, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 5650(a)(6)**, a Misdemeanor, by depositing in, permitting to pass into, or placing where it can pass into waters of the state, any substance or material deleterious to fish, plant life, mammals, or bird life, to wit: placing excavated materials in or where they could pass into Waters of the State located at located at approximately 34.469643, -120.111754.

COUNT 14

Between or approximately between February 19, 2025 and February 27, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.469643, -120.111754.

COUNT 15

Between or approximately between February 19, 2025 and February 27, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 5650(a)(6)**, a Misdemeanor, by depositing in, permitting to pass into, or placing where it can pass into waters of the state, any substance or material deleterious to fish, plant life, mammals, or bird life, to wit: placing excavated materials in or where they could pass into Waters of the State located at located at approximately 34.469643, -120.111754.

COUNT 16

Between or approximately between September 17, 2024 and November 21, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **WATER CODE SECTION 13387(c)**, a Felony, by knowingly discharging dredged or fill material into Waters of the United States, to wit: discharging excavated material into Arroyo Quemado, which is considered Waters of the United States, located at approximately 34.473362, -120.119116.

COUNT 17

Between or approximately between February 14, 2025 and February 26, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **WATER CODE SECTION 13387(c)**, a Felony, by knowingly discharging dredged or fill material into Waters of the United States, to wit: discharging excavated material into Arroyo Quemado, which is considered Waters of the United States, located at approximately 34.473362, -120.119116.

COUNT 18

Between or approximately between February 19, 2025 and February 26, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.473672, -120.176229.

COUNT 19

Between or approximately between February 24, 2025 and February 28, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.475761, -120.196403.

COUNT 20

Between or approximately between April 20, 2025 and April 29, 2025, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **WATER CODE SECTION 13387(c)**, a Felony, by knowingly discharging dredged or fill material into Waters of the United States, to wit: discharging excavated material into Cañada de la Gallina, which is considered Waters of the United States, located at approximately 34.474904, -120.145592.

COUNT 21

Between or approximately between August 28, 2024 and September 23, 2024, in the County of Santa Barbara, Defendant, SABLE OFFSHORE CORP., violated **FISH AND GAME CODE SECTION 1602(a)**, a Misdemeanor, by substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake without first notifying the California Department of Fish and Wildlife, to wit: excavating and discharging excavated material into a waterway located at approximately 34.462249, -120.092009.

* * * * * * *

Pursuant to Penal Code Section 1054.5(b), the People are hereby informally requesting that defense counsel provide discovery to the People as required by Penal Code Section 1054.3.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT THIS COMPLAINT CONSISTS OF 21 COUNT(S).

Executed at Santa Barbara, California, on September 16, 2025.



MORGAN S. LUCAS
SENIOR DEPUTY DISTRICT ATTORNEY

Agency: SBDA

DEFENDANT NAME	SEX	RACE	HGT	WGT	EYES	HAIR	DRIVER'S LICENSE	STS	COURT DATE
SABLE OFFSHORE CORP.								LTA	11/04/2025

Attachment G

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION
RESOLUTION R3-2025-0024

AUTHORIZING REFERRAL FOR POTENTIAL JUDICIAL CIVIL ENFORCEMENT TO THE CALIFORNIA ATTORNEY GENERAL

WHEREAS:

1. Sable Offshore Corp. (Sable or Discharger) operates the onshore pipelines identified as CA-324 (formerly Line 901) and CA-325 (formerly Line 903). The pipelines are part of the Santa Ynez Unit oil and gas operation in Santa Barbara County, San Luis Obispo County, and Kern County.
2. In August 2024, Central Coast Regional Water Quality Control Board (Central Coast Water Board) staff were made aware by the public of pipeline remediation work along Line 324 and Line 325 along the Gaviota Coast in Santa Barbara County. Central Coast Water Board staff informed a Sable representative that intermittent and ephemeral streams are waters of the state and work within those waters requires permitting. The Sable representative confirmed Sable's knowledge of the regulatory requirements and confirmed Sable had surveyed all work locations and found no project impacts to waters of the state. On November 4, 2024, Central Coast Water Board staff inspected various project work locations. During this inspection, Central Coast Water Board staff observed and documented evidence demonstrating that Sable had performed work in and discharged waste to waters of the state. Sable did not file a report of waste discharge to obtain permitting, as required, before conducting the work.
3. On December 13, 2024, Central Coast Water Board staff issued a Notice of Violation (NOV) to Sable notifying it that any person discharging waste, or proposing to discharge waste, that could affect the quality of waters of the state is required to file a report of discharge prior to initiating the discharge; that Sable's activities observed at the November 4, 2024 inspection constituted a violation of the California Water Code (Water Code); and, that Sable's activities were likely also subject to stormwater permitting. The Central Coast Water Board also issued a directive to Sable pursuant to Water Code section 13260 ordering Sable to submit a report of waste discharge and providing additional notice to Sable of the requirements in Water Code sections 13260 and 13264.
4. On January 22, 2025, the Central Coast Water Board issued an investigative order pursuant to Water Code section 13267 requiring Sable to submit technical information, including an inventory of all of its land disturbance activities, and discharges to waters of the state and United States. While Sable responded in part to the order, it failed to provide Central Coast Water Board staff with critical required information such as a detailed assessment of waste discharges to surface waters resulting from its line remediation work

activities, and identification of the locations and sizes of the areas of waters of the state and United States affected by its work.

5. While Sable has submitted after-the-fact permit applications to perform restoration work at some of the sites in which it had already performed unauthorized work in waters of the state and United States, it continued to perform work and discharge waste at new locations without filing required reports of waste discharge as required by Water Code sections 13260 and 13376 despite having received notices of the requirement.
6. On February 28, 2025, Central Coast Water Board staff inspected project work locations it had not previously been aware of and had discovered as a result of public complaints. Central Coast Water Board staff observed that Sable had performed work at new locations in waters of the state. Staff also observed that Sable had discharged waste to Arroyo Quemado, a water of the United States. Sable did not file reports of waste discharge prior to performing the work at these locations as required by Water Code sections 13260 and/or 13376. Additionally, the Water Quality Control Plan for the Central Coastal Basin (Basin Plan), June 2019 Edition prohibits, pursuant to Water Code section 13243, the following 1) the discharge or threatened discharge of earthen and organic materials into any stream in the basin in quantities deleterious to beneficial uses and 2) unless otherwise authorized, waste discharges to all coastal surface streams and natural drainageways that flow directly to the ocean within the South Coast Hydrologic Units[1] except where discharge is associated with an approved wastewater reclamation program.
7. Sable's practice of performing unauthorized work in waters of the state and United States has inhibited the Central Coast Water Board from ensuring that appropriate mitigation and best management practices are in place to protect water quality. Furthermore, Sable's refusal to provide the Central Coast Water Board with specified information regarding its work locations and work scope, has inhibited the Board's ability to assess impacts to beneficial uses.
8. The Central Coast Water Board may request that the Office of the Attorney General of the State of California (Attorney General) file a petition in Superior Court to impose liability pursuant to California Water Code sections 13261, 13265, 13268, 13350, and 13385; and may request that the Attorney General seek a temporary restraining order or injunction requiring compliance with Section 13260, pursuant to California Water Code section 13262.
9. Given repeated failure to comply with regulatory requirements, referral to the Attorney General will allow the Central Coast Water Board to consider pursuing more appropriate civil liability and injunctive relief than would otherwise be allowed if the Central Coast Water Board pursued an administrative liability action.

[1] Sable's pipeline remediation work along Line 324 and Line 325 along the Gaviota Coast in Santa Barbara County is within the South Coast Hydrologic Units defined in the Basin Plan.

10. After providing, pursuant to Water Code section 13350, subdivision (g), requisite notice to the public and to Sable and holding a public hearing on April 17, 2025, the Central Coast Water Board finds it necessary and appropriate to refer this matter to the Attorney General for enforcement, to potentially seek injunctive relief, bring other applicable causes of action, and/or judicially imposed civil liabilities under applicable sections of the Water Code.

THEREFORE BE IT RESOLVED THAT:

The Central Coast Water Board:

1. Hereby requests that the California Attorney General petition the Superior Court for an assessment of civil liability, for appropriate injunctive and declaratory relief, if any, and for any other form of relief the Superior Court deems necessary and proper against Sable for violations of and in accordance with California Water Code sections 13260, 13261, 13262, 13264, 13265, 13267, 13268, 13350, 13361, 13376, and 13385, and any other applicable statutes, as may be appropriate.

CERTIFICATION

I, Ryan E. Lodge, Executive Officer, hereby certify that the foregoing is a full, true, and correct copy of the Resolution adopted by the California Regional Water Quality Control Board, Central Coast Region, at its regular meeting on April 17-18, 2025.

Ryan E. Lodge
Executive Officer

Attachment H

ELECTRONICALLY FILED
Superior Court of California
County of Santa Barbara
Darrel E. Parker, Executive Officer
10/3/2025 9:53 AM
By: Terri Chavez , Deputy

ROB BONTA
Attorney General of California
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Attorneys for People of the State of California ex rel. California Regional Water Quality Control Board, Central Coast Region

EXEMPT FROM FILING FEES
GOV. CODE § 6103

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA BARBARA

PEOPLE OF THE STATE OF CALIFORNIA *EX REL.* CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, CENTRAL COAST REGION,

Plaintiff,

v.

SABLE OFFSHORE CORP., a Delaware Corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. 25CV06285

COMPLAINT FOR CIVIL LIABILITIES AND INJUNCTIVE RELIEF

(1) FAILURE TO COMPLY WITH INVESTIGATIVE ORDER (Wat. Code, §§ 13267, 13268);

(2) FAILURE TO REPORT WASTE DISCHARGES (Wat. Code, §§ 13260, 13261); and

(3) DISCHARGE OF WASTE WITHOUT PERMIT REQUIREMENTS (Wat. Code, §§ 13264, 13265).

INTRODUCTION

1. This complaint addresses numerous instances wherein defendant Sable Offshore Corp. (Defendant or Sable) excavated and discharged material that could affect water quality in the rich aquatic and riparian habitat of Santa Barbara and San Luis Obispo Counties without notice to the California Regional Water Quality Control Board, Central Coast Region (Regional Water Board). Rushing to meet a July 1, 2025 deadline imposed by the California Office of State Fire Marshal for restarting its onshore crude oil pipeline network, Sable intentionally ignored its

obligations under California Water Code (Water Code) sections 13260, et seq. to apply to the Regional Water Board for permits *before* it proposes to discharge waste that could affect the water quality of the state. By avoiding the imposition of waste discharge requirements and associated regulatory oversight of its activities until after the work was completed, Sable placed profits over environmental protection in its rush to get oil on the market.

2. Sable reports that there are 646 million barrels of oil as the "remaining total net estimated resources" in offshore oil deposits known as the Santa Ynez Unit. Between this cache of petroleum that lies beneath three oil platforms off the coast of Santa Barbara and the oil refineries in Bakersfield, Los Angeles and the Bay Area are several segments of underground insulated pipeline running along the coast and through stretches of sensitive aquatic and riparian habitat. Sable recently acquired these pipelines from ExxonMobil and commencing operation is mission critical for the success of its planned development of the Santa Ynez Unit.

3. The configuration of Sable's onshore pipeline network, now operated as Lines 324 and 325, poses unique operational integrity management challenges. The former operator of these pipelines failed to meet these challenges and on May 19, 2015 the segment that is now Line 324 failed, releasing at least 3,000 barrels of crude oil into Refugio Beach State Park and then into the Pacific Ocean. Thereafter, operation of Line 324 and the section of Line 325 which runs through Santa Barbara County were shut down, and the remaining section of Line 325 was ordered to operate at a lower pressure. After years of litigation, a Consent Decree was entered in United States District Court, Central District of California Case No. 2-20-CV-02415 (Consent Decree) imposing stringent obligations for re-starting operation of Line 324 and Line 325 from the Gaviota pumping station at the coast to the Sisquoc station about 40 miles inland.

4. To meet the conditions imposed by the Consent Decree, Sable needed to retrofit the lines by installing safety check valves and make 144 anomaly repairs over what is a relatively short span of pipeline. The latter activity, colloquially referred to as a "pig and dig" operation, requires excavation to expose sections of pipe identified for repair by "smart pigs" run through the pipeline to identify metal loss. Both the valve installation and the repair excavations would typically require road and vegetation clearance for access. A number of these repair sites were at

or within streambeds and channels that are designated as "Waters of the State" (WOTS) and, in some cases, are also "Waters of the United States" (WOTUS). Accordingly, Sable is required to identify and permit excavation activity that "could affect the quality of waters of the state" *before* commencing work. When Sable's integrity and environmental management teams developed what should have been a comprehensive "Repair Plan" for Lines 324 and 325 (Repair Plan) as required by pipeline regulations, they knew waste discharge requirements were necessary for excavation activity that could affect water quality but chose to ignore Sable's obligation to obtain them at the fourteen sites identified below.

5. With this action, Plaintiff People of the State of California, for and on behalf of the California Regional Water Quality Control Board, Central Coast Region (Plaintiff or Regional Water Board), seeks to impose civil liability on Sable as the operators and owners of Lines 324 and 325 for numerous violations of its obligation to notify the Regional Water Board of proposed waste discharges and obtain the appropriate regulatory requirements, thereby preventing the Regional Water Board from assuring best management practices are employed to avoid, minimize and mitigate impacts to water quality.

PARTIES

6. Plaintiff REGIONAL WATER BOARD is a state agency created by the Legislature and granted duties and authorities in the Porter-Cologne Water Quality Control Act. (Wat. Code, § 13000 et seq.) With this Act the Legislature directed the State Water Resources Control Board (State Water Board) to formulate statewide water quality policy and established nine regional water quality control boards to establish and enforce statutes and regulations, water quality control plans and policies, and waste discharge permits to ensure the protection of beneficial uses of waters of the state within nine designated regions in California. The Regional Water Board encompasses most of Santa Barbara County and San Luis Obispo County, where the subject sections of Sable Lines 324 and 325 are located.

7. Defendant SABLE OFFSHORE CORPORATION was and is a Delaware corporation designating its principal place of business as Houston, Texas. Sable is a person as that term is defined in Water Code section 19. Sable's sole business activity is to own and operate offshore oil

production and associated processing and transportation facilities within California. Accordingly, its operation of Lines 324 and 325 are under the jurisdiction of the California State Fire Marshal as opposed to federal agencies within the Department of Interior.

8. With regard to defendants Does 1 through 10, inclusive, the true names and capacities of which, whether corporate, individual or otherwise, are currently unknown to Plaintiff, who therefore sues each of these defendants by such fictitious names. Plaintiff is informed and believes that each of defendants Does 1 through 10 is responsible in some manner for the events, occurrences, and circumstances that form the basis of this lawsuit, and is thereby liable for the relief sought herein, and Plaintiff will request the Court's leave to amend this Complaint to show the true names and capacities of said defendants when the same have been ascertained.

VENUE

9. Venue is appropriate in Santa Barbara County because the events giving rise to the causes of action alleged herein occurred in Santa Barbara County.

STATUTORY BACKGROUND

10. The Porter-Cologne Water Quality Control Act, Water Code section 13000 et seq., is a pillar of California's exemplary environmental protection regulatory framework. The Legislature demands that "the quality of all the waters of the state shall be protected for use and enjoyment by the people of the state" and that "the quality of the waters of the state shall be regulated to attain the highest water quality which is reasonable." (Wat. Code, § 13000.)

11. An important tool in achieving the objectives of the Porter-Cologne Water Quality Control Act is Water Code section 13260 which provides in relevant part: "Each of the following persons shall file with the appropriate regional board a report of the discharge, containing the information that may be required by the regional board: (1) A person discharging waste, or proposing to discharge waste, within any region *that could affect the quality of the waters of the state*, other than into a community sewer system." (Wat. Code, § 13260, subd. (a), italics added.) Failure to furnish the required report of waste discharge when so requested by a regional board subjects the violator to a civil liability of up to $5,000 for each day the violation occurs. (Wat. Code, § 13261, subds. (a) and (b)(2).)

12. Water Code section 13264 provides that "no person shall initiate a new discharge of waste … prior to the filing of the report required by Section 13260." (Wat. Code, § 13264, subd. (a).) Persons who are violating or threaten to violate this requirement may be enjoined from doing so by the superior court. (*Id*., subd. (b).) Additionally, any person discharging waste in violation of Section 13264, after such violation has been called to their attention in writing by the regional board is civilly liable for up to $5,000 for each day in which the violation occurs. (Wat. Code, § 13265, subd (a) and (b)(2).)

13. Sable's earthen excavations done as part of its Repair Plan for Lines 324 and 325, which can impact water quality by flow and temperature variations, increased turbidity, siltation, and increased nutrients, may be authorized through enrollment in two general Water Quality Orders issued by State Water Board, one for WOTS and another relating to waters in the state that are subject to federal oversight, commonly referred to as WOTUS. General orders are issued for specific categories of discharges that share common characteristics or criteria, allowing dischargers within these categories to enroll in them. Alternatively, depending upon the cumulative size or characteristics of the discharges, and at the discretion of Regional Water Board staff, Sable may need to pursue an individual waste discharge permit.

14. The general Water Quality Order applicable to WOTS impacted by Sable's Repair Plan for Lines 324 and 325 that is not subject to regulation under the federal Clean Water Act is Statewide General Waste Discharge Requirements for Dredge or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to be Outside Federal Jurisdiction (WQO 2004-0004).

15. The general Water Quality Order applicable to WOTS impacted by Sable's Repair Plan for Lines 324 and 325 which is also WOTUS and therefore subject to regulation under the federal Clean Water Act is State Water Board Order No. 2020-0039-EXEC for the 2021 U.S. Army Corps' Nationwide Permits (Order 2020-0039-EXEC). The Nationwide Permit applicable here is NWP-12 for oil or natural gas pipeline activities. Water Code section 13376 provides that "any person who discharges pollutants or proposes to discharge pollutants to the navigable waters of the United States within the jurisdiction of this state or a person who discharges dredged or fill

material or proposes to discharge dredged or fill material into the navigable waters of the United States within the jurisdiction of this state shall file a report of the discharge in compliance with the procedures set forth in [Water Code] Section 13260."

16. Both WQO 2004-0004 and Order 2020-0039-EXEC provide a comprehensive system for a person proposing to discharge waste that could affect water quality to comply with Section 13260 when planning excavation activities such as those carried out by Sable during its Repair Plan for Lines 324 and 325. The process begins with submission to the Regional Water Board of a Notice of Intent to discharge waste which identifies the specific location of the affected WOTS or WOTUS, provides a meaningful description of the work involved, and sets out a plan to mitigate effects to water quality using best management practices. This provides Regional Water Board with the opportunity to assess the impact of the planned excavation and provide input regarding the mitigation and restoration techniques to be employed. Also, once the project is enrolled into the regulatory program the Regional Water Board may review the progress and success of site restoration to assure no permanent impact to water quality.

17. Water Code section 13267 provides the Regional Water Board with authority to "investigate the quality of any waters of the state within its region." (Wat. Code, § 13267, subd. (a).) In conducting such investigation, the Regional Water Board may "require that any person … who proposes to discharge waste within its region … shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires." (*Id*., subd. (b).) Failure to furnish technical reports required by section 13267 subjects the violator to civil penalties for up to $5,000 for each day the violation occurs. (Wat. Code, § 13268, subds. (a)(1) and (b)(2).)

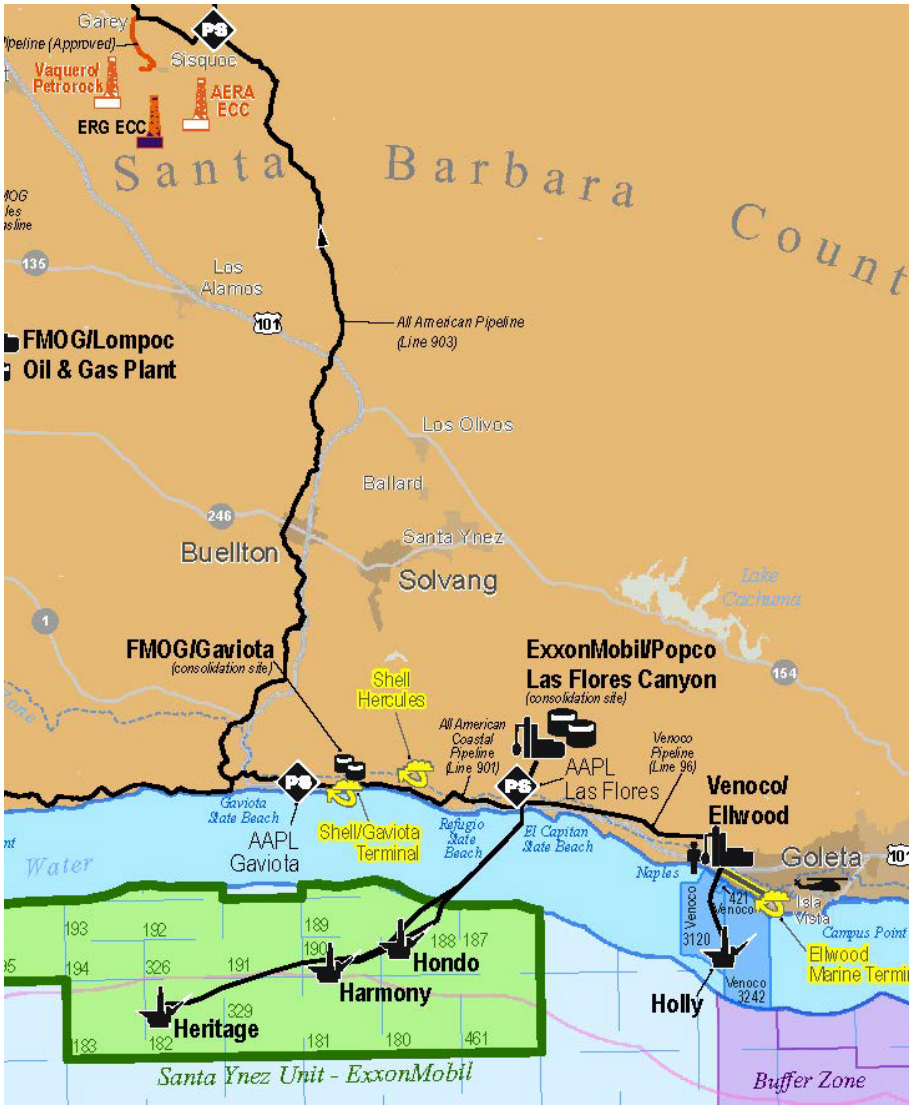
GENERAL ALLEGATIONS

18. The events and facts alleged herein are stated on information and belief, unless explicitly stated otherwise.

A. Sable's Repair Plan for Lines 324 and 325

19. Sable touts the Santa Ynez Unit to investors as a highly profitable integrated oil exploration, production and transportation unit involving 112 offshore oil wells, an associated

offshore pipeline network, the Las Flores Canyon Processing Plant, and an onshore underground pipeline network that spans 10.6 miles along the Gaviota Coast, and then another 113 miles over the Tehachapi range to Bakersfield. The graphic below depicts that portion of the Santa Ynez Unit within Santa Barbara County:



The short section of pipeline running east to west from the Las Flores Plant to the Gaviota pumping station (PS on the above graphic) is Line 324, the section that failed in 2015 causing the Refugio Beach oil spill. The section running south to north from the Gaviota pumping station to the Sisquoc station is the section of Line 325 that, along with Line 324, is subject to the Consent Decreee.

20. Under applicable federal pipeline regulations, Sable Line 324 and the Gaviota-Sisquoc segment of Line 325 run through "high consequence areas" (HCA) for purposes of pipeline integrity management for obvious reasons. (49 CFR § 194.452 (2025) [hazardous materials regulations].) Line 324 is immediately adjacent to the coast and Line 325 runs through Gaviota State Park. This HCA designation imposes high-level integrity management obligations to protect, among other things, environmental quality along the pipeline routes. Accordingly, Sable knew or should have known that their extensive Repair Plan for these lines involves excavation work and associated waste discharges that could affect water quality in this sensitive aquatic and riparian habitat well before it was so advised by Regional Water Board staff in early August of 2024.

21. Sable's "pig and dig" operation on Line 324 and the Gaviota-Sisquoc segment of Line 325 is a regular pipeline maintenance procedure typically done every 3 to 5 years to check for corrosion and damage. It begins with device known as a "smart pig" that is run through the length of the pipe that provides data regarding the extent of corrosion using electromagnetic or ultrasound imagery. Corrosion thins the walls of the pipeline and, if not timely repaired, can cause the line to rupture as occurred on Line 324 in 2015. Once this "pigging" is complete, operators typically prepare a Repair Plan to address corrosion and damage in need of repair in the field. This involves a number of separate "digs" to expose damaged sections of pipeline for repair and reinforcement. A typical Sable dig looks like this:



22. The "digging" aspect of Sable's integrity management operation began in October 2024 and wrapped up some time in mid-May 2025. Sable reportedly conducted 144 repairs involving dozens of dig sites. Fourteen of these excavations involved activity where Sable was required to obtain waste discharge permits from the Regional Water Board, yet not one was sought until well after the work was completed.

23. Excavation work such as that depicted in the image included in Paragraph 21 above requires heavy equipment. Movement of that equipment involves vegetation clearance and road

work that could also affect water quality such that a discharge permit is required. Vegetation removal, such as that depicted in the streambed below, can create harmful silting within streams and creeks when it rains and the streambed fills with water. Also, loss of vegetation cover can elevate water temperature impacting fish and wildlife development when streams are flowing.



B. Regional Water Board's Initial Efforts to Obtain Regulatory Compliance

24. In August 2024, Regional Water Board staff learned that Sable would be conducting pipeline excavation and repair work on Line 324 and the Gaviota-Sisquoc segment of Line 325. Staff contacted Sable management to inform them that the project could affect the water quality of streams along the pipeline route and determine what the company would do to assure such impacts would be addressed. Sable Vice-President Steve Rusch informed Regional Water Board staff on August 8, 2024 that "Sable conducts environmental surveys for all work locations as part

of its site evaluation and understands the regulatory requirements and processes for water qualification certificates involving both U.S. and state waters."

25. In early October 2024, Regional Water Board staff received a citizen complaint addressing multiple land disturbances by Sable and its contractors across what was identified as WOTS along the Gaviota Coast. Thereafter, Regional Water Board staff followed up several times with Sable employees to request access to these sites to conduct an inspection following up on the concerns expressed to Mr. Rusch in August.

26. On November 4, 2024, Sable finally allowed Regional Water Board staff access to investigate Sable's pipeline excavation and maintenance activities on a small section of Line 324. During this investigation, Regional Water Board staff observed an excavation site within and adjacent to state waters that would have required a permit under the statutory and regulatory scheme before proceeding with such activity. At that time staff once again advised Sable personnel of their statutory obligation to obtain waste discharge permits before conducting excavation activities that could affect water quality.

27. Having received no response to their efforts to persuade Sable to meet its statutory and regulatory requirements for execution of its Repair Plan, on December 13, 2024 the Regional Water Board issued its Directive to Obtain Regulatory Coverage attached hereto as Exhibit A (2024 Directive). While the 2024 Directive identified a specific site in need of regulatory compliance, it also provided Sable management with a clear request to commence regulatory compliance for all of its Repair Plan operations going forward. The 2024 Directive further provided Sable with all the information needed to meet its regulatory requirements and allow the Regional Water Board team the opportunity to assure Sable is using best management practices for protection of the environment. Sable did not seek administrative review of the 2024 Directive by filing a petition to the State Water Board.

28. Also on December 13, 2024, Regional Water Board issued its Notice of Violation for Unauthorized Discharge of Waste to Waters of the State regarding an ephemeral stream impacted by an excavation project near Baron Ranch Trailhead in Santa Barbara County at lat. 34.46834, long. 120.10623 (Baron Ranch Trailhead Site) which is attached hereto as Exhibit B (2024 Notice

of Violation). This comprehensive Notice of Violation provided Sable with an assessment of all streambed and waste discharge activity that could affect water quality of which Regional Water Board staff was aware at the time. In the 2024 Notice of Violation, the Regional Water Board sets out a thorough description of the streambed features that demonstrate regular surface water flow, the scour and detritus observed within the streambed, and the available references delineating the streambed as "Riverine Wetlands." The Regional Water Board further provided a complete description of Sable activity that could affect water quality at and downstream from the identified waterway, including: (a) the construction of an access road across the bed and bank of the stream; (b) pit excavation across the bed and bank to obtain access to the underground pipe; (c) mounded cut and fill adjacent to the banks; and (d) vegetation clearance.

C. The Regional Water Board's Efforts to Obtain a Technical Report

29. After the Regional Water Board issued the 2024 Directive and the 2024 Notice of Violation to Sable on December 13, 2024, Regional Water Board staff continued to follow up with Sable management in an effort to obtain the company's compliance. Heading into late January 2025 no response from Sable to either the 2024 Directive or the 2024 Notice of Violation was received or appeared to be forthcoming. Moreover, based on the November 4, 2024 site investigation and continuing citizen complaints it was evident Sable's August 2024 representation that it would conduct environmental assessments as part of the Repair Plan and comply with waste discharge requirements where needed was patently false. The Regional Water Board had identified at least one site where repair activities resulted in waste discharge to WOTS that affected water quality and was receiving credible evidence of ongoing violations at other locations.

30. Water Code section 13267 authorizes the Regional Water Board to investigate the quality of waters and, in so doing, requires a person such as Sable who is discharging waste, or proposing to discharge waste, to provide a technical report detailing how that activity impacts the quality of any waters within the state. Because Sable was not identifying and reporting waste discharges that could affect water quality as required under Section 13260, the Regional Water Board applied this important regulatory tool to get Sable to perform the analysis it should have

done before commencing work in August of 2024, at which time it blithely represented its work would have no impact on water quality.

31. On January 22, 2025, pursuant to its authority under Water Code section 13267, the Regional Water Board issued its Requirement to Submit a Technical Report Associated with Discharge of Earthen Material to Waters of the State, attached hereto as Exhibit C (Section 13267 Order). In large part, this Section 13267 Order formalized the inquiry put to Sable by the Regional Water Board in August 2024 by requiring "a detailed assessment" of Sable's excavation work and how it could affect the quality of WOTS or WOTUS, and a further "detailed assessment of waste discharge to surface waters resulting from Sable's . . . work activities."

32. By its own admission, Sable claims to well understand its fundamental obligations when excavating and discharging earthen waste materials within and adjacent to creeks and streambeds flowing through riparian habitat. With the 2024 Directive, 2024 Notice of Violation, and the Section 13267 Order in hand by January 2025, Sable was also provided with Regional Water Board guidance regarding: (a) the scope of its regulatory requirement; (b) references of what to look for when discerning within that regulatory scheme whether WOTS and/or WOTUS is implicated by the work they are doing; (c) a description of the types of activity that could affect water quality within those waterways; and (d) input from the November 4, 2024 site visit and an offer to provide continued assistance working through the obligations imposed by Section 13260.

33. Knowing full well what the Regional Water Board team was seeking and having been provided with substantial guidance in that regard, Sable nevertheless provided piecemeal and belated responses to the Section 13267 Order on March 7 and April 15, 2025. These responses provided incomplete information with little meaningful detail regarding the extensive excavation, repair and backfilling conducted as part of the Repair Plan. The inadequacy of Sable's initial response to the Section 13267 Order made clear it did not perform meaningful assessment of the environmental impact of its excavation campaign through Santa Barbara's rich and unique landscape before despoiling it.

34. In simple terms, the Section 13267 Order required Sable to provide critical information regarding the presence of streams, channels, drainages and wetlands at or adjacent to

planned or completed repair excavations. One would expect a responsible oil production company running 125 miles of underground pipeline with unique integrity challenges through the high consequence areas of Santa Barbara and San Luis Obispo Counties would have that information readily available in a database for use by its integrity and environmental management teams. Not so. All Sable could come up with in response was a one sentence reference to a Biological Resource Assessment prepared in 2020 by the former pipeline operator as part of its eventually abandoned plan to replace Line 324 and Gaviota-Sisquoc segment of Line 325. Not developed or tailored to Sable's plan for restarting the lines, the subject assessment provides little meaningful information regarding the potential impact of Sable's 144 anomaly Repair Plan on water quality of the numerous streams, channels and drainage within the planned excavations.

35. Sable's failure to specify its intended waste discharge locations and obtain essential permits prior to commencing work led to the Regional Water Board mandating under the Section 13267 Order that Sable conduct an investigation and submit a thorough assessment of proposed waste discharges that could affect water quality. Instead, Sable provided a bare outline of the steps taken to expose and repair the underground pipeline which was useless to the Regional Water Board in assessing the impact of the discharge. It should not have been difficult for Sable to respond more completely to Regional Water Board's requirement to set out the scope of the discharge as everything sought should be in the Repair Plan and associated reports Sable is required to maintain regarding each dig and repair and is well within Sable's environmental management expertise and experience.

36. Sable's belated response to the Section 13267 Order submitted on April 15, 2025 was not only limited by its failure to adequately identify WOTS and WOTUS, Sable provided little meaningful information regarding the four sites identified as potentially impacting water quality. Sable simply stated that the sites were excavated, shored, backfilled and compacted with no detail regarding the volume removed, where it was placed, or the impact on the riparian and aquatic habitats involved, which were all required elements of the technical report required under the Section 13267 Order.

37. Sable also chose to unreasonably limit the temporal scope of its response to the Section 13267 Order. At the time of its inadequate submissions in March and April of 2025, Sable management knew full well additional excavation and repair work would be ongoing. However, instead of identifying sites where Sable was planning to carry out activities resulting in earthen waste discharges that could affect water quality as required by the Section 13267 Order, Sable chose to limit its response to work done as of the March 10, 2025 due date of the Technical Report (which ironically was not met). This cynical approach to the Regional Water Board's regulatory permitting requirements was obviously taken to avoid any potential delay in getting the sites permitted and any associated Regional Water Board review that might impact the July 1, 2025 deadline for Sable's completion of repairs imposed by the Fire Marshal.

D. The Regional Water Board's Continuing Efforts to Obtain Compliance

38. The Regional Water Board's months-long effort to obtain compliance from Sable notwithstanding, Sable continued work at the Baron Ranch Trailhead Site without a permit and staff continued to receive complaints from area residents regarding Sable's impact to state water quality. Accordingly, the Regional Water Board conducted a second on-site investigation of Sable's Repair Plan activities on February 28, 2025. Staff once again observed excavation, roadwork, and vegetation clearance within and adjacent to streams and channels that could affect water quality. Sable was advised to permit these operations and assure that further work was assessed and reviewed before excavation operations commence. As set forth in greater detail below, throughout the entire 10-month execution of its Repair Plan for Lines 324 and 325 Sable did not identify and permit a single excavation site before putting shovel to dirt.

39. Because the Regional Water Board did not receive any permit applications for the waste discharge sites identified during the February 2025 inspection, it issued a Notice of Violation for Unauthorized Discharges of Waste to Waters of the State and United States which is attached hereto as Exhibit D (April 2025 Notice of Violation) on April 15, 2025. As with the 2024 Notice of Violation, the Regional Water Board specifically identified each of the five sites and the activity conducted that could affect water quality. In the April 2025 Notice of Violation

the Regional Water Board also specified which items were missing from Sable's response to the Section 13267 Order.

40. On April 16, 2025, the Regional Water Board followed up on its April 2025 Notice of Violation by issuing its Directive to Submit a Report of Waste Discharge for Unauthorized Discharges of Waste and Future Discharges of Waste, Santa Barbara, San Luis Obispo, and Kern Counties attached hereto as Exhibit E (the 2025 Directive). This 2025 Directive not only covered the sites identified in the April 2025 Notice of Violation, but further directed Sable to "submit a report of waste discharge for regulatory coverage for all discharges of waste that could affect the quality of waters of the state associated with its work related to Sable's pipeline remediation and planned restart of Lines 324 and 325. This applies to discharges that have already occurred *as well as potential future discharges*." (Emphasis added.) It bears repeating that Sable continued to ignore its obligation to permit ongoing discharges of waste before commencing work; as alleged in more detail below, the Regional Water Board has identified sites excavated after the 2025 Directive which required a report of waste discharge before commencing work. Sable did not seek administrative review of the 2025 Directive by filing a petition for review with the State Water Board.

E. Sable's Continuing Failure to Permit Discharge Sites Affecting Water Quality

41. On January 31, 2025, Sable finally took a very modest step towards regulatory compliance by submitting its Notice of Intent to discharge waste at the Baron Ranch Trailhead Site under WQO 2004-0004. At the time of this submission, Sable had already performed work and was still continuing to unlawfully discharge waste at the site in the manner detailed in the December 13, 2024 Notice of Violation. On March 20, 2025 the Regional Water Board issued its Notice of Assignment for that site approving Sable's proposed mitigation plan. It is important to note that Sable's belated submission is not a golden ticket to continue discharging waste during the permitting process; only after the Regional Water Board enrolls the site under the general permit may Sable lawfully proceed with its excavation and associated discharge. This did not occur at any of the fourteen sites identified in this Complaint until after the excavation causing the discharge that could affect water quality was completed.

42. On March 13, 2025, having received the 2024 Directive and Section 13267 Order focusing attention on the permitting and waste discharge concerns, Sable belatedly submitted Notices of Intent to discharge waste at the four sites identified below:

a. A repair excavation at the Carrizo Tributary to the Cayama River, lat. 35.05946, long. 119.93314 (Cayama River Tributary Site) pursuant to the general permit established under WQO 2004-0004.

b. A repair excavation on the Buellton Ranch at a tributary to Peterson Creek, lat. 34.62761, long. 120.20012 (Peterson Creek Tributary Site) pursuant to the general permit established under WQO 2004-0004.

c. A repair excavation at a tributary to Nojoqui Creek, lat. 34.57379, long. 120.19591 (Nojoqui Creek Tributary Site) pursuant to the general permit established under Order 2020-0039-EXEC.

d. A repair excavation at a tributary to Asphaltum Creek, also known as Foxen Canyon, at lat. 35.05946, long. 119.93314 (Foxen Canyon Tributary Site) pursuant to the general permit established under Order 2020-0039-EXEC.

Notices of Applicability enrolling Sable's projects in the identified general permits were provided to Sable by the Regional Water Board at each of these four sites on June 2, 2025.

43. As Sable's belated Notices of Intent did not cover all the sites identified in the 2024 and April 2025 Directives, and Regional Water Board staff suspected Sable had made additional excavations that could affect water quality, staff conducted a third site investigation on May 27, 2025. At this time, the Regional Water Board learned that the Repair Plan for Lines 324 and 325 was complete and understood Sable's position to be that only the five sites for which Notices of Intent had been submitted were subject to the requirements of Section 13260. During the May 27, 2025 inspection, Regional Water Board identified additional excavation sites that had disturbed WOTS and therefore should have been permitted prior to commencing work.

44. On August 19, 2025, four months after the Regional Water Board issued its April 16, 2025 Directive specifically ordering it to do so, Sable submitted Notices of Intent to discharge waste at the following five sites:

a. A repair excavation at Venadito Canyon Creek, a tributary to the Pacific Ocean, lat. 34.46490, long. 120.05230 (Venadito Canyon Site) pursuant to the general permit established under WQO 2004-0004.

b. A repair excavation in the Arroyo Quemado, a tributary to the Pacific Ocean, lat. 34.47340, long. 111910 (Arroyo Quemado Site) pursuant to the general permit established under WQO 2004-0004.

c. A repair excavation at the Cañada del Leon (Sable Site F10), a tributary to the Pacific Ocean, lat. 34.47580, long. 120.19640 (Cañada del Leon Site) pursuant to the general permit established under WQO 2004-0004.

d. A repair excavation in the Cañada de las Zorillas East Branch (Sable Site F7), a tributary to the Pacific Ocean, lat. 34.47340, long. 120.17620 (Zorillas Drainage F7 Site) pursuant to the general permit established under WQO 2004-0004

e. A repair excavation in the Cañada de las Zorillas East Branch (Sable Site F8), a tributary to the Pacific Ocean, lat. 34.47340, long. 120.17620 (Zorillas Drainage F8 Site) pursuant to the general permit established under WQO 2004-0004.

45. Also on August 19, 2025, Sable identified four additional repair sites which, after finally doing the biological assessment it should have done before implementing the Repair Plan, were determined to be excavations that could affect water quality. Several of these sites were identified during the Regional Water Board site investigation on May 27, 2025. They are:

a. A repair excavation in Tajiguas Beach Creek at Grey Fox Ranch (Sable Dig No. 0324-2022-0023097.83), lat. 34.46220, long. 120.09200 (Grey Fox Ranch Site) pursuant to the general permit established under WQO 2004-0004.

b. A repair excavation in the Cañada de la Gallina at a tributary to the Pacific Ocean, lat. 34.47490, long. 120.14560 (Cañada de la Gallina Site) pursuant to the general permit established under Order 2020-0039-EXEC.

c. An access route in Gaviota State Park cut through a tributary to the Cañada de la Gaviota, lat. 34.47930, long. 120.22850 (Cañada de la Gaviota Site) pursuant to the general permit established under WQO 2004-0004.

d. A repair excavation in the Arroyo Hondo, a tributary to the Pacific Ocean, lat. 34.47550, long. 120.14170 (Arroyo Hondo Site) pursuant to the general permit established under WQO 2004-0004.

46. Because Sable deliberately avoided its obligation to obtain waste discharge requirements before commencing work at each of the sites identified above and took no action until directed by the Regional Water Board, the Baron Ranch Trailhead Site, Cayuma River Tributary Site, Peterson Creek Tributary Site, Nojoqui Creek Tributary Site, Foxen Canyon Tributary Site, Venadito Canyon Site, Arroyo Quemado Site, Cañada de Leon Site, Zorillas Drainage F7 Site, Zorillas Drainage F8 Site, Grey Fox Ranch Site, Cañada de la Gallina Site, Cañada de la Gaviota Site, and Arroyo Hondo Site shall be collectively referred to as the "Directed Submission Sites."

47. In summary, from August of 2024 through May of 2025 the Regional Water Board continuously attempted to bring Sable's Repair Plan for Lines 324 and 325 into regulatory compliance under Section 13260. Throughout this period, the Regional Water Board identified six locations where water quality impacts were evident, and the California Department of Fish and Wildlife identified four additional sites where excavations could affect water quality. By April 16, 2025, Sable had been directed to comply with waste discharge requirements at all ten of these sites. In late May, the Regional Water Board identified additional sites where work required permitting yet was completed without regulatory oversite. Nevertheless, it was not until August 19, 2025, a full year after Sable began implementation of its Repair Plan for Lines 324 and 325, that Sable finally completed the assessment of water quality impacts from its numerous excavations within the sensitive and important aquatic and riparian habitats within Santa Barbara and San Luis Obispo Counties. Accordingly, the Regional Water Board brings this action on behalf of the People for civil penalties associated with Sable's blatant and knowing failure to first

obtain waste discharge requirements at any of the Directed Submission Sites before commencing excavation work that could affect water quality.

F. Sable's Continuing Refusal to Provide a Meaningful Technical Report

48. Sable has continuously failed to meet its obligations under Section 13260 to identify and permit excavations that could affect water quality. At each of the three site investigations describe above, the Regional Water Board found excavations and associated activities that were impacting or had impacted water quality. Accordingly, the Section 13267 Order was issued in part to prompt Sable to perform the assessment necessary to identify other areas of concern and provide information regarding the scope of waste discharge activity. Having been provided with a detailed game plan for execution of this task in the Section 13267 Order, the 2025 Directive and the follow-up April 2025 Notice of Violation, Sable's cursory and incomplete submissions still missed the mark. Nevertheless, on June 11, 2025 Sable management took the position that its obligation to provide a meaningful Technical Report was fulfilled.

49. Since Sable was unwilling to put in the work necessary to assess the environmental impact of its Repair Plan for Lines 324 and 325, the Regional Water Board took on the task of analyzing the information Sable provided and thereafter issued the July 24, 2025 Notice of Violation for Failure to Report, Santa Barbara and San Luis Obispo County attached hereto as Exhibit F (July 2025 Notice of Violation). This comprehensive order identified twenty-seven sites where Sable's excavation and repair activities could affect water quality not previously addressed in the Regional Water Board's previous investigations and associated Directives and Notices of Violation. Once again, this work should have been done by Sable before commencing work in August 2024; there is no excuse for Sable's failure to timely provide a Technical Report with this information in response to the Section 13267 Order.

50. In the July 2025 Notice of Violation, the Regional Water Board provided further detail on what information was necessary for each excavation site where work within and/or adjacent to WOTS or WOTUS could affect water quality, including the specific location of WOTS or WOTUS impacted, the quantity of earthen materials discharged and the sediment remaining after backfilling, and a biological assessment of the WOTS or WOTUS identified as

within the zone of impact. Since Sable failed to provide this information before and as they were doing the work, it was critical that Sable provide detailed historical information regarding the excavation and repair so the Regional Water Board can provide adequate oversite regarding the path forward to address continuing impacts to water quality. Sable cannot be allowed to avoid regulatory oversight on the front-end of the Repair Plan for Lines 324 and 325 and then simply assert the sites were backfilled, re-contoured, re-planted and all is now fine, despite continuing impacts to water quality.

51. On August 13, 2025 Sable responded to the Regional Water Board's carefully crafted directives in the July 2025 Notice of Violation. As alleged above, in the course of assessing the Repair Plan for Lines 324 and 325 in retrospect, Sable identified nine sites requiring waste discharge requirements that it had previously either overlooked or made incorrect determinations regarding the impact of the excavations on water quality. Had Sable put in the effort by March 10, 2025 when the Technical Report required under the Section 13267 Order was first due, five months of discharge to WOTS could have been identified and addressed. Even though the majority of excavation was completed by March 10, 2025, Sable's delay identifying and assessing the impact of its activities evaded regulatory oversight, delayed restoration work and therefore warrants substantial penalties. More significantly, Sable's delay in responding to the Section 13267 Order was another cynical move to avoid waste discharge requirements and associated involvement by the Regional Water Board that might delay meeting the July 1, 2025 deadline imposed by the Fire Marshal.

FIRST CAUSE OF ACTION

(Against all Defendants)

Failure to Timely Comply with Section 13267

(Wat. Code §§ 13267, 13268)

52. Plaintiff re-alleges and incorporates herein by reference the allegations in paragraphs 1 through 51 inclusive of this Complaint.

53. The Section 13267 Order has five general components. First, it requires a description of the repair work for Lines 324 and 325. Second, it requires Sable to locate and describe the

excavation activities to be undertaken as part of the that Repair Plan and whether they are proximate to WOTS and WOTUS. Third, the Regional Water Board required Sable to assess the scope and impact of discharges to WOTS and WOTUS, including a biological assessment needed to fulfill the fourth requirement to identify actions to mitigate impacts to WOTS and WOTUS. Finally, Sable was required to provide a plan to enhance its procedures for identifying sites where waste discharge requirements must be implemented prior to executing the repair work.

54. The Regional Water Board's requirement that Sable describe its work and locate and identify the WOTS and WOTUS within the Repair Plan for Lines 324 and 325, is fundamental and straightforward. This task should have been done well before the August 2024 start date. To the extent it was not, the location of streams, channels and drainage along Sable's pipeline route is something any responsible operator should have at their fingertips. Nevertheless, it took months after the Section 13267 Order deadline of March 10, 2025 and two detailed Notices of Violation for Sable to adequately identify areas disturbed by its excavation activities that could affect the quality of WOTS or WOTUS.

55. The Regional Water Board's requirements that Sable provide a detailed assessment of waste discharges that could affect water quality and a plan to address the impacts of such discharges are two more directives that never should have been necessary components of the Section 13267 Order. However, given Sable's ongoing evasion of regulation, the Regional Board required the issues be addressed in a technical report. To the extent these requirements came to the attention of any responsible environmental management, the response should have been swift and comprehensive. Not so with Sable. Its March 7, 2025 response only revealed just how uninformed and unprepared Sable had been regarding environmental compliance when executing its Repair Plan. The belated response of April 15, 2025 insufficiently addressed only four sites with only a cursory assessment of impacts when, in fact, at least ten more impacted sites remained unidentified.

56. Sable's failure to take the information at hand – the location and nature of its excavation work – and assess the potential impact to water quality put the Regional Water Board in the position of having to do Sable's work for it. After performing additional investigation, the

Regional Water Board issued its July 24, 2025 Notice of Violation giving Sable notice of those locations for which the Regional Water Board suspected required assessment in line with the directives of the Section 13267 Order yet was missing from Sable's insufficient response. It was only after receiving the Regional Water Board's analysis, which Sable should have performed in the first instance, that Sable disclosed nine more sites where its work could affect water quality. Importantly, mitigation at those sites has yet to be implemented. Sable's cynical and unwarranted delay prevented the Regional Water Board from identifying and addressing water quality impacts at these sites and assuring Sable used best management practices to timely mitigate impacts. Accordingly, the imposition of civil liability under Water Code section 13268 is warranted for each day Sable failed to adequately respond to the Section 13267 Order for Technical Report when due on March 10, 2025.

SECOND CAUSE OF ACTION

(Against all Defendants)

Failure to File Report of Proposed Waste Discharge

(Wat. Code §§ 13260, 13261)

57. Plaintiff re-alleges and incorporates herein by reference the allegations in paragraphs 1 through 56 inclusive of this Complaint.

58. As alleged in detail above, Sable cynically refused to obtain waste discharge requirements at the Directed Submission Sites until the excavation work was completed so as to avoid delay and impede the Regional Water Board's ability to provide input into the application of best management practices to address impacts to water quality. Indeed, prior to commencing work on the Repair Plan for Lines 324 and 325, Sable management misinformed the Regional Water Board by assuring staff that Sable had assessed how its excavation work could affect water quality. Sable's response to the Section 13267 Order demonstrated Sable's V.P. of Environmental Management was at best misinformed, incompetent and incorrect. At worst, Sable was simply bamboozling the Regional Water Board to meet a critical deadline. Either way, substantial penalties are warranted for Sable's egregious conduct.

59. The Regional Water Board alleges that it provided Sable with adequate notice under Water Code section 13260 when: (a) staff advised Mr. Rusch of the need to obtain waste discharge requirements for any excavation in its Repair Plan for Lines 324 and 325 that could affect water quality and Sable management Mr. Rusch acknowledged such in writing; and, (b) Regional Water Board followed up with the 2024 Directive identifying the process it expected Sable to follow at any site where excavation could affect water quality.

60. The Regional Water Board is unaware of the dates upon which Sable first proposed to discharge excavated fill and/or remove vegetation at the Directed Submission Sites identified above. The Regional Water Board alleges that at the time Sable planned its excavation and repair activity at each Directed Submission Site, it knew or should have known that a Section 13260 permit was required yet decided not to apply for coverage under the Water Quality Orders identified above. As set forth in paragraph 59 above, on the date of the 2024 Directive Sable was notified by the Regional Water Board of the need to comply with Section 13260 and associated regulations. Accordingly, penalties should be assessed according to proof at each Directed Submission Site from that date, or from the date when Sable's work was first proposed thereafter, until a complete Notice of Intent was submitted to the Regional Water Board as set forth above.

THIRD CAUSE OF ACTION

(Against all Defendants)

Ongoing Unlawful Waste Discharges

(Wat. Code §§ 13264, 13265)

61. Plaintiff re-alleges and incorporates herein by reference the allegations in paragraphs 1 through 60 inclusive of this Complaint.

62. As alleged in Paragraph 12 above, Water Code section 13264 prohibits Sable from initiating any new discharge of waste or making any material changes in any discharge *prior to* the filing of the report required by Section 13260. That statute also prohibits such action *after* filing the report as follows: "no person shall take any of these actions after filing the report but before whichever of the following occurs first: (1) The issuance of waste discharge requirements pursuant to Section 13263; (2) The expiration of 140 days after compliance with Section

13260 . . . ; (3) The issuance of a waiver pursuant to Section 13269." As alleged herein, while Sable provided Notices of Intent proposing to discharge waste, it continued its disruptive activities before receiving waste discharge requirements in violation of Section 13264.

63. Water Code section 13265 subdivision (a) provides: "Any person discharging waste in violation of Section 13264, after such violation has been called to his attention in writing by the regional board, is guilty of a misdemeanor and may be liable civilly in accordance with subdivision (b). Each day of such discharge shall constitute a separate offense." As alleged herein, the Regional Water Board began "calling to Sable's attention in writing" its concerns over discharges emanating from the planned repairs to Lines 324 and 325 as early as August of 2024, and Sable acknowledged such in writing at that time. The Regional Water Board continued diligently calling its concerns over proposed and actual discharges to Sable in writing over the ensuing months, including two specific directives and notices of violation. Having satisfied the notice requirements of Section 13265 on multiple occasions, the Regional Water Board is entitled to recover civil penalties from the date each of the discharges identified below began following notice to Sable as alleged herein.

64. A new discharge of waste was initiated by Sable at each of the Directed Submission Sites identified in this Third Cause of Action as of the date excavation activities commenced. For the Baron Ranch Trailhead Site, such unlawful discharge was ongoing from the date excavation commenced until March 20, 2025 when the Regional Water Board issued a Notice of Applicability establishing waste discharge requirements. The Regional Water Board is unaware of the date such discharge commenced and reserves the right to amend this Complaint according to proof.

65. Unlawful discharges at the Cayuma River Tributary Site, Peterson Creek Tributary Site, Nojoqui Creek Tributary Site, and Foxen Canyon Tributary Site began at the time Sable commence excavation at each of these sites and continued until June 2, 2025 when the Regional Water Board issued Notices of Applicability for these sites establishing waste discharge requirements. The Regional Water Board is unaware of the dates such discharges commenced and reserves the right to amend this Complaint according to proof.

66. The unlawful discharges at the Arroyo Quemado Site, Cañada de Leon Site, Zorillas Drainage F7 Site, Zorillas Drainage F8 Site, Grey Fox Ranch Site, Cañada de la Gallina Site, and Cañada de la Gaviota Site began at the time Sable commenced excavation at each of these sites and remain unpermitted and are ongoing as of the date of this Complaint. The Regional Water Board is unaware of the dates such discharges commenced and reserves the right to amend this Complaint to allege the period of unlawful discharges at each of these sites according to proof.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that the Court enter judgment in favor of Plaintiff and against Defendants as follows:

i. For and award of civil penalties according to proof for the multiple violations of the Porter-Cologne Water Quality Act set forth in the First, Second and Third Causes of Action;

ii. For the award of investigative and litigation costs, expert fees, attorney fees and all other expenditures incurred by Plaintiff in the prosecution of this action recoverable pursuant to Code of Civil Procedure section 1028.1; and

iii. For such other and further relief according to proof that the Court deems just and proper.

Dated: October 3, 2025

Respectfully submitted,

ROB BONTA
Attorney General of California

MICHAEL T. ZARRO
Deputy Attorney General
Attorneys for Plaintiff People of the State of California ex rel. Regional Water Quality Control Board, Central Coast Region

EXHIBIT A

Central Coast Regional Water Quality Control Board

December 13, 2024

Sable Offshore Corp
Steven Rusch, Vice President
845 Texas Avenue, Ste 2920
Houston, Texas 77002
Email: SRusch@sableoffshore.com

VIA CERTIFIED MAIL AND EMAIL
RETURN RECEIPT REQUESTED
7019 1640 0000 7902 1384

Sable Offshore Corp
Amanda Garcia
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7019 1640 0000 7902 2381

Dear Steven Rusch:

ENFORCEMENT PROGRAM: SABLE OFFSHORE CORP, SANTA BARBARA COUNTY - DIRECTIVE TO OBTAIN REGULATORY COVERAGE FOR UNAUTHORIZED DISCHARGE OF WASTE TO WATERS OF THE STATE, SANTA BARBARA COUNTY

This letter contains legal directives that must be followed. Failure to respond may result in fines.

Sable Offshore Corp is receiving this letter because the Central Coast Regional Water Quality Control Board (Central Coast Water Board) has evidence of unauthorized discharge of waste to waters of the state at an ephemeral stream in Santa Barbara County located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W, upstream of Hwy 101 at postmile 39, just east of Baron Ranch Trailhead. The evidence of unauthorized discharge of waste to waters of the state is described in our December 13, 2024 notice of violation.

Discharge of waste to waters of the state requires submittal of a report of waste discharge and receipt of waste discharge requirements prior to discharge. California Water Code section 13260 requires any person discharging waste, or proposing to discharge waste, within any region that could affect the quality of waters of the state, to file with the appropriate regional board a report of the discharge. California Water Code section 13264 states in part that no person shall initiate any new discharge of waste or make any material changes in any discharge prior to the filing of the report required by California Water Code section 13260.

The Central Coast Water Board requires that Sable obtain regulatory coverage for its discharge of waste **within 30 calendar days of the date this letter**. The discharge of sediment directly to the ephemeral stream constitutes a discharge of fill material to waters of the state and is therefore subject to regulation by the *Statewide General Waste Discharge Requirements for Dredge or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to be Outside Federal Jurisdiction (WQO 2004-0004)*.[1]

To obtain regulatory coverage Sable must:

1. Submit a completed Notice of Intent (Attachment 1 of WQO 2004-0004).
2. Comply with the requirements of WQO 2004-0004, including monitoring and reporting.

Failure to take these actions may subject Sable Offshore Corp to enforcement action by the Central Coast Water Board, including administrative civil liability of up to $1,000 per day for each day the violation occurs, pursuant to California Water Code section 13261. Administrative civil liability may be imposed by the superior court up to $5,000 per day for each day the violation occurs, pursuant to California Water Code section 13261. Pursuant to California Water Code section 13265, civil liability may be imposed by the Central Coast Water Board in an amount of up $1,000 per day for violation of California Water Code section 13264. Pursuant to California Water Code section 13265, civil liability may be imposed by the superior court in an amount of up $5,000 per day for violation of California Water Code section 13264. If penalties are imposed, the regulatory coverage is still required.

Central Coast Water Board staff's recommendations for further enforcement will depend on Sable's response to this letter. The Central Coast Water Board may also require cleanup and abatement of the effects of the unauthorized activities pursuant to California Water Code section 13304, or that Sable immediately cease and desist from the activities pursuant to California Water Code section 13301. The Central Coast Water Board reserves the right to take any enforcement action authorized by law.

Any person aggrieved by this action of the Central Coast Water Board may petition the State Water Resources Control Board to review the action in accordance with California Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Resources Control Board must receive the petition by 5:00pm, 30 days after the date of this directive, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday (including mandatory furlough days), the petition must be received by the State Water Resources Control Board by 5:00pm on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at: https://www.waterboards.ca.gov/public_notices/petitions/water_quality/ or will be provided upon request.

[1] https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0004.pdf

If you have questions about this letter, please contact April Woods at April.Woods@waterboards.ca.gov or Phil Hammer at Phillip.Hammer@waterboards.ca.gov.

Sincerely,

Thea S. Tryon Digitally signed by Thea S. Tryon
Date: 2024.12.13 10:42:51 -08'00'
Water Boards

Thea S. Tryon
Assistant Executive Officer

cc:

Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
Errin Briggs, Santa Barbara County Planning & Development, EBriggs@countyofsb.org
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Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
Linda Connolly, California Department of Fish and Wildlife, Linda.Connolly@wildlife.ca.gov
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Thea Tryon, Central Coast Water Board, Thea.Tryon@waterboards.ca.gov
Todd Stanley, Central Coast Water Board, Todd.Stanley@waterboards.ca.gov
Harvey Packard, Central Coast Water Board, Harvey.Packard@waterboards.ca.gov
Phil Hammer, Central Coast Water Board, Phillip.Hammer@waterboards.ca.gov
Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov
Leah Lemoine, Central Coast Water Board, Leah.Lemoine@Waterboards.ca.gov
April Woods, Central Coast Water Board, April.Woods@waterboards.ca.gov
Jesse Woodard, Central Coast Water Board, Jesse.Woodard@waterboards.ca.gov
Jacqueline Tkac, Central Coast Water Board, Jacqueline.Tkac@waterboards.ca.gov

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EXHIBIT B

Central Coast Regional Water Quality Control Board

December 13, 2024

Sable Offshore Corp
Steven Rusch, Vice President
845 Texas Avenue, Ste 2920
Houston, Texas 77002
Email: SRusch@sableoffshore.com

VIA CERTIFIED MAIL AND EMAIL
RETURN RECEIPT REQUESTED
7020 1810 0002 0768 8031

Sable Offshore Corp
Amanda Garcia
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7019 1640 0000 7902 2374

Dear Steven Rusch:

ENFORCEMENT PROGRAM: SABLE OFFSHORE CORP, SANTA BARBARA COUNTY - NOTICE OF VIOLATION FOR UNAUTHORIZED DISCHARGE OF WASTE TO WATERS OF THE STATE, SANTA BARBARA COUNTY

The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) is a state regulatory agency with responsibility for protecting the quality of the waters of the state within its area of jurisdiction. The Central Coast Water Board has authority to require submission of information, direct action, establish regulations, levy penalties, and bring legal action when necessary to protect water quality.

The Central Coast Water Board has evidence of unauthorized discharge of waste to waters of the state at an ephemeral stream in Santa Barbara County located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W, upstream of Hwy 101 at postmile 39, just east of Baron Ranch Trailhead. The unauthorized discharge of waste is a potential violation of the California Water Code. This notice of violation describes the alleged violation, summarizes potential monetary liability, and provides direction on corrective actions.

Summary

In August 2024, Central Coast Water Board staff were made aware of pipeline remediation work along Sable Offshore Corp.'s (Sable) Line 324 (formerly Line 901) and Line 325 (formerly Line 903) along the Gaviota Coast in Santa Barbara County. At that time, Central Coast Water Board staff April Woods contacted Sable representative Steve Rusch to inquire about the potential for project impacts to waters of the state.

Central Coast Water Board staff informed Steve Rusch that intermittent and ephemeral streams are waters of the state. Mr. Rusch confirmed his knowledge of the regulatory requirements and confirmed Sable had surveyed all work locations and found no project impacts to waters of the state.

In early October 2024, the Central Coast Water Board received a citizen complaint of multiple land disturbances across what appeared to be waters of the state on the Gaviota Coast at various Sable pipeline remediation project sites. April Woods again contacted Mr. Rusch and requested access to the project site to conduct an inspection.

California Water Code section 13050 defines waters of the state as "any surface water or groundwater, including saline waters, within the boundaries of the state." Surface waters of the state include but are not limited to wetlands; perennial, intermittent, and ephemeral streams; rivers; lakes; bays; and coastal ocean waters. Ephemeral streams collect, contain, and transport water on the surface of the landscape and are therefore surface waters of the state. As an example, the Statewide General Waste Discharge Requirements for Dredged or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to be Outside of Federal Jurisdiction (General WDRs WQO 2004-0004) determines that headwaters, defined as intermittent and ephemeral drainages, constitute waters of the state.[1]

On November 4, 2024, Central Coast Water Board staff inspected various project work locations. During this inspection, Central Coast Water Board staff observed and documented the following evidence demonstrating the drainage feature located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W is an ephemeral stream and a water of the state:

1. Fluvial geomorphological features, including a visibly identifiable bed and bank, were observed in the drainage feature. The bed was composed of stone and pebbles, while a bench of stone, cobble, and sediment distinguished the bank from the bed. The stone and cobble in the bed were deposited and distributed in a manner that results from hydrologic flows. These characteristics indicate the drainage feature regularly transports surface water, demonstrating it is an ephemeral stream and surface water of the state.
2. Scour and detritus were observed in the drainage feature. These conditions indicate repeated and regular flow and are characteristic of an ephemeral stream and surface water of the state.
3. Dry vegetation, concentrated in the channel and on the banks of the tributary, was in greater abundance than surrounding uplands. The reed grass *Arundo donax* was abundant on the banks and headwaters of the channel. While not an obligate wetland species, *Arundo donax* is a species that thrives in streams. Its distribution here, concentrated at the top of the ephemeral stream and within the channel, indicates regular saturation of the drainage feature, further

[1] https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0004.pdf

demonstrating the drainage feature is an ephemeral stream and surface water of the state.

In addition to field observations, Central Coast Water Board staff identified the following information indicating the drainage feature is an ephemeral stream and surface water of the state:

1. Historic aerial imagery confirms the presence of a sinuous channel bed path along the length of the drainage. In addition, the imagery shows diverse, robust, and green vegetation within the drainage feature when surrounding areas are dry and brown.
2. The drainage is identified as “Riverine Wetland” on the U.S. Fish and Wildlife Wetland Mapper.

During the site inspection, Central Coast Water Board staff observed and documented the following activities at the ephemeral stream located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W:

1. A temporary access road had been constructed across the bed and bank of the ephemeral stream. The construction of the earthen road discharged sediment to the ephemeral stream. The discharge of sediment to the ephemeral stream constitutes a discharge of waste to waters of the state.
2. A pit had been excavated across the bed and bank of the ephemeral stream to access an underground pipeline. Excavation and grading appeared to have occurred on the ephemeral stream’s slopes and in the streambed. The excavation and grading discharged sediment to the ephemeral stream. The discharge of sediment to the ephemeral stream constitutes a discharge of waste to waters of the state.
3. Cut and fill from excavation was mounded in contoured slopes adjacent to the banks of the ephemeral stream without implementation of erosion or sediment controls. Uncontrolled sediment is a discharge of waste that could affect the quality of waters of the state.
4. Vegetation had been cleared from the bed and banks of the ephemeral stream without implementation of erosion or sediment controls. Areas of cleared vegetation have the potential to result in the discharge of waste that could affect the quality of waters of the state.

Alleged Violations

1. <u>Violation of California Water Code Section 13260</u>

   California Water Code section 13260 requires any person discharging waste, or proposing to discharge waste, within any region that could affect the quality of waters of the state, to file with the appropriate regional board a report of the discharge. The conditions at the project represent a violation of California Water Code section 13260, because Sable cleared vegetation and excavated and

graded sediment in the unnamed tributary, constituting a discharge of waste to waters of the state, without having filed the required report of waste discharge.

2. Violation of California Water Code Section 13264

   California Water Code section 13264 states in part that no person shall initiate any new discharge of waste or make any material changes in any discharge prior to the filing of the report required by California Water Code section 13260. The conditions at the Site represent a violation of California Water Code section 13264, because Sable discharged waste that could affect the quality of waters of the state without obtaining waste discharge requirements from the Central Coast Water Board.

Required Corrective Actions

To address the alleged violations, Sable can obtain all required authorizations for work conducted and any corrective restoration and compensatory mitigation activities. Sable must take action to correct the alleged violations as soon as possible to avoid formal enforcement.

The Central Coast Water Board will be sending Sable a separate directive pursuant to California Water Code section 13260 requiring Sable to submit a report of waste discharge for the discharges of waste identified above. In addition, also under separate cover, the Central Coast Water Board will be sending Sable a directive pursuant to California Water Code section 13267 requiring Sable to submit a technical report describing the work Sable has conducted and/or is conducting for Line 324 (formerly Line 901) and Line 325 (formerly Line 903). The Central Coast Water Board also finds that Sable's work is likely subject to regulation under the *National Pollutant Discharge Elimination System General Permit for Stormwater Discharges Associated with Construction and Land Disturbance Activities Order WQ 2022-0057-DWQ*[2] and expects to send Sable additional communication on that issue.

To avoid further unauthorized discharges during any restoration and compensatory mitigation implementation in waters of the state or waters of the United States, pursuant to California Water Code sections 13260 and 13376, Sable must apply for and obtain waste discharge requirements from the Central Coast Water Board prior to any material removal, new disturbance, or restoration activity.

Potential Enforcement Actions

The alleged violation cited above may subject Sable to enforcement by the Central Coast Water Board for every day the violations continue. Sable must correct the violation as soon as possible. Sable's receipt of this notice of violation does not

[2] https://www.waterboards.ca.gov/water_issues/programs/stormwater/construction/general_permit_reissuance.html

preclude the Central Coast Water Board from taking further enforcement action for the alleged violations cited in this notice of violation, and the Central Coast Water Board reserves the right to take any enforcement action authorized by law. In making its determination of whether and how to proceed with further enforcement action, the Central Coast Water Board will consider the information submitted in response to this notice of violation, the time it takes to correct the identified violations, and the adequacy of the corrections and actions taken.

Central Coast Water Board staff's recommendations for further enforcement will depend on Sable's response to this notice of violation. The Central Coast Water Board may also require cleanup or abatement of the effects of the unauthorized activities pursuant to California Water Code section 13304, or that Sable immediately cease and desist from the activities pursuant to California Water Code section 13301. The Central Coast Water Board reserves the right to take any enforcement action authorized by law.

If you have questions about this letter, please contact April Woods at April.Woods@waterboards.ca.gov or Phil Hammer at Phillip.Hammer@waterboards.ca.gov.

Sincerely,

Thea S. Tryon Digitally signed by Thea S. Tryon
Date: 2024.12.13 10:45:05 -08'00'
Water Boards

Thea S. Tryon
Assistant Executive Officer

cc:

Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
Errin Briggs, Santa Barbara County Planning & Development, EBriggs@countyofsb.org
Jim Hosler, CAL FIRE, Jim.Hosler@fire.ca.gov
Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
Linda Connolly, California Department of Fish and Wildlife, Linda.Connolly@wildlife.ca.gov
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Thea Tryon, Central Coast Water Board, Thea.Tryon@waterboards.ca.gov
Todd Stanley, Central Coast Water Board, Todd.Stanley@waterboards.ca.gov
Harvey Packard, Central Coast Water Board, Harvey.Packard@waterboards.ca.gov
Phil Hammer, Central Coast Water Board, Phillip.Hammer@waterboards.ca.gov
Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov
Leah Lemoine, Central Coast Water Board, Leah.Lemoine@Waterboards.ca.gov
April Woods, Central Coast Water Board, April.Woods@waterboards.ca.gov
Jesse Woodard, Central Coast Water Board, Jesse.Woodard@waterboards.ca.gov
Jacqueline Tkac, Central Coast Water Board, Jacqueline.Tkac@waterboards.ca.gov

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EXHIBIT C

Central Coast Regional Water Quality Control Board

January 22, 2025

Sable Offshore Corp.
Steven Rusch, Vice President
845 Texas Avenue, Ste 2920
Houston, Texas 77002
Email: SRusch@sableoffshore.com

VIA CERTIFIED MAIL AND EMAIL
RETURN RECEIPT REQUESTED
7020 1810 0002 0767 9350

Sable Offshore Corp.
Amanda Garcia
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7020 1810 0002 0767 9367

ENFORCEMENT PROGRAM: SABLE OFFSHORE CORP., LAS FLORES PIPELINE SYSTEM REMEDIATION OPERATIONS, SANTA BARBARA, SAN LUIS OBISPO, AND KERN COUNTIES – CALIFORNIA WATER CODE SECTION 13267 REQUIREMENT TO SUBMIT A TECHNICAL REPORT ASSOCIATED WITH DISCHARGE OF EARTHEN MATERIAL TO WATERS OF THE STATE

Dear Steven Rusch:

The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) is a state regulatory agency with responsibility for protecting the quality of the waters of the state within its area of jurisdiction. The Central Coast Water Board has authority to require submission of information, direct action, establish regulations, levy penalties, and bring legal action when necessary to protect water quality.

The Central Coast Water Board has evidence of unauthorized discharges of waste to waters of the state by Sable Offshore Corp. (Sable) associated with Las Flores Pipeline System Lines 324 (formerly Line 901) and 325 (formerly Line 903) remediation activities. The notice of violation (NOV), notice of non-compliance (NNC), and directive to obtain regulatory coverage for unauthorized discharge of waste to waters of the state issued to Sable on December 13, 2024, include descriptions of the alleged violations associated with the unauthorized discharges of waste to waters of the state. Pursuant to California Water Code section 13267, this order requires Sable to submit a technical report as described in further detail below.

California Water Code Section 13267 Order for Technical Report

California Water Code section 13267 authorizes the Central Coast Water Board to require any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within the region to furnish, under penalty of perjury, technical or monitoring reports to investigate the quality of any waters of the state.

Required Technical Report

For the purposes of investigating the alleged violations identified in the December 13, 2024 NOV, NNC, and directive and assessing the threat to water quality resulting from suspected ongoing discharges, the Central Coast Water Board requires Sable to submit a technical report describing Sable's discharges and associated impacts to waters of the state and plans for correcting the alleged violations, preventing future violations, and remediating impacts from the discharges. Within **45 days** of the date of this letter, Sable must submit a technical report that contains, at a minimum, the following:

1. A detailed description of the scope and purpose of work Sable has performed, is performing, or is planning to perform on lines 324 and 325.
2. An inventory of all Sable land disturbance activities that were or are currently active in the Central Coast region pertaining to remediation of the Las Flores Pipeline System lines.[1] The inventory must include the following information:
    a. Location of each land disturbance activity, including geographic coordinates.
    b. Area of land, in acres, disturbed by each land disturbance activity, including access roads, laydown yards, construction corridors, and staging areas, including any vegetation management or tree removal in support of the development of these facilities or construction of new facilities resulting from compliance with applicable codes, standards, and regulations.
    c. Description of each land disturbance activity conducted.
    d. Location of each land disturbance activity, including geographic coordinates, in relation to boundaries of the existing right-of-way, franchise, easements, or agreements. Area of land, in acres, disturbed by each land disturbance activity outside of existing right-of-way, franchise, easements, or agreements.
    e. A description of any citations, notices of noncompliance, notices of violation, or similar enforcement actions issued by regulatory agencies for violations related to any land disturbing activities.
    f. For each land disturbance activity, a detailed assessment of the presence of any of the following in or adjacent to the disturbed area: wetlands; perennial, intermittent, or ephemeral streams; rivers; lakes; swales; drainages; ditches; or any other depressional features with evidence of bed, bank, or channel.

[1] Remediation of the Las Flores Pipeline System lines includes work by Sable Offshore Corp. begun in 2024 on Lines 324/325 (previously 901/903) along the entirety of the 124-mile pipeline conducted in anticipation of restarting use of the line.

3. A detailed assessment of waste discharge to surface waters resulting from Sable's Las Flores Pipeline System line remediation work activities, including:
   a. An identification of the locations and sizes of the areas of waters of the state and waters of the U.S. affected by the unauthorized waste discharges.
      (1) Quantify areas of disturbance in units of acres and linear feet.
      (2) Quantify discharges to waters of the state in cubic yards.
   b. An estimate of the amount of waste discharged, in gallons or cubic yards as applicable, to waters of the state resulting from Sable's Las Flores Pipeline System line remediation activities, including an estimate of the amount of sediment remaining in sediment stockpile areas and ephemeral drainages that have the potential to be discharged to downstream reaches.
   c. A biological assessment of the areas of the waters of the state impacted by the waste discharges resulting from Sables's pipeline remediation activities, including a description of impacted riparian and aquatic habitats and an assessment of their quality.
4. A detailed description of actions Sable can take to mitigate impacts to water quality and beneficial uses of waters of the state caused by the discharge of waste resulting from Sable's pipeline remediation activities, including onsite restoration and offsite compensatory mitigation options.
5. A plan for how Sable will update and enhance its policies and procedures to identify waters of the state in proposed work areas and avoid discharging waste to waters of the state without proper authorization. Include the following information in the plan:
   a. Steps Sable will take to assess if a proposed activity has the potential to discharge waste to waters of the state.
   b. Steps Sable will take to identify if a proposed activity requires authorization from the Central Coast Water Board.
   c. Steps Sable will take to contact the Central Coast Water Board if a proposed activity has the potential to require authorization from the Central Coast Water Board.
   d. Steps Sable will take to obtain all required authorizations for future discharges of waste to waters of the state, such as programmatic waste discharge requirements for discharges occurring at multiple locations or individual waste discharge requirements for each discharge occurring at an individual location.
6. Pursuant to California Water Code section 13267(b)(1), the following perjury statement, signed by a duly authorized representative: "I, [NAME], certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, and the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant civil penalties for submitting false information."

The Central Coast Water Board is requiring Sable to submit the technical report because Sable is suspected of having discharged and continuing to discharge waste to waters of the state in the Central Coast region. The evidence supporting the need for this technical report is discussed in the December 13, 2024 NOV, NNC, and directive. The technical report is necessary to obtain information to fully delineate the extent of

actual and potential adverse impacts to water quality and beneficial uses caused by the discharges, determine compliance with water quality objectives and prohibitions in the Water Quality Control Plan for the Central Coastal Basin (Basin Plan),[2] and identify corrective actions.

Based on information available to Central Coast Water Board staff, which includes relevant professional experience, preparation of the technical report will require a combination of professionals including registered professional geologists and engineers. It is estimated that the preparation of the technical report will take approximately 60-80 hours to complete, and, using an average hourly rate of $190, the estimated cost to prepare the technical report is $11,400-$15,200. For additional details on the calculation of these costs, see Attachment 1.

As identified in the October 5, 2020 Biological Resources Assessment (2nd Revised) prepared by SCS Engineers[3] for the since-abandoned Line 901 & Line 903 Replacement Project, the 124-mile-long pipeline is crossed by at least 141 identified waters of the state. As reported in the above referenced assessment, water crossings within the potentially impacted project area include "coastal creeks with well-established riparian habitat, drainages and swales with herbaceous vegetation through rolling coastal and Sierra Madre hillsides, [and] alluvial fans with braided channels of riverwash in the Sisquoc River and in the Cuyama Valley to the San Joaquin Valley." Additionally, creeks and drainages within the project footprint act as tributaries to three large river systems—the Santa Ynez, Sisquoc, and Cuyama Rivers. Special status botanical resources and wildlife, protected as beneficial uses in the Basin Plan, have the potential to exist throughout the project footprint. After consideration of these factors, staff has determined that the burden, including costs, of submitting the technical report bears a reasonable relationship to the need for the report and the benefits to be obtained from the report because of the potential for harm to water quality and beneficial uses resulting from the suspected unauthorized discharges and other potential discharges.

Process for Submitting Required Technical Report

Sable must submit the technical report in a searchable Portable Document Format (PDF) to April Woods at April.Woods@Waterboards.ca.gov and centralcoast@waterboards.ca.gov.

Documents less than 50 MB must be sent via electronic mail and include "Submittal of Required Documents" in the subject line of the e-mail. Documents that are 50 MB or larger must be transferred to a disk and mailed to:

Central Coast Water Board

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[2] https://www.waterboards.ca.gov/centralcoast/water_issues/programs/basin_plan/

[3] Biological Assessment available at https://www.countyofsb.org/3801/901903-Replacement-Pipeline-Project

Attention: April Woods
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Liabilities

California Water Code section 13268 provides that failure to submit the information required by subdivision (b) of section 13267 by the specified compliance date, or falsifying any information provided therein, is a misdemeanor and may result in civil liability. Noncompliance may subject you to civil liability in the amount of up to $1,000 for each day of violation. If the Central Coast Water Board elects to refer the matter to the Attorney General, the superior court may impose civil liability for up to $5,000 per day for each violation. Compliance with this order is not a substitute for compliance with other applicable laws. The Central Coast Water Board reserves the right to take any enforcement action authorized by law.

Petitioning this Order

Any person aggrieved by this action of the Central Coast Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with California Water Code section 13320 and California Code of Regulations, title 23, sections 2050 et seq. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date that this Order becomes final, except that if the thirtieth day following the date that this Order becomes final falls on a Saturday, Sunday, or state holiday (including mandatory furlough days), the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found at the following address or will be provided upon request:
http://www.waterboards.ca.gov/public_notices/petitions/water_quality

If you have questions about this letter please contact April Woods at (805) 549-3332 or April.Woods@waterboards.ca.gov, or Phil Hammer at Phillip.Hammer@waterboards.ca.gov.

Sincerely,

Thea S. Tryon
Digitally signed by Thea S. Tryon
Date: 2025.01.22 08:09:57 -08'00'
Water Boards

Thea S. Tryon
Assistant Executive Officer

cc:

Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov

Errin Briggs, Santa Barbara County Planning & Development, EBriggs@countyofsb.org
Jim Hosler, CAL FIRE, Jim.Hosler@fire.ca.gov
Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
Linda Connolly, California Department of Fish and Wildlife, Linda.Connolly@wildlife.ca.gov
Morgan Lucas, Santa Barbara County District Attorney's Office, mlucas@countyofsb.org
Christopher Dalbey, Santa Barbara County District Attorney's Office, cdalbey@countyofsb.org
Robert Parmelee, Santa Barbara County District Attorney's Office, rparmelee@countyofsb.org
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Thea Tryon, Central Coast Water Board, Thea.Tryon@waterboards.ca.gov
Todd Stanley, Central Coast Water Board, Todd.Stanley@waterboards.ca.gov
Harvey Packard, Central Coast Water Board, Harvey.Packard@waterboards.ca.gov
Phil Hammer, Central Coast Water Board, Phillip.Hammer@waterboards.ca.gov
Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov
Leah Lemoine, Central Coast Water Board, Leah.Lemoine@Waterboards.ca.gov
April Woods, Central Coast Water Board, April.Woods@waterboards.ca.gov
Jesse Woodard, Central Coast Water Board, Jesse.Woodard@waterboards.ca.gov
Jacqueline Tkac, Central Coast Water Board, Jacqueline.Tkac@waterboards.ca.gov

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Estimated Cost to Prepare Technical Report
Sable Offshore Corp

Required Technical Report Cost Analysis

The cost estimates provided in the January 22, 2025 order for technical report were calculated by estimating the approximate hours required to complete the technical report and multiplying by an average hourly rate for professional services. Professional services required for the technical report would likely vary and include a range of registered professional engineers and geologists, surveyors, and other technical persons. Taking into consideration the variety of professionals involved and based upon research into publicly available rate charge data (references below), staff determined an average hourly charge rate of $135-190.

Hourly Charge Rate Calculation

See references below for sources of hourly rates. While the sourced hourly rates are not local to the Central Coast, they are representative of statewide costs based on Central Coast Water Board staff experience and professional judgement.
Senior/Principal Engineer/Engineering Geologist/Hydrogeologist Range: $150 - $240
Staff Geologist/Engineer/Environmental Scientist Range: $90 - $180
Other Technician Range: $80 - $250
Considering the range of professionals and hourly rates associated with their specialty and experience, and given the terrain and technical nature of the requested technical report, an average hourly rate of $190 was selected for generating the technical report.

Technical Report

Based on staff experience, completion of report is estimated to take 60-80 hrs.
Hourly rate: $190
60-80 hrs x $190 = $11,400-$15,200

Fee Schedule Sources

https://www.mendocinocounty.org/home/showpublisheddocument/41862/637526191532870000

http://www.mountaingeology.com/feeSchedule.html

EXHIBIT D

Central Coast Regional Water Quality Control Board

April 15, 2025

Sable Offshore Corp.
Steven Rusch, Vice President
845 Texas Avenue, Ste 2920
Houston, Texas 77002
Email: SRusch@sableoffshore.com

VIA CERTIFIED MAIL AND EMAIL
RETURN RECEIPT REQUESTED
9589 0710 5270 0883 4147 17

Sable Offshore Corp.
Amanda Garcia
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
9589 0710 5270 0883 4146 70

Dear Steven Rusch and Amanda Garcia:

ENFORCEMENT PROGRAM: SABLE OFFSHORE CORP. - NOTICE OF VIOLATION FOR UNAUTHORIZED DISCHARGES OF WASTE TO WATERS OF THE STATE AND UNITED STATES AND FAILURE TO REPORT, SANTA BARBARA AND SAN LUIS OBISPO COUNTIES

The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) is a state regulatory agency with responsibility for protecting the quality of the waters of the state within its area of jurisdiction. The Central Coast Water Board has authority to require submission of information, direct action, establish regulations, levy penalties, and bring legal action when necessary to protect water quality.

The Central Coast Water Board has evidence of a series of unauthorized discharges of waste by Sable Offshore Corp. (Sable) to waters of the state and United States related to Sable's pipeline remediation and planned restart of Line 324 (formerly Line 901) and Line 325 (formerly Line 903). In addition, Sable has not reported all of the information required by the Central Coast Water Board's January 22, 2025 investigative order issued pursuant to California Water Code section 13267. The unauthorized discharges of waste and failure to submit the information required by the investigative order are potential violations of the California Water Code. This notice of violation describes the alleged violations, summarizes potential monetary liability, and provides direction on corrective actions.

Background

In August 2024, Central Coast Water Board staff were made aware by the public of Sable's pipeline remediation work along the Gaviota Coast in Santa Barbara County. When contacted by Central Coast Water Board staff, Sable representative Steve Rusch confirmed his knowledge of the regulatory requirements and confirmed Sable had surveyed all work locations and found no project impacts to waters of the state, which he confirmed to understand includes intermittent and ephemeral streams. In October 2024, the Central Coast Water Board received a complaint from the public of multiple land disturbances across what appeared to be waters of the state on the Gaviota Coast at various Sable pipeline remediation project sites. On November 4, 2024, Central Coast Water Board staff inspected various project work locations along the Gaviota Coast which led to the positive identification of unauthorized discharges to waters of the state.

On December 13, 2024, the Central Coast Water Board issued a notice of violation to Sable notifying it that any person discharging waste, or proposing to discharge waste, that could affect the quality of waters of the state is required to file a report of discharge prior to initiating the discharge; that Sable's activities observed at the November 4, 2024 inspection constituted a violation of the California Water Code; and that Sable's activities were likely also subject to stormwater permitting. On December 13, 2024, the Central Coast Water Board also issued a California Water Code section 13260 directive to Sable to submit a report of waste discharge for the unauthorized discharges of waste and a Notice of Non-Compliance notifying Sable that it had been identified as requiring a stormwater permit. On January 22, 2025, the Central Coast Water Board issued a second Notice of Non-Compliance for failure to apply for stormwater permitting.

Since the issuance of the December 13, 2024 notice of violation, Sable has continued to commit alleged violations of the California Water Code. For example, while Sable submitted an after-the-fact notice of intent to obtain coverage for work in waters of the state at the location cited in the December 13, 2024 notice of violation, it resumed unauthorized work at the subject site in mid-February prior to obtaining the permit and authorization for the work.

On January 22, 2025, the Central Coast Water Board issued an order, pursuant to California Water Code section 13267, requiring Sable to submit a technical report addressing discharges of waste to waters of the state (13267 Technical Report Order). Among other things, Sable was required to include in the technical report an inventory of all Sable land disturbance activities that were or are currently active in the Central Coast region pertaining to remediation of the Las Flores Pipeline System lines, a detailed assessment of the presence of waters of the state at inventoried land disturbance locations, and a detailed assessment of all waste discharges to waters of the state. While Sable submitted a report in response to the 13267 Technical Report Order on March 8, 2025, its report was deficient, lacking information in response to 13267 Technical Report Order item numbers 2.f and 3.

a. 13267 Technical Report Order number 2.f required submittal of a detailed assessment of the presence of any of the following in or adjacent to areas disturbed by Sable pipeline remediation activities: wetlands; perennial, intermittent, or ephemeral streams; rivers; lakes; swales; drainages; ditches; or any other depressional features with evidence of bed, bank, or channel. Sable's response refers to the October 5, 2020 Biological Resources Assessment (2nd Revised) prepared by SCS Engineers for Pacific Pipeline Company. This document does not include the required assessment. While the document identifies some waters of the state in the project area, it does not identify all of the waters of the state, nor does it assess the proximity of all waters of the state to areas disturbed by Sable's pipeline remediation activities. For example, the unnamed ephemeral drainage at approximately 34° 28' 6.4" N, 120° 06' 22.5" W, upstream of Hwy 101 at postmile 39, just east of Baron Ranch Trailhead, that was subject to the Central Coast Water Board's December 13, 2024 notice of violation, is not identified in the document.

b. 13267 Technical Report Order numbers 3.a-c required Sable to identify the locations and sizes of the areas of waters of the state and United States affected by the unauthorized waste discharges; estimate the amount of waste discharged to waters of the state; and assess the biology of areas of the waters of the state impacted by the waste discharges. Sable's response states this information will be submitted late, by April 15, 2025. Sable's response does not provide an explanation for the late submittal.

On February 21, 2025, in response to the December 13, 2024 Notice of Noncompliance, Pacific Pipeline Company submitted an application for construction stormwater general permit (CGP) enrollment for coverage under a facilty/site name of Sable Land Base, however the documents submitted as part of this application were incomplete. State Water Resources Control Board staff notified Pacific Pipeline Company that the application was deficient and instructed it to resubmit the application with a complete Stormwater Pollution Prevention Plan on March 12, 2025. Through phone conversation (on February 22, 2025) and via email (on March 18, 2025) with Central Coast Water Board staff, Sable representatives communicated that Sable intends to complete the CGP enrollment only if land disturbance activities outside the existing right-of-way exceed the permit applicability threshold of one acre.

In response to ongoing public complaints, on February 28, 2025, Central Coast Water Board staff made a second site visit to Sable pipeline remediation sites along the Gaviota Coast. Central Coast Water Board staff observed and documented unauthorized discharges of waste at various locations that could affect the quality of waters of the state and Untied States.

a. Site 1, Venadito Canyon Road (34.4649° N, -120.052° W) – Riparian vegetation at this location had been cleared and grubbed, with loose bare soil and slash at the site. The loose bare soil and slash at the site are unauthorized discharges of waste that could affect the quality of waters of the state.

b. Site 7, Arroyo Quemado (34.4734° N, -120.119° W) – An access road had been graded, leaving bare loose soil without erosion and sediment control in several locations. Riparian vegetation at this location had also been cleared and grubbed, with loose bare soil and slash at the site. Freshly cut tree branches and other vegetation, which appeared to have been generated from work conducted by Sable in the riparian area, was observed as dumped waste in the flowing stream. The loose bare soil and slash at the site are unauthorized discharges of waste that could affect the quality of waters of the state and waters of the United States. The cut tree branches and other vegetation into the flowing stream are unauthorized discharges of waste and pollutants to waters of the state and waters of the United States.

c. Site F7/F8, unnamed drainage (34.4737° N, -120.176° W) – At this location, the bed and banks of an unnamed drainage had been graded, with loose bare soil in the drainage bed. The disturbance of soil on the drainage bed and banks and loose bare soil left in the drainage bed are unauthorized discharges of waste that could affect the quality of waters of the state.

d. Site F10, unnamed drainage (34.4758° N, -120.196° W) – At this location, a slope had been graded, without erosion and sediment controls. Loose sediment was also discharged into the bank and bed of the unnamed drainage. Riparian vegetation had also been cleared. The loose bare soil and discharge of loose sediment into the drainage at the site are unauthorized discharges of waste that could affect the quality of waters of the state.

On March 12 and 13, 2025, Padre Associates, Inc., on behalf of Sable, submitted a series of after-the-fact notices of intent to obtain authorization for previously conducted unauthorized discharges of waste to waters of the state and waters of the United States and restoration at various locations. Sites R5-1 and R5-3 are within waters of the United States.

a. R4-1, tributary to Cuyama River (35.059463° N, -119.933144° W)

b. R5-2, tributary to Peterson Creek (34.627952° N, -120.200412° W)

c. R5-1, tributary to Nojoqui Creek (34.573883° N, -120.19567° W)

d. R5-3, tributary to Foxen Canyon (34.80723° N, -120.192° W)

On April 10, 2025, at a California Coastal Commission hearing, Sable confirmed it had placed sand and cement filled bags on the ocean floor below and adjacent to Sable’s out-of-service offshore oil and water pipelines.

Alleged Violations

1. Violation of California Water Code Section 13260
   California Water Code section 13260 requires any person discharging waste, or proposing to discharge waste, within any region that could affect the quality of waters of the state, to file with the appropriate regional board a report of the discharge. The conditions at Sites 1, 7, F7/F8, F10, R4-1, R5-1, R5-2, and R5-3 represent violations of California Water Code section 13260, because Sable cleared vegetation and excavated and graded sediment at the sites within waters of the state, resulting in discharges of waste that could affect the quality of waters of the state, without having filed reports of waste discharge. Sable's discharge of waste by placing sand and cement filled bags on the ocean floor below and adjacent to Sable's out-of-service offshore oil and water pipelines without having filed a report of waste discharge is also a violation of California Water Code section 13260.

2. Violation of California Water Code Section 13264
   California Water Code section 13264 states in part that no person shall initiate any new discharge of waste or make any material changes in any discharge prior to the filing of the report required by California Water Code section 13260. The conditions at the various sites represent violations of California Water Code section 13264, because Sable discharged waste that could affect the quality of waters of the state without obtaining waste discharge requirements from the Central Coast Water Board.

3. Violation of California Water Code Section 13267
   California Water Code section 13267 authorizes the regional boards to require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. Sable was required to submit a technical report to the Central Coast Water Board by March 10, 2025. Sable's submitted technical report did not include the information required by items 2.f and 3.a-c of the Central Coast Water Board's March 10, 2025 13267 Technical Report Order. Sable's failure to include the required information is a violation of California Water Code section 13267.

4. Violation of California Water Code Section 13376
   Section 13376 of the California Water Code requires any person discharging pollutants or fill material, or proposing to discharge pollutants fill material, to waters of the United States to file a report of waste discharge. In addition, California Water Code section 13376 prohibits the discharge of pollutants or fill material to waters of the United States except as authorized by waste discharge requirements. Federal Clean Water Action section 301 also prohibits the discharge of pollutants or fill material to waters of the United States without a permit. Sable did not submit a report of waste discharge or obtain waste discharge requirements from the Central Coast Water Board for the discharge of pollutants at Site 7. Sable also did not submit a report of waste discharge or obtain waste discharge requirements from the

Central Coast Water Board prior to discharging fill material to waters of the United States at Sites R5-1 and R5-3. In addition, Sable did not submit a report of waste discharge or obtain waste discharge requirements from the Central Coast Water Board prior to discharging fill material (sand and cement filled bags) to waters of the United States (Pacific Ocean) on the ocean floor below and adjacent to Sable's out-of-service offshore oil and water pipelines. Conducting these activities in waters of the United States without submittal of a report of waste discharge and issuance of waste discharge requirements are violations of California Water Code section 13376 and Clean Water Act section 301.

5. Violations of Prohibitions in Water Quality Control Plan for the Central Coastal Basin (Basin Plan), June 2019 Edition

   The Basin Plan prohibits, pursuant to California Water Code section 13243, the following:

   1) the discharge or threatened discharge of earthen and organic materials into any stream in the basin in quantities deleterious to beneficial uses; and,

   2) unless otherwise authorized, waste discharges to all coastal surface streams and natural drainageways that flow directly to the ocean within the South Coast Hydrologic Units 1 except where discharge is associated with an approved wastewater reclamation program.

   Sable may have violated one or both of these Basin Plan prohibitions as a result of its unauthorized work.

Required Corrective Actions

Sable must obtain all required authorizations for corrective restoration and compensatory mitigation activities and submit the missing information from the required technical report. Sable must control all threatened discharges of earthen and organic materials to prevent their discharge to waters of the state and United States. Sable must take action to correct the alleged violations as soon as possible.

To avoid further unauthorized discharges during any restoration and compensatory mitigation implementation in waters of the state or waters of the United States, pursuant to California Water Code sections 13260 and 13376, Sable must apply for and obtain waste discharge requirements from the Central Coast Water Board prior to discharging waste, or proposing to discharge waste, including prior to any material removal, new disturbance, or restoration activity, that could affect the quality of waters of the state or United States.

Potential Enforcement Actions

The alleged violations cited above may subject Sable to enforcement by the Central Coast Water Board for every day the violations continue. Sable must correct the violations as soon as possible. Sable's receipt of this notice of violation does not preclude the Central Coast Water Board from taking further enforcement action for the

alleged violations cited in this notice of violation, and the Central Coast Water Board reserves the right to take any enforcement action authorized by law. In making its determination of whether and how to proceed with further enforcement action regarding the alleged violations in this letter, the Central Coast Water Board will consider the information submitted in response to this notice of violation, the time it takes to correct the identified violations, and the adequacy of the corrections and actions taken.

California Water Code section 13268 provides that failure to submit technical or monitoring program reports required by subdivision (b) of California Water Code section 13267 by the specified compliance date, or falsifying any information provided therein, is a misdemeanor and may result in administrative civil liability of up to $1,000 for each day of violation. California Water Code section 13385 provides that any person who violates Clean Water Act section 301 and/or California Water Code section 13376, and/or a prohibition issued pursuant to 13243, is subject to administrative civil liability of up to $10,000 per day of violation, and up to $10 per gallon of waste discharged but not cleaned up over 1,000 gallons. If the Central Coast Water Board elects to refer the matter to the Attorney General, the superior court may impose civil liability for up to $25,000 per day for each violation, and up to $25 per gallon of waste discharged but not cleaned up over 1,000 gallons. California Water Code sections 13261, 13265, and 13350 also provide for per day administrative liabilities or liability per gallon discharged, as specified in the California Water Code.

The Central Coast Water Board may also require cleanup or abatement of the effects of the unauthorized activities pursuant to California Water Code section 13304, that Sable immediately cease and desist from the activities pursuant to California Water Code section 13301, or may require other actions pursuant to other injunctive authorities. The Central Coast Water Board reserves the right to take any enforcement action authorized by law.

If you have questions about this letter, please contact April Woods at April.Woods@waterboards.ca.gov or Phil Hammer at Phillip.Hammer@waterboards.ca.gov.

Sincerely,

Angela Schroeter
Digitally signed by Angela Schroeter
Date: 2025.04.15 00:25:40 -07'00'
Water Boards

Angela V. Schroeter
Assistant Executive Officer

cc:

Nicole Granquist, Counsel for Sable, Nicole.Granquist@Stoel.com
Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
Errin Briggs, Santa Barbara County Planning & Development, EBriggs@countyofsb.org

Jim Hosler, CAL FIRE, Jim.Hosler@fire.ca.gov
Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
Linda Connolly, California Department of Fish and Wildlife, Linda.Connolly@wildlife.ca.gov
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Ryan Lodge, Central Coast Water Board, Ryan.Lodge@waterboards.ca.gov
Angela Schroeter, Central Coast Water Board, Angela.Schroeter@waterboards.ca.gov
Todd Stanley, Central Coast Water Board, Todd.Stanley@waterboards.ca.gov
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April Woods, Central Coast Water Board, April.Woods@waterboards.ca.gov
Jesse Woodard, Central Coast Water Board, Jesse.Woodard@waterboards.ca.gov
Jacqueline Tkac, Central Coast Water Board, Jacqueline.Tkac@waterboards.ca.gov

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EXHIBIT E

Central Coast Regional Water Quality Control Board

April 16, 2025

Sable Offshore Corp.
Steven Rusch, Vice President
845 Texas Avenue, Ste 2920
Houston, Texas 77002
Email: SRusch@sableoffshore.com

VIA CERTIFIED MAIL AND EMAIL
RETURN RECEIPT REQUESTED
9589 0710 5270 0883 4146 87

Sable Offshore Corp.
Amanda Garcia
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
9589 0710 5270 0883 4146 25

Dear Steven Rusch:

ENFORCEMENT PROGRAM: SABLE OFFSHORE CORP. – DIRECTIVE TO SUBMIT A REPORT OF WASTE DISCHARGE FOR UNAUTHORIZED DISCHARGES OF WASTE AND FUTURE PROPOSED DISCHARGES OF WASTE, SANTA BARBARA, SAN LUIS OBISPO, AND KERN COUNTIES

This letter contains legal directives that must be followed. Failure to respond may result in fines.

Sable Offshore Corp. (Sable) is receiving this letter because the Central Coast Regional Water Quality Control Board (Central Coast Water Board) has evidence of continued unauthorized discharges of waste to waters of the state at various locations related to Sable's pipeline remediation and planned restart of Line 324 (formerly Line 901) and Line 325 (formerly Line 903). The evidence of unauthorized discharges of waste that could affect the quality of waters of the state is described in the April 15, 2025 notice of violation that the Central Coast Water Board transmitted to Sable.

Discharge of waste that could affect the quality of waters of the state requires submittal of a report of waste discharge and receipt of waste discharge requirements prior to discharge. California Water Code section 13260 requires any person discharging waste, or proposing to discharge waste, within any region that could affect the quality of waters of the state, to file with the appropriate regional board a report of the discharge. California Water Code section 13264 states in part that no person shall initiate any new discharge of waste or make any material changes in any discharge prior to the filing of the report required by California Water Code section 13260.

The Central Coast Water Board requires that Sable submit a report of waste discharge for regulatory coverage for all discharges of waste that could affect the quality of waters of the state associated with its work related to Sable's pipeline remediation and planned restart of Lines 324 and 325. This applies to discharges that have already occurred as well as potential future discharges. To obtain regulatory coverage Sable must submit the appropriate report of waste discharge (e.g., notice of intent) applicable to the category of waste discharge. Central Coast Water Board staff is available to assist Sable in identifying the appropriate reports of waste discharge to submit for its waste discharges.

A report of waste discharge must contain information and data required by the Central Coast Water Board. Dischargers with discharges of dredged or fill material to waters of the state, meeting the eligibility criteria in the *Statewide General Waste Discharge Requirements for Dredge or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to be Outside Federal Jurisdiction (WQO 2004-0004),*[1] are required to submit a complete report of waste discharge containing the information and data in the Notice of Intent included in Attachment 1 of WQO 2004-0004, or a written report of waste discharge confirming existing regulatory coverage, or a written report of waste discharge demonstrating that regulatory coverage may not be required.

Failure to take these actions may subject Sable to enforcement action by the Central Coast Water Board, including administrative civil liability of up to $1,000 per day for each day the violation occurs, pursuant to California Water Code section 13261. Administrative civil liability may be imposed by the superior court up to $5,000 per day for each day the violation occurs, pursuant to California Water Code section 13261. Pursuant to California Water Code section 13265, civil liability may be imposed by the Central Coast Water Board in an amount of up $1,000 per day for violation of California Water Code section 13264. Pursuant to California Water Code section 13265, civil liability may be imposed by the superior court in an amount of up $5,000 per day for violation of California Water Code section 13264. Regulatory coverage is required regardless of whether civil liabilities are imposed.

Central Coast Water Board staff's recommendations for further enforcement will depend on Sable's response to this letter. The Central Coast Water Board may also require cleanup and abatement of the effects of the unauthorized activities pursuant to California Water Code section 13304, or that Sable immediately cease and desist from the activities pursuant to California Water Code section 13301. The Central Coast Water Board reserves the right to take any enforcement action authorized by law.

Any person aggrieved by this action of the Central Coast Water Board may petition the State Water Resources Control Board to review the action in accordance with California Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Resources Control Board must receive the petition by

[1] https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0004.pdf

5:00pm, 30 days after the date of this directive, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday (including mandatory furlough days), the petition must be received by the State Water Resources Control Board by 5:00pm on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at: https://www.waterboards.ca.gov/public_notices/petitions/water_quality/ or will be provided upon request.

If you have questions about this letter, please contact April Woods at April.Woods@waterboards.ca.gov or Phil Hammer at Phillip.Hammer@waterboards.ca.gov.

Sincerely,

Angela Schroeter

Digitally signed by Angela Schroeter
Date: 2025.04.16 11:17:00 -07'00'

Water Boards

Angela V. Schroeter
Assistant Executive Officer

cc:

Nicole Granquist, Counsel for Sable, Nicole.Granquist@Stoel.com
Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
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Jim Hosler, CAL FIRE, Jim.Hosler@fire.ca.gov
Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
Linda Connolly, California Department of Fish and Wildlife, Linda.Connolly@wildlife.ca.gov
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Ryan Lodge, Central Coast Water Board, Ryan.Lodge@waterboards.ca.gov
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Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov
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Jesse Woodard, Central Coast Water Board, Jesse.Woodard@waterboards.ca.gov
Jacqueline Tkac, Central Coast Water Board, Jacqueline.Tkac@waterboards.ca.gov

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EXHIBIT F

Central Coast Regional Water Quality Control Board

July 24, 2025

Sable Offshore Corp
Steven Rusch, Vice President
845 Texas Avenue, Ste 2920
Houston, Texas 77002
Email: SRusch@sableoffshore.com

VIA CERTIFIED MAIL AND EMAIL
RETURN RECEIPT REQUESTED
9589 0710 5270 0883 4161 62

Sable Offshore Corp
Amanda Garcia
Agent for Service of Process
330 N. Brand Blvd.
Glendale, CA 91203

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
9589 0710 5270 0883 4161 79

Dear Steven Rusch:

ENFORCEMENT PROGRAM: SABLE OFFSHORE CORP - NOTICE OF VIOLATION FOR FAILURE TO REPORT, SANTA BARBARA AND SAN LUIS OBISPO COUNTY

The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) is a state regulatory agency with responsibility for protecting the quality of the waters of the state within its area of jurisdiction. The Central Coast Water Board has authority to require submission of information, direct action, establish regulations, levy penalties, and bring legal action when necessary to protect water quality.

We are in receipt of Sable Offshore Corp's (Sable) March 7, 2025 and April 15, 2025 submittals responding to the Central Coast Water Board's January 22, 2025 directive to submit a technical report (directive), issued pursuant to California Water Code section 13267. Sable's submittals do not include all the information required by the Central Coast Water Board's January 22, 2025 directive. Failures to report all required information are violations of the California Water Code. This notice of violation describes the alleged violations, summarizes potential monetary liability, and provides direction on corrective actions. This is the second notice of violation the Central Coast Water Board has issued to Sable for failure to submit the information required in the January 22, 2025 directive. The Central Coast Water Board previously issued Sable a notice of violation for failure to submit the January 22, 2025 directive's required information on April 15, 2025. The violations of California Water Code section 13267 cited in the April 15, 2025 notice of violation have not been adequately addressed by Sable and those violations remain uncorrected and in effect.

Alleged Violations

1. Violations of California Water Code Section 13267
   California Water Code section 13267 authorizes the regional boards to require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. Sable was required to submit a technical report to the Central Coast Water Board by March 10, 2025. Sable's March 7, 2025 and April 15, 2025 submittals do not include all the information required by the Central Coast Water Board in its January 22, 2025 directive. Sable's failures to include the required information are violations of California Water Code section 13267. Information required by the Central Coast Water Board's January 22, 2025 directive that has not been provided by Sable includes the following:

   A. Item 2.f of the directive requires Sable to submit *"For each land disturbance activity, a detailed assessment of the presence of any of the following in or adjacent to the disturbed area: wetlands; perennial, intermittent, or ephemeral streams; rivers; lakes; swales; drainages; ditches; or any other depressional features with evidence of bed, bank, or channel."* Sable's response solely refers to the October 5, 2020 Biological Resources Assessment (2nd Revised) prepared for Pacific Pipeline Company and SCS Engineers (2020 Biological Resources Assessment). This document is a regional assessment of major watersheds along the length of the pipeline and is therefore overly broad and not specific to the actual land disturbance activities conducted by Sable in the field. The document does not include assessments of the presence of all waters relative to all land disturbance activity locations identified by Sable in response to directive item 2.a; nor does the document include adequate information in order to perform such assessments. Numerous land disturbance activity locations identified by Sable in its response to directive item 2.a appear to potentially be located within or adjacent to waters of the types listed in directive item 2.f, based on coordinates provided by Sable. However, many of those waters are not identified nor discussed in the 2020 Biological Resources Assessment. Since these waters are not mentioned in the 2020 Biological Resources Assessment, the 2020 Biological Resources Assessment does not satisfy the January 22, 2025 directive requirement to provide a detailed assessment of the presence of waters in or adjacent to all land disturbance activity locations. Examples of land disturbance activity locations potentially within or adjacent to waters, for which the 2020 Biological Resources Assessment provides no information on the presence of waters, include:

Sable ID	**Latitude**	**Longitude**
0324-2022-0023785.27	34.462931	-120.094125
0324-2022-0023727.57	34.462885	-120.094002

0324-2022-0029534.66	34.469233	-120.110945
0324-2022-0029566.37	34.469275	-120.111038
0324-2022-0033655	34.47309	-120.123312
324-MOV7	34.473112	-120.12373
0324-2022-0044111.96	34.474257	-120.156051
0324-2022-0044125.32	34.474248	-120.156093
0324-2022-0044140.39	34.474239	-120.15614
0324-2022-0044891.b	34.47377	-120.158562
0324-2022-0044830.73	34.473801	-120.158366
0324-2022-0044951.35	34.47377	-120.158662
0324-2022-0046848.73	34.472896	-120.164729
0324-2022-0046966.28	34.47287	-120.165099
0324-2022-0047470.3	34.472916	-120.166717
325A-2022-0049874.76	34.541078	-120.203609
325A-2022-0060280.35	34.562141	-120.194331
325A-2022-0112641.30	34.683775	-120.189346
325A-CHK17	34.689468	-120.187514
325A-2023-0117800.29	34.696125	-120.182573
325A-2022-0176208.70	34.833362	-120.221401
325A-2023-0179864.97	34.841481	-120.222209
325A-2022-0185869.01	34.880235	-120.249693
325A-2023-0187372.96	34.883063	-120.253233
Site 5/6	35.096451	-120.051266
Site 6/7	35.043303	-119.893327
325B-MOV39	35.007636	-119.423418

B. Item 3.a of the directive requires Sable to submit *"A detailed assessment of waste discharge to surface waters resulting from Sable's Las Flores Pipeline System line remediation work activities, including: a. An identification of the locations and sizes of the areas of waters of the state and waters of the U.S. affected by the unauthorized waste discharges. (1) Quantify areas of disturbance in units of acres and linear feet. (2) Quantify discharges to waters of the state in cubic yards."* Sable's response only identifies and assesses four locations of waste discharge to surface waters and for those locations Sable failed to quantify discharges to waters of the state in cubic yards. Instead, Sable attempted to quantify the net discharge of material to the drainage after Sable completed work at the locations – this is not the information Sable was directed to submit. In addition, Central Coast Water Board staff has identified other locations of waste discharge to surface waters that were not included in Sable's response, including but not limited to, Site ID 7 (Arroyo Quemada at 34.4734, -120.119) and Site ID F10 (Canada Del Leon at 34.4758, -120.196).
C. Item 3.b of the directive requires Sable to submit *"A detailed assessment of waste discharge to surface waters resulting from Sable's Las Flores Pipeline System line remediation work activities, including: […] b. An estimate of the amount of waste discharged, in gallons or cubic yards as applicable, to waters of the state resulting from Sable's Las Flores Pipeline System line remediation activities, including an estimate of the amount of sediment remaining in sediment stockpile areas and ephemeral drainages that have the potential to be discharged to downstream reaches."* As discussed above, Sable's response only identifies and assesses four locations of waste discharge to surface waters and for those locations Sable failed to quantify discharges to waters of the state in cubic yards. Instead, Sable attempted to quantify the net discharge of material to the drainage after Sable completed work at the locations – this is not the information Sable was directed to submit. In addition, Central Coast Water Board staff has identified other locations of waste discharge to surface waters that were not included in Sable's response, including but not limited to, Site ID 7 (Arroyo Quemada at 34.4734, -120.119) and Site ID F10 (Canada Del Leon at 34.4758, -120.196).
D. Item 3.c of the directive requires Sable to submit *"A detailed assessment of waste discharge to surface waters resulting from Sable's Las Flores Pipeline System line remediation work activities, including: […] c. A biological assessment of the areas of the waters of the state impacted by the waste discharges resulting from Sables's pipeline remediation activities, including a description of impacted riparian and aquatic habitats and an assessment of their quality."* As discussed above, Sable's response only identifies and assesses four locations of waste discharge to surface waters despite the fact that Central Coast Water Board staff has identified other locations of waste discharge to surface waters that were not included in Sable's response, including but not limited to, Site ID 7 (Arroyo Quemada at 34.4734, -120.119) and Site ID F10 (Canada Del Leon at 34.4758, -120.196). Sable's response also does not identify or assess impacts to riparian habitats, such as those at Site ID 7 (Arroyo Quemada at 34.4734, -120.119) and Site ID F10 (Canada Del Leon at 34.4758, -120.196).

E. Item 4 of the directive requires Sable to submit "*A detailed description of actions Sable can take to mitigate impacts to water quality and beneficial uses of waters of the state caused by the discharge of waste resulting from Sable's pipeline remediation activities, including onsite restoration and offsite compensatory mitigation options*." Sable's response refers to a restoration plan for one work location. Sable's response is inadequate, since a single restoration plan does not address the different conditions that exist at the numerous work locations.
F. It is worth noting that while Sable provided a checklist to address directive item 5, Sable has not been using it.

Required Corrective Actions

Sable must take action to correct the alleged violations as soon as possible. To correct the alleged violations, Sable must submit the missing information. Note that while the Central Coast Water Board has identified above examples of deficiencies in your response, the deficiencies cited are not exhaustive. Sable bears the responsibility to complete a full assessment of its work sites and fully comply with the January 22, 2025 directive. To date, this has not happened.

Potential Enforcement Actions

The alleged violations cited above may subject Sable to enforcement by the Central Coast Water Board for every day the violations continue. Sable's receipt of this notice of violation does not preclude the Central Coast Water Board from taking further enforcement action for the alleged violations cited in this notice of violation, and the Central Coast Water Board reserves the right to take any enforcement action authorized by law. In making its determination of whether and how to proceed with further enforcement action, the Central Coast Water Board will consider the information submitted in response to this notice of violation, the time it takes to correct the identified violations, and the adequacy of the corrections and actions taken.

California Water Code section 13268 provides that failure to submit technical or monitoring program reports required by subdivision (b) of California Water Code section13267 by the specified compliance date, or falsifying any information provided therein, is a misdemeanor and may result in administrative civil liability of up to $1,000 for each day of violation.

If you have questions about this letter, please contact April Woods at April.Woods@waterboards.ca.gov or Phil Hammer at Phillip.Hammer@waterboards.ca.gov.

Sincerely,
Angela Schroeter
Digitally signed by Angela Schroeter
Date: 2025.07.24 12:41:09 -07'00'
Water Boards

Angela V. Schroeter
Assistant Executive Officer

cc:

Nicole Granquist, Counsel for Sable, Nicole.Granquist@Stoel.com
Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
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Ryan Lodge, Central Coast Water Board, Ryan.Lodge@waterboards.ca.gov

Attachment I

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA BARBARA

Dated and Entered:	10/15/2025	Time:	10:00 AM
Judicial Officer:	Thomas P Anderle		
Deputy Clerk:	Veronica Robles	Dept:	SB Dept 3
Deputy Sheriff:			
Bailiff/Court Officer:	Chris Graham	Case No:	25CV00974
Court Reporter:	Elizabeth Mooy		

Sable Offshore Corp et al vs California Coastal Commission

Parties Present:

Dintzer, Jeffrey D	Attorney for Plaintiff
	Attorney for Petitioner
	Attorney for Cross Defendant
Large, Trevor	Attorney for Plaintiff
	Attorney for Cross Defendant
Sloan-Tribe, Wyatt E	Attorney
	Attorney for Respondent
	Attorney for Cross Complainant

NATURE OF PROCEEDINGS*:* Motion: Petitioner's Notice of Motion and Motion for Writ of Mandate and Request to Discharge preliminary Injunction.

- The matter came before the court, with appearances as noted above. Mr. Dintzer, counsel for the Petitioner, presented oral argument on the court's tentative ruling. After argument, the court adopted the tentative ruling as indicated below.

Mr. Trevor Large, also appearing for Petitioner, addressed the Court regarding discovery issues. Mr. Large presented argument on the matter and further requested that the Court issue a ruling today, noting that the issues have been fully briefed.

Mr. Sloan-Tribe presented argument in response.

Mr. Large presented additional argument.

After hearing further argument, the Court denied Mr. Large's request. The Court will not issue a ruling on the matter at this time and will instead take it up at the next hearing, scheduled for December 3, 2025.

HEARING

Petition of Petitioners Sable Offshore Corp. and Pacific Pipeline Co. for Writ of Mandate

ATTORNEYS

For Plaintiffs and Petitioners Sable Offshore Corp. and Pacific Pipeline Company:

Jeffrey D. Dintzer, Garrett B. Stanton, Alston & Bird LLP; Trevor D. Large,

Fauver, Large, Archbald & Spray LLP

For Defendant and Respondent California Coastal Commission: Rob Bonta, Norman

N. Franklin, Wyatt E. Sloan-Tribe, Office of the California Attorney General

Emails: jeffrey.dintzer@alston.com; garrett.stanton@alston.com;

dan.seabolt@alston.com; Wyatt.Sloan-Tribe@doj.ca.gov;

Isabella.Langone@doj.ca.gov; Kevin.Kelly@doj.ca.gov;

Thomas.Kinzinger@doj.ca.gov; John.Natalizio@doj.ca.gov; tlarge@flasllp.com;

RULING

1. For the reasons set forth herein, the Court finds in favor of Respondent California Coastal Commission and against Petitioners Sable Offshore Corp. and Pacific Pipeline Company on Petitioners' first cause of action for issuance of a writ of mandate.

2. The Court does not now address the extent to which this ruling resolves or otherwise impacts other causes of action of the FAP or of the Commission's cross-complaint, which will be addressed in subsequent proceedings.

3. There is currently a motion to compel discovery now pending and set for hearing on 10/22/25 at 10 am. That matter is continued to 12/3/25, at 10 am.

4. There is currently a CMC set for 10/31/25; that CMC is vacated. The Court sets the next CMC for 12/3/25, at 10 am. CMCS's filed one week in advance.

5. There is currently a motion filed for leave to file a SAC that is set for 12/3/25 at 10am; the hearing will go forward. Briefing on the issue, if any, will be accomplished so the final brief is filed one week in advance.

Background

This matter arises out of work done by Petitioners Sable Offshore Corp. (Sable OC) and Pacific Pipeline Company (PPC) (collectively, Sable or Petitioners) subject to the California Coastal Act of 1976 (Coastal Act, Pub. Resources Code, § 30000 et seq.). To address the issues raised in the petition, it is first useful to summarize the history of the underlying oil pipeline construction and maintenance. The summary is intended to provide sufficient background to address the issues before the Court and is not intended to be a complete recitation of the facts. Nonetheless, the Court has considered the complete record in this matter in making this ruling. Citations to the Administrative Record (AR) are in the form of "AR [page number(s)]" with leading zeros omitted.

(1) Factual Background

(A) The Oil Pipeline

PPC, a wholly-owned subsidiary of Sable OC, is the owner of the Las Flores Pipelines, which includes the pipeline segments CA-324 (Line 324) (previously known as Line 901) and CA-325 (Line 325) (previously known as Line 903) (collectively, the Las Flores Pipelines or Pipelines), portions of which are located within the coastal zone in an unincorporated area of the County of Santa Barbara (County). (First Amended Petition [FAP], ¶ 1; Answer to FAP [Answer], ¶ 1; AR 1-3.)

Line 324 is designed to transport crude oil from a pump station in Las Flores Canyon approximately 11 miles west along the coast to a pump station about a mile east of Gaviota State Park. (FAP, ¶ 26; Answer, ¶ 26; AR 3, 64.) Line 325 of the Pipelines is designed to transport crude oil from there to a location approximately 113.5 miles north, eventually reaching the Pentland Delivery Point in Kern County. (*Ibid*.)

The Pipelines were constructed in the 1980s and were referred to at the time as the “Celeron/ All American Pipeline Project.” (AR 3832.) The Final Development Plan (FDP) Conditional Use Permit (CUP), dated March 3, 1986, was issued following approval by the Santa Barbara County Planning Commission. (*Ibid*.) The project description in the CUP is:

“Celeron proposes to construct a 30-inch diameter, insulated welded steel pipeline designed to transport up to a maximum of 425,000 barrels per day (BPD) with an optimal throughput of 300,00 BPD, of Outer Continental Shelf and other locally produced crude oils. The pipeline would extend approximately 135 miles from Las Flores Canyon to the Emidio pump station in the southern San Joaquin Valley. Three pump stations would be constructed, one at Las Flores Canyon, one at Gaviota, and one near the Sisquoc River in northern Santa Barbara County. The pipeline would be buried to a minimum cover depth of three feet throughout its length according to Department of Transportation specifications, with increased cover depth in selected areas. [¶] The pipeline will require a 100-foot wide construction corridor and a 50-foot wide permanent easement. The proposed route parallels Highway 101 from Las Flores to Gaviota, turns north at Gaviota State Park west of Highway 101 and continues to the Sisquoc River. From the Sisquoc River the route follows Santa Maria then Suey Canyons north toward the Cuyama River. It crosses the river in the Western Cuyama Valley, and exits the County.” (AR 3836.)

The final environmental impact report/environmental impact statement (EIR/EIS) regarding the project includes the following statement in its abstract:

“The Celeron and All American Pipeline Companies propose to construct a 1,200-mile pipeline that would transport Outer Continental Shelf and other locally produced crude oils from the Santa Barbara and Santa Maria Basins through Emidio station, CA, to McCamey, TX. The 122-mile Celeron segment would extend from Las Flores, CA to Emidio, CA, and the 1,084-mile All American segment would extend from Emidio, CA to McCamey, TX; both would transport heated crude oil. Getty Trading and Transportation Company (Getty) proposes to construct a 113-mile buried pipeline that would transport heated crude oil from Getty’s existing marine terminal facility at Gaviota, CA, to Emidio station, CA. The Celeron/All American pipeline proposal and the Getty pipeline proposal are not dependent upon each other. Both projects could be approved or either project could be approved independently of the other.

“The Celeron/All American and Getty Pipeline Projects Environmental Impact Report/Environmental Impact Statement (EIR/EIS) addresses both applications to construct pipelines from the Santa Barbara coast to Emidio in Kern County. The EIR/EIS also addresses

Celeron/All American's application for a pipeline from Emidio to McCamey, Texas.

"The EIR/EIS analyzes the environmental effects of the proposed pipelines; pump, heating, and delivery stations; and a tank farm through construction, operation, maintenance, and abandonment. This report analyzes the impacts of the Celeron/All American and Getty Proposals and four routing alternatives that have been identified. These are the Santa Maria Canyon, Desert Plan Utility Corridor, Brenda, and McCamey to Freeport Alternatives. The Santa Maria Canyon Alternative crosses a portion of the Los Padres National Forest in Santa Barbara County; the Desert Plan Alternative is in the Mojave Desert in eastern California;

the Brenda Alternative is in western Arizona near the Kofa National Wildlife Refuge; and the McCamey to Freeport Alternative. extends from West Texas to the Gulf Coast. These alternatives were identified to provide optional locations for the pipelines in sensitive areas. The No Project Alternative is also analyzed." (AR 3191-3192.)

Two coastal development permits (CDPs) were issued for the project. CDP 86-CDP-189 was issued on July 27, 1986. (AR 3891) The CDP is for the approved project: "Clearing, grading, and trenching activities for Celeron Pipeline Project as approved by 85-DP-66cz, in the area described below." (*Ibid*.) The area for this CDP is: "Gaviota State Park (survey station #1725+40) to Gaviota pump station." (*Ibid*.) CDP 86-CDP-205 was issued on August 5, 1986. (AR 3894.) The CDP is for the approved project: "Remainder of all construction activities for the Celeron Pipeline project as approved by 85-DP-66cz, in the area described below." (*Ibid*.) The area for this CDP is: "Gaviota State Park (survey station #1725+40) to Gaviota pump station." (*Ibid*.) Both CDPs state as special conditions: "The project description, pipeline route, conditions and plans required pursuant to those conditions described by the approved Final Development Plan 85-DP-66cz are incorporated herein by reference as terms of this permit. (AR 3891, 3894.)

The CDPs were not appealed or otherwise challenged after their issuance.

The FDP's Conditions of Approval include:

Under the heading "Authority to Impose Feasible Mitigations":

"This permit is premised upon findings that where feasible, all significant environmental effects of the project identified in the EIR/EIS (State Clearinghouse No. 83110902), which occur in

Santa Barbara County, will be substantially mitigated by the permit conditions. Prior to approval of the Final Development Plan, County shall review any findings that identified certain mitigation measures as being in the primary jurisdiction of another agency but are also within County's

jurisdiction. County shall thereupon determine either (1) that such mitigation has or is being implemented by such other agency or (2) that such other agency and County determine such mitigation to be infeasible. If County determines that no other agency is or may be implementing such feasible mitigation measures then County may impose those feasible measures within its jurisdiction to mitigate those environmental impacts in accordance with appropriate mitigation measures identified by the EIS/R." (AR 6714.)

Under the heading "Facility Throughput and Source Limits":

"All facilities constructed under this permit shall be used only for the shipment of a maximum volume of heated crude oil demonstrated to be within the design parameters of the pipeline facilities as built. The subject volumes will be outer continental shelf (OCS) and other locally produced onshore and offshore petroleum from the Santa Barbara and Santa Maria Basins. PPC shall obtain a new or modified permit, or authority to continue operation under the existing permit prior to undertaking any of the following activities which may, in the judgment of the County, result in significant changes to the impacts on the County. Such changes could include but not be limited to: 1) major pipeline or pump station modifications; 2) major changes in pipeline throughput; 3) introduction of production to the pipeline from sources other than those described above; and 4) introduction of a different product from any source." (AR 6710.)

Respondent California Coastal Commission (Commission) issue a CDP for offshore portion of the Pipelines in 1988, CDP E-88-1. (AR 61-62.)

In 2015, a corroded portion of Line 324 ruptured, causing an oil spill (2015 Refugio Oil Spill). (AR 3.) Following the 2015 Refugio Oil Spill, the Pipelines were placed out of service. (*Ibid*.)

In 2020, Sable's predecessor-in-interest entered into a Federal Consent Decree with the United States and the State of California to resolve issues related to the 2015 Refugio Oil Spill. (AR 6049-6150.) The Federal Consent Decree requires, among other things, that if Line 324 (former Line 901) is to restart, a written Restart Plan must first be approved by the California Office of the State Fire Marshal (OSFM). (AR 6144-6145.) No Restart Plan has yet been approved and restart of the Pipelines is not at issue in this litigation. (Sable Opening Brief, at p. 8, fn. 6.)

(B) Pipeline Activities

In 2024, Sable identified 121 sites on the onshore pipelines requiring Anomaly Repair Work. (AR 1750-1751.) A pipeline "anomaly" refers to a pipeline segment with some deviation from its original configuration. (AR 1750.)

According to Sable: "Sable detects anomalies by using a roving data gathering instrument located within the pipeline interior, typically referred to as an inspection 'pig,' which examines a pipeline's conditions as the pig travels through the Onshore Pipelines. Data collected from the inspection pig is used to identify the approximate location of anomalies from the surface so that excavation and repair activities can be planned. Sable generally must complete the following steps to repair any particular anomaly detected by the pig: (1) access the affected pipeline segment via existing roadways and rights-of-way, which in some locations requires placing metal plates over water courses; (2) excavate the anomaly site, including the dirt beneath the affected pipeline segment, which in some locations may require dewatering and associated discharge; (3) expose the pipeline segment by removing insulation and sandblasting; (4) evaluate whether a 'Composite Repair' or 'Cut-Out Repair' is required, (5) conduct the Composite or Cut-Out Repair as appropriate, sandblast the repaired pipeline segment, and apply an epoxy coating, pipe tape, and rockguard wrap; (6) backfill the anomaly site, and (7) conduct final site cleanup including erosion control and revegetation work (collectively, the 'Anomaly Repair Work'). Anomaly Repair Work is short-term and temporary (often lasting less than a week) within the Onshore Pipelines' operational right-of-way. It requires the use of heavy equipment and may involve the removal of vegetation." (AR 1751, fns. omitted.)

According to Sable, Sable completed the Anomaly Repair Work at 48 of these anomaly sites before it received communications from the Commission. (AR 1751.)

On September 20, 2024, Commission Enforcement Analyst Jo Ginsberg sent an email to Errin Briggs, Deputy Director, Energy Minerals & Compliance of the County stating:

"We have learned that Sable Offshore Corporation (Sable) is undertaking development in the coastal zone related to Lines 324/325 (formerly known as Lines 901/903) without any Coastal Act authorization, which is a violation of the County's LCP, and we hereby request the County to take enforcement action. At the same time, we are also aware of both the recent litigation and settlement between the County and Sable, and we assume that, as a result of that settlement, the County will not take the requested action. However, we do believe the work requires Coastal

Act authorization. Thus, the Commission will assume enforcement jurisdiction based on the understanding that you are declining this request unless you indicate otherwise by close of business on Sept. 23, 2024." (AR 300-301.)

Later on September 20, the Briggs replied: "Received. We will review this and get back to you ASAP." (AR 300.)

On September 27, 2024, Ginsberg, on behalf of the Commission, sent by email its Notice of Violation (NOV) No. V-9-24-0152 (2024 NOV) to Steve Rusch, Vice President Environmental & Regulatory Affairs of Sable, stating in part:

"As you have recently discussed with Cassidy Teufel and Wesley Horn of our staff, it has come to our attention that unpermitted activities are currently taking place in the Coastal Zone, including excavation and other activities at various locations along the existing Lines 324/325 (formerly known as Lines 901/903) now owned by [Sable] associated with a proposed restart of the Santa Ynez Unit. These activities constitute violations of the Coastal Act and Santa Barbara County's Local Coastal Program ('LCP'). (AR 208-209, fn. omitted.)

"It has been confirmed that Sable is currently performing various unpermitted construction activities in the Coastal Zone associated with upgrades to Lines 324/325 in connection with Sable's proposed restart of that pipeline. As part of that proposed restart, Sable is currently undertaking work including a pipeline upgrade project to address pipeline corrosion in locations within the Coastal Zone and to install new safety valves in portions of the pipeline in the Coastal Zone. These activities constitute development and are not exempt from coastal development permit ('CDP') requirements." (AR 209, fn. omitted.)

"Please note that in certain cases when unpermitted development takes place, but Commission staff believe that some version of the work could have been found to be consistent with the applicable standard of review and authorized accordingly, staff recommends that the party undertaking the development submit a CDP application to the regulating authority (in this case, Santa Barbara County), seeking after-the-fact ('ATF') authorization for the previously undertaken unpermitted development within the County's LCP jurisdiction. In other cases, when staff has determined that the unpermitted development is not something for which staff would recommend approval due its inconsistency with the Coastal Act/certified LCP, staff advises the alleged violator to seek resolution through removal, mitigation, restoration, and/or payment of

penalties, etc., and not to seek a CDP to authorize such development.

"In this case, we are uncertain at this time whether Santa Barbara County would be able to approve a CDP application from Sable that was seeking ATF authorization for the unpermitted construction activities that have already taken place, as well as authorization going forward for continued construction or other development activities related to the pipeline, such as the installation of safety valves. More information regarding the project would be necessary to come to any such conclusion at this time; however, since such an application might be found approvable by the County, we recommend that you submit a CDP application to the County as soon as possible. Please note that should the County grant approval of such a CDP application, those portions of the project that are located within the Coastal Commission's appeals jurisdiction would be appealable to the Commission and those portions of the project, if any, that are located within the Commission's original jurisdiction would require a CDP from the Commission." (AR 211.)

The Commission followed up with a letter to Sable, dated October 4, 2024 (October 4 Letter), from Kate Huckelbridge, Executive Director, which asked for confirmation that the activity referred to in the 2024 NOV fully ceased and for additional information. (AR 214-217.) According to Sable, at the time of their receipt of the October 4 Letter, Sable completed the Anomaly Repair Work at 48 of the identified anomaly sites. (AR 1751.) At that time, 45 anomaly sites were open (Open Sites) where excavation and other steps had been undertaken, but the Anomaly Repair Work had not been completed. (*Ibid*.)

On November 12, 2024, the Commission's Executive Director issued an Executive Director Cease and Desist Order (EDCDO). (AR 13311-13320.) This EDCDO orders Sable to cease and desist from conducting any further unpermitted development and to immediately take steps to avoid irreparable injury to the properties at issue, including, safely securing and stabilizing the Open Sites. (AR 13312-13313.)

On November 21, 2024, Cassidy Teufel, Deputy Director of the Commission, sent an email to Rusch of Sable stating that any work on the offshore portions of the Pipelines would also require a CDP from the Commission. (AR 247-249.)

On November 22, 2024, SCS Engineers, on behalf of Sable, sent a request to Briggs for Zoning Clearances to conduct certain Anomaly Repair Work on Line 324. (AR 6866-6868.) The request identifies that Sable had previously commenced Anomaly Repair Work and had received the 2024 NOV and the EDCDO. (AR 6867.) Sable sought both after-the-fact Zoning Clearances for

the Anomaly Repair Work previously undertaken and Zoning Clearances to complete the Anomaly Repair Work in the future. (*Ibid*.)

The Commission received reports that Sable was conducting work on the offshore portions of the Pipelines beginning on November 29, 2024. (AR 4, 6-7, 8.)

On December 6, 2024, SCS Engineers, on behalf of Sable, sent a second request for Zoning Clearances. (AR 7916-7917.) "Sable is submitting two Zoning Clearance applications for this anomaly repair work: (i) an application for the anomaly repair work that is not located in proximity to environmentally sensitive habitat areas, and (ii) an application associated with 6 anomaly repairs for locations that are potentially located in proximity to areas of sensitive habitat." (AR 7916.)

"Through its inspection pig activities, Sable identified one hundred and twenty-one (121) anomalies where Anomaly Repair Work was required within unincorporated Santa Barbara County and within the Coastal Zone. Sable completed the Anomaly Repair Work at forty-eight (48) of these anomaly sites before receiving the 2024 [Notice of Violation (NOV)] and October 4 Letter. Forty-five (45) anomaly sites were open (i.e., excavation and other steps had been undertaken, but the Anomaly Repair Work had not been completed) at the time Sable received the 2024 NOV and October 4 Letter. At that time, twenty-eight (28) remaining anomaly sites had been identified for future Anomaly Repair Work that had not yet commenced." (AR 1751, fns. omitted.)

On February 10, 2025, the Commission's ECDCO expired by operation of law. (See Pub. Resources Code, § 30809, subd. (e).)

On February 11, 2025, Ginsberg, on behalf of the Commission, sent by email a second NOV, V-9-25-001 (2025 NOV). (AR 219-226.) The 2025 NOV identified the violation as: "Unpermitted offshore development including, but not necessarily limited to, deploying sand/cement bags on the seafloor and positioning them to provide support to Sable's out-of-service offshore oil and water pipelines as part of an effort to restart SYU oil production operations and bring the pipelines back into use." (AR 219.)

On February 12, 2025, Briggs of the County sent a letter to Sable in response to the November

22, 2024 and December 6, 2024, Zoning Clearance applications, stating in part:

“On November 22, 2024 and December 6, 2024, Santa Barbara County Planning and Development received four Zoning Clearance applications for pipeline ‘anomaly repair work’ to Lines 324 and 325a. These applications stated that they sought to permit anomaly repair work in the enclosed descriptions of work for case numbers 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096. Sable’s position is that the Zoning Clearance process meets the requirements of the County’s Local Coastal Program because it is a means for the County to determine if the activities fall within an existing Coastal Development Permit or if a new Coastal Development Permit is required.

“The County conducted a detailed review of pipeline permitting history and the Coastal Zoning Ordinance. Planning and Development concludes that this pipeline anomaly repair work is authorized by the existing permits (Final Development Plan, Major Conditional Use Permit, and associated Coastal Development Permits) and was analyzed in the prior Environmental Impact Report/Environmental Impact Statement (EIR/EIS). The County previously exercised its authority under its Local Coastal Program and delegated Coastal Act authority in approving the permits and the requested anomaly repair work is within the scope of those approved permits. (Pub. Resources Code§ 30519.) The County’s assessment is consistent with the type of reviews conducted by the County, both inside and outside the Coastal Zone, on a regular basis to determine whether proposed development activities fall within the scope of existing permits. Planning and Development will be returning the Zoning Clearance applications to Sable without taking action on them. Alternatively, Sable can choose to withdraw the applications.

“This conclusion is related to the requested pipeline anomaly repair work in case numbers 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096 and the information supplied with those applications and does not speak to permitting or jurisdiction on any other past or future work on or changes to the Pipeline and associated equipment.

“This is not a: 1) permit exemption; 2) Director determination on the meaning or applicability of the provisions of the Coastal Zoning Ordinance; 3) decision on an application for a Coastal Development Permit; or 4) any other ground set forth in Article II Section 35-182. Rather, this letter confirms that the requested anomaly repair work was contemplated, analyzed, and approved in the existing Final Development Plan, Major Conditional Use Permit, associated Coastal Development Permits and certified EIR/EIS. Thus, no further application to or action by the County is required. This conclusion is not appealable to the Planning Commission, Board of Supervisors, or Coastal Commission and it does not require a Notice of Final Action. (Article II

§§ 35-182; 35-181.4.)" (AR 543-544.)

On February 14, 2025, Sable sent a letter to the Commission addressing the 2024 NOV and the October 4 Letter. (AR 282-299.) Among other things, the February 14 letter points to the County's February 12 letter as confirming Sable's position that the Anomaly Repair Work does not require any further authorization under the Coastal Act or the County's LCP. (AR 295.)

On February 16, 2025, the Commission Executive Director sent a response to Sable, stating in part:

"My staff have reviewed your February 14, 2025 letter, in which, at page 4, you cite

Santa Barbara County (the 'County') as concluding that 'no further authorization under the Coastal Act or LCP is required for Sable to proceed' with the work you generally describe as 'anomaly repair work' along Las Flores Pipelines CA-324 and CA-325 ('Pipeline'). Your letter suggests that Sable intends to proceed with this work, and we have received evidence suggesting that Sable may already be doing so, despite several conversations with Commission staff, Notice of Violation letters, and a previous Executive Director Cease and Desist Order ('EDCDO') directing Sable to seek Coastal Act authorization for the work already completed and to cease further work until it, too, is authorized by a new coastal development permit ('CDP'), as described in greater detail below. Although your letter argues that the work has been pre-authorized, based on the information we have received to date, I do not agree." (AR 13523.)

The February 16 letter further states:

"I am therefore informing you that if Sable does not immediately cease all unpermitted development activities, as described above, and comply with the requirement in the next paragraph, it may receive an Executive Director Cease and Desist Order ('EDCDO'), the violation of which may subject Sable to additional fines and penalties. [¶] In order to avoid issuance of an EDCDO, you must confirm, in writing, by Monday, February 17, 2025, no later than 4pm, that Sable will cease all development of the sort described in this notice unless and until it either: (a) demonstrates, to my satisfaction and receives my written confirmation, that it already possesses the necessary Coastal Act authorization for the work, which Sable has not yet demonstrated; or (b) obtains a new, final, operative CDP or other valid Coastal Act authorization specifically covering the work at issue and complies with the terms of any final, validly issued CDPs." (AR 13526.)

On February 17, 2025, the Commission, by Enforcement Counsel Stephanie Cook, sent a letter to the County expressing surprise and disappointment with the February 14 letter sent to Sable. (AR 1078.) The letter states that the Commission received notice that Sable was refusing to halt its operations. (*Ibid*.) The letter asks the County to initiate enforcement proceedings. (*Ibid*.) The letter concludes by stating that unless the Commission hears from the County by noon on February 18, the Commission will "assume that the County has declined to act and conclude that, in any event, the County has not taken action in a timely manner. And as such, we may issue our EDCDO." (AR 1079.)

On February 18, 2025, the Commission's Executive Director issued a second EDCDO (ED-25-CD-01), violation numbers V-9-25-0013 and V-9-24-0152. (AR 233-246.) This EDCDO included a notice of intent to commence cease and desist order, restoration order, and administrative order proceedings. (*Ibid*.)

After receiving the County's letter, Sable resumed onshore Anomaly Repair Work. (AR 1748; Sable Opening Brief, at pp. 4-5.)

(C) Legal and Administrative Proceedings

On February 18, 2025, Sable filed its initial petition in this matter asserting four causes of action: (1) damages for inverse condemnation; (2) declaratory relief for impairment of vested rights; (3) declaratory relief for inverse condemnation; and (4) declaratory relief re Public Resources Code section 30803.

On March 10, 2025, submitted a Statement of Defense to the Commission. (AR 1740-10165.)

The Commission set the matter for a formal administrative adjudication and, on March 28, 2025 issued its staff report and recommendation. (AR 117-205.)

On April 10, 2025, the Commission held a public hearing on its proposed enforcement orders against Sable. (AR 12973-13227.) At this hearing, Sable presented its defense. (*Ibid*.) At the conclusion of the hearing, following deliberation among the Commissioners, the Commission

voted to issue three orders (collectively, the April 10 Orders): Cease and Desist Order No. CCC-25-CD-01 (CDO); Restoration Order No. CCC-25-RO-01 (RO); and Administrative Penalty No. CCC-25-AP3-01 (AP). (AR 12497-12522.) The AP provided an administrative penalty of $18,022,500. (AR 12501.)

Also on April 10, 2025, the Commission filed a demurer to Sable's original complaint in this Court.

On April 16, 2025, Sable filed its FAP. The FAP asserts six causes of action: (1) for writ of traditional mandamus, or alternatively for administrative mandamus; (2) for declaratory relief; (3) for inverse condemnation; (4) for declaratory relief for impairment of vested rights; (5) for declaratory relief for inverse condemnation; and (6) for declaratory relief under Public Resources Code section 30803. The first cause of action seeks issuance of a writ of mandate to set aside the NOVs, EDCDOs, and April 10 orders.

Also on April 16, 2025, the Commission filed a cross-complaint against Sable asserting two causes of action: (1) equitable relief to restrain violation of a cease and desist order; and (2) for declaratory relief.

On May 15, 2025, the Commission filed its first amended cross-complaint (FACC) asserting five causes of action: (1) equitable relief to restrain violation of a cease and desist order; (2) equitable relief to restrain violation of a restoration order; (3) equitable relief to restrain violation of an administrative civil penalty order; (4) for declaratory relief for Sable's violation of CDO CCC-25-CD-01; and (5) for declaratory relief for Sable's violation of RO CCC-25-RO-01.

On May 16, 2025, the Commission made a motion to bifurcate and separately try the writ of mandate claims before the non-writ claims. Also on May 16, the Commission filed its demurrer to the FAP.

On June 16, 2025, Sable filed its demurrer to the FACC.

On June 18, 2025, the Court sustained, without leave to amend, the Commission's demurrer to the sixth cause of action of the FAP and otherwise overruled the demurrer.

On July 23, 2025, the Court overruled Sable's demurrer to the FACC. The Court also granted the Commission's motion to bifurcate. The Court set a briefing schedule for resolution of the writ claims on the administrative record.

The parties have lodged the administrative record with the Court. The parties have filed their respective briefs.

Analysis

(1) Requests for Judicial Notice

In support of the petition, Sable requests that the Court take judicial notice of selected provisions of the Coastal Zoning Ordinance of the County. This request for judicial notice is granted. (See Evid. Code, § 452, subds. (b), (c).)

In support of the petition in reply, Sable also requests that the Court take judicial notice of "the dictionary definition of 'act.' " (Reply Request for Judicial Notice [RRJN], at p. 2.) The Court will take judicial notice of the fact that definition of "act" in exhibit 2 the RRJN appears at the website for merriam-webster.com. (See Evid. Code, § 452, subd. (h).) "When interpreting a statute, Courts 'appropriately refer to the dictionary definition' to ascertain the ordinary, usual meaning of a word." (*California Public Records Research, Inc. v. County of Stanislaus* (2016) 246 Cal.App.4th 1432, 1445.) The Court may therefore appropriately consider that dictionary definitions in determining statutory meaning (as discussed below). However, judicial notice does not extend to determining that this specific definition of "act" applies in the relevant a statutory context.

(2) Standards of Review

"Any aggrieved person shall have a right to judicial review of any decision or action of the commission by filing a petition for a writ of mandate in accordance with Section 1094.5 of the Code of Civil Procedure …." (Pub. Resources Code, § 30801.)

“Administrative mandamus [citation] provides for judicial review of an agency decision resulting from a proceeding in which ‘(1) by law a hearing is required to be given, (2) evidence is required to be taken, and (3) the determination of the facts is the responsibility of the administrative agency.’ [Citations.]” (*Save Oxnard Shores v. California Coastal Com.* (1986) 179 Cal.App.3d 140, 148.)

Both parties agree that, notwithstanding that Sable’s first cause of action is stated in the alternative of a traditional writ of mandate under Code of Civil Procedure section 1085, the appropriate procedure and standards are for an administrative writ of mandate under section 1094.5. (Sable Notice of Motion, at p. 2; Sable Opening Brief, at p. 8; Commission Opposition Brief, at p. 8.)

“The inquiry in such a case shall extend to the questions whether the Respondent has proceeded without, or in excess of, jurisdiction; whether there was a fair trial; and whether there was any prejudicial abuse of discretion. Abuse of discretion is established if the Respondent has not proceeded in the manner required by law, the order or decision is not supported by the findings, or the findings are not supported by the evidence.” (Code Civ. Proc., § 1094.5, subd. (b).)

“ ‘ “The general rule” ’ in [writ of administrative mandate] actions is that judicial review ‘ “is conducted solely on the record of the proceeding before the administrative agency. [Citation.]” [Citation.]’ [Citation.] A reviewing Court may receive additional evidence only if that evidence ‘in the exercise of reasonable diligence, could not have been produced or ... was improperly excluded at the hearing before’ the administrative agency. [Citations.] Thus, in reviewing the Commission’s decision, Courts are ‘confined to the record before the Commission unless’ the Petitioner shows it ‘could not have produced’ the new evidence ‘in the exercise of reasonable diligence or unless relevant evidence was improperly excluded at the administrative hearing.’ [Citation.]” (*Sierra Club v. California Coastal Com.* (2005) 35 Cal.4th 839, 863.)

The administrative record is reviewed “ ‘to determine whether the Commission’s findings are supported by substantial evidence.’ [Citation.]” (*Reddell v. California Coastal Com.* (2009) 180 Cal.App.4th 956, 962 (*Reddell*).) “ ‘ “Courts may reverse an agency’s decision only if, based on the evidence before the agency*,* a reasonable person could not reach the conclusion reached by the agency.” ’ [Citation.]” (*Ibid*., italics omitted.)

"It is presumed that an administrative agency regularly performed its duty, and the burden is on the party challenging the agency's actions to prove an abuse of discretion." (*Save Laurel Way v. City of Redwood City* (2017) 14 Cal.App.5th 1005, 1011.)

(3) Arguments

Sable argues that the Commission abused its discretion in issuing the April 10 Orders because the County authorized Sable's onshore repair work. In support of this argument Sable argues that the existing onshore CDPs encompass the onshore work, that the County's determination is entitled to deference, and that the Commission lacks statutory authority to issue the CDO. Sable further argues that the OSFM compelled and approved Sable's installation of safety valves. Sable further argues that the offshore repair work was fully authorized.

The Commission disagrees and disputes each of Sable's arguments. Instead, the Commission argues that it was authorized to issue the April 10 Orders and that Sable engaged in unauthorized development in violation of the Coastal Act.

(4) Coastal Act Requirements

Except as to emergencies not at issue here, "and in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, any person, as defined in Section 21066, wishing to perform or undertake any development in the coastal zone, other than a facility subject to Section 25500, shall obtain a coastal development permit." (Pub. Resources Code, § 30600, subd. (a).)

" 'Development' means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto; construction,

reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility; and the removal or harvesting of major vegetation other than for agricultural purposes, kelp harvesting, and timber operations which are in accordance with a timber harvesting plan submitted pursuant to the provisions of the Z'berg-Nejedly Forest Practice Act of 1973 (commencing with Section 4511). [¶] As used in this section, 'structure' includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line." (Pub. Resources Code, § 30106.)

There is no essential dispute that Sable's Anomaly Repair Work constitutes "development" within the meaning of the Coastal Act. The Anomaly Repair Work involves grading and other activities within the definition of "development." There is therefore no essential dispute that performing such work requires a CDP. Sable argues both that the CDPs obtained in 1986 authorize the development activities under the Coastal Act and that the Commission does not have authority to issue the CDO based upon the development activities.

(5) Commission Authority

"The Coastal Act 'was enacted by the Legislature as a comprehensive scheme to govern land use planning for the entire coastal zone of California. The Legislature found that "the California coastal zone is a distinct and valuable natural resource of vital and enduring interest to all the people"; that "the permanent protection of the state's natural and scenic resources is a paramount concern"; that "it is necessary to protect the ecological balance of the coastal zone" and that "existing developed uses, and future developments that are carefully planned and developed consistent with the policies of this division, are essential to the economic and social well-being of the people of this state...." ([Pub. Resources Code,] § 30001, subds. (a) and (d).)' [Citation.] The Coastal Act is to be 'liberally construed to accomplish its purposes and objectives.' (Pub. Resources Code, § 30009.) Under it, with exceptions not applicable here, any person wishing to perform or undertake any development in the coastal zone must obtain a coastal development permit 'in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency....' (*Id.,* § 30600, subd. (a).)" (*Pacific Palisades Bowl Mobile Estates, LLC v. City of Los Angeles* (2012) 55 Cal.4th 783, 793–794 (*Pacific Palisades*).)

"The Coastal Act expressly recognizes the need to 'rely heavily' on local government '[t]o achieve maximum responsiveness to local conditions, accountability, and public accessibility....' (Pub. Resources Code, § 30004, subd. (a).) As relevant here, it requires local governments to

develop local coastal programs, comprised of a land use plan and a set of implementing ordinances designed to promote the act's objectives of protecting the coastline and its resources and of maximizing public access. (*Id.,* §§ 30001.5, 30500–30526; [citation].) Once the California Coastal Commission certifies a local government's program, and all implementing actions become effective, the commission delegates authority over coastal development permits to the local government. (Pub. Resources Code, §§ 30519, subd. (a), 30600.5, subds. (a), (b), (c).) Moreover, '[p]rior to certification of its local coastal program, a local government may, with respect to any development within its area of jurisdiction, ... establish procedures for the filing, processing, review, modification, approval, or denial of a coastal development permit.' (*Id.,* § 30600, subd. (b)(1).) An action taken under a locally issued permit is appealable to the commission. (*Id.,* § 30603.) Thus, '[u]nder the Coastal Act's legislative scheme, ... the [local coastal program] and the development permits issued by local agencies pursuant to the Coastal Act are not solely a matter of local law, but embody state policy.' [Citation.] 'In fact, a fundamental purpose of the Coastal Act is to ensure that state policies prevail over the concerns of local government.' [Citation.]" (*Pacific Palisades*, *supra*, 55 Cal.4th at p. 794.)

The County established a LCP at the time of the issuance of the 1986 CDPs. There is no essential dispute that the initial construction of the Pipelines were within the scope of the CDPs as issued.

Sable argues that the Commission has no authority to issue the CDO as to the onshore work because the County issued the applicable CDP and the County determined that the work was within the scope of the CDP. The Commission argues that it has authority to issue the EDCDOs and CDO because the County failed and refused to act to enforce the Coastal Act.

"If the executive director determines that any person or governmental agency has undertaken, or is threatening to undertake, any activity that (1) may require a permit from the commission without securing a permit or (2) may be inconsistent with any permit previously issued by the commission, the executive director may issue an order directing that person or governmental agency to cease and desist. The order may be also issued to enforce any requirements of a certified local coastal program …, or any requirements of this division which are subject to the jurisdiction of the certified program or plan, under any of the following circumstances: [¶] … [¶] (2) The commission requests and the local government … declines to act, or does not take action in a timely manner, regarding an alleged violation which could cause significant damage to coastal resources. [¶] (3) The local government … is a party to the violation." (Pub. Resources Code, § 30809, subd. (a)(2), (3).)

"If the commission, after public hearing, determines that any person or governmental agency has undertaken, or is threatening to undertake, any activity that (1) requires a permit from the commission without securing a permit or (2) is inconsistent with any permit previously issued by the commission, the commission may issue an order directing that person or governmental agency to cease and desist. The order may also be issued to enforce any requirements of a certified local coastal program …, or any requirements of this division which are subject to the jurisdiction of the certified program or plan, under any of the following circumstances: [¶] … [¶] (2) The commission requests and the local government … declines to act, or does not take action in a timely manner, regarding an alleged violation which could cause significant damage to coastal resources. [¶] (3) The local government … is a party to the violation." (Pub. Resources Code, § 30810, subd. (a)(2), (3).)

The Commission twice requested that the County take enforcement to stop Sable's construction activity. (AR 300-301, 1078-1079.) The County has taken no enforcement action. Instead, in its February 12 letter to Sable, the County staff took the position that no further application to or action by the County is required for Sable to do the Anomaly Repair Work. (AR 543-544.) The Commission points to the County's February 12 letter as inaction to authorize its own action under sections 30809 and 30810. Sable points to the County's February 12 letter as action by the County precluding Commission action under sections 30809 and 30810.

To resolve this dispute, it is necessary for the Court to interpret the language in sections 30809 and 30810 of "the local government … declines to act." (Note: For ease of writing, the Court will refer only to section 30810. Because the language is identical and there is no apparent reason for interpreting this language different as between section 30809 and 30810, the same analysis applies to section 30809.)

"We will follow the Act's plain meaning unless doing so would lead to absurd results the Legislature did not intend. [Citation.] If we cannot determine that meaning from the statutory language, we will defer to the Commission's interpretation of the Act so long as it is not clearly erroneous. [Citation.] We may also examine legislative history [citation] and 'consider the impact of an interpretation on public policy' [citation]. But we can neither insert words into the Act that the Legislature omitted nor omit words the Legislature inserted [citation]; our job is not to rewrite statutes to conform to an assumed intent that does not appear from their language [citation]." (*Wall v. California Coastal Commission* (2021) 72 Cal.App.5th 943, 953.)

However, "[w]e give no deference to the Coastal Commission's determination in deciding whether its action exceeds the authority delegated to it by the Legislature." (*City of Malibu v.*

California Coastal Com. (2012) 206 Cal.App.4th 549, 560.)

Sable argues, citing a definition of "act" as "to give a decision," that the County did act. This interpretation is not, however, consistent with the overall use of language in the statute.

"Pursuant to established principles, our first task in construing a statute is to ascertain the intent of the Legislature so as to effectuate the purpose of the law. In determining such intent, a Court must look first to the words of the statute themselves, giving to the language its usual, ordinary import and according significance, if possible, to every word, phrase and sentence in pursuance of the legislative purpose. A construction making some words surplusage is to be avoided. The words of the statute must be construed in context, keeping in mind the statutory purpose, and statutes or statutory sections relating to the same subject must be harmonized, both internally and with each other, to the extent possible. [Citations.] Where uncertainty exists consideration should be given to the consequences that will flow from a particular interpretation. [Citation.] Both the legislative history of the statute and the wider historical circumstances of its enactment may be considered in ascertaining the legislative intent." (*Dyna-Med, Inc. v. Fair Employment & Housing Com.* (1987) 43 Cal.3d 1379, 1386–1387.)

The language of section 30810, subdivision (a)(2) is "The commission requests and the local government … declines to act, or does not take action in a timely manner, regarding an alleged violation which could cause significant damage to coastal resources." The phrase "declines to act" exists in conjunction with the "commission requests" and both are modified by "regarding an alleged violation which could cause significant damage." The phrase "declines to act" thus more naturally reads as a negative response to the Commission's request for action. That is precisely what occurred here—the County, or at least a staff member acting for the County, declined to take enforcement action as requested by the Commission, instead finding that no further action was necessary.

The ostensible purpose of section 30810, subdivision (a) is to allow the Commission to act to stop significant damage to coastal resources, even where there is a LCP in place, where the local government does not act. It is reasonable to assume that if a local government is not acting to stop such potential damage after a request by the Commission, one reason why the local government does not act is because it disagrees with the Commission as to the need or wisdom to act. The statutory language and overall statutory purpose, however, is to protect coastal resources. Thus, under subdivision (a), if the Commission sees a violation and the local government does not, the Commission may issue a CDO.

Sable's alternative interpretation is inconsistent with the statutory scheme. As Sable points out, the action by County here is not subject to appeal, within the County or to the Commission. (AR 9358.) Consequently, under this interpretation, if the County's determination that no further authorization is required is legally wrong, the Commission has no authority to act to prevent the violation. The Commission's apparent only avenue would be to seek a writ in civil Court to make the County act differently. That consequence is plainly contrary to the statutory language to allow the Commission to act on its own to protect coastal resources when the local government does not. It is, for the same reason, also inconsistent with subdivision (a)(3) that allows the Commission to issue a CDO, notwithstanding a LCP, where the local government itself is a party to the violation.

The Court finds that, under the facts presented in the AR here, the Commission had authority to issue the April 10 Orders.

(6) Scope of 1986 CDPs

Sable's next principal argument is that the Anomaly Repair Work was authorized by the 1986 CDPs issued by the County. The County's February 12 letter addresses this issue by stating: "The County conducted a detailed review of pipeline permitting history and the Coastal Zoning Ordinance. Planning and Development concludes that this pipeline anomaly repair work is authorized by the existing permits (Final Development Plan, Major Conditional Use Permit, and associated Coastal Development Permits) and was analyzed in the prior Environmental Impact Report/Environmental Impact Statement (EIR/EIS)." (AR 543.)

This argument was rejected by the Commission in reaching its determination to issue the April 10 Orders. (See AR 6.)

The CDPs by their express terms authorize "[c]learing, grading and trenching activities for Celeron Pipeline Project as approved by 85-DP-66cz" and "[r]emainder of all construction activities for Celeron Pipeline Project as approved by 85-DP-66cz." (AR 3891, 3894.) There is no essential dispute between the parties that the CDPs authorize not only the initial construction of the Pipelines but maintenance activities consistent with the continuing operation of the Pipelines. The parties do not point to anything in the AR to suggest that additional CDPs were required or expected for maintenance activities during the time of the continuous operation of

the Pipelines. This is understanding is consistent with the EIR/EIS analysis which very generally addresses maintenance.

The circumstances at the time of the April 10 Orders, however, were markedly different from those contemplated by the CDPs as issued. One significant difference is that in 2015 there was an oil spill that shut down the operation of the Pipelines. The Anomaly Repair Work did not commence until 2024, with approximately nine years of hiatus. (AR 1748-1750.) Another significant difference is that the work in 2024 was significantly more intense than prior maintenance activities. The work done by Sable involved work at 121 sites done during a single year, rather than limited work done throughout nearly a decade.

The definition of “development” under Public Resources Code section 30106 includes “construction” and “reconstruction” of any “structure.” “Structure” is further defined to include a “pipe.” Because the definition of “development” expressly includes both “construction” and “reconstruction,” under ordinary principles of statutory construction, these terms are interpreted to mean different things. Thus, a permit that allows for “construction” would not in the ordinary sense also allow for “reconstruction.” And, indeed, the CDPs expressly permit “construction” without mention of “reconstruction.” The dictionary definition of “reconstruct” is sensible, including: “to construct again: as **a** (1): to build again: rebuild <~*ing* destroyed railroads> (2): to make over: repair <~*ed* the highways that needed it>.” (Webster’s 3d New Internat. Dict. (1986) p. 1897.) So “reconstruction” (the action of reconstructing (*id*., p. 1898)) includes concepts of both rebuilding and repair.

By including “reconstruction” as separate from “construction,” it is reasonable to conclude that at some point the extent of maintenance of a project would move from construction to reconstruction, where reconstruction would be a development requiring a CDP separate from the CDP authorizing construction. Whether specific to that part of the definition of “development” or more generally, these concepts provide an analytical framework to distinguish among permitted development as authorized by a CDP and unpermitted further development requiring a separate CDP.

As a starting point, it is useful to note that the EIR/ EIS projected a 30-year life of the project, although the actual life would depend on the availability of crude oil. (AR 2580.) This projected end of life is close to when the 2015 Refugio Oil Spill occurred. In that timeframe, work needed to keep the Pipeline operational would be expected to intensify and thus be more akin to “reconstruction” than mere maintenance. This is consistent with the record of what happened. According to Commission staff, the work done by Sable far exceeds the simple repair and

maintenance as described by Sable:

“Sable has excavated and reinforced or replaced the line at more than 130 separate locations along its roughly 14-mile length in the Coastal Zone, in some extended stretches, leaving behind barely any in its original condition. In addition, the type of work being done, which includes permanent removal of the insulating layer on the outside of the line, which was a critical feature of the original design.” (AR 13000-13001.) “Based on information from Sable, it has excavated over 3.7 acres across its worksites in the Coastal Zone and an estimated 72,000 cubic yards of soil.” (AR 13001.) “Considering the additional area of habitat removal and disturbance for access roads and staging areas and stockpile areas for the worksites, the cumulative

impact of the work is significantly greater.” (AR 13002.)

This last point is also meaningful. Even it is assumed that the same repair and maintenance work that was actually done by Sable (or at the time of the CDO contemplated by Sable) would have ultimately have been required during continuous operation of the Pipelines, such work would have been accomplished under the CDP authorization over the course of approximately nine years. Doing all of that work in the space of a few months has a cumulative effect of a substantially increased intensity of use of the land that is more consistent with “reconstruction” than maintenance “construction.”

While there are some factual disputes regarding the scope and nature of the work performed by Sable (and, as of the time of the CDO, to have been performed by Sable), the Commission determined the extent of this work to exceed the scope of “construction” as authorized by the existing CDPs. This is a different conclusion than apparently reached by the County. This disagreement raises an issue about the extent to which deference is owed to either decision. (See *Reddell*, *supra*, 180 Cal.App.4th 956, 968, quoting *Divers’ Environmental Conservation Organization v. State Water Resources Control Bd.* (2006) 145 Cal.App.4th 246, 252, 51 Cal.Rptr.3d

497 [“ ‘... we must also defer to an administrative agency’s interpretation of a statute or regulation involving its area of expertise, unless the interpretation flies in the face of the clear language and purpose of the interpreted provision’ ”].)

As between the County’s position and the Commission’s position, the Commission’s position is more persuasive. The issue presented to each agency is the same. The Commission, in addition to its position as a state-wide agency responsible for Coastal Act issues, adopted its position by action of its Commissioners with a detailed staff report incorporated by reference.

(AR 12493-12494.) The County's February 12 letter is conclusory in its analysis, reflects the position of staff rather than a decisional body of the County, and contains express qualifications as to the limitations of it as a County decision. (AR 543-544.) Under these circumstances, to whatever extent deference is to be paid to these determinations, the Commission's determination is entitled to greater deference.

As a consequence, applying these concepts to the instant situation, the scope of the activity is more consistent with "reconstruction" than with "construction." The Court finds that there is substantial evidence to support the Commission's conclusion that the work is beyond the scope of the 1986 CDPs. To whatever extent this is a legal determination, the Court agrees with the Commission's characterization of such work as beyond the scope of the 1986 CDPs.

While the above discussion is focused on the Anomaly Repair Work, the same analysis and conclusion applies to both the installation of safety valves and the offshore repair work, as discussed below.

The Court concludes that Sable has not shown that the Commission was in error in determining that the prior CDPs did not authorize the work subject to the April 10 Orders. Put differently, under the standards applicable to administrative writs, Sable has not shown that its work was authorized under the Coastal Act.

(7) OSFM Approval of Safety Valve Installation

Sable also argues that because the OSFM compelled and approved Sable's installation of safety valves, that specific work is permitted by the existing CDPs. It is significant to note that the OSFM required operators to retrofit existing pipelines with "best available technology" (BAT), i.e., an automatic shutoff system, by April 1, 2023. (Cal. Code Regs., tit. 19, § 2108, subd. (c).) The work subject to the April 10 Orders occurred in 2024 as part of the extensive work performed by Sable. For the same reasons discussed above, whether or not specific work could under different conditions been considered as within the scope of the existing CDPs, the Commission did not err in determining that the extensive work conducted by Sable was beyond the scope of the 1986 CDPs and hence unpermitted.

(8) Offshore Work

Sable further argues that the Offshore Repair Work was fully authorized by the prior CDP. This argument is subject to the same analysis as discussed above. The offshore portion of the Pipelines was constructed under a CDP issued by the Commission (rather than the County) in 1988. (AR 61-62.) The Offshore Repair Work included within the unpermitted work identified in the April 10 Orders include the deployment and positioning of sand and concrete bags to provide structural support below section from which the seafloor had scoured or eroded. (AR 6.) As with the onshore work, there is a factual dispute between the parties as to the characterization of the work, among other things, as being within the scope of the 1988 CDPs. For the same reasons discussed above, whether or not specific work could under different conditions have been considered as within the scope of the existing CDPs, the Commission did not err in determining that the extensive work conducted by Sable was beyond the scope of the 1988 CDP and hence unpermitted.

(9) Conclusion

As the above discussion demonstrates, the issue before the Court is not whether the specific work conducted by Sable was or is ultimately necessary or appropriate for pipeline safety. The issue before the Court is whether the Commission abused its discretion in issuing the April 10 Orders under the standards for review by petition for administrative writ of mandate.

Based on the foregoing analysis and a review of all of the arguments of the parties and the AR, the Court finds the Commission's factual findings are supported by substantial evidence and that Sable has not met its burden to show an abuse of discretion by the Commission in issuing the April 10 Orders.

Accordingly, the petition for administrative mandate as set forth in the first cause of action of Sable's FAP will be denied.

DARREL E. PARKER, EXECUTIVE OFFICER

Minutes Prepared by:

Veronica Robles , Deputy

Attachment J

steep slopes in protected habitat areas, including federally designated critical habitat for wildlife protected under the Endangered Species Act, or within sensitive stream corridors and wetlands.

The timing of much of this work has been very problematic. It's been occurring during the breeding season for the area's federally endangered steelhead and threatened red-legged frog, the nesting season for most bird species and the time of year when ground disturbance is most likely to result in erosion, scarring, and discharge of sediment into wetlands and watercourse.

Sable began this work without receiving new coastal development permits. When this was brought to the attention of commission staff in September of last year, and we understood the environmental damage it could result in, we issued a notice of violation to Sable in hopes the work would cease. Because the work did not stop, the Coastal Commission's executive director then began a proceeding for issuance of a cease-and-desist order in early October and issued that order on November 12th. The order also called for Sable to submit an application for a coastal development permit and to refrain from carrying out additional work on the

pipeline until that permit was issued. While Sable did stop onshore work for a time, it refused to seek that permit. Instead, Sable shifted its focus to offshore and began preparations to reinforce several sections of the oil and water pipelines that connect the platforms to shore.

Despite repeated requests for Sable to apply for and obtain a permit prior to starting this work, Sable again proceeded without a permit prompting issuance of another notice of violation on February 11th. Shortly after receiving this notice, Sable started work again on its onshore pipeline, still without the permit we had called for. This prompted issuance of a second cease and desist order by the Coastal Commission's Executive Director on February 18th. Despite this order, Sable continued its work unabated.

I know that many of you're wondering why we're not taking further steps in response to what we consider to be repeated Coastal Act violations. I want to assure you that we've been actively using and pursuing all the tools at our disposal to get Sable to seek Coastal Act authorization before proceeding with further pipeline work. This is the first time in the agency's history that we've had a party blatantly

ignore a cease-and-desist order like this and refuse to submit a permanent application. [APPLAUSE]

Sable's representatives have told us that they'll only stop if a court makes them. So we've been working with the Attorney General's office for the past month to move in that direction. [APPLAUSE] The situation has been complicated by the County of Santa Barbara Planning Department's position that the work is covered by a permit issued nearly 40 years ago for the original construction of the pipeline. [APPLAUSE] While we strongly disagree with that stance and have started a dispute resolution process with the county to address it, Sable continued working night and day to complete the pipeline work.

It's our understanding that the work is largely wrapped up now with the largest exception being the section in Gaviota State Park where the work is currently on hold. We're focusing on that area now and on bringing enforcement order to the commission at its April meeting in Santa Barbara. This would be different from the previous cease and desist orders in that it would be brought to the commission itself for a decision in a public meeting and could include penalties and mitigation for damage caused by the (inaudible) work. [APPLAUSE] Overall, this continues

Attachment K

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Th8.1, Th8.2 & Th8.3

Staff: Stephanie Cook –SF
Staff Report: March 28, 2025
Hearing Date: April 10, 2025

STAFF REPORT: RECOMMENDATIONS AND FINDINGS FOR CEASE AND DESIST ORDER, RESTORATION ORDER, AND ADMINISTRATIVE CIVIL PENALTY

Cease and Desist Order No.:	**CCC-25-CD-01**
Restoration Order No.:	**CCC-25-RO-01**
Administrative Penalty No.:	**CCC-25-AP3-01**
Related Violation File:	**V-9-24-0152**
Entity Subject to this Order:	**Sable Offshore Corp.**
Location:	The properties that are subject to this proceeding are at various locations along the existing Las Flores Pipelines CA-324 and CA-325 within the Coastal Zone, between the Gaviota coast and the Los Padres National Forest, and areas around those properties, that are being or could be impacted by the development activities at issue here, as described below, all within Santa Barbara County; as well as offshore locations in state waters, where the parties subject to this proceeding have undertaken unpermitted development in placing sand and cement bags on the seafloor below and adjacent to out-of-service offshore oil and water pipelines, all as part of an effort to restart Santa Ynez Unit oil production operations and bring the pipelines back into use.
Violation Description:	Activities onshore including, but not limited to, excavation with heavy equipment; removal of

major vegetation; grading and widening of roads; installation of metal plates and other fill material within wetlands; dewatering and discharge of water; pipeline removal, replacement, and reinforcement; installation of shutoff valves; and other development associated with the Las Flores Pipelines CA-324 and CA-325; as well as offshore development including, but not necessarily limited to, placing sand and cement bags on the seafloor below and adjacent to out-of-service offshore oil and water pipelines; all without the requisite Coastal Act authorization, as part of an effort to restart Santa Ynez Unit oil production operations and bring the pipelines back into use.

Substantive File Documents:

1. Public documents in the files for Cease-and-Desist Order CCC-25-CD-01, Restoration Order CCC-25-RO-01, and Administrative Civil Penalty Order CCC-25-AP3-01

2. Exhibits 1 through 130 and Appendix A of this staff report.

SUMMARY OF STAFF RECOMMENDATIONS

Introduction

These proceedings pertain to several ongoing and extensive Coastal Act violations undertaken by Sable Offshore Corp. (“Sable”) at various onshore locations along existing crude oil conveyance pipelines on the Gaviota coast in Santa Barbara County, as well as offshore, along sections of related oil and water pipelines, located within state waters, that connect the offshore Santa Ynez Unit oil production platforms to shore. All the violations are at sites along or offshore of the Gaviota Coast, in Santa Barbara County, and all of which have adversely impacted, and continue to adversely impact, coastal resources as a result of Sable’s outright refusal to comply with the Coastal Act. Sable’s development activities on the Pipelines have also been the concern of several other state environmental and natural resource agencies including the State Water Control Resources Board and Regional Water Quality Control Board, the California Department of Fish and Wildlife, and the Department of Parks and Recreation, all of which have similarly identified issues associated with Sable’s lack of compliance with applicable environmental regulations. This issue has also generated concern from State legislators, culminating in a recent inter-agency Town Hall meeting where the aforementioned agencies, as well as some others, collectively met to discuss their respective roles, and interest, in this ongoing issue, as well as to answer questions from the public.

Both the onshore portion of the Pipelines and the offshore oil and water pipelines are part of the larger Santa Ynez Unit, which consists of three offshore platforms (Hondo, Harmony, and Heritage), the Las Flores Canyon processing facility, and associated electrical transmission and onshore and offshore oil, water and natural gas transport pipelines. The Las Flores Pipelines CA-324 and CA-325 (previously Lines 901 and 903 respectively) ("Pipelines") are located onshore, with Line CA-324 following along the coastline between the Las Flores Canyon Plant processing facility and the Gaviota Pump Station, and line CA-325 extending inland from the pump station. Separate offshore oil and water pipelines extend from the Las Flores facility into state coastal waters and ultimately connect to the three platforms offshore in federal waters, mentioned above.

Background

This specific pipeline system is of particular historical importance as it is the source of the 2015 Refugio Beach oil spill, which caused significant environmental damage to approximately 150 miles of coastline. The oil spill occurred when a corroded portion of the onshore pipeline Line CA-324 ruptured, releasing more than 123,000 gallons of oil. Much of this oil flowed into a storm drain which traveled under the adjacent highway, before reaching the coast of Refugio State Beach, and continuing outward into the ocean.[1] The spill had a severe effect on the coast, negatively impacting wildlife and ecosystems along the coast, and requiring hundreds of millions of dollars in clean-up costs. In addition, the spill caused an estimated 140,000 lost recreation user days between Santa Barbara, Ventura, and Los Angeles Counties.[2] As a result of the oil spill, all production of oil was halted at the Santa Ynez Unit in 2015, and the pipelines have remained offline and out-of-service since that time.

The Las Flores Pipeline System was constructed in the 1980's after Celeron Pipeline Company ("Celeron") proposed to construct a pipeline that would transport crude oil produced from offshore platform locations to out-of-state refinery facilities. Celeron applied to Santa Barbara County and was granted a Conditional Use Permit ("CUP") and Final Development Permit ("FDP"). Additionally issued under the umbrella of the FDP were two coastal development permits, each of which incorporated by reference the language in the FDP. Celeron completed construction in 1990, and thereafter, the pipelines remained in service until the 2015 oil spill, at which point they were placed out of service.

Since that time, ownership of the Pipelines has been transferred from Plains Pipeline, L.P., owner and operator in 2015, when the lines were placed offline, to ExxonMobil Corporation ("Exxon") which purchased them on October 13, 2022. Exxon then entered into a purchase agreement with Sable one month later, on November 1, 2022. This purchase agreement between Exxon and Sable was finalized on February 14, 2024. Through this agreement, Sable purchased the entire Santa Ynez Unit ("SYU"), including the Pipelines, and all associated assets (the three offshore platforms, subsea pipelines and infrastructure, and Las Flores Canyon processing facility). As the new owner and operator of the Pipelines,

[1] https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=193144&inline
[2] California Department of Fish and Wildlife et al., *Refugio Beach Oil Spill Final Damage Assessment and Restoration Plan/Environmental Assessment*, p. 18 (June 2021) [hereinafter "NRDA"], available at: https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=193144&inline.

Sable began undertaking efforts to transfer necessary permits and to restart use of the Pipelines and SYU offshore oil production operations.

In brief, this case seeks to resolve Coastal Act violations where Sable, the current owner and operator of the SYU, including the Pipelines and other associated assets as described above, has undertaken, and continues to undertake, development activities onshore, along the Pipelines, and at locations at offshore pipelines, as well, all without prior Coastal Act authorization. Importantly, most of the activities undertaken at locations onshore, along the Pipelines, and which Sable has refused to suspend, have been carried out in direct violation of several Notice of Violation and Notice of Intent letters, and in direct violation of Commission staff warnings and even a formal Cease and Desist Order.

Violation Description

As described in greater detail below, Sable undertook development at locations onshore, along the Pipelines, as early as, if not before, September of 2024. Sable undertook such activities without prior communication or notification to the California Coastal Commission ("Commission") staff, and without Coastal Act authorization. More specifically, at locations onshore, Sable undertook development activities including the following: 1) excavation with heavy equipment; 2) removal of major vegetation; 3) grading and widening of roads; 4) installation of metal plates and other fill material within wetlands; 5) dewatering and discharge of water, including into coastal waterways; 6) pipeline removal, replacement, and reinforcement; 7) installation of shutoff valves; as well as other development associated with the inspection and anomaly correction work on Las Flores Pipelines CA-324 and CA-325. At locations offshore, Sable undertook development beginning on November 29, 2024, including the placement of sand and cement bags on the seafloor below and adjacent to Sable's out-of-service offshore oil and water pipelines.

After acquiring the Pipelines, Sable began conducting inspections along the Pipelines to assess the many sites where the pipeline had corroded and was at risk of rupture. These inspections showed over 100 locations along the Pipelines, and within the Coastal Zone, where Sable determined the pipeline was defective, and in need of repair. To complete these repairs, Sable brought in heavy equipment to excavate substantial areas, and began either, removing or replacing whole sections of pipe, or installing external sleeves or coatings to expand and reinforce the pipeline. With regard to the installation of shutoff valves, as mentioned above, 16 shutoff valves were installed at onshore locations of the Pipelines and of those 16 valves, a total of seven were located in the Coastal Zone. The shutoff valves are large structures with various apparatuses that are installed directly on the Pipelines. In certain locations, installation of this type of apparatus involved extensive grading and removal of vegetation. Importantly, the full extent of development undertaken in accordance with the above-listed Coastal Act violations, is not fully known by Commission staff as Sable has repeatedly declined requests from Commission staff to provide full-scale project plans and detailed information about the scope of work it carried out.

The onshore development along the Pipelines has resulted in adverse impacts to various sensitive habitat areas in order to create access routes and staging areas, and for the

excavations themselves. Although some of the work has been in areas of less sensitive habitat, they still raise some concerns.is pastureland, Some of these excavations extend for roughly 100 ft, with a depth of roughly 10 ft, and some occurred on steep slopes (Exh. 112 and Exh. 113 and in protected habitat areas including federal designated critical habitat for wildlife protected under the Endangered Species Act, or within streambed corridors and wetlands. Over the months in which Sable has continued to undertake this work, Commission staff received reports with concerning images depicting potential for damage of these critical habitats, including images of excavators staged in particularly sensitive areas, such as above a pool of water where a southwestern pond turtle was seen to be swimming, or alongside two southern California steelhead (See exhibit 67 for image of critical species in pool under excavator). Notably, the southwestern pond turtle is proposed for federal listing as a threatened species and designated as a species of special concern, and the southern California steelhead is listed as an endangered species under the federal Endangered Species Act and is a candidate for listing under California's Endangered Species Act.

Sable characterizes the work as routine maintenance and claims that it was authorized by the original entitlements received in the 1980s. However, despite many discussions with both Sable and the County and extensive research into the history, Commission staff has found no support for this position. Furthermore, the level of work conducted along the onshore portions of the Pipeline is extraordinary. A single campaign to excavate over 100 separate pipeline sections across a modest distance; sever, remove and replace some sections; and expose, reinforce, seal, and coat others goes beyond what could possibly have been considered by the original permit and supporting documents. The only way for this level of activity to have been contemplated at the time of the original permit would be if it were presumed that required inspections would be incapable of detecting corrosion and degradation throughout the line to the point that the pipeline ruptured at one location and was in imminent risk of rupturing at over 100 other locations. When a pipeline is operated legally and responsibly – as would have been assumed by the permit and supporting documents – this level of degradation and subsequent need for simultaneous and comprehensive remediation across the entire line would never happen.

The timing of Sable's onshore work is also problematic in that it has occurred during the breeding season for the federally listed southern California steelhead and the California red legged frog, a species which is listed as threatened under the federal Endangered Species Act. The work also occurred during the nesting season for most bird species, as well as the time of year in which ground disturbance is most likely to result in erosion, scarring, and discharge of sediment into wetlands and watercourses. Moreover, several work sites are in or adjacent to environmentally sensitive habitat areas (ESHA), including coastal scrub and chaparral habitats, and in, or near, areas mapped as wetlands and riparian habitat. Other work sites are in annual or native grassland, and woodlands. Importantly, native grasslands are ESHA, while certain non-native habitats such as annual grasslands can also be ESHA if rare species are present, under Policy NS-4 (Coastal) of Santa Barbara County's Gaviota Coast Plan.[3] While there appears to have been damage

[3] *See* Gaviota Coast Plan ("GCP"), Santa Barbara County (Certified by CCC in 2018), Policy NS-4 (Coastal) at 2-16 to 2-18, available at https://cosantabarbara.app.box.com/s/67cui9hpdphz64ajtmbdndqwq1x8tr5h

to these areas, it is difficult for Commission staff to assess the full extent since vegetation was removed without first providing the Commission with adequate information, and without site-specific biological surveys taken by resource agency-approved independent experts at the appropriate times of year.

It also appears that Sable carried out work on the Pipelines without implementation of appropriate coastal resource protection measures. Images taken during the first week of October, after work had already commenced, demonstrate several erosion control measures had been installed improperly, and were therefore ineffective. Thus, not only was this work undertaken in areas which require critical measures in place to safeguard against degradation of environmental resources, it appears that even the measures which were observed to have been put in place were done so haphazardly. While Sable has maintained that this work was done with thorough analysis, and consideration of potential environmental impacts, it is unclear how successful these measures were, and whether they had meaningful benefits. Without input from or review by the Commission or other independent biologists as to methods, parameters, and other critical components of any such measures, it is likely that such measures did not, in fact, provide appropriate protection to surrounding sensitive habitat areas. The limited information and photos available from the public regarding the work undertaken supports these conclusions.

Further, as noted above, Sable asserts that it can rely on permits issued nearly 40 years ago for the original construction and installation of the pipeline as authorization for the work undertaken now. There are many reasons why this is not accurate, as discussed below, but it should be noted that any measures required decades ago simply could not incorporate protections for the current habitat and species on the site, as many sensitive resources have developed on the site or been identified or provided with legal protection in the time after that initial environmental review. These include the listing of several species under the federal Endangered Species Act that are present along the pipeline corridor, as well as the designation of Critical Habitat supporting them. No analysis or consideration of these species was made in the original permit and supporting documents from the 1980s. The Southern California Distinct Population Segment of steelhead (“Southern California steelhead”) was federally listed Endangered in 1997 and state listed in 2022; tidewater goby was federally listed Endangered in 1994; California red legged frog was federally listed Threatened in 1996; southwestern pond turtle was proposed as federally Threatened in 2023.

In addition to the onshore violations described above, Sable has also conducted unpermitted development at locations offshore, along the oil pipeline that connects the offshore SYU platforms to shore and an adjacent produced water discharge pipeline. This development, as mentioned above, included deployment and positioning of sand and concrete bags to provide structural support below sections from which the seafloor had scoured or eroded. Reinforcement of these pipelines was also carried out as part of an effort to restart SYU oil production operations and bring the pipelines back into use. Specifically, the project deployed a remotely operated vehicle (“ROV”) to place concrete bags along more than 750 linear feet of the pipelines to create support piers along 14 identified “spans” (sections of pipeline that are unsupported by the seabed), each measuring between 41 and 70 feet.

Commission staff and the Coastal Act provisions regarding oil and gas facilities support the thorough, and prompt, remediation of any problems that have the potential to adversely affect the structural integrity of active oil and gas pipelines, and the Coastal Act has a variety of regulatory review mechanisms to help ensure such efforts can be expedited and carried out in a timely manner. It is notable in this case, however, that Sable's pipelines were purged of oil and cleaned nearly ten years ago and currently have no potential to release or spill oil, thus reducing the time sensitive nature of the work Sable undertook. Whether expedited or carried out on a regular timeline, it is crucial, for the protection of coastal resources, that regulatory review occur in advance of construction activities to ensure that those activities are designed and carried out in a manner that avoids, minimizes and mitigates any adverse effects on coastal resources. For example, certain methods of pipeline inspection and installation present enhanced risks of disturbance and displacement of commercial and recreational fishing activities and gear, marine mammal entanglement, sensitive habitat damage and disturbance, and marine debris generation and release, while others present lower risks. However, in refusing to apply for a coastal development permit ("CDP") for this type of work, and thereby not engaging in the thorough analysis that would be afforded through the CDP application and review process and having the work conditioned to minimize harms to coastal resources, Sable has engaged in activities for which the aforementioned risks are high. In contrast, because those risks could probably be lowered to the point where the work would be consistent with the Coastal Act and the County's Local Coastal Program, through the conditions and mitigations that can be provided in a CDP, it is likely this work would be approvable, if a permit were to be sought. Yet, instead, Sable opted to move forward with this work without seeking a CDP, despite being informed that doing so would be in violation of the Coastal Act.

Initial Enforcement Actions

Since learning of the development activities undertaken at onshore locations along the Pipelines in September, Commission staff have made repeated, and extensive, attempts to work with Sable, and their counsel, in an effort to resolve both onshore and offshore Coastal Act violations. Throughout this time, Sable sporadically indicated willingness to comply and take steps toward resolving these violations, which prompted Commission staff to exert considerable resources, time, and efforts toward trying to reach an amicable resolution, including Coastal Act authorization for the work being undertaken. Ultimately, these efforts have proven unsuccessful. Sable twice indicated an interest in settling in the context of a consent order and twice they ceased negotiations and ended up not agreeing to do so.

After Commission staff became aware of the activities taking place at onshore locations along the Pipeline in September of 2024, Commission staff immediately initiated conversations with Sable to discuss the activities, and a potential consent order to resolve the potential violations. As described in greater detail below, Commission staff issued a Notice of Violation letter regarding these activities (Exh, 2), and then a Notice of Intent for an Executive Director Cease and Desist Order ("EDCDO"), (Exh, 3), followed by discussions to attempt to resolve this matter amicably. When that was unsuccessful, the

Executive Director issued an EDCDO in November. (Exh.4) Importantly, after the issuance of the November EDCDO addressing the onshore work along the Pipelines, Sable did cease certain activities at those locations and complied with portions of the EDCDO. However, at this time, Sable also turned its focus to undertaking work at locations along its offshore pipelines, despite being advised by Commission permitting staff that such work would also require a CDP. In fact, mere weeks after the issuance of the November EDCDO, and after having been reminded that the planned offshore work also needed Coastal Act authorization, Sable undertook development activities at these offshore locations without Coastal Act authorization. Commission staff was unaware that they had undertaken this additional unpermitted work until January of the following year.

As noted, Commission staff have worked extensively with Sable in an attempt to resolve these issues, beginning with the activities conducted onshore along the Pipelines. On September 18, 2024, after learning of the activities Sable was conducting at the onshore locations along the Pipelines, Commission staff initiated communications with Sable , to clarify, and confirm, that Sable was the current owner and operator of the Pipelines, as well as to confirm the specifics of the development undertaken at the onshore locations, and further to inform Sable that an application for an after the fact ("ATF") CDP would be required for the work undertaken, as well as a CDP application to address any future, proposed work. On September 20, 2024, Commission staff also initiated communications with Santa Barbara County Planning and Development Department ("County") staff, informing them of the development undertaken, the Commission's position that the development needed Coastal Act authorization and requesting that the County take enforcement action. These communications also noted that the Commission would assume jurisdiction under the Coastal Act provisions regarding enforcement jurisdiction if the County declined to act. The County responded that it would review and respond but no further response was received either indicating that the County was taking action or objecting to the Commission assuming jurisdiction over the matter. Exh.15)

On September 27, 2024, Commission staff issued Sable a Notice of Violation letter addressing the onshore Coastal Act violations and directing it to immediately cease any unpermitted activities within the coastal zone and to apply for both an ATF CDP for work undertaken, and a CDP for any future, planned work. Commission staff then met with Sable on October 1, 2024, to discuss the Notice of Violation letter, and actions to be taken. Commission staff, again, reiterated the imminent need to for Sable to immediately cease all work activities and, also asked for information as to the location and scale of Sable's work to date, as well as any additional planned work and requested full-scale project plans. At this time, Commission staff remained hopeful that Sable had undertaken the work without full understanding as to the requirements of the Coastal Act, and permit application processes. Commission staff discussed legal options, and discussed the potential permit options, as well as solicited input from Sable as to what measures they felt it was necessary to take to secure the open trench sites once work fully ceased. Commission staff had hoped that they could work collaboratively to ensure the sites were secure, as Sable seemed receptive to applying to requisite CDPs, and finding an agreeable path forward to resolve the Coastal Act violations.

Despite this conversation, Commission staff received reports that Sable had not ceased work in the Coastal Zone. On October 2, Commission staff received an email from Sable, in response to the September 27, 2024, Notice of Violation letter, which started that all work "subject to interim measures" had ceased. (Exh. 9) Despite this, Commission staff continued to receive reports that work had not ceased. On October 4, Commission staff requested written assurance that work had ceased, including what Sable referred to as "interim measures," to be provided no later than 2 pm that day. Commission staff additionally requested that Sable provide responses to staff's information request, in accordance with the September 27, 2024, Notice of Violation letter, no later than 5pm, the following Monday. At 1:57. on October 2, Sable, again, sent an email to Commission staff asserting that work had ceased. Yet again, Commission staff received reports that no cessation of work had occurred, and therefore, again, asked for written assurance from Sable, which was ultimately provided that afternoon. (Exh 135) Sable did not, however, provide a full response to the request for information regarding what had been done, and where, by the 5pm deadline the following Monday. Sable did provide some information after the deadline regarding locations where work had been conducted within the Coastal Zone but asserted that the full information request could not be answered at that time.

Therefore, since Sable failed to satisfactorily provide information requested and, further, failed to provide written confirmation of an intent to apply for both an ATF CDP for work undertaken, and a CDP for future, proposed work, the Executive Director issued an Executive Director Cease and Desist Order ("EDCDO") to Sable. This EDCDO directed Sable to cease all unpermitted development activities, undertake steps to temporarily secure the sites where Sable's development had temporarily ceased, and apply for CDPs, as described above. After issuance of the EDCDO, Sable ceased operations at locations in the Coastal Zone and instead shifted its focus to operations outside of the Coastal Zone. During this time, Sable undertook steps, pursuant to the EDCDO, to secure the sites where work had ceased, and Commission staff maintained regular communication with Sable's counsel, who indicated openness to submitting applications for CDPs, once time was afforded to more fully analyze the Pipelines' permitting history. As an accommodation, Commission staff provided a longer deadline for the application for CDPs, which extended beyond the February 10, 2025, expiration of the EDCDO, and provided Sable an additional 30 days, with a deadline of March 12, 2025, to submit such applications.

Regrettably, within a few days of the February 10, 2025, expiration of the EDCDO, Sable quickly resumed work, despite having not submitted any application for a CDP. On February 14, 2025, Commission staff began to receive several reports of equipment having been staged at construction sites, as well as reports that development was being undertaken into evening hours, and through the weekend. (Exh. 100) Two days prior to receiving these messages, on February 12, 2024, Commission staff received a letter from the County (Exh. 38), responding to Commission's staff's previous, January 10, 2024 request that the County agree to the Commission's review of a consolidated permit application. In the County's February 12th response, as discussed in greater detail in this staff report, the County asserted that Sable needed no permit for the work it had undertaken onshore, along the Pipelines, because that work was authorized by existing permits. The County also provided Commission staff with a copy of an additional letter, which the County sent to Sable, similarly notifying Sable that the work Sable had

undertaken onshore, along the Pipelines, which was the subject of the EDCDO issued in November, was, and is, covered by existing permits.

On February 14, Commission staff sent a letter to the County, objecting to the County's February 12 letter on procedural grounds and also explaining staff's disagreement with the County's position on the merits and asking for language in any permit that would support the County's position by potentially authorizing such development. (Exh, 40) This letter was also addressed to Sable. However, the County did not respond, and Sable continued its work and sent its own letter later that day defending the County's position. (Exh 38) Thus, on Sunday, February 16, Commission staff issued a notice of intent to issue a second EDCDO. (Exh. 6) In response to that notice, on February 17, 2025, Sable sent a letter to Commission staff challenging Commission staff's jurisdiction to proceed. The next day, the Commission's Executive Director issued the second EDCDO. (Exh. 7) The next day, Commission staff learned that Sable had sued the Commission over the actions to date, alleging that the Notices of Violation and the first EDCDO were illegal and effected a taking of Sable's property.

Commission staff have continued to attempt to reach an amicable settlement with Sable, including, in this instance, an offer to resolve the short-term issues with a consent EDCDO. While Sable chose to move forward with undertaking continued, unpermitted activities at the onshore locations along the Pipeline, Commission staff continued to engage in conversations with Sable, in hopes of finding an amicable resolution. In the weeks after issuance of the EDCDO, Sable, again, indicated willingness to engage in conversations with Commission staff that could lead to a potential consent agreement, in the form of a consent Cease and Desist Order, To this end, Commission staff spent extensive resources working to pull together proposed language for the potential orders, mentioned above, then spent days on intensive negotiations with Sable.

During a virtual meeting on March 11, 2025, Sable and Commission staff discussed the aforementioned language, and potential pathways forward. After this meeting, Sable provided language to be reviewed by Commission staff, which Commission staff worked late through that evening to provide. Unfortunately, before Commission staff had the opportunity to discuss this language with Sable, Sable informed Commission staff that they were terminating discussions.

To date, Sable has made no efforts to comply with this second EDCDO, has not submitted any application for a CDP, and has refused to cease operations despite being fully informed of the ongoing Coastal Act Violations and ongoing threats to coastal resources associated with its activities. Commission staff have worked exhaustively with Sable in an effort to find an agreeable path forward, and to achieve resolution of the numerous ongoing Coastal Act violations but, unfortunately, have been unable to reach any such agreement. Thus, Sable's actions, and inactions with regard to these violations have led to this action for the Commission to consider issuance of this unilateral Cease and Desist Order, Restoration Order, and Civil Administrative Penalty Order, as described below.

Proposed Resolution

The unpermitted development Sable has undertaken at both onshore and offshore locations has resulted in damage to coastal resources, but the extent of this damage is not fully known because of Sable's continued refusal to provide complete and detailed information as to the work that it has undertaken, as well as proposed, future plans. Additionally, Sable has continued to undertake development activities at onshore locations along the Pipelines, despite issuance of two separate Cease and Desist Orders and in direct contravention of the resource protection provisions of the Coastal Act.

Commission staff recommends the Commission approve Cease and Desist Order No. CCC-25-CD-01 to ensure that Sable ceases any further development activities along the Pipelines, until a complete CDP[4] application has been submitted and addressed for future, proposed activities, as well as an ATF CDP application for all development activities already undertaken at the onshore locations along the Pipelines, and for all development activities undertaken along offshore sections of Sable's oil and water pipelines.

Commission staff also recommends that, in conjunction with the proposed Cease and Desist Order, the Commission approve Restoration Order No. CCC-25-RO-01 to address the effects of the unpermitted work.

Lastly, Commission staff recommends that the Commission issue Civil Administrative Penalty Order No. CCC-25-AP3-01. The Coastal Act provides five factors for the Commission to consider in imposing a penalty. Applying those factors here, and grouping and treating the violations as proposed herein, the Commission could justify imposing a penalty up to a maximum of $18,022,500 in this case. Commission staff recommends that a substantial fine be imposed, given the nature of the multiple violations at both onshore and offshore locations; the lengthy and substantial amount of Commission staff resources expended in attempting to resolve these violations; the unprecedented manner in which Sable has continually refused to comply with any such attempts to resolve these violations and even a valid administrative order issued, and other public and legal policies at issue here, including the need to secure compliance with the Coastal Act CDP process. Commission staff is recommending a penalty in the range of $12,000,000- $15,000,000. Within that range, Commission staff is recommending the Commission, in its discretion, specify a penalty of $14,987,250.

To address these violations, Commission staff recommends that the Commission approve issuance of Cease and Desist Order No. CCC-25-CD-01; Restoration Order No. CCC-25-RO-01; and Civil Administrative Penalty Order No. CCC-25-AP3-01 (collectively "the Orders"). The proposed Sable Orders are included as Appendix A to this Staff Report.

[4] Although the orders require the submittal of an application for a CDP, that does not preclude a more expeditious form of review. Indeed, it is not uncommon for the Commission to approve such applications by issuing a waiver of the CDP requirement if the application materials demonstrate that the project is eligible for that form of Coastal Act authorization. This requirement for a complete CDP application is to ensure that the Commission has the necessary information to make the correct determination and is not in any way prejudging the outcome, either substantively or procedurally."

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I. MOTIONS AND RESOLUTIONS

Motion1: Cease and Desist Order

> *I move that the Commission issue Cease and Desist Order No. CCC-25-CD-01 to Sable Offshore Corp. pursuant to the staff recommendation.*

Staff recommends a YES vote on the foregoing motion. Passage of this motion will result in adoption of the resolution immediately below and issuance of the Cease and Desist Order. The motion passes only by an affirmative vote of the majority of Commissioners present.

Resolution to Issue a Cease and Desist Order:

> *The Commission hereby issues Cease and Desist Order No. CCC-25-CD-01, as set forth below in Appendix A, and adopts the findings set forth below on the ground that development has occurred without the requisite Coastal Development Permit, in violation of the Coastal Act and the Santa Barbara County Local Coastal Program; and that the requirements of the Cease and Desist Order are necessary to ensure compliance with the Coastal Act and the Coastal Development Permit.*

Motion 2: Restoration Order

> *I move that the Commission issue Restoration Order No. CCC-25-RO-01 to Sable Offshore Corp. pursuant to the staff recommendation.*

Staff recommends a YES vote on the foregoing motion. Passage of this motion will result in adoption of the resolution immediately below and issuance of the Restoration Order. The motion passes only by an affirmative vote of the majority of Commissioners present.

Resolution to Issue a Restoration Order:

The Commission hereby issues Restoration Order No. CCC-25-RO-01, set forth below on the grounds that Sable Offshore Corp. has undertaken development without the requisite Coastal Act authorization, the development is inconsistent with the Coastal Act, and the development is causing continuing resource damage.

Motion 3 Administrative Civil Penalty Action

I move that the Commission find that the various actions and failure to act by Sable Offshore Corp., as described in the Commission's findings, are in violation of the resource protection provisions of the Coastal Act, and the Commission impose upon them an administrative penalty in the amount of $ 14,987,250.

Staff recommends a YES vote on the foregoing motion. Passage of this motion will result in the assessment of an administrative penalty against Sable Offshore Corporation in the amount of $ *14,987,250.* The motion passes only by an affirmative vote of a majority of Commissioners present.

Resolution to Impose Administrative Penalties:

The Commission hereby imposes an administrative civil penalty against Sable in the amount of $ 14,987,250 dollars and adopts the findings set forth below; on grounds that development has violated the resource protection provisions of the Coastal Act, and these activities have negatively impacted coastal resources and violated 30821.3 of the Coastal Act.

II. HEARING PROCEDURES

The procedures for a hearing in which the Commission issues a Cease and Desist Order under Public Resources Code ("PRC") Section 30810 are described in the Commission's regulations at Section 13185 of Title 14 of the California Code of Regulations ("14 CCR") and the procedures for a hearing in which the Commission issues a Restoration Order under PRC Section 30811 are described in the regulations at Section 13195 of 14 CCR. Additionally, Section 30821(b) states that the imposition of administrative civil penalties by the Commission shall take place at a duly noticed public hearing in compliance with the requirements of Sections 30810, 30811, or 30812. Therefore, the procedures employed for a hearing to impose administrative penalties are the same as those for a Cease and Desist and Restoration Order, and the hearing on these Cease and Desist and Restoration Orders and Administrative Civil Penalty Actions shall proceed according to 14 CCR section 13185, including the following:

The Chair shall announce the matter and request that all parties or their representatives present at the hearing identify themselves for the record. The Chair shall announce the rules of proceeding, including time limits for presentations. The Chair shall also announce the right of any speaker to propose to the Commission, before the close of the hearing, any question(s) for any Commissioner, at his or her discretion to ask of any other party. Staff shall then present its report and recommendation to the Commission, after which the

alleged violators, or their representatives, may present their positions with particular attention to those areas where actual controversy exists. The Chair may then recognize other interested persons, after which the chair may allow the alleged violators to use any reserved rebuttal time to respond to comments from interested persons and may then have staff respond to specific points raised by the alleged violators or any of the other speakers.

The Commission will receive, consider, and evaluate evidence in accordance with the same standards it uses in its other quasi-judicial proceedings, as specified in 14 CCR Section 13186, which incorporates, by reference, Section 13065. The Chair will close the public hearing after the presentations are completed. The Commissioners may ask questions of any speaker at any time during the hearing or deliberations, including if any Commissioner so chooses, any questions proposed by any speaker in the manner noted above. The Commission shall determine, by a majority vote of those present and voting, whether to issue the Cease and Desist and Restoration Orders and impose Administrative Penalties, either in the forms recommended by staff, or as amended by the Commission. Passage of the motions above, per the staff recommendations, or as amended by the Commission, will result in issuance of the Cease and Desist and Restoration Orders and imposition of Administrative Penalties.

III. FINDINGS FOR CEASE AND DESIST ORDER, RESTORATION ORDER, AND ISSUANCE OF ADMINISTRATIVE PENALTIES[5]

A. DESCRIPTION OF PROPERTY

The properties subject to this enforcement action are at various locations along the Las Flores Pipelines CA-324 and CA -325 (formerly Lines 901, and 903). The Las Flores Pipelines are part of the greater Santa Ynez Unit which consists of three offshore platforms (Hondo, Harmony, and Heritage), Las Flores Canyon processing facility, and associated electrical transmission facilities and lines, oil, natural gas and produced water transport pipelines, (including offshore pipelines as well as CA-325 and CA-325 onshore) and associated rights-of-way and easements. (Exh.1) All Santa Ynez Unit infrastructure is located along or offshore of the Gaviota Coast, within Santa Barbara County.

B. DESCRIPTION OF COASTAL ACT VIOLATIONS

The Coastal Act violations, and threatened violations, addressed by the proposed Commission Cease and Desist Order, Restorations Order and Administrative Penalty ("Orders") involve development that has occurred in the Coastal Zone without the requisite

[5] These findings also hereby incorporate by reference the Summary at the beginning of the March 28, 2025, staff report (“STAFF REPORT: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty”) in which these findings appear, which section is entitled “Summary of Staff Recommendations.”

Coastal act authorization, including, but not necessarily limited to, excavation with heavy equipment; removal of major vegetation; grading and widening of roads; installation of metal plates over water courses; placement of fill in wetlands and coastal waters; dewatering and discharge of water; pipeline removal, replacement, and reinforcement; any installation of shutoff valves; and other development along onshore locations of the Pipelines, as well as development, including but not limited to, placement of sand and cement bags on the seafloor below and adjacent to out-of-service oil and water pipelines.

C. ENFORCEMENT ACTIVITIES AND ATTEMPTS AT RESOLUTION

In mid-September of 2024, Commission staff became aware of development activities occurring at locations onshore, along the Las Flores Pipelines CA-324 and CA-325. On September 18, 2024, Commission staff initiated communications with Sable, through their representative Steve Rusch, to confirm Sable's position as owner and operator of the Pipelines, as well as to convey the need for Coastal Act authorization for any development activities on, or along, the Pipelines. After receiving confirmation of Sable's status as owner and operator, and that development activities were being undertaken at locations along the onshore Pipelines, on September 20, 2024 Commission staff sent an email to the County, providing notification that the Commission had learned of development activities being undertaken along the Pipelines, and informing the County of Commission staff's position that such work required Coastal Act Authorization. This email message further requested the County take formal enforcement action and provided "… the Commission will assume enforcement jurisdiction based on the understanding that you are declining this request unless you indicate otherwise by close of business on Sept. 23, 2024." In response, the County stated, in email, that they were looking into the issue, and would respond "ASAP". The County did not provide further response to this email, nor did the County affirmatively decline the Commission's request to take formal enforcement action, before the deadline provided. (Exh. 13)

Thus, on September 27, 2024, Commission staff sent a "Notice of Violation" letter regarding the unpermitted development activities taking place within the Coastal Zone, along the Pipelines. Commission staff requested Sable immediately cease all unpermitted development in state coastal waters, or elsewhere in the Coastal Zone. Commission staff further detailed the need for Coastal Act authorization for any development in the Coastal Zone, which should be sought through the submittal of an application for an "after the fact" Coastal Development Permit ("ATF CDP"), and a Coastal Development Permit ("CDP") for any future, proposed development. The lack of a CDP with conditions to minimize adverse impacts to coastal resources was particularly concerning given the time of year in which the work was occurring was sensitive for a variety of protected wildlife species and also presented increased risks of erosion due to the pending start of the rainy season.

On October 1, 2024, Sable met with Commission staff on a video conference to discuss these Coastal Act violations. In this conversation, Commission staff conveyed to Sable that all unpermitted development activities along the Pipeline, must cease immediately. Recognizing that immediate cessation of all work would result in several open pit sites, where excavation activities had already begun, Commission staff discussed potential steps

necessary to safely, and temporarily, secure the sites. However, staff made it clear to Sable that all work must stop immediately, and that information must be provided so that staff could assess the full scope, nature and location of work before such measures to secure the sites could be evaluated and taken. Nonetheless, Commission staff received an email from Sable on the following day, October 2, 2024, stating that work had been suspended, “subject to taking interim measures.” Images received after these communications and later on October 2, 2024, show an excavator, which appears to be actively excavating next to ESHA.[6](See. Exh.126 of excavator located adjacent to riparian area)

Despite receiving assurances from Sable that work had ceased, Commission staff continued to receive reports that work had continued and, again, met with Sable via video conference, on October 3, 2024, to reiterate that all work must fully cease, including any such “interim measures” which involved development requiring Coastal Act authorization.

However, Commission staff continued to receive reports that Sable had yet to cease all work, and, on October 4, 2024, Commission staff sent a letter ("EDCDO NOI") to Sable providing formal notice of the Executive Director’s intent to issue an order to halt the ongoing work, and requested written assurances by 2:00 p.m. that day, that Sable had, in fact ceased work entirely. At 1:57 p.m., Sable sent an email to Commission staff asserting that all work, including the actions in which Sable characterized as “interim work measures”, had ceased. Commission staff continued to receive messages, after receiving this confirmation from Sable, that work was ongoing. In response, Commission staff sent a second email to Sable, again, asking for assurance that work had completely stopped. In response, Sable, sent an email to Commission staff around 4 p.m. stating that all work had ceased.

In addition to the cessation of all work, the October 4, 2024 EDCDO NOI letter required Sable to provide information, as to work undertaken, or planned, along the Pipeline, including information regarding what work had been undertaken and where, as well as information about the project plans for the remainder of the work being done, and this information was to be provided no later than 5pm the following Monday, October 7, 2024. Additionally, the October 4, 2024, letter asked for written confirmation of intent to apply for a CDP(s) for ATF authorization for any work that had already occurred in the Coastal Zone and prospective authorization for any proposed future work. After 5 pm on October 7, 2024, Commission staff received an email from Sable’s counsel, DJ Moore, which provided a spreadsheet as to locations where Sable had undertaken development, but they stated that the remainder of the information request could not be met by the deadline.

Because Sable did not provide a "satisfactory response", as required by PRC Section 30809, by not providing the information as requested in Commission staff’s October 4 letter, and further, because it failed to provide written confirmation as to its commitment to apply for an ATF CDP for work previously undertaken within the Coastal Zone, the Executive Director issued a EDCDO on November 12, 2024.This EDCDO, directed Sable to complete an Interim Restoration Plan (the “Plan”) to safely secure the open excavation

sites in the interim period necessary for Sable to apply for both an ATF CDP for all work previously undertaken along the Pipeline as well as apply for a CDP for future, proposed work. As an accommodation, to allow them additional time to apply for these CDPs, this letter provided for 120 days from the issuance of the EDCDO for Sable to apply for requisite CDPs, which provided Sable an additional 30 days, beyond the expiration date of the EDCDO, to submit the requisite CDP applications. Staff offered to meet with Sable and its representatives to assist them in the application process and to make the permit process as streamlined and efficient as possible. Throughout November, commission staff worked extensively with Sable's counsel to ensure effective implementation of the Plan and, on December 20, 2024, Sable submitted a completion report for the Plan. However, Sable declined to submit any application for a CDP, even through the extended deadline provided. Further, Commission staff had repeatedly requested information as to the development which Sable had already undertaken, or planned to undertake, including any full-scale work plans, but did not receive adequate responses to the information required in the EDCDO.

Given the lack of information from Sable about what work they had actually undertaken, and where, (such as whether it was in or adjacent to environmentally sensitive habitat areas ("ESHA") or wetlands) it was difficult to determine fully the potential for adverse impacts on resources. Commission staff did, however, begin to receive reports from the public about the activities and the potential harm to coastal resources they had and were likely to result in.

While Sable has maintained that it conducted its work onshore along the Pipelines with measures in place to minimize environmental harms, the work was done without any coordination with Commission staff, and it is unclear the extent to which any measures it may have undertaken did, in fact, protect coastal resources. Without communication with Commission staff, or a complete CDP application, which would have provided an opportunity to fully analyze the potential impacts of the work, it is highly likely that the extent of work undertaken by Sable caused greater damage than what Commission staff are currently aware of. Images provided to Commission staff, that were taken during the first week of October, show erosion control measures in place improperly and ineffectively. Further, there are several images depicting excavation work occurring on steep slopes, in, or near, riparian wetlands, and near ESHA. All of this leads Commission staff to have serious doubts as to the effectiveness of any potential measures taken to safeguard against coastal resources damage.

Further, in its February 14 letter arguing that its work was authorized, Sable relied heavily on environmental review documents from the 1980s, which it claimed had analyzed the impacts of future "maintenance" work and provided mitigation measures to address those impacts. But if Sable's basis for the development of protection measures is the environmental review conducted 40 years ago, it could not have fully incorporated appropriate considerations. since many sensitive resources have been identified or designated since that initial environmental review occurred in 1985. In particular, several species that are present along the pipeline corridor have since been listed and protected under the federal Endangered Species Act, and areas have been designated as Critical Habitat for them No analysis or consideration of these species was made in the original

permit and supporting documents because these were drafted in the 1980s. In contrast, the Southern California Distinct Population Segment of Steelhead was federally listed as Endangered in 1997 under the Endangered Species Act and state listed in 2022; the tidewater goby was federally listed as Endangered in 1994; the California red legged frog was federally listed as Threatened in 1996; and the southwestern pond turtle was proposed as federally Threatened in 2023.[7]

Additionally, the manner of work currently being carried out on the Pipelines appears incompatible with the original design and construction authorized in 1987. Specifically, these Pipelines were designed, analyzed and permitted to be covered in a layer of insulation so they could transport heated oil that would otherwise be too viscous to transport by pipeline. In fact, the Pipelines were one of the first of this kind to be constructed and operated. However, the work currently being carried out by Sable has resulted in the permanent removal of the pipeline's insulation from over 100 individual sections, some of which extend for close to 100 feet in length. This is because we learned as a result of the 2015 spill that the original line's design was flawed. The insulation layer, designed to keep the oil warm, also impaired the functioning of the cathodic protection system that was to prevent corrosion. Sable is therefore actively removing insulation from the line as part of the current work – something that would have been unheard of as part of the original design and thus the authorizations provided for it. Moreover, Sable has acknowledged, in its application to the Office of the State Fire Marshal (OSFM) for a "State Waiver" that the corrosion protection strategy described and approved in the original authorizations for the pipeline's construction and operation – namely, a cathodic protection system – cannot appropriately manage the risk of corrosion under the pipeline's insulation and an entirely new strategy and approach must be developed. Sable proposes this new strategy and approach in its application to OSFM and in its December 17, 2024, letter in response to that application, OSFM provides Sable with 12 pages of specific protocols and conditions (67 in total) that must be added to further expand Sable's proposed approach. None of this was considered, analyzed, described or approved in the 1980s permits issued for the original construction of the pipeline. The removal of the pipeline's insulation and implementation of this new strategy for managing corrosion risk represents such a fundamental shift in the pipeline's design and operation that resuming operations under this new system would not be consistent with the existing permit and should necessitate an amendment to the original permit due to the significant deviation between what was analyzed, permitted and constructed and what Sable has been actively trying to transform the pipeline and its operation into through the current activities.

As also discussed here, several sites are in, or adjacent to, ESHA, including coastal sage scrub, lemonadeberry scrub, wetland or drainages, and are also in, or near, Mapped Wetlands. Other work sites are in annual or native grassland. Importantly, native grasslands are ESHA, while annual grasslands are ESHA if they support rare species, under Policy NS-4 (Coastal) of Santa Barabara County's Gaviota Coast Plan. While there appears to damage to these areas, the full extent of the damage is difficult for Commission staff to analyze fully as vegetation was removed, without first providing the Commission

with information, or biological surveys carried out by resource agency-approved independent experts at the appropriate times of year.

While Sable temporarily ceased operations on the onshore locations of the Pipeline after receiving the November EDCDO, the company quickly shifted operations offshore and carried out additional development activities, beginning on November 29, 2024, and without the benefit of a CDP. These activities include, but are not limited to, the deployment of an unspecified number of sand and concrete bags. Specifically, the project deployed a remotely operated vehicle ("ROV") to place concrete bags along more than 750 linear feet of the pipelines to create support piers along 14 identified spans of between 41 and 70 feet. These activities took place over three days from November 29, 2024, to December 1, 2024.

On December 13, 2024, Commission Staff met via video conference with Santa Barbara County Planning and Development staff ("County") staff. , Commission staff learned that during this conversation, instead of submitting application for CDPs for the onshore violations described in the EDCDO, Sable, instead, sought authorization for those onshore violations described above through the County's zoning clearance process. In this meeting, Commission staff were informed that Sable had submitted zoning clearance applications to the County on November 22, 2024, and December 5, 2024, requesting authorization for pipeline "anomaly repair work" conducted along the Las Flores Pipelines, CA-324 and CA-325. However, in this conversation, Commission staff were provided assurances that no such applications would be granted without follow up discussions with the Commission.

On January 10, 2025, Commission staff held a follow up video conference call with the County to, again, discuss Sable's pending zoning clearance applications, as well as the potential for a consolidated coastal development permit covering both onshore and offshore development activities. During this conversation, County staff agreed to follow up with information, including the citations and provisions within existing County issued permit(s) that the County believed might have pre-authorized the recently completed and proposed Pipeline work, as well as any other evidence Sable provided that the County found to be compelling. The parties to the call further confirmed that they would have a follow-up discussion before any County approval of Sable's Zoning Clearance applications. Despite this, however, no such information was received, and Commission staff, therefore, followed up on this conversation through email, on February 7, 2025, again requesting this information. (Exh 66)

On February 12, 2025, Commission staff received a letter from the County, in response to the prior request made by Commission staff that the County agree to the Commission's review of a consolidated permit application, pursuant to California Public Resources Code section 30601.3(a)(2). In this letter, the County stated that it had concluded that the "anomaly repair work" addressed in Sable's zoning clearance applications "is authorized by existing permits" and therefore no further application to, or action by, the County is required. However, the County expressed its support for the Commission's review of a consolidated permit application, if submitted by Sable.

In addition to this letter, the County provided Commission staff with copy of an additional letter, which the County sent to Sable, notifying Sable that work addressed in Sable's zoning clearance permits "is covered by prior permits," though neither letter provided any citation to or quotation of any language in any such permits to support this assertion.

In response to these two letters and a February 14, 2025, request from the Environmental Defense Center, (Exh, 48) on February 16, 2025, the Executive Director issued a letter to the County initiating a review of the County's determination, pursuant to Section 13569 of the Commission's regulations, and requesting a complete copy of any coastal development permit applications submitted by Sable and/or its predecessor(s) for the shutoff valve installation work on the Pipelines and Sable's application for the zoning clearance(s) for the repair anomaly work along the Pipelines.

Additionally, on February 16, 2025, the Executive Director, provided Sable with notice of her intent to issue a new EDCDO to Sable. In this letter, the Executive Director responded to arguments that Sable submitted on February 14, purporting to support the position the County had taken, and explained why, despite those arguments, based on the information Commission staff had received to date, she continued to believe that Sable's proposed activities lacked the necessary Coastal Act authorization. The Executive Director therefore directed Sable to confirm, in writing, by February 17, 2025, that Sable would cease all development as described in, and subject of, that letter unless and until Sable either: (a) demonstrates, to the Executive Director's satisfaction, that it already possesses the necessary Coastal Act authorization for the work, or (b) obtain a new, final, operative CDP or other valid Coastal Act authorization specifically covering the work at issue and comply with the terms of any final, validly issued CDPs. On February 17, 2025, Commission staff received a letter from Sable reiterating their position that Sable's work "does not constitute a violation of the Coastal Act or the County's LCP because it is authorized under the pipelines' existing CDPs and other approvals."

In the following weeks, Commission staff made a concerted effort to work with Sable to resolve both onshore, and offshore violations through numerous conversations. During these conversations, Sable indicated a willingness to submit ATF applications for the development undertaken at both onshore, and offshore locations, if such could be done under protest. Commission staff agreed to work with Sable, and assist in this application process, with hopes that this would be a productive step toward further fully resolving all violations. In addition, Commission staff spent a considerable amount of time engaging in several conversations with Sable as to terms for the proposed Cease and Desist, Restoration, and Administrative Penalty orders, as noticed in the February EDCDO. Over the course of these conversations, Sable continually indicated a willingness to find agreeable terms, and, to that end, Commission staff worked tirelessly to provide a mechanism that would provide resolution. Unfortunately, despite these efforts on the part of Commission staff, Sable ultimately refused to engage in any further productive conversations and declined to move forward with any potential consent order process.

IV. BASIS FOR ISSUING CEASE AND DESIST ORDER

A. Statutory Provision

The statutory authority for issuance of these Cease and Desist Orders is provided in Coastal Act Section 30810, which states, in relevant part:

> *(a) If the commission, after public hearing, determines that any person or governmental agency has undertaken, or is threatening to undertake, any activity that (1) requires a permit from the commission without securing the permit, or (2) is inconsistent with any permit previously issued by the commission, the commission may issue an order directing that person or governmental agency to cease and desist. The order may also be issued to enforce any requirements of a certified local coastal program*

Additionally, Section 30810 (b) provides that, in part

> (b) *The cease and desist order may be subject to such terms and conditions as the commission may determine are necessary to ensure compliance with this division, including immediate removal of any development material or the setting of a schedule within which steps shall be taken to obtain a permit pursuant to this division.*

B. Jurisdiction

Santa Barbara County's Local Coastal Program ("LCP") was adopted by the Board of Supervisors on January 7, 1980, and was partially certified by the Commission on March 17, 1981. After an LCP is certified by the Commission, review authority over new development within the coastal zone rests with the locality; development appealable to the Commission is defined in Section 35-58 of the LCP (and Section 30603 of the Coastal Act) to include development approved by the County between the sea and the first public road paralleling the sea.

Once the Commission has certified a locality's LCP, the locality has inherent authority, via its police power, to take enforcement actions for violations of its LCP. The Commission also retains enforcement authority including under Coastal Action section 30811 and in the specific circumstances enumerated in Coastal Act Sections 30810(a) to address violations of the LCP. Pursuant to Section 30810(a) of the Coastal Act, the Commission can issue a cease and desist order to address an LCP/Coastal Act violation within a certified area if 1) the local government requests the Commission assume enforcement responsibility; 2) the Commission requests that the local government take action and the local government declines to act or does not take action in a timely manner; or 3) if the local government is a party to the violation.

On September 20, 2024, Commission staff sent an email to the County, providing notification that the Commission learned of development activities being undertaken along the Pipelines and informing the County of Commission staff's position that such work

required Coastal Act authorization. This email message further requested the County take formal enforcement action and provided "… the Commission will assume enforcement jurisdiction based on the understanding that you are declining this request unless you indicate otherwise by close of business on Sept. 23, 2024." In response, the County stated, in email, that they were looking into the issue, and would respond "ASAP". The County did not provide further response to this email, nor did the County affirmatively decline the Commission's request to take formal enforcement action, before the deadline provided.

Commission staff, additionally, addressed the issue of jurisdiction through the exchange of several letters in February of 2025. On February 12, 2024, the County sent a letter to Commission staff responding the Commission staff's request that the County consent to the Commission's processing of a consolidated CDP covering both Sable's onshore activities along the Pipelines and its offshore work. In this letter, the County asserted that the pending onshore work, referred to as "anomaly repair work" was "…authorized by the existing permits (Final Development Plan, Major Conditional Use Permit, and associated Coastal Development Permits) and was analyzed in the prior Environmental Impact Report/Environmental Impact Statement. Thus, no further application to or action by the County is required." However, the County further stated that, despite their position that Sable's work was authorized, the County would agree to a consolidated CDP process, if Sable also agreed. Commission staff responded explaining that they disagreed with the County's assertion regarding the existing permits, and found them problematic for multiple reasons, both procedural and substantive. Substantively, Commission staff had repeatedly asked both the County and Sable, for any such specific language or permit conditions that would support this proposition that future work was pre-authorized through existing permits issued nearly 40 years ago. Commission staff had additionally carried out extensive efforts to locate any such language or permit condition. The County has not, to this day, provided any citations to any evidence to supports its conclusion. On February 14, 2024, Sable provided its own analysis, which it then repeated and expanded in its March 10, 2024 Statement of Defense, and that analysis is discussed in detail below, in Section VII, and that discussion is incorporated herein by reference.

Notably, and as discussed above, Commission staff had also continuously asked for detailed work plans relating the work in which Sable has undertaken. Without a detailed work plan to provide specifics as to the scope, nature, and location of the completed work, and future work that is proposed to occur, it is unclear to us how the County could conclude that such work is covered by prior permits. In other words, without knowing what work is going to be carried out, how could the County determine it was included in existing permits. Further, while its letter additionally asserts that the County fully conducted an analysis of review of all relevant permit history, as well as potential implications of the County's coastal zone ordinance, the letter provided no citations or actual permit language to support that assertion.

Moreover, Commission staff found this letter to be procedurally problematic as the County provided no forewarning as to the issuance of this letter. In fact, in a January 10, 2024, video conference meeting between Commission staff and the County, the County agreed to follow up with Commission staff with information, including relevant citations and

provisions within existing County-issued permits that the County believed preauthorized the activities in which Sable conducted onshore, along the Pipelines, prior to taking action. In this conversation, Commission staff further confirmed the County and Commission staff, would have a follow-up discussion before any County approval of Sable's Zoning Clearance applications. The County provided no such citations or provisions, and Commission staff, therefore, followed up on this conversation through email, on February 7, 2025, again requesting this information. Unfortunately, Commission staff received no response before receiving the County's February 12, 2025, letters.

On February 14, 2024, Commission staff received a letter from the Environmental Defense Center requesting, pursuant to Section 13569(c) of the Commission's regulations, that Commission staff review the County's determinations regarding the activities undertaken by Sable at onshore locations, on the Pipeline, as asserted in the County's February 12, 2024, letter.

Thus, on February 16, 2024, Commission staff provided the County with a letter stating, pursuant to section 13569(c) of the Commission's regulations, the Executive Director was initiating a formal review process by requesting a copy of any coastal development permit applications submitted by Sable and/or its predecessor(s) for the safety valve installation work on the Pipeline and Sable's application the for the zoning clearance(s) for the repair anomaly work along the Pipelines, as well as the County's determinations on these matters, including the specific grounds for the determinations (and the permit files and records on which the County relies for its determinations. Further, Commission staff provided the County with an additional letter on February 17, 2024, again, requesting the County take formal enforcement action.

To date, Commission staff have not received a full response to this request. Though the County provided a follow up letter on February 24, 2025, asserting a claim that the Dispute Resolution process is inapplicable in this instance, Commission staff disagree and have attempted to obtain information from and have conversations with the County to resolve this interpretation. While the County has been responsive about providing documents to Commission staff, County staff continue to fail to respond to the core request, perpetuating a dynamic that has now persisted since at least January, 10, 2025, when Commission staff first asked County staff to identify the specific grounds for its determinations -- the exact section(s) within the County's 1987 coastal development permit and/or supporting documents that purportedly provide CDP authorization for the pipeline work at issue.

Commission staff have now requested this information from County staff on no less than seven separate occasions spanning nearly three months and have provided County staff with ample opportunity to provide it and demonstrate that a factual basis exists to support its position and determination regarding the scope of the County's 1987 coastal development permit. Commission staff have also thoroughly reviewed all of the documents County staff provided but have not located any basis for the County's position that there was prior CDP authorization for Sable's recent and current pipeline work.

As such, the second prong of Section 30810(a), has been met in that the County has declined to act to enforce its LCP, despite two separate instances in which Commission staff has requested the County do so.

C. Application to Facts

This section and this Staff Report set forth the basis for the issuance of the proposed Cease and Desist Order by providing substantial evidence that existing development meets all of the required grounds listed in Coastal Act Section 30810 for the Commission to issue a Cease and Desist Order.

Violations of the Coastal Act
Development, as described below, that required a CDP has occurred at onshore locations of the Pipelines, and at offshore locations along separate oil and water pipelines, in state coastal waters, without the required CDP. Section 30600(a) of the Coastal Act, state that, in addition to obtaining any other permit required by law, any person wishing to perform or undertake any development in the Coastal Zone must obtain a coastal development Permit. "Development" is defined broadly by Section 30106 of the Coastal Act as follows, in relevant part:

> *""Development' means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto; construction, reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility…" (emphasis added)*

In this case, development was undertaken at onshore locations of the Pipelines including, but not limited to; excavation of underground pipeline; removal of major vegetation; grading and widening of roads; placement of fill in wetlands; installation of metal plates over water courses; dewatering and discharge of water; removal, replacement, and reinforcement of a pipeline and pipeline infrastructure; installation of shutoff valves; and other development associated with the Las Flores Pipelines CA-3214 and CA-325, Development also occurred at offshore locations including, but not limited to, deploying sand/cement fill materials on the seafloor adjacent to, and below, Sable's out-of-service offshore oil and water pipelines. Each of these activities clearly meets the definition of development under Section 30106 and each required a CDP as required under the Coastal Act.

As indicated above, one may not perform such development in the Coastal Zone unless it is authorized by a CDP. No CDP has been issued for any of the work described above. Sable argues that the work was authorized by permits granted in the 1980s to authorize

the original construction of the pipeline system and the Santa Ynez Unit development and production plan. However, those permits do not specifically authorize any of the work at issue here, and this issue is discussed in much greater detail in Section VII, below, in which the Commission responds to Sable's Statement of Defense.

Further, construction equipment and material related to the unpermitted development activities, as well as placement of solid fill and other materials in some locations, all remain and are therefore causing continued resource damage as defined in the Coastal Act, and the Commission regulations, and therefore constitutes an ongoing violation of the Coastal Act, and its resource protection provisions. Commission staff understand that while the unpermitted development activities undertaken offshore, along Sable's oil and water pipelines, have been completed, the materials remain in place. In addition, unpermitted development activities, at onshore locations along the Pipelines have continued, and the removal of vegetation and placement of solid materials in many places remain.

Lastly, Section 30610(d) of the Coastal Act enumerates categories of development that are exempt from the requirement to obtain a permit; the development undertaken by Sable does not fit within these exempt categories and therefore required a coastal development permit.

Sable's work offshore is subject to the Commission's jurisdiction, and Sable's work onshore is largely subject to Santa Barbara's permitting jurisdiction (with areas subject to the Commission's appeals jurisdiction), but the Commission's retained enforcement authority is predicated, in part, on Section 30810(a) of the Coastal Act, which states the following:

> *The order may also be issued to enforce any requirements of a certified local coastal program or port master plan, or any requirements of this division which are subject to the jurisdiction of the certified program, or plan, under and of the following circumstances…the commission requests and the local government or port governing body declines to act, or does not take action in a timely manner, regarding an alleged violation which could cause significant damage to coastal resources…"*

As described above, the County has declined to take formal enforcement a, regarding violations undertaken, by Sable, at locations onshore, along the Pipelines. On September 20, 2024, after learning of Sable's development activities undertaken onshore, along the Pipelines, Commission staff-initiated communications with the County, informing them of the development undertaken, the Commission's position that the development needed Coastal Act authorization and requesting that the County take enforcement action. These communications also noted that the Commission would assume jurisdiction under the Coastal Act provisions regarding enforcement jurisdiction if the County declined to act. The County responded that it would review and respond but no further response was received objecting to the Commission assuming jurisdiction over the matter Further, despite several conversations between Commission staff and the County, the County has taken the position that the work Sable has conducted onshore, along the Pipelines, is covered by prior permits issued nearly 40 years ago for the initial construction and installation of the

Pipelines, though the County has declined to provide any citation to or quotation of any language in any such existing permits to support this assertion. The Commission has reviewed the materials and disagree with this position as further analyzed in the Statement of Defense section of this Staff Report, and maintain that Sable must submit complete CDP applications, for both onshore, and offshore development activities.

In sum, the activities at issue clearly meet the definition of development under Section 30106, and no permit has been issued for the work.

Therefore, the development required a CDP and no CDP was issued.
It is only necessary to find that development has been undertaken without a required permit or in violation of a previously issued permit in order for the Commission to issue a cease and desist order.

V. Basis for Issuance of Restoration Order

A. Statutory Provisions

The statutory authority for issuance of this Restoration Order is provided in Section 30811 of the Coastal Act, which states, in relevant part:

> *In addition to any other authority to order restoration, the commission… may, after a public hearing, order restoration of a site if it finds that [a] the development has occurred without a coastal development permit from the commission, local government, or port governing body, [b] the development is inconsistent with this division, and [c] the development is causing continuing resource damage.*

The following paragraphs and this Staff Report set forth the basis for the issuance of the Cease and Desist and Restoration Orders by providing substantial evidence that the development meets all of the required grounds listed in Section 30810 and 30811 for the Commission to issue a Cease and Desist and Restoration Order.

B. Application of Facts

The following paragraphs and this Staff Report set forth the basis for the issuance of the Cease and Desist and Restoration Orders by providing substantial evidence that the development meets all of the required grounds listed in Section 30810 and 30811 for the Commission to issue a Cease and Desist and Restoration Order

1. Development Without a Permit

The statutory provision requires the Commission to demonstrate that Sable undertook or maintained development that requires a CDP from the Commission without first securing one.

This element for 30811 is the same as required for 30810 and is discussed above and incorporated here by reference.

2. Development Inconsistent with the Coastal Act

The unpermitted development described herein is inconsistent with several resource protection policies enumerated under the Coastal Act, including:

Section 30240 (requiring protection of environmentally sensitive habitat areas or ESHA);

Section 30233 (requiring protection of wetlands);

Section 30231 (requiring protection of biological productivity and water quality);

Section 30230 (protection of marine resources)

Section 30234 (protection of commercial fishing and recreational boating facilities).

The unpermitted development caused significant negative impacts to the above-listed coastal resources and was inconsistent with a number of Coastal Act policies including those mentioned above. The areas surrounding the Pipelines include ESHA in some locations including, but not limited to, coastal scrub, chaparral, riparian and wetland habitat, woodlands, and annual and native grasslands. Examples of specific sensitive plant species that have been adversely impacted by the development include but are not limited to: Lemonade berry scrub *(Rhus integrifolia*), Red willow *(Salix laevigata*), Coast Live Oak *(Quercus agrifolia*), as well as other rare vegetation communities and alliances. Additionally, several development sites are within the known occurrence range of the Gaviota tarplant (*Deinandra* increscens), a federally and state listed special-status plant species. These areas also provide habitat to support several rare species, including the California red legged frog *(Rana draytonii*), southern California steelhead (*Oncorhynchus mykiss*), southwestern pond turtle *(Actinemys pallida*), as well as the Dusky-footed Woodrat *(Neotoma macrotis*). Federally designated critical habitat for several of these species is also located within areas Sable has and/or proposes to carry out pipeline excavation, inspection and replacement or reinforcement activities. The activities also had likely impacts on water quality and biological productivity and marine resources via things such as erosion into streams, given the location of the work and the proximity to such resources, as documented in the photos of the work in progress noted above. In addition, the activities undertaken offshore, along the separate oil and water pipelines in state waters, had the potential to result in adverse impacts to marine resources such as damage or disturbance to sensitive seafloor habitats, degradation of water quality, disruption to commercial and/or recreational fishing, and release of marine debris. The coastal waters in this are known to support several species of marine mammals, including Harbor seals (*Phoca vitulina*), California sea lions (*Zalophus californianus*), and several species of common dolphin and whales. Project offshore activities had the potential to adversely impact these species. Given the location and the activities, the violations offshore also had the potential to adversely impact marine resources, commercial fishing and recreational boating facilities.

3. Continuing Resource Damage

The unpermitted development is causing 'continuing resource damage', as those terms are defined by 14 CCR Section 13190.

14 CCR Section 13190(a) defines the term 'resource' as it is used in Section 30811 of the Coastal Act as follows:

> *'Resource' means any resource that is afforded protection under the policies of Chapter 3 of the Coastal Act, including but not limited to public access, marine and other aquatic resources, environmentally sensitive wildlife habitat, and the visual quality of coastal areas. The unpermitted development here took place in and around environmentally sensitive habitat areas, wetlands, areas of scenic visual resources, and so coastal resources were affected here.*

The term 'damage' in the context of Restoration Order proceedings is defined in 14 CCR Section 13190(b) as follows:

> *Damage' means any degradation or other reduction in quality, abundance, or other quantitative or qualitative characteristic of the resource as compared to the condition the resource was in before it was disturbed by unpermitted development.*

In this case, the damage caused by the unpermitted development includes degradation of environmentally sensitive habitat area and impairing of water quality. Thus, damage to coastal resources did occur here.

The term 'continuing' is defined by 14 CCR Section 13190(c) as follows:

> *'Continuing', when used to describe 'resource damage', means such damage, which continues to occur as of the date of issuance of the Restoration Order.*

As of this time, the unpermitted development that is the subject of these proceedings and the results thereof is ongoing and in many cases the development remains in place, and the impacts of such development remain in place, with the result of continuing resource damage. As described above, the various types of unpermitted development result in a variety of impacts to coastal resources, as is discussed further below. For example, the removal of vegetation and the grading of environmentally sensitive habitat areas can continue to impact coastal resources by stimulating growth and establishment of invasive weedy species which can prevent native plants from returning and diminish the suitability of the area for rare and sensitive wildlife species. Fill in wetlands continues to impact the habitat and the species reliant thereon unless and until some restoration is successful. Because excavation occurred on steep slopes, without proper protections in place, can contribute to ongoing erosion and, with ineffective erosion controls in place, the potential for harm to coastal resources is even greater.

As described above, the unpermitted development is causing damage to resources protected by the Coastal Act that continue to occur as of the date of this proceeding, and therefore damage to resources is 'continuing' for purposes of Section 30811 of the Coastal

Act. The damage caused by the unpermitted development, which is described in the above paragraphs, satisfies the regulatory definition of 'continuing resource damage.' Thus, the third and final criterion for issuance of a Restoration Order is therefore satisfied.

C. Jurisdiction

Santa Barbara County's Local Coastal Program ("LCP") was adopted by the Board of Supervisors on January 7, 1980, and was partially certified by the Commission on March 17, 1981. After an LCP is certified by the Commission, review authority over new development within the coastal zone rests with the locality; development appealable to the Commission is defined in Section 35-58 of the LCP (and Section 30603 of the Coastal Act) to include development approved by the County between the sea and the first public road paralleling the sea.

Once the Commission has certified a locality's LCP, the locality has inherent authority, via its police power, to take enforcement actions for violations of its LCP. The Commission also retains enforcement authority including under Coastal Action section 30811 and in the specific circumstances enumerated in Coastal Act Sections 30810(a) to address violations of the LCP. Pursuant to Section 30810(a) of the Coastal Act, the Commission can issue a cease and desist order to address an LCP/Coastal Act violation within a certified area if 1) the local government requests the Commission assume enforcement responsibility; 2) the Commission requests that the local government take action and the local government declines to act or does not take action in a timely manner; or 3) if the local government is a party to the violation.

On September 20, 2024, Commission staff sent an email to the County, providing notification that the Commission learned of development activities being undertaken along the Pipelines and informing the County of Commission staff's position that such work required Coastal Act authorization. This email message further requested the County take formal enforcement action and provided "… the Commission will assume enforcement jurisdiction based on the understanding that you are declining this request unless you indicate otherwise by close of business on Sept. 23, 2024." In response, the County stated, in email, that they were looking into the issue, and would respond "ASAP". The County did not provide further response to this email, nor did the County affirmatively decline the Commission's request to take formal enforcement action, before the deadline provided.

Commission staff, additionally, addressed the issue of jurisdiction through the exchange of several letters in February of 2025. On February 12, 2024, the County sent a letter to Commission staff responding the Commission staff's request that the County consent to the Commission's processing of a consolidated CDP covering both Sable's onshore activities along the Pipelines and its offshore work. In this letter, the County asserted that the pending onshore work, referred to as "anomaly repair work" was "…authorized by the existing permits (Final Development Plan, Major Conditional Use Permit, and associated Coastal Development Permits) and was analyzed in the prior Environmental Impact Report/Environmental Impact Statement. Thus, no further application to or action by the

County is required." However, the County further stated that, despite their position that Sable's work was authorized, the County would agree to a consolidated CDP process, if Sable also agreed. Commission staff responded explaining that they disagreed with the County's assertion regarding the existing permits, and found them problematic for multiple reasons, both procedural and substantive. Substantively, Commission staff had repeatedly asked both the County and Sable, for any such specific language or permit conditions that would support this proposition that future work was pre-authorized through existing permits issued nearly 40 years ago. Commission staff had additionally carried out extensive efforts to locate any such language or permit condition. Although the County has not, to this day, provided any citations to any evidence to supports its conclusion, on February 14, Sable provided its own analysis, which it then repeated and expanded in its March 10 Statement of Defense, and that analysis is discussed in detail below, in Section VII, and that discussion is incorporated herein by reference.

Notably, and as discussed above, Commission staff had also continuously asked for detailed work plants relating the work in which Sable has undertaken. Without a detailed work plan to provide details as to the scope, nature and location of the completed work and future work that is proposed to occur, it is unclear to us how the County could conclude that such work is covered by prior permits. In other words, without knowing what work is going to be carried out, how could the County determine it was included in existing permits. Further, while its letter additionally asserts that the County fully conducted an analysis of review of all relevant permit history, as well as potential implications of the County's coastal zone ordinance, the letter provided no citations or actual permit language to support that assertion.

Moreover, Commission staff found this letter to be procedurally problematic as the County provided no forewarning as to the issuance of this letter. In fact, in a January 10, 2024, video conference meeting between Commission staff and the County, the County agreed to follow up with Commission staff with information, including relevant citations and provisions within existing County-issued permits that the County believed preauthorized the activities in which Sable conducted onshore, along the Pipelines, prior to taking action. In this conversation, Commission staff further confirmed the County and Commission staff, would have a follow-up discussion before any County approval of Sable's Zoning Clearance applications. The County provided no such citations or provisions, and Commission staff, therefore, followed up on this conversation through email, on February 7, 2025, again requesting this information. Unfortunately, Commission staff received no response before receiving the County's February 12, 2025, letters.

On February 14, 2024, Commission staff received a letter from the Environmental Defense Center requesting, pursuant to Section 13569(c) of the Commission's regulations, that Commission staff review the County's determinations regarding the activities undertaken by Sable at onshore locations, on the Pipeline, as asserted in the County's February 12, 2024, letter.

Thus, on February 16, 2024, Commission staff provided the County with a letter stating, pursuant to section 13569(c) of the Commission's regulations, the Executive Director was initiating a formal review process by requesting a copy of any coastal development permit

applications submitted by Sable and/or its predecessor(s) for the safety valve installation work on the Pipeline and Sable's application the for the zoning clearance(s) for the repair anomaly work along the Pipelines, as well as the County's determinations on these matters, including the specific grounds for the determinations (and the permit files and records on which the County relies for its determinations. Further, Commission staff provided the County with an additional letter on February 17, 2024, again, requesting the County take formal enforcement action.

To date, Commission staff have not received a full response to this request. Though the County provided a follow up letter on February 24, 2025, asserting a claim that the Dispute Resolution process is inapplicable in this instance, Commission staff disagree and have attempted to obtain information from and have conversations with the County to resolve this interpretation. While the County has been responsive about providing documents to Commission staff, County staff continue to fail to respond to the core request, perpetuating a dynamic that has now persisted since at least January, 10, 2025, when Commission staff first asked County staff to identify the specific grounds for its determinations -- the exact section(s) within the County's 1987 coastal development permit and/or supporting documents that purportedly provide CDP authorization for the pipeline work at issue.

Commission staff have now requested this information from County staff on no less than seven separate occasions spanning nearly three months and have provided County staff with ample opportunity to provide it and demonstrate that a factual basis exists to support its position and determination regarding the scope of the County's 1987 coastal development permit. Commission staff have also thoroughly reviewed all of the documents County staff provided but have not located any basis for the County's position that there was prior CDP authorization for Sable's recent and current pipeline work.

As such, the second prong of Section 30810(a), has been met in that the County has declined to act to enforce its LCP, despite two separate instances in which Commission staff has requested the County do so.

VI. BASIS FOR IMPOSITION OF ADMINISTRTIVE PENALTIES

A. Statutory Provisions

The statutory authority for imposition of administrative penalties for violations of non-access provisions of the Coastal Act is provided in the Coastal Act in Public Resources Code Section 30821.3[8], which states, in relevant part:

(a) In addition to any other penalties imposed pursuant to this division, a person, including a landowner, who is in violation of any provision of this division other than public access, including, but not limited to, damage to archaeological and wetlands resources and damage to environmentally sensitive habitat areas, is subject to an

[8] All section references in this section, III.C, are to the California Public Resources Code, and as such, to the Coastal Act, unless otherwise indicated.

> administrative civil penalty that may be imposed by the commission in an amount not to exceed 75 percent of the amount of the maximum penalty authorized pursuant to subdivision (b) of Section 30820 for each violation. The administrative civil penalty may be assessed for each day the violation persists, but for no more than five years.

Through the proposed Cease and Desist Order, Restoration Order, and Administrative Penalty Order, Sable Offshore Corp. would be required to pay penalties based on the Section 30821.3 as described above, and as detailed below.

B. Application to the Facts

1. The Violations are Ongoing:

As the courts have consistently recognized, the Coastal Act should be interpreted broadly, since the Coastal Act and case law says that it is to be "liberally construed to accomplish [the act's] purposes and objectives." (See e.g., Pacific Palisades Bowl Mobile Estates, LLC. v. City of Los Angeles (2012) 55 Cal.4th 783, 796.) The various actions and inactions by Sable have led to ongoing adverse impacts to coastal resources and constitute ongoing violations of the Coastal Act's resources protection provisions generally. The impact to coastal resources from these actions and inactions is borne by the public every day and will be until this matter is resolved.

2. Exceptions Do Not Apply:

De Minimis Violations

There are some statutory conditions on when the Commission can impose administrative penalties. One such limit is in Section 30821.3(f) of the Coastal Act, which provides that:

> *In enacting this section, it is the intent of the Legislature to ensure that unintentional, minor violations of this division that only cause de minimis harm will not lead to the imposition of administrative penalties if the violator has acted expeditiously to correct the violation.*

This language establishes four criteria, all of which must be met for the violation to be deemed *de minimis* under 30821.3(f). The violation must: (1) be unintentional, (2) be "minor," (3) cause only *de minimis* harm, and (4) be corrected expeditiously.

None of the Section 30821.3(f) criteria is applicable to this case. Sable's actions in undertaking development, at both onshore and offshore locations, without requisite CDPs were not unintentional. While unlikely, if Sable were initially unaware of the Coastal Act implications of the development they undertook at onshore locations, along the Pipelines, they were directly informed, first informally and then through a Notice of Violation letter, in September 2024, yet Sable has continued to undertake these activities through today. With specific regard to the activities taken at locations offshore, Sable was informed of the

need for Coastal Act authorization for proposed work, before it was undertaken, but chose to undertake the work without first securing a CDP, nonetheless. As such, the actions with regard to Coastal Act violations at both, onshore and offshore, locations have not been undertaken unintentionally. Moreover, these actions have resulted in ongoing harms to coastal resources, and although the full extent of this impact has not been fully disclosed to Commission staff, it is clear such impacts extend to the areas surrounding the onshore locations of the Pipelines and have potential to negatively impact important habitat areas which support rare and sensitive species, as more fully discussed above. These violations thus cannot be considered minor, nor have they resulted in *de minimis* harm. Lastly, Sable has declined to affirmative actions to correct the violations, at either onshore or offshore locations and further, has continued operations at onshore locations, along the Pipelines, despite an active Cease and Desist order.

Cure Period

In order to encourage quick and informal resolutions of violations, the Coastal Act also has a provision to allow, in certain limited circumstances, a period of time in which a party can "cure" the violation without penalties attaching. This is set forth in Section 30821.3(h) of the Coastal Act, which lists circumstances in which a property owner can prevent the imposition of administrative penalties by correcting the violation within 30 days of receiving written notification from the Commission regarding the violation. Section 30821.3(h) is inapplicable to the matter at hand.

For 30821.3(h) to apply and prevent the issuance of an administrative penalty, there are several requirements, all of which must be met: 1) the violation must be remedied within 30 days of notice; and 2) the violation must be able to be resolved without needing to undertake additional development that would require Coastal Act authorization. In addition, opportunity for a cure does not apply to cases involving resolutions of violations of permit conditions, since the party with a permit would have had previous notice of the requirements of permits. This section does not apply here, for several reasons.

First, Sable did not resolve this within 30 days of receiving notice. Sable received written notice of the onshore Coastal Act violations at issue in the form of a Notice of Violation letter dated September 27, 2024 (Exh. 2), which was followed up in the Notice of Intent to Issue an EDCDO on October 4, 2024 (Exh. 3), the issuance of the EDCDO on November 12, 2024 (Exh. 4), and by a second EDCDO issued on February 18, 2024 (Exh. 8) which additionally provided Notice of Intent to commence a formal proceeding before the Commission to consider issuance of a Commission Cease and Desist Order, Restoration Order and Administrative Penalty. Sable additionally received written notice of the offshore Coastal Act violations in the form of a Notice of Violation letter issued February 11, 2025 (Exh. 5). Sable was fully informed through all of these documents, and in numerous and extensive conversations over the course of multiple months, as detailed above. Sable has not fully complied with any of the above listed actions and has indicated their current position as continuing to refuse to comply in any manner. As such, the violations were not only not remedied in a period of 30 days, but remain unresolved, to date.

Second, the violations need legal authorization to be resolved, as has been reiterated to Sable consistently, in numerous letters, and over the course of multiple conversations, through a full and complete application for ATF CDP for all development, both onshore and offshore, that has been conducted to date, (as well as needing an application for a CDP for any onshore, or offshore, proposed, future development).

In summary, the cure pursuant to Section 30821.3(h) is inapplicable in this matter.

C. Penalty Amount

Under section 30821.3(a) of the Coastal Act, the Commission may impose penalties in "an amount not to exceed 75 percent of the amount of the maximum penalty authorized pursuant to subdivision (b) of Section 30820 for each violation." Section 30820(b) authorizes civil penalties that "shall not be less than one thousand dollars ($1,000), nor more than fifteen thousand dollars ($15,000), per day for each day in which the violation persists." Therefore, the Commission may impose penalties of up to $11,250 per day (75% of $15,000) for each separate violation. 30821.3(a) also specifies that the "administrative civil penalty may be assessed for each day the violation persists, but for no more than five years." Section 30821.3 and Section 30820's use of daily penalties reflects the legislative intent in the Coastal Act to encourage quick resolution of violations and to deter lengthy, on-going violations and thereby provide greater protection of coastal resources. The daily penalty amounts are also intended to encourage prompt and effective compliance with the Coastal Act.

Number of Violations

In this case, staff grouped the violations into a total of 9 distinct categories or types of Coastal Act violations, based on what staff was able to identify, each of which they treated as one violation, even though each category arguably comprises many individual violations. The Commission adopts this approach as a conservative approach to identifying the number of violations at issue. While the nature and extent of each separate violation may be slightly different, the cumulative impact of undertaking all of these actions, collectively, is considerable, especially as all actions were taken without specific, protective measures which could have been delineated through appropriate regulatory review processes, including by the Commission, California Department of Fish and Wildlife, California Department of Parks and Recreation and the Central Coast Regional Water Quality Control Board, all of which were avoided by Sable.

There are seven separate violations undertaken onshore along the Pipelines including, 1) excavation with heavy equipment; 2) removal of major vegetation; 3) grading and widening of roads; 4) installation of metal plates and fill in wetlands; 5) dewatering and discharge of water; 6) pipeline removal, replacement, and reinforcement; 7) installation of shutoff valves; as well as other development associated with the Las Flores Pipelines CA-324 and CA-325. There is an additional eighth violation which was undertaken at locations offshore in state waters: Sable undertook development including placement of sand and cement bags on the seafloor below and adjacent to Sable's out-of-service oil and water pipelines. Lastly, the ninth violation arises from Sable's failures to comply with the EDCDOs issued in

this matter. Sable failed to fully comply with the first EDCDO, issued in November 2024, in that Sable did not submit any application for CDP for, either activities undertaken onshore, along the Pipelines, or at offshore locations of the pipeline. Moreover, Sable knowingly, and completely, refused to comply with the terms of the second EDCDO issued in February 2025. Recognizing that Sable complied with at least a portion of the first EDCDO, issued in November, and in order to be conservative, Commission staff recommend assessment of penalties for noncompliance with the second EDCDO, issued in February only. Thus, this would amount to an additional violation, with a cumulative amount of nine penalties in total.

Number of Days

Penalties under Section 30821.3 may be "assessed for each day the violation persists" up to a period of five years. In this case, the violations have persisted for varying amounts of time. With regard to the activities undertaken at locations onshore along the Pipelines, since we were not given notice of the activities, Commission staff are not aware of the exact date of when activities began. Images show an excavated trench, at location along the Pipelines, as early as June 2024. However, Commission staff first learned of these activities in a call with the County, on September 9, 2024. Thus, these activities were being undertaken, at the very least, by that date, and we have used that date as a conservative marker for calculation of the number of days of the violations.

Because these activities have been ongoing, the conservative date range for the activities undertaken onshore used to calculate penalties under 30821.3 would begin on September 9, 2024, and run through April 10, 2024, the date of today's hearing, or for 214 days.

However, the Commission staff recognizes that Sable did, temporarily comply with the directive to cease and desist activities, provided in the November EDCDO, (Exh. 4) and are therefore recommending the Commission apply a tolling period to the assessment of certain penalties, as described below. (though Sable did immediately resume operations on February 14, 2024). Thus, staff is recommending that the penalties under 30821.3 not be assessed for the period of time in which Sable was complying, at least in large part, with the first EDCDO, for certain, specified violations namely the dewatering and discharge or water, pipeline removal, replacement, and reinforcement, and installation of shutoff valves, as described in detail below, While Commission staff have concerns about whether the work was fully ceased during this time, and, and whether work actually commenced earlier than September 9, 2024, for purposes of calculated these specific activities, Commission staff have taken a conservative approach. It is important to note that these specified activities did negatively impact coastal resources greatly, as discussed below. However, Commission staff recognize that such impacts, while not corrected, were, at least, partially abated during the period of time in which Sable complied with the first EDCDO.

However, and as also described in greater detail, Commission staff do not feel this tolling of penalties should be applied to the full list of Coastal Act violations undertaken, since the impacts of other violations could not be abated by simply ceasing actively undertaking additional such activities. More specifically, this tolling period should not be applied to

excavation with heavy equipment, installation of metal plates and fill in wetlands, removal of major vegetation, or grading and widening of roads, given that for these violations, coastal resource damage has been ongoing, despite temporary cessation of the additional activities itself.

There are 4 basic categories of violations: Onshore violations with tolling periods (as discussed above), Onshore violations without tolling periods, Offshore violations and violations of the Orders issued in this matter. We discuss each in turn.

Coastal Act Violations; Onshore, Along the Las Flores Pipelines CA-324 and CA-325

Assessment of Penalties to Which Tolling Period is Applied:

For those activities discussed above to which Commission staff believe it would be appropriate to toll the penalty period, the date range for assessment of penalties would be starting on December 19, 2024. On this date, Sable submitted to Commission staff an Interim Restoration Report, completed in compliance with the terms of the November EDCDO. Commission staff recognize that the actions taken by Sable, in implementing the measures as required by the Interim Restoration Plan hopefully reduced the likelihood of certain environmental damage from worsening, and therefore believe this date is appropriate to begin the tolling period. However, once Sable resumed development activities on February 14, 2025, penalties should again be assessed after that date, as the damage to coastal resources would no longer be halted.

In sum, Commission staff recommend that three specified activities-- the, dewatering and discharge of water; pipeline removal, replacement, and reinforcement; and installation of shutoff valves, be assessed at lower penalty range, through tolling applied to the date range in which penalties are assessed. These activities, thus, would be assessed for a period of 156 days. The period of time between December 19, 2024, and February 14, 2025, amounts to a 58-day tolling period. Subtracting that tolling period (58 days) from the full date range in which violations would otherwise be assessed (which is period of 214 days, as described above), would result in a penalty assessment period, for these specific violations, of 156 days. For these three activities, Commission staff recommend that the penalty be assessed at $7,000 a day for a period of 156 days, (The full date range for violation, with tolling period of 58 days subtracted) for the three violations discussed above. In accordance with this calculation (156 days at $7,000/day), Commission staff specifically recommends a penalty in the amount of $1,092,000 for each of these three violations, or a total of $3,276,000.

Assessment of Penalties to Which Tolling Period is Not Applied:

For the remainder of the violations, as noted above, staff would not recommend applying a tolling period to the accrual of penalties. Again, in evaluating the severity of each violation and its impacts, it should be noted that even assuming there was a cessation of work during this time, certain activities and violations continued to have the potential to cause ongoing impacts to coastal resources, even when temporarily halted. Specifically, those

four activities are as follows: excavation with heavy equipment; removal of major vegetation; installation of metal plates and fill within wetlands, and the grading and widening of roads. All of these activities caused significant environmental harms that temporary cessation of the physical activity does not alleviate. Without affirmative actions taken to correct these violations, their impacts are ongoing. Further, because of the extensive damage to coastal resources these activities caused, as described below, Commission staff recommend these three violations be assessed at the maximum daily penalty ($11,250) for the full period of 214 days, amounting to $2,407,500 for each of the violations or a total of $9,630,000.

Coastal Act Violations; Offshore Locations of the Pipeline

In addition to the unpermitted development activities undertaken onshore, Sable has additionally undertaken unpermitted development activities at offshore locations of the pipeline, in state coastal waters, including the deployment of sand and cement bags on the seabed, along the pipeline, and span remediation work, as described above. After cessation of activities onshore, at areas covered by the EDCDO issued in November, Sable began undertaking activities at locations offshore, along the pipeline, commencing on November 29, 2025.

There were several communications between Commission permit staff and Sable, before these activities began. On September 24, 2024, Commission staff sent an email, as a follow-up to a phone call conversation on that day, informing Sable that work Sable intended to undertake, which was discussed during that phone call, would require a CDP, and encouraging Sable to work with the Commission before proceeding with any work. In fact, Commission staff specifically acknowledged in this email, that, though Sable intended to move quicky with the work, doing do would create a more complicated and challenging situation, and reiterated the need to coordination with Commission staff. Sable responded to this email and indicated, at least, a willingness to discuss the work further and planned to set up a future call. On November 7, 2024, Commission staff followed up with an email to Sable, in an effort to set up a phone call to, again, discuss Sable's plans for work at locations along the offshore pipelines. The following day, November 8, Commission staff and Sable shared email messages in a further attempt to set up a phone call and when they were unable to, Commission staff requested a written description of the work Sable planned to conduct. An email from Sable, sent on November 19, provided limited information as to the specifics of the work, and claimed that Sable was "committed to ensuring compliance with all necessary authorizations before proceeding with any work. In response, Commission staff reiterated that such work would require a complete CDP application. Further, Commission staff confirmed that, based on the previous conversations, Sable did not intend to proceed with work until Commission staff had the opportunity to more fully discuss the details of that work. Sable provided no response to this email, and thus, Commission staff sent a follow up email on January 10, 2024, again informing Sable of the need for CDP for the work Sable intended to undertake along the offshore locations of the pipeline and requested a status update as to any potential work. Sable provided no response to this email.

Unfortunately, Commission staff instead received a letter from Sable's counsel on January 15, 2024, that Sable had conducted "inspections" along the offshore portions of the pipeline, then undertook the unpermitted activities discussed above. Again, this activity is one for which authorization, with appropriate conditions and mitigation if appropriate, likely could have been obtained through the Commission's CDP process, had they applied. In fact, the Commission has approved similar work on no less than seven separate occasions since 1996 as well as two emergency authorizations when expedited completion of the work was warranted. As discussed above, if Sable had secured a CDP for this work, the Commission would have had the opportunity to fully assess the proposed work, and ensure necessary measures were taken to prevent damage to coastal resources, such as limiting the fill material to sand rather than concrete (which can leach contaminants and degrade water quality), ensuring sensitive reef areas and marine habitats are avoided by the fill, coordinating the work to avoid conflicts with commercial and recreational fisheries, and including appropriately trained and independent on project vessels to minimize entanglement and ship strike risks. Instead of working collaboratively with the Commission, Sable proceeded with these actions, with full knowledge that doing so would be a violation of the Coastal Act, and with blatant disregard for the jurisdiction of the Commission, and any potential damages that the work would inflict on coastal resources, including marine mammals, coastal water quality, fisheries and sensitive marine habitats. Moreover, the materials placed offshore as discussed here remain in place today and any impacts have not been reduced, conditioned to avoid, addressed or mitigated for. This flat refusal to comply with the Coastal Act warrants a high penalty, which would be assessed for a date range of 133 days which begins on November 29, 2024, the date in which these activities began, through April 10, 2024, the date of this hearing, at $11,250 daily, amounting to 1,496,250.

Coastal Act Violation
Failure to Comply with Executive Director Cease and Desist Order

Lastly, two separate EDCDOs have been issued to Sable, in this matter.
In November 2024, the Executive Director of the Commission issued an EDCDO directing Sable to, among other things, cease and desist all unpermitted development activities, temporarily secure the open trench work sites where work had ceased, and submit a complete CDP application for both works already undertaken as well as future, proposed work. While Sable exhibited partial compliance with this order, it has, to date, not applied for any such CDP. This is despite an extended deadline given for that requirement, as accommodation made by Commission staff in hopes of assisting Sable in successfully resolving all violations.

The second EDCDO, issued in February 2025, again directed Sable to cease and desist all unpermitted development activities, and, again, directed them to comply with the Coastal Act and submit a complete application for a CDP for both work already undertaken as well as any future, proposed work. In this instance, Sable blatantly, and egregiously, refused to comply with any aspect of this EDCDO. Sable, citing a variety of arguments described in fuller detail above and in the Response to the Statement of Defense section of this staff report, have refused to apply for any such CDP, and, instead restarted work

very quickly after expiration of the first EDCDO issued in November. They disregarded the EDCDO issued in February 2025 and not only restarted work, but they continued that work through evening hours, and weekends, at an alarmingly fast rate, before the action could be brought before this Commission. While Sable raised a number of arguments asserting that they have a reasoned basis for their outright refusal to comply with this EDCDO, as discussed above and at length in the Response to the Statement of Defense, this is not accurate and Commission staff repeatedly informed Sable of this and attempted to work with them to resolve the matter amicably, to no avail.

Despite Sable's lack of full compliance with the terms of the EDCDO, issued in November, Commission staff is only recommending assessment of penalties for Sable's noncompliance with the terms of the February EDCDO. The date range for this assessment would start on February 18, 2025, when the EDCDO was issued, and be assessed through April 10, 2025, the date of today's hearings. This date range amounts to 52 days. Because of the extreme nature Sable's actions in this instance, Commission staff recommend this penalty be assessed at the max daily penalty, $11,250, per day. Over 52 days this amounts to $585,000.

Thus, collectively, Commission staff recommend a penalty amount of $14,987,250.

Finally, we note that these penalty amounts were reached under an analysis of applying the factors set forth in the Coastal Act. Under 30821.3(c), in determining the amount of administrative penalty to impose, "the commission shall take into account the factors set forth in subdivision (c) of Section 30820."

Section 30820(c) states:

> *In determining the amount of civil liability, the following factors shall be considered:*
>
> *(1) The nature, circumstance, extent, and gravity of the violation.*
> *(2) Whether the violation is susceptible to restoration or other remedial measures*
> *(3) The sensitivity of the resource affected by the violation*
> (4) *The cost to the state of bringing the action.*
> *(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require*

As is described in greater detail in accordance with these factors below, Sable's actions, and failures to acts constitute multiple violations and this analysis provides recommendations for the factors to be applied for each type of violation. Commission staff recommends that the Commission assess daily penalties for each of the categories of violations at a daily amount based on the factors in 30820(c) as analyzed below.

Excavation and Grading with Heavy Equipment

Note that these two violations are discussed together because we find that the five factors apply in the same manner to each of these violations.

30820(c)(1) *The nature, circumstance, extent, and gravity of the violation.*

Sable conducted extensive grading and excavation activities, some of which were conducted in, or adjacent to, riparian ESHA. (Exh. 87) Images provided to Commission staff by members of the public show several instances in which excavators are located in, or near, these sensitive resources, including excavators parked atop a pool where a southwestern pond turtle was documented to be swimming, as well as two southern California steelhead. (Exh. 68) Commission staff were provided a report with details of, at least, one damaged woodrat nest, which was impacted in coastal sage scrub – potentially from the dusky footed woodrat, a species of special concern due to its rarity and ecosystem role. The full extent to this damage, and potential species mortality, is not fully known and Sable has not been forthcoming with information as to the work, forcing Commission staff to make assessments as to this damage based on the imagery and information gathered from other sources. (see: Exh.69 of grease pool which as fallen from an excavator) That being said, the imagery reviewed by Commission staff shows particularly concerning, and extensive, damage leading Commission staff to believe the full extent of coastal resource harm is potentially, in fact, much greater than has been disclosed by Sable. There was no justification for not coordinating with the Commission in advance, and this factor in the aggregate weighs in favor of a high penalty amount.

30820(c)(2) *Whether the violation is susceptible to restoration or other remedial measures*

The topography can be restored and the earth compacted, but the habitat and water quality (such as sedimentation) impacts cannot be undone. Further, Commission staff have received images, taken in October, showing excavated sites which, at least in one instance, the recompaction was done loosely, and ineffectively. (See: Exh. 72 image of backfilled trench site that has no soil compaction) This factor weighs in favor of a medium penalty amount.

30820(c)(3) *The sensitivity of the resource affected by the violation*

As stated above, the resources affected here are particularly sensitive since the work was conducted in, or adjacent to, riparian ESHA, (See: Exh. 124 image of Scrub Vegetation that has been removed, and construction equipment in the background, in a riparian area) and with damage to important habitat which support species such as the southwestern pond turtle, California steelhead, dusky footed woodrat, as well as other critical species. As described previously in this staff report, the timing of this development is important to consider as the work has been undertaken during the breeding season for certain rare and sensitive wildlife species, as well as bird nesting season. The presence of project personnel and the operation of machinery and other equipment within these sensitive habitats during these periods had the potential to temporarily disrupt or more permanently impact the breeding and nesting of individual species. This factor weighs in favor of a high penalty

30820(c)(4) *The cost to the state of bringing the action.*

The cost to the state has been high, with respondent repeatedly starting negotiations only to back out later and refusing to comply with orders, and given the vast, dispersed, and complicated nature of the project and the way information has or has not been shared. Sable's nonfeasance and malfeasance has, and continues to be, varied and extensive, and has required an incredible amount of Commission resources to unravel, and address. Sable has been consistently obstinate with regard to informational requests, and efforts to resolve the ongoing Coastal Act violations, onshore and offshore. As a result, Commission staff have spent an unreasonably high amount of time assessing information from various sources, traveling to the locations in an effort to more fully understand the scope of work conducted, and poring over reports from the public in an effort to gain some understanding of the full scope of work. To date, Sable continues to fail to provide full information, or any full-scale project plans relating to the work. In addition, Commission staff has spent an inordinate amount of time communicating with Sable's counsel, through weekends and late into evenings, under the guise of seeking compromise, and, on more than one occasion Sable has indicated willingness to work with Commission staff, only to change positions, last minute, forcing Commission staff to expend even greater resources. In addition to the great amount of resources expended to try and resolve the violations, Sable's lack of transparency, and refusal to provide full information requested about what they have done and where and when, things which are basic to any project and to the ability to assess legal options, has resulted in a tremendous drain of resources, and has required a continually laborious effort on the part of Commission staff. As such, the cost to State in bringing the action is very high, and the Commission therefore finds that consideration of Section 30820(c)(4) warrants application of a high penalty.

30820(c)(5) *With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require*

Sable Offshore Corp, a company created in 2024, has no known history of violation, however the other elements in the (c)(5) factor weigh heavily against them. They undertook no voluntary restoration or remedial measures, having only done some restoration in response to the first EDCDO, and they proceeded with this work even after, and in defiance of, the second such order. This also reveals a high degree of culpability. The entire project is designed for economic profit, which may be a significant part of the motivation to proceed very quickly, in defiance of the order, if they believe the economic benefits will outweigh the amount of penalties imposed. This factor weighs in favor of a high penalty.

Given the discussion above, we consider these violations to be at the high end of the possible range and apply a daily penalty amount of $11,250, for the full date range of 214 days, amounting to $2,407,500 per violation, or $4,815,000 for the two violations.

Removal of Major Vegetation

30820(c)(1) The nature, circumstance, extent, and gravity of the violation.

Several sites where activities were conducted are in or adjacent to potential ESHA, including coastal sage scrub, lemonadeberry scrub, wetland or drainages, and are also in, or near, mapped wetlands. Other work sites are in annual or native grassland, which is considered ESHA in certain situations. Many of the work sites are in, or near, coastal sage scrub. Construction equipment and other construction materials have been staged extensively near ESHA. (See. Exh 104 image of extensive construction equipment staged near EHSA, and Exh.106 image of staging of equipment near Willows.) Importantly, the violation involved a major amount of work at many different sites over a large area, with no justification for not coordinating with the Commission in advance and ensuring that the work was conditioned to protect these resources. Coordination with Commission staff would have allowed for full analysis of potential impacts, and safeguards to protect against coastal resource damage, yet this did not happen. Thus, so this factor weighs in favor of a medium-high penalty amount.

30820(c)(2) Whether the violation is susceptible to restoration or other remedial measures

The vegetation can be restored, though much of the work was done in sensitive areas, which may require greater measures to fully restore the vegetation. Moreover, the use of heavy machinery and other equipment within, or around, sensitive riparian areas can result in serious adverse impacts via trimming or removal of vegetation, which can reduce the habitat value of these areas as a result of the altered vegetation structure, with loss of cover, feeding areas, nest sites, and other similar functions. (Exh. 78) In addition to all of these potential impacts, these activities have the potential for to contribute to the release and dispersion of sediment and or release of hazardous materials into waterways, or sensitive riparian and wetland habitat areas. This factor weighs in favor of a high penalty amount.

30820(c)(3) The sensitivity of the resource affected by the violation

The resource affected by these violations is habitat, so this factor weighs in favor of a high penalty amount.

30820(c)(4) The cost to the state of bringing the action.

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount**.**

30820(c)(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

Given the discussion above, we consider these violations to be at the high end of the possible range and apply a daily penalty amount of $11,250 for the full date range of 214 days, amounting to $2,407,500

Installation of Metal Plates and Fill Within Wetlands

30820(c)(1) The nature, circumstance, extent, and gravity of the violation

Sable conducted extensive grading and excavation activities, some of which was conducted in, or adjacent to, riparian ESHA. Sable also applied an incorrect buffer of 50 feet from ESHA, instead of the requisite 100 foot buffer required by the County's Commission-certified Gaviota Coast Plan. Additionally, it does not appear that Sable delineated the locations of neighboring wetlands accurately, if at all. Without accurate ESHA mapping and wetland delineations mapping it is impossible to know the full extent of ESHA and wetlands at the development sites and it is unlikely that adequate protective measures were implemented to avoid or minimize adverse impacts to these habitats. As such, there is a high potential for damage to those wetlands fill activities and thus, this factor weighs in favor of a high penalty amount

30820(c)(2) Whether the violation is susceptible to restoration or other remedial measures

Violations, such as fill in wetlands, are difficult to remedy and, even if they are remedied successfully in the long run, the resource has been impacted in the interim, thus this factor weighs in favor of a high penalty amount. (See: Exh. 94 image of steel plate placed over installed culvert)

30820(c)(3) The sensitivity of the resource affected by the violation

The resource affected by these violations is wetlands, so this factor weighs in favor of a high penalty amount

30820(c)(4) The cost to the state of bringing the action.

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

30820(c)(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

Given the discussion above, we consider these violations to be at the high end of the possible range and apply a daily penalty amount of $11,250, for the full date range of 214 days, amounting to $2,407,500

Dewatering and Discharge of Water

30820(c)(1) The nature, circumstance, extent, and gravity of the violation

The dewatering and discharge or water, which occurred as part of excavation and work conducted on, and along, the offshore Pipelines, was done in riparian areas. and those with elevated water tables, which created potentially damaging impacts to both surrounding habitat as well as potential increased erosion damage. Again, this work was conducted with no justification for lack of coordination with Commission staff which could have avoided the adverse impacts, and has the potential to create serious damage to surrounding habitat, and erosion. Thus, this factor weighs in favor of a mid to high penalty amount.

30820(c)(2) Whether the violation is susceptible to restoration or other remedial measures

Habitat can be restored, though the extent of the damage affects the measures which may be needed to fully do so. Sable undertook these activities without coordination with Commission staff which could have ensured proper parameters were in place that could have prevented potential habitat damage. Further, Commission staff have received images that show the BMPs that Sable did use to while doing the work in an apparent attempt to limit erosion or other damage to surrounding coastal resources, were installed ineffectively. Thus, the damage may be far greater than can be adequately assessed through the material which Sable has shared, which makes assessment of the susceptibility to restoration difficult to fully analyze. Thus, this factor weighs in favor of a mid to high penalty amount.

30820(c)(3) The sensitivity of the resource affected by the violation

The resource affected by these violations is wetlands, so this factor weighs in favor of a high penalty amount.

30820(c)(4) The cost to the state of bringing the action.

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

30820(c)(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

Given the discussion above, we consider these violations to be at the mid-high end of the possible range and apply a daily penalty amount of $7,000, with the tolling period of 58 days subtracted from the full date range of 214 days, amounting to 156 days, amounting to $1,092,000

Pipeline Removal, Replacement, and Reinforcement

30820(c)(1) The nature, circumstance, extent, and gravity of violation

Sable brought in heavy equipment to excavate substantial areas, and began either, removing or replacing whole sections of pipe, or installing external sleeves or coatings to expand and reinforce the pipeline. These activities required extension excavation, and created the potential release of construction debris and hazardous materials into the surrounding environment. While these activities created damage to the surrounding environment, they may not necessarily present the same threat of ongoing damage as other violations here do. Thus, this factor weighs in favor of a mid-range penalty.

30820(c)(2) Whether the violation is susceptible to restoration or other remedial measures

The vegetation and surrounding habitat damage can be restored, so this factor weighs in favor of a mid-range penalty amount

30820(c)(3) The sensitivity of the resource affected by the violation

The resource affected by these violations is vegetation and habitat, so this factor weighs in favor of a high penalty amount

30820(c)(4) The cost to the state of bringing the action.

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

30820(c)(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

Given the discussion above, we consider these violations to be at the mid to high end of the possible range and apply a daily penalty amount of $7,000 with the tolling period of 58 days subtracted from the full date range of 214 days, amounting to 156 days, amounting to $1,092,000.

Installation of Shut off Valves

30820(c)(1) The nature, circumstance, extent, and gravity of the violation

The installation of shutoff valves involved extensive grading, excavation, and removal of vegetation, as well as installation of an underground apparatus, all of which create a high potential to negatively impact surrounding coastal resources and important habitat areas. Many of these activities, such as the shutoff valve installation, could have been approved with a conditioned CDP and then accomplished in a manner that minimized the damage to

coastal resources that was created by Sable's refusal to apply for permits for these actions. This factor weighs in favor of a mid-range penalty.

30820(c)(2) Whether the violation is susceptible to restoration or other remedial measures

The vegetation and surrounding habitat damage can be restored, so this factor weighs in favor of a mid-range penalty amount

30820(c)(3) The sensitivity of the resource affected by the violation

The resource affected by these violations is vegetation and habitat, so this factor weighs in favor of a high penalty amount.

30820(c)(4) The cost to the state of bringing the action.

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

30820(c)(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

Given the discussion above, we consider these violations to be at the mid to high end of the possible range and apply a daily penalty amount of $7,000 with the tolling period of 58 days subtracted from the full date range of 214 days, amounting to 156 days, amounting to $ with the tolling period of 58 days subtracted from the full date range of 214 days, amounting to 156 days, amounting to $1,092,000.

Placing of Sand and Cement Bags on the Seafloor Below and Adjacent to Out-of-Service Offshore Oil and Water Pipelines

30820(c)(1) The nature, circumstance, extent, and gravity of the violation

Both the type of inspection activities, and the type of work undertaken, have the potential for temporary and permanent adverse impacts to marine resources. For example, offshore activities required the United States Coast Guard to issue a Notice to Mariners which may have precluded commercial and recreational fishing activities within the area of the project during project activities. Marine mammals and marine reptiles could have become entangled in cables, including the cables connecting remotely operated vehicles (ROVs) to project vessels and those used to lower equipment and material to the seafloor. Sable does not appear to have completed detailed benthic surveys prior to project operations so it is possible that sensitive benthic habitats such as rocky substrate, sand dollar beds and/or rocky reef could have been smothered or damaged by the development. Thus, this factor weighs in favor of a high penalty.

30820(c)(2) Whether the violation is susceptible to restoration or other remedial measures

Without detailed Best Management Practices (BMPs) to govern project operations it is possible that construction debris and hazardous materials could have been released into the marine environment. Despite multiple communications with Commission staff before undertaking development activities offshore, in which Commission staff conveyed that an application for CDP was needed and that these activities could result in environmental harm, Sable proceeded to take these actions without such permit. As such, an analysis of environmentally superior alternatives could not be performed and no protective measures could be set in place by the Commission, such as qualified marine wildlife monitors, avoidance of rocky substrate, or other measures, in order to avoid or minimize adverse impacts. Importantly, because Sable used a cement/sand mixture in the bags that were deployed along the seabed, there is a potential for leaching of chemicals into the ocean and such potential increases over time. Because of this, remedial measures are likely much greater than they would otherwise be, if the work had been conducted with appropriate safeguards in place, and coordination with Commission staff. Therefore, this factor weighs in favor of a high penalty.

30820(c)(3) The sensitivity of the resource affected by the violation

The resource affected by these violations is vegetation and habitat, so this factor weighs in favor of a high penalty amount.

30820(c)(4) The cost to the state of bringing the action

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

30820(c)(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

Given the discussion above, we consider these violations to be at the high end of the possible range and apply a daily penalty amount of $11,250 for the date range in which the violation took place, beginning on November 29, 2024 when the activity began, through April 10, 2025, the date of this hearing, amounting to 133 days. A daily penalty of $11,250 for the period of 133 days amounts to $1,496,250.

Failure to Comply with Executive Director Cease and Desist Order

30820(c)(1) The nature, circumstance, extent, and gravity of the violation

The nature, gravity, and extent to which Sable flatly refused to comply with the EDCDO, issued in February, are very high and the degree of culpability to which they have exhibited with regard to the Coastal Act violations is extensive. As has been described above, Sable continued to undertake work, after issuance of two separate Notice of Violation letters, and

two EDCDOs issued under Section 30809. Section 30821.3 applies to any violation of the division (other than public access), which includes Section 3089. With specific regard to Sable's refusal to comply with the terms of the EDCDO, issued in February, for purposes of this penalty assessment, Sable has indicated no intent to apply to complete CDP applications, as directed by the EDCDO, and after its issuance, Sable continued unpermitted development activities, at the onshore locations, along the Pipelines. Further, it is relevant that Sable has not been forthcoming and reliable in its representations to Commission staff, throughout the course of their interactions with Commission staff. In early conversations about the ongoing, onshore work, Sable indicated to Commission staff that work had ceased when, in fact, it had not. Despite an initial Notice of Violation, Sable continued to undertake development. Indeed, upon expiration of the November EDCDO, Sable resumed work within days and has done so with disregard to protection of surrounding coastal resources. Sable has continued to undertake activities at locations onshore. Moreover, it should be noted that the public policy implications are great. It is highly problematic, and very exceedingly rare, for an entity to refuse to comply with legal, validly issued orders. To do so is to undercut the very tools available to protect valuable coastal resources, and the Coastal Act itself. Such behavior from an entity that desires to operate multiple oil transport pipelines and production facilities in marine and coastal areas – some of which have already generated catastrophic spills and environmental damage - is troubling. Thus, this factor weighs heavily in favor of a high penalty amount.

30820(c)(2) Whether the violation is susceptible to restoration or other remedial measures

As stated in this staff report several times, the damage to coastal resources caused by Sable's actions, and inactions, and decision to violate the EDCDO altogether could have been minimized if Sable had first coordinated with Commission staff and complied with the Coastal Act, before undertaking development activities. These activities, which effect a broad area, and on a large scale, impacted several coastal resources, and many of those impacts could have been avoided. As such, the extent to which those measures are required to will likely be extensive. As also stated here, the extent to which remedial or restorative measures must be taken, is likely much higher than what is currently known by Commission staff, due to Sable's refusal to provide information that would allow Commission to provide a fully analysis of those effects. This factor weighs heavily in favor of a high penalty amount.

30820(c)(3) The sensitivity of the resource affected by the violation

The extent, and sensitivity of the resources affected by the failure to comply with the EDCDO is great, including ESHA, riparian areas, wetlands, and other important habitat areas, many of which support critical species, as has been discussed in this staff report. Therefore, this factor weighs heavily in favor of a high penalty amount. (See. Exh 81 image of excavator in potentially Mapped Wetlands on February 20, 2025, as well as Exh. Image of an excavator removing shoring trench walls near Coastal Sage Scrub on February 18, 2025)

30820(c)(4) The cost to the state of bringing the action.

This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

30820(c)(5) With respect to the violator, any voluntary restoration or remedial measures undertaken, any prior history of violations, the degree of culpability, economic profits, if any, resulting from, or expected to result as a consequence of, the violation, and such other matters as justice may require

As has been discussed in detail in this report, Sable's actions, and inactions, in this instance have been very problematic. It is unprecedented for a violator to ignore and violate an Order in this way. As noted already, it is exceedingly rare that an entity acts in such an excessive, and repeated manner, and highly uncommon that and entity blatantly refuses, to comply with a legal, validly issued order. Commission staff have made constant attempts to work with Sable, and have repeatedly made themselves available to assist Sable in the CDP application process, and attempted to work with them to reach a consensual resolution of the whole situation, including trying to assist them in finding a path forward and a way to quickly resolve the enforcement and permitting cases. Despite this, Sable has instead consistently wasted Commission resources by agreeing engage in discussions toward resolution of the violations discussed above, only to change course with little, to no, forewarning. As discussed, Sable could have coordinated with Commission staff before undertaking activities at locations both onshore, and offshore, thereby ensuring appropriate parameters in place so as to prevent environmental damage, but instead, after direct communications with Commission staff informing them that work needed a permit and offering to work with them to obtain one, knowingly undertook work without such legal authorization and without conditions in place to ensure minimization and protection of coastal resources. This factor applies to this violation in the same way it applied to the prior one, so it weighs in favor of a high penalty amount.

Given the discussion above, we consider these violations to be at the high end of the possible range and apply a daily penalty amount of $11,250 applied to a date range beginning on February 18, 2025, when the EDCDO was issued, through April 10, 2025, the date of this hearing which amounts to 52 days. Thus, Commission staff recommends a total of $585,000.

Conclusion

Aggregating the findings with respect to all 30820(c) the factors listed above, Commission staff believes the higher-range penalty would be appropriate. A high-range penalty of $12,000,000 - $15,000,000 is suggested. See table below:

Violation	Days Assessed	$7,000 Daily Penalty	$11,250 Daily Penalty
Excavation and Grading with Heavy Equipment	214		$2,407,500

Grading and Widening of Roads	214		$2,407,500
Removal of Major Vegetation	214		$2,407,500
Installation of Metal Plates and Fill Within Wetlands	214		$2,407,500
Dewatering and Discharge of Water	156*	$1,092,000	
Pipeline Removal, Replacement, and Reinforcement	156*	$1,092,000	
Installation of Shutoff Valves	156*	$1,092,000	
Placing of Sand and Cement Bags on the Seafloor Below and Adjacent to Out-of-Service Offshore Oil and Water Pipelines	133 days		$1,496,250
Failure to Comply with EDCDO	52		$585,000

Total: $14,987,250

***Note: Staff recommends that certain violations be assessed with a tolling period of 58 days, as described above.

Potential Efficiency Discount

While the above-referenced penalty figures are factually and legally appropriate to the respective parties and violations at hand, to maximize the likelihood of compliance with these Orders and to rectify this matter in the most efficient manner possible, thereby limiting the costs to the state and increasing the potential for accelerated restoration and reduced impacts on resources, if Sable elects to proceed with consolidated CDP application[9], the Administrative Penalty will be reduced by 10% of the total amount (i.e., $1,498,725). If however, at any point prior to the Commission staff filing the CDP application as complete, Sable takes any steps that would interfere with the processing of the CDP application, including any attempt to delay or avoid submittal of the CDP

[9] If Sable elects to proceed with a Consolidated CDP process, they must do so in accordance with Section 1.3.A of the Consent Cease and Desist Order CCC-25-CD-01. See: Appendix A

application, the penalty amount shall not be reduced, and Sable shall be required to pay any remaining penalty amount to bring the full payment up to $14,987,250

VII. DEFENSES ALLEGED AND RESPONSES THERETO

A. Summary

On March 10, 2025, Sable submitted a letter entitled "Statement of Defense and Response to Notice of Intent to Commence Proceedings for a Commission Cease and Desist Order, Restoration Order, and Administrative Penalty Order," which we will refer to simply as the "Statement of Defense," or "SOD." This section provides responses to the arguments made in that SOD.

As an initial matter, although Sable makes many arguments in its Statement of Defense, a few recurrent themes stand out. The most prominent argument running throughout the SOD is that the work at issue in this proceeding was anticipated, its impacts were evaluated, and it was authorized and even required through various actions taken in the 1980s. Thus, Sable argues, the work required no further Coastal Act authorization and was not a violation of the Coastal Act. In support of this argument, Sable points to several different documents, including combined Environmental Impact Reports (EIRs) and Environmental Impact Statements (EISs) that they claim reveal the evaluation of impacts and various types of approvals and permit conditions that they claim reveal the authorization and mandate for the work.

There are several problems with Sable's approach. First, many of Sable's citations merely refer to ongoing operations, which Sable equates with maintenance. However, assessments of the impacts of the "operation" of a facility do not necessarily include the impacts of maintenance projects. Second, even where these documents discuss the need for future maintenance, none of them mentions the specific types of work at issue, nor do they imagine a project of this scope, so they could not have assessed or mitigated for its impacts. Third, even if an EIR/EIS attempts to include a "life cycle assessment" of the impacts of a project by including an assessment of the impacts of future maintenance, and even if the EIR/EIS at issue here had done so and predicted work of this nature, that does not mean that the individual future maintenance projects whose impacts were evaluated were authorized as part of the approval that the EIR/EIS supports. Such projects still require further review when they are proposed to occur, in order to ensure that they are performed in the least environmentally damaging fashion, especially where they are occurring decades in the future. And finally, although some entitlements affirmatively require the maintenance of a system in perpetuity, that is not the same as authorizing each individual instance of maintenance work. A maintenance requirement is to ensure that system integrity is maintained, but the recognition of the need for that and the requirement for that is totally independent of the question of whether the future work needed to achieve that will constitute development that will need to be reviewed to assess the potential that it will have its own impacts and then independently authorized. This is probably the primary recurrent theme throughout this document.

With that background, in Section B, we turn to an assessment of some of the individual documents upon which Sable relies in arguing that its work was pre-authorized, and we address each of these documents in turn. We then address some other recurrent themes in the SOD in Section C. Finally, in Section D, we address various other individual comments made throughout the Statement of Defense.

B. Documents on Which Sable Relies for its Pre-Authorization Argument

a. Onshore

i. EIR/EIS[10]

In the early 1980s, a pipeline project was proposed to construct and install an insulated underground pipeline – referred to as the Celeron/All American pipeline, after the two principal companies involved – to transport oil produced from the Santa Barbara Channel to refineries in Texas. The California State Lands Commission was designated as the lead agency under the California Environmental Quality Act and the Bureau of Land Management was designated as the lead agency under the National Environmental Policy Act. These agencies coordinated to develop a joint Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the project, a public draft was released in August of 1984. In its SOD, Sable contends that this 1984 EIR/EIS for construction of the Celeron/All American pipeline (Celeron project) also describes and analyzes the environmental impacts of the corrosion remediation and shut off valve installation work it began carrying out in late 2024 and continues to pursue.

Despite Sable's reliance on these documents, the EIR/EIS does not appear to cover the instances of "maintenance" development activities that have been observed and carried out by Sable over the past several months. The EIR/EIS does not refer to the types of activities undertaken, and it does not include an analysis of the types of impacts that would likely flow from the types of development at issue here.

Instead, the Draft EIR/EIS includes a July 17, 1984, cover letter with a "Project Description" that refers only to the proposal to "construct" the pipeline, not to future maintenance activities, much less substantial pipeline replacement projects, removal of pipeline insulation or the potential for the installation of additional shutoff valves decades later. Similarly, the "Abstract" at the beginning of the document, on page 2 (pdf page 8), states that the project proponents propose only to construct the pipeline.

Sable points out that the EIR/EIS goes on to say that the document analyzes the environmental effects of the proposed pipelines "through construction, operation, maintenance, and abandonment," but that does not mean that everything through abandonment was being pre-authorized. Further, even if the intent was to pre-authorize everything in that list, the document doesn't define the term "maintenance" or even elaborate on what is contemplated by the term until section 2.2.4. That section lists types of anticipated maintenance, but it doesn't mention any pipeline alteration, expansion,

[10] Sable cites to two versions of the combined EIR/EIS: (1) Final Environmental Impact Report Environmental Impact Statement; Proposed Celeron / All American and Getty Pipeline Projects; Calif. State Lands Comm'n and Bureau of Land Mgmt (DoI), January, 1985 (Sable SOD Doc. 3); and (2) the Draft of the same, from August, 1984 (Sable SOD Doc. 2).

replacement or earth movement at all. It lists five bullet points as constituting the maintenance activities associated with the pipeline and the right-of-way. Most relate to observation and inspection. The only references to maintenance are to maintenance of the cathodic protection system and the pipeline mile-post and road-crossing markers (see pdf page 128), neither of which was performed by Respondent, and both of which are simply not at issue here. The "Summary" section of the EIR/EIS states that operational impacts "would result primarily from potential oil spills and leaks" (p. S-2), without any indication of any consideration of impacts from maintenance, or the types of development undertaken recently by Sable and presently at issue.

The section of the EIR/IES on the environmental consequences of the Celeron project (§ 4.2) is broken down into subsections for each type of resource that could be affected, and does not discuss maintenance. The first subsection, on air quality (§ 4.2.1) has subsections, and each of those subsections, in turn has two subsections of its own – one on construction and one on operation. There is no section on the impacts of maintenance activities. Similarly, the third subsection, on impacts of the project to soils (§ 4.2.3) has three subsections – construction, operation, and abandonment. There is no discussion of maintenance, and the subsections on operation do not cover maintenance. The subsection on operations in section 4.2.3 limits its assessment of the impacts of operation to the impacts that "would result from oil pipeline leaks and ruptures" (4-24, pdf 328). The same is true for the sections on impacts to surface waters (§ 4.2.4, 4-30 to 4-32, pdf 334-336) and groundwater (§ 4.2.5, see, in particular, 4-35, pdf 339 [operational impacts "would only occur in the case of a leak or rupture"].

The word maintenance is only mentioned a few times in the more than 120 pages discussing impacts of the pipeline construction project, and none of those references discusses the type of work at issue here, much less any mitigation measures to avoid or minimize potential impacts specifically from this type of work. Two mentions of the word are in the section on impacts to terrestrial biology (§ 4.2.7). In that section, there is one mention that operational maintenance could increase the risk of fire (p.4-47) and one mention that maintenance traffic could increase habitat destruction (p. 4-53, pdf 357). There is no discussion of grading new roads or of excavating or stockpiling soils. The only other mentions are in the sections on socioeconomics (§ 4.2.8), discussing the fact that the project would employ people to maintain the pipeline (pp. 4-60 & 4-67), the section on cultural resources (§ 4.2.11), and, again, in discussing oil spills and leaks (§ 4.2.15), where is refers to the maintenance discussed in section 2.2 as a means of preventing impacts, but does not discuss the impacts *of* maintenance (see pp. 4-114 & 4-117, pdf 418 & 421). Regarding cultural resources, Section 4.2.11 acknowledges that not all portions of the pipeline route had been surveyed for cultural resources and many known sites had not been evaluated for their eligibility for National Register designation. For these reasons, the cultural resource impact assessment at the time that the time of preparation of the EIR/EIS was incomplete and the EIR/EIS required a compliance plan to mitigate for potential impacts to cultural resources for all aspects of the project proposal. As discussed above, since the type of maintenance undertaken by Sable was not envisioned, analyzed, or approved in the EIR/EIS as part of the project proposal, the approved compliance plan may not be sufficient to adequately prevent adverse impacts to coastal resources as a result of the work.

The Final EIR/EIS released in 1985 contains no clear project description, but the section listing areas of environmental concern (§ 1.2) only discusses impacts from construction and spills (see p.1-3, pdf19). Similarly, the section on impacts (§ 1.3) states only that the proposals have potential significant impacts from "construction and operation." (p. 1-5, pdf21). Otherwise, the discussion above regarding the Draft EIR/EIS pertains equally to the Final, and here again, there was no identification of additional development activities they are calling "maintenance" nor were there provisions to identify, reduce or mitigate such development activities. See, also, the discussion in the Summary of Staff Recommendations (on pages 5-6, above) and in Section III.C. (on pages 21-22), regarding changes in our understanding and listing of sensitive species and in the nature of the pipeline project's operation since these initial EIRs/EISs were produced

Finally, in any case, as Commission staff stated in the second half of the first paragraph on page 3 of the Notice of Intent for the second EDCDO (Exh. 8), even if an EIR is designed to do the equivalent of a "life cycle assessment" for a proposed project, to predict the impacts that will result over its full lifespan, including effects of future maintenance, that does not necessarily mean that the approval of the project includes advance approval of any and all maintenance that may be needed in the future, nor could it, without any way to know for sure what sort of maintenance will be needed, when and where it will be proposed, for how long into the future, or through what methods.

ii. Final Development Plan (FDP) (85-DP-66cz)/CUP (March, 1986) (Sable SoD Doc. 5)

Commission staff also reviewed and analyzed the Final Development Plan, upon which Sable relies for "authorization" of the development undertaken here. This Final Development Plan was approved by Santa Barbara County in March of 1986 for construction activities in Santa Barbara County for the Celeron/All American pipeline, the same one for which the EIR/EIS discussed above was prepared. Page 2 of the Final Development Plan includes a section entitled "Project Description," and it refers to the construction of the pipeline, which will require a construction corridor, and three pump stations, but not to future maintenance activities. In fact, Commission staff ran a search for the string "maint" in the document, and although it appears eight times, and the references show that maintenance was anticipated and even required, never does the FDP say that this plan was providing the necessary review and approval of specific, future maintenance activities in advance, nor could it, given that the nature and scope of any required maintenance activities, especially decades into the future, could not be anticipated. This is critical because this is really the key document given the nature of the documents in the next section.

iii. Santa Barbara County CDPs

The documents that provided Santa Barbara County's actual Coastal Act authorization for the Celeron pipeline project were two CDPs issued by the County in 1986 (CDPs number 86-CDP-189 and 86-CDP-205).[11] However, these documents are only two pages each and

[11] Sable SoD Doc. 6 and 7.

say almost nothing relevant to the ”pre-authorization of future maintenance activities” issue, as they simply define the project being authorized by referring back to the FDP (which itself refers back to the EIR/EIS discussed above), defining the approved project as “[c]learing, grading and trenching for [the pipeline project] as approved by 85-DP-66cz” and as the “[r]emainder of all construction activities for [same] as approved by 85-DP-66cz,” respectively. Still, neither of these documents states that it is authorizing development activities beyond the specific Celeron pipeline construction project before it, particularly not things such as actions to replace portions of the pipeline with new materials and new methods, much less actions taken forty years in the future.

iv. Conditions of Approval

In its SOD, Sable also points to several conditions that they claim show that maintenance was approved from the start. While these conditions show that maintenance was anticipated, and in some instances even required, that is not the same as pre-authorizing the specific activities that would be involved or have been carried out by Sable nearly 40 years in the future. For example, condition P-2 requires the creation of a Safety Inspection, Maintenance, and Quality Assurance Program “which shall be implemented during construction and operations.” But although that condition requires maintenance, the fact that this program did not yet exist shows that the impacts could not possibly have been evaluated at that point. Rather, the condition creates a requirement to generate a plan that will have to be implemented, but that requirement to implement the plan does not relieve the operator of the independent obligation to go through the permitting process prior to implementing any aspect of that plan that would normally require Coastal Act authorization. Further, the plan specifically relates to “operation” of the pipeline. The pipeline has not been in operation for almost a decade now and thus would not be covered by the plan.

Sable also points to condition A-13, which identifies certain types of changes to the pipeline or its throughput that would require a new or modified permit. However, first, that list is expressly not exhaustive, stating that the types of changes that would require permitting “could include but not be limited to” the enumerated changes. Secondly, that list appears to be focused on types of changes to the pipeline and its throughput, which raises different issues from maintenance work.

v. Summary with respect to the Aforementioned Entitlement Documents

The permitting documents from the 1980s for the original construction of the pipeline say nothing about pre-approving future maintenance activities. The EIR/EIS has some limited discussion of maintenance and some of the potential impacts of maintenance, but that does not justify the inference that such maintenance was being pre-approved, and even if it did, the maintenance discussion did not cover the sort of activities at issue now. Instead, that discussion was focused on maintenance of the cathodic protection system and the pipeline mile-post and road-crossing markers, with isolated mentions of the facts that maintenance activities could be required to cover up the pipeline if it becomes exposed, could increase risk of fire, and could disturb cultural resources, and that maintenance traffic could disturb terrestrial habitat. None of these documents contains any analysis of, or indication that they attempted to predict, or mitigate in advance for, all of the different

types of impacts that would result from the operator having to repeatedly access sites, excavate, expose and reinforce or replace stretches of pipeline, in perpetuity, for whatever type of work might be required and however it might be accomplished.

vi. Consent Decree

Sable also cites to the existence of a Consent Decree (Exh. 60) reached between Sable and the local government as somehow providing authorization under the Coastal Act for development undertaken at the site. It does not, for a variety of reasons:

- The Commission wasn't a party to that litigation or to the Consent Decree, and it specifically says it doesn't limit the rights of third parties. § 79.
- It also specifically says it was designed to resolve the issues raised in that litigation (§ 69), which couldn't have and didn't include anything relating to compliance with requirements for the work envisioned in the consent decree.
- It clearly envisions that the pipeline operator will restart use of the pipeline, and it says that they can't restart until they do certain things, but nowhere does it say that those steps are the *only* things Sable would need to do or that if Sable does those things, Sable can restart, notwithstanding any other applicable requirements.
- Conversely, it specifically says it's not a permit, that Sable will still have to comply with state and local laws and permits, and that compliance with the Consent Decree is not a defense. § 78. *See also* § 84.

vii. Santa Barbara County Letters

Finally, Sable relies on the letters from Santa Barbara County Planning and Development Department staff to Commission staff as establishing that the existing permits authorize the subject work, arguing that the Commission lacks the "authority to override or otherwise nullify" the County's letter regarding the anomaly repairs.[12] However, Sable cites nothing to indicate that the County's letters had any independent legal effect or significance such that the Commission would need to "override or otherwise nullify" them, much less that they create any sort of conclusive presumption. In fact, Sable later acknowledges that the County's letter regarding the anomaly repairs is nothing more than an "informal . . . assessment."[13] Thus, it has no binding effect.

Sable also argues that the County's letter is entitled to a substantial evidence standard of review and due deference because it represents the County's interpretation of its own permit. However, the substantial evidence standard is for judicial challenges, and even if it were to apply, the County cited no specific evidence, so there would be no way to determine whether the conclusion was supported by substantial evidence. And for the reasons stated above, the Commission finds that the evidence that Sable submitted did not support the conclusion. Finally, as indicated above, Sable acknowledges that the letter is not a formal determination by the County at all, but merely an informal assessment.

[12] Sable SOD at 2. See also Sable SOD at 37 (making a similar argument with respect to the County's September 4, 2024 letter regarding the installation of the safety valves).
[13] Sable SOD at 23.

Given both that fact and the fact that the assessment included no facts or analysis to support its conclusion, the Commission is entitled to reach a different conclusion.

b. Offshore

i. EIR/EIS[14]

Similar to the EIR/EIS for the onshore work, the EIR/EIS Sable cites for the offshore work is focused on the construction of the system and not future maintenance. Its project descriptions in the Abstract and the Executive Summary do not mention future adjustments to the sea floor, and it never mentions the work currently at issue (span remediation) at all. Sable cites one line in a table that lists the following mitigation measure: "Monitor seafloor disturbances after construction using side scan sonar or equivalent to assess need for remedial measures which could include smoothing of seafloor mounds."[15] This mitigation measure does not even explicitly specify or discuss what sort of "remedial measures" might be warranted, much less analyze their impacts. And in any case, as discussed with respect to the EIR/EIS for the onshore work, even if the document did discuss potential impacts of necessary future maintenance work, in an attempt to assess the full life cycle impacts of the project, that would not mean that the approval of the original project was authorizing all such future work in advance without the need for further review at the time.

ii. Development and Production Plan (DPP)

The DPP is equally devoid of any discussion of span remediation. Sable argues that the DPP contains "a detailed discussion of the Offshore Pipelines that would be installed, maintained, and operated," but the only citation it provides is to a page that merely discusses the sizes and use of the pipes to be installed.[16] Although the DPP has a section specifically on the pipelines, with subsections on construction and operation, Sable cites to nothing in that section about the need to adjust the seafloor (including for span remediation) in the future. Sable cites one sentence in that 28-page section that states that the pipelines "will be maintained in good operating condition at all times."[17] This general statement about the need for pipeline maintenance doesn't even mention the environment of the pipelines and is reasonably interpreted to refer to the integrity of the pipes themselves. And while the DPP does discuss submerged weight and trenching in the context of establishing pipeline stability,[18] there is no indication that statement is intended to address activities beyond the initial deployment.

iii. Coastal Development Permit CDP E-88-1 and Consistency Certification CC-64-87

In 1988, the Commission issued a combined report for its CDP and its concurrence with Exxon's consistency certification for the Development and Production Plan. The "Project Description" on the caption page of that report included the "[i]ntallation of" the offshore

[14] Final Environmental Impact Statement/Report for Santa Ynez Unit/Las Flores Canyon Development and Production Plan (June, 1984).
[15] Sable SOD at 47, citing Final EIR/EIS at 6-53, table 6.3.6-1.
[16] Sable SOD at 45, n.214, citing DPP at VIII-2.
[17] SOD at 45-46, n.215, citing DPP at VIII-24.
[18] DPP at VIII-14.

pipelines, The more detailed description on pages 18-23 includes the following statements (all on page 21):

- "Three principal pipelines will be installed from the onshore facilities to the SALM: a 48-inch diameter crude oil loading line and two 18-inch diameter vapor balance lines."
- "Exxon proposes to install another two pipelines: one 20-inch crude oil pipeline; one 12-inch produced water outfall pipeline . . ."
- "The construction method anticipated for pipeline installation is the conventional pipe lay barge stinger method. Surf zone trenching operations may require the use of a trestle to prevent sanding in the trench. Power cables will be installed in the same corridors as pipelines. Nearshore pipeline construction is scheduled for late 1989 to early 1990, requiring about three months."

None of this, or anything else Sable has been able to cite in the report, says anything about future modifications to the sea floor to adjust for changes that may occur in the future, much less does it suggest that such actions were being approved in advance by this permit.

It is also worth noting that Sable argues that the County's interpretation of its own permit is binding on the Commission. The obvious logical extension of that principle would require deference to the Commission's interpretation of its permit as well. It is also worth re-emphasizing that, as indicated above, Commission staff provided such an interpretation to Sable personnel prior to the commencement of the offshore work, informing them that such work would require a Coastal Development Permit.

iv. BSEE and SLC Letters

Sable claims that the State Lands Commission "emailed approval to Sable to proceed with the work" in November of 2024, followed by "an official approval letter on December 4."[19] What Sable fails to note is that this approval letter specifically states (on page 2) that Sable must "obtain all necessary permits and approvals from other Federal, State, and local agencies having lawful authority and jurisdiction over the pipelines . . . before commencing the operations." Nor would the fact that one agency approved work for purposes of its requirements insulate or immunize Sable from other regulatory requirements. Sable also notes that in 2012, BSEE allowed Exxon to "conduct span remediation maintenance on the Santa Ynez Unit pipelines" without requiring any new approvals, and that the Commission did not object.[20] BSEE's decision as to whether to allow this work to proceed, even if taken as an indication of how it interpreted the DPP, does not govern the Commission's interpretation of its permit. As for the Commission's lack of objection, Sable presented no evidence indicating that the Commission was even asked to review the issue. The only evidence Sable presented that the Commission was even aware of the matter is that it was listed as a cc on one letter. Sable's attempt to draw inferences from the Commission's lack of response to that letter are entirely baseless and no evidence exists to indicate that the letter was ever received by Commission staff. Moreover, even if Commission staff had affirmatively declined to object to that instance thirteen years ago, that would not constitute a waiver of its ability to enforce the Coastal Act with respect to similar development at a later time, nor would it bind the Commission to any particular interpretation of its permit.

[19] Sable SOD at 56
[20] Sable SOD at 60-61.

Further, the Commission has actively reviewed and required authorization for the same type of span remediation work that Sable recently completed. On no fewer than seven occasions in recent years, the Commission has considered CDP or waiver applications for this type of work on other offshore oil or intake pipelines and on two additional occasions emergency permits have been issued to allow similar work to be expedited.

C. Other Themes in Sable's SOD

a. Preemption

Sable argues that CDP review authority for Sable's anomaly repair and valve installation work is entirely preempted under federal and state law.[21] This overstates the preemptive effect of federal and state law. As the Commission stated in its initial September 27, 2024 Notice of Violation, although the California Office of the State Fire Marshall ("OSFM") has authority over pipeline safety under the federal Pipeline Safety Act (49 U.S.C § 60101 *et seq.*), any resulting preemption is limited in scope. Other state agencies, as well as local governments, may review and impose requirements related to other issues. Thus, the Commission and the County have jurisdiction to review and impose requirements relating to the consistency of the development activity with the Coastal Act and the LCP, as that does not pertain directly to pipeline safety.

Under the federal Pipeline Safety Act, the federal Pipeline and Hazardous Materials Safety Administration ("PHMSA") has authority to regulate both interstate and intrastate gas pipelines to protect against "risks to life and property posed by pipeline transportation and pipeline facilities." (49 USC § 30101(a).) Through a state certification program that PHMSA must approve, various states, including California, may regulate intrastate pipelines under PHMSA's regulations.

The federal Pipeline Safety Act has express preemption provisions for both interstate and intrastate pipeline safety. For intrastate pipelines, a certified state authority may adopt "additional or more stringent safety standards . . . only if those standards are compatible with the minimum standards prescribed under [the federal Pipeline Safety Act]." 49 U.S.C. § 60104(c). In turn, California law designates OSFM as having "exclusive safety regulatory and enforcement authority over intrastate hazardous liquid pipelines and . . . may act as agent for the United States Secretary of Transportation to implement [the federal Pipeline Safety Act]." Cal. Govt Code § 51010. *See also Olympic Pipe Line Co. v. City of Seattle*, 437 F.3d 872, 877 (9th Cir. 2006) (finding express preemption of city's safety regulations of intrastate pipeline). Thus, any resulting preemption is limited in scope and does not encompass all pipeline-related "development" (as defined in Section 30106 of the Coastal Act and Section 35-58 of the LCP). The Commission and the County retain CDP jurisdiction to review any development activity undertaken in connection with achieving the pipeline safety standards. For example, for pipeline-related development associated with vegetation clearance, grading, excavation, and construction activities, the Coastal Act requires those activities be reviewed to determine their impacts of those activities on environmentally sensitive habitat areas.

[21] It does not appear that Sable argues that preemption applies to CDP review authority for the span remediation work that occurred offshore.

Despite the limited scope of preemption, Sable argues that its predecessor's (Celeron) 1988 settlement agreement with the County creates a presumption that any CDP review of the valve installation work is entirely preempted.[22] This is not accurate, nor is it supported by preemption law, for at least three reasons. First, the work putatively preempted in the settlement agreement isn't even that which is at issue here. The 1988 settlement agreement purports to somehow preempt CDP review. But the 1988 settlement agreement purports to create a "presumption" of preemption for work that is performed "one foot or more below the surface of the ground and related to the operation of the pipeline."[23] Therefore, on its face, this term does not address any development activities aboveground or excavation above the one-foot depth threshold.[24] Secondly, the Commission was not a party to this litigation or the settlement and is not bound by it or by the conclusion that the County's Coastal Act review authority is preempted.

Third, and more fundamentally, the scope of federal preemption cannot be contractually altered because "[f]ederal preemption is the allocation of power and decision-making authority between the federal government and state and local governments, based on the Supremacy Clause of the Constitution." *Olympic Pipe Line Co. v.*, 437 F.3d 872 at 882-83. Because "[p]reemption is the power of the federal government" (i*d.* at 883), the scope of preemption under the settlement agreement is not greater than that under federal law. Thus, it is federal law – not the 1988 Settlement Agreement – that establishes the scope of any federal preemption. Federal law does not contain the "one foot or more" standard for preemptive effect, nor does it support the broad reading of preemption that Sable advances.

Sable also argues that any CDP review for the work at issue is preempted by a conflict with federal PHMSA requirements and with OSFM requirements pursuant to OSFM's certified authority to regulate pipeline safety. Again, this is simply not accurate. In particular, Sable refers to 49 C.F.R. § 195.452(h), which contains integrity management provisions applicable to pipelines in "High Consequence Areas."[25] Under PHMSA regulations, when an pipeline operator's assessment identifies a potential problem with the condition of the pipeline, it must evaluate and "discover" the issue within 180 days after the operator receives an assessment that identifies the problem. 49 C.F.R. § 195.452(h)(2).

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[22] Settlement Agreement between County of Santa Barbara and Celeron Pipeline Company (Feb. 8, 1988). The settlement agreement makes the presumption rebuttable if there is "clear language granting jurisdictional rights to the County under the terms of this Agreement . . . or by law binding upon the County and Celeron." Settlement Agreement ¶ 3.2.

[23] *Id*. ¶ 3.1.3. The August 30, 2024 Conditional Settlement Agreement between Sable and the County referenced this presumption of preemption.

[24] Furthermore, the settlement agreement also contains a presumption of preemption if it is covered by 49 C.F.R. Part 195, which are the federal pipeline safety regulations implemented under the federal Pipeline Safety Act. As discussed above, the federal Pipeline Safety Act provide for express preemption of various pipeline safety requirements.

[25] High Consequence Areas are defined in 49 C.F.R. § 195.450 to include "unusually sensitive areas" or certain population areas. Unusually sensitive areas are defined in 49 C.F.R. § 195.6 as meeting certain ecological resource criteria. In a 2024 report to OSFM, Sable indicated that Line 324 (10.86 miles from Las Flores Canyon to Gaviota) is a High Consequence Area because it is an "ecologically sensitive region (coastline)." Pacific Pipeline Background Data, Attachment B of State Waiver Application, prepared by Pacific Pipeline Company (June 2023).

This 180-day discovery timeframe is not absolute, and the operator may notify PHMSA of any need for additional time if the 180 day timeframe is "impracticable." *Id*.

Even if this PHMSA provision, with its timing requirements, were to apply to a pipeline such as the one at issue, which was rendered inoperable and has sat inactive for a decade, Sable provides no reason why it could not both apply for a CDP and comply with these PHMSA requirements. For example, Sable could have applied for a CDP in advance of doing any discovery work, or it could have notified PHMSA of additional required time, if necessary. Or the Commission's permitting process could have simply taken less than 180 days. Indeed, the Commission has processed CDPs for other pipeline repair projects taken pursuant to PHMSA regulations.[26]

i. There is No Conflict Preemption Here

Federal conflict preemption applies only where a state law conflicts with federal law, either because it is impossible to comply with both laws or because state law stands as an obstacle to accomplishing the purposes of federal law. *English v. Gen. Elec. Co*., 486 U.S. 72, 79 (1990). In either case, there is a strong presumption against preemption. *Wyeth v. Levine*, 555 U.S. 555 n. 3 (2009). Conflict preemption is a demanding standard, as courts will not "seek[] out conflicts between state and federal regulation where none clearly exists." *English*, 496 U.S. at 90 (internal quotation marks omitted). In this case, there is no conflict between compliance with the safety requirements under PHMSA regulations in Part 195 and compliance with CDP requirements that do not directly pertain to those safety requirements. Likewise, there is no conflict between compliance with Gov. Code section 51013.1 (AB 864), which requires the use of best available technologies (such as shut-off valves) for pipelines near environmentally and ecologically sensitive areas in the coastal zone,[27] and compliance with CDP requirements that do not directly pertain to the safety issues within OSFM's review under AB 864. Finally, although the Consent Decree in the lawsuit arising out of the Refugio oil spill specified actions to be taken by the defendants (Sable's predecessors) in connection with proposed restart activities,[28] the Consent Decree does not relieve Sable from applying for a CDP for development activities that do not directly pertain to PHSMA and OSFM safety requirements. As the Consent Decree states:

> This Consent Decree is not a permit, or a modification of any permit, under any federal, state, or local laws, or regulations. Defendants are responsible for achieving and maintaining full compliance with all applicable federal, state, and local laws, regulations, and permits; and Defendants' compliance with this Consent Decree shall be no defense to any action commenced pursuant to any such laws, regulations, or permits, except as set forth herein.[29]

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[26] *See, e.g.*, CDP No. E-11-031 (approved March 9, 2012). SoCalGas sought a CDP for development activities, including excavation and vegetation clearance, relating to pipeline testing required under PHMSA regulations in 49 C.F.R. Part 192 (which applies to natural gas pipelines).

[27] AB 864 was enacted in 2015 after the Refugio oil spill, and it requires OSFM to develop implementing regulations requiring the use of best available technology.

[28] Consent Decree in *United States, et al. v. Plains All American Pipeline, L.P.., et al.,* Case No. 2:20-cv-02415, (C.D. Cal. Mar. 13, 2020).

[29] *Id.* at ¶ 78.

Finally, Sable points to no published caselaw demonstrating any preemption here. Although Sable cites *San Diego Gas & Electric Co. v. City of Carlsbad*, 64 Cal.App.4th 785 (1998), that case is distinguishable. *Carlsbad* involved a city's floodplain ordinance that required the utility to obtain a permit to deposit sand from dredging operations. In that case, the utility company applied for the permit. The court held that the prescriptive requirements of the permit went into an area of state law that was "fully" occupied by the state. *Id.* at 803. *Carlsbad* did not involve the Pipeline Safety Act or its implementing regulations, nor did it involve AB 864, and it presents a different set of facts involving the deposition of dredging spoils under a different state law (Public Utilities Code § 701). Moreover, in *Carlsbad*, the utility company actually applied for and obtained a permit, which the court evaluated to determine whether the permit's scope entered an area occupied by state law. As the *Carlsbad* court noted, "[t]his record does not present the abstract question of whether a local entity may regulate, within its jurisdiction, the disposal of dredging soils taken in the operation of a public opinion, and we express no opinion on that subject." Thus, *Carlsbad* does not support Sable's conflict preemption argument.

b. Jurisdiction

Sable divides its SOD into three sections. The first addresses the anomaly repair work, the second addresses the valve installations, and the third addresses the span remediation work. Each of those three sections ends with a similar discussion of the Commission's jurisdiction. Sable claims that the Commission has no jurisdiction to issue a CDO, an RO, or penalties. However, Sable's arguments are mostly derivative of their earlier arguments, in the sense that they rely on the substantive arguments Sable made earlier and only apply if their earlier arguments are correct, as is explained in the next four paragraphs.

With respect to the Commission's authority to issue a cease-and-desist order, Sable begins by arguing that the first two bases listed in Section 30810 for such an order (that the work at issue required a permit from the Commission or violated a condition of an existing permit) do not apply. But with the exception of the span remediation work, the Commission is not asserting otherwise, and for the span remediation work, again, the issue of whether the work required Coastal Act authorization beyond what was provided for the original installation of the pipes in the 1980s is addressed above. For the other two categories of development, the Commission's CDO is based on the third, alternative, and independently sufficient basis for the Commission's jurisdiction to issue a CDO, which is that the Commission is enforcing the County's LCP. Here again, Sable argues that the work is not a violation of the County's LCP because it was already authorized, but that issue is addressed above. The Commission's analysis from above is incorporated by reference.

There are three bases on which the Commission can enforce an LCP, listed in section 30810(a)(1)-(3). Here, as discussed above, the Commission is authorized to issue the CDO based on section 30810(a)(2), because the Commission requested that the County take enforcement action, and the County declined to act or did not act in a timely manner. Sable argues that it is not the case that the County declined to act, in that the County did issue letters, referring to the County letters asserting that the work at issue was authorized

by prior permits. Section 30810(a)(2) authorizes the Commission to act whenever a local government declines the Commission's request to pursue enforcement. The County's letters may be a type of act, but they certainly do not count as the County pursuing enforcement. If anything, they are the opposite, as they explain why the County has declined to act. Sable also argues that section 30810(a)(2) only allows the Commission to enforce if the actions at issue "could cause significant damage to coastal resources." But this is, again, an issue that was addressed above, in the Commission's findings to establish its *prima facie* case on the merits.

With respect to the restoration order, Sable points out that there are three criteria that must be satisfied to support the Commission's authority to issue such an order. Sable again argues that first criterion is not satisfied because the work required no permit, but again, that is addressed above throughout this report. Sable next argues that the work did not cause continuing, or even any, resource damage, but that issue is addressed above as well. Again, the Commission's prior analyses are incorporated herein by reference.

Finally, with respect to penalties, Sable makes arguments with respect to PRC sections 30820, 30821.6, and 30822, but none of those sections is at issue here. Those sections govern the imposition of penalties by the courts. The NOI for this proceeding stated that the Commission could impose penalties pursuant to section 30821.3. The NOI then merely went on to mention that the Coastal Act "*also* includes several *other* penalty provisions that may be applicable as well" (emphasis added), meaning they may be applicable to the activities at issue, not that they would form the basis for the Commission's administrative action. As for section 30821.3, Sable returns to its derivative argument, claiming that the work was already authorized. Again, since that issue is at the heart of this report, the Commission's prior analysis is incorporated herein by reference.

The County also makes two other arguments that could be characterized as being jurisdictional arguments. With respect to the valve installation work, Sable argues that, because it has submitted additional information to the County for its review, it would be "premature" for the Commission to address that issue at this point.[30] The Commission has always been, and continues to be, interested in considering any additional materials Sable can provide regarding the work that was done and is still planning to do, or regarding Coastal Act authorization for that work. In fact, Commission staff asked repeatedly for information and evidence that any of the work was covered by prior coastal development permits. However, although Sable asserts that it is now returning to the County and argues that this divests the Commission of authority to act, Sable provides no indication of what sorts of materials were submitted to the County or why Sable didn't begin this process six months earlier, given that it acknowledges that it is submitting these materials "in light of" the letters it received from the Commission six months ago.[31] In addition, the Commission's orders provide for the possibility that Sable could produce new evidence of existing Coastal Act authorization. The prohibition on development in Section 1.1 of the Orders does not apply if the Commission's Executive Director confirms that Coastal Act authorization has been received. Thus, if the County responds to Sable's new

[30] SOD at 3, 30, 37, 41, and 42.
[31] *Id.* at 30 and 37.

submittal by providing evidence of such authorization, the Orders will allow Sable to proceed. At this point, however, since the County did not act in response to the Commission's request for enforcement, the Commission now has jurisdiction to proceed and need not wait for additional County review of this unspecified (and mysteriously timed) "new information." Second, Sable argues that the consolidated permitting process – which Commission staff mentioned in an attempt to help facilitate and expedite the process – does not apply because it requires that a permit be required from the local government. Based on its argument that no permit is required from the local government, Sable therefore argues that this process is not available. Of course, this, too, is a derivative argument in the sense that, if that were true, the entire enforcement action would be improper, so the availability of this permitting approach would be irrelevant. Conversely, however, assuming the Commission is correct that additional Coastal Act authorization is required, as is at the heart of this action, then this argument necessarily fails. Sable also argues that the process is "procedurally improper" in that it has not consented to it (SOD at 27), but again, the process was offered as an accommodation, Commission staff and the County have agreed, and whether Sable provides the final consent to make the process available is within its control. And finally, the orders merely provide this process as an option of which Sable may avail itself.

c. Benefits and Harms of the Work at Issue

Much of Sable's SOD contains arguments for the salutary nature of the work at issue, how it is consistent with industry standards,[32] how it promotes pipeline safety,[33] or how it is consistent with legislative mandates, such as AB 864[34]. All of this misses the point. Commission staff never stated that the work at issue does not improve the safety of the pipeline or that it should not ultimately be allowed. Nor is the Commission taking that position now. Indeed, it would be premature to do so without having received the normal application materials that would enable a complete review of the work. Whether the work has benefits is beside the point. Even if the work is ultimately found to be beneficial and approved, the question posed in this proceeding was a different one: whether the work must be approved through a permitting process that, if nothing else, allows the Commission to perform its responsibility of ensuring that the work is done in a manner that minimizes impacts to protected coastal resources.

Another significant portion of Sable's SOD argues that the various types of work it has been performing that are at issue here were performed in a safe and environmentally sensitive manner that protected the resources. This is relevant to some of the analysis (for example with respect to the restoration order and the penalties), but it is not relevant to the cease-and-desist order, for the reason indicated in the prior paragraph. I.e., the Commission's authority to issue a cease-and-desist order in this case is based on Sable's failure to secure the necessary Coastal Act authorization for the work, regardless of how it is performed and whether it harmed resources. However, as is explained in the body of this report, the Commission also finds that it is not true that the work was all conducted in a manner that had no impacts, and the Coastal Act is designed such that it is through the permitting process that the Commission will obtain more detailed information in this regard.

[32] E.g., SOD at 11, n.33, and 48-49.
[33] E.g., SOD at 12, 32.
[34] E.g., SOD at 30-31.

D. Additional Arguments

Respondent's Claim:

"the Coastal Commission does not have the authority to override or otherwise nullify either the County's determination or the County's interpretation of its own previously issued coastal development permits for the Onshore Pipelines"

- Statement of Defense at page 2

Response:

The County's interpretation may be due some deference, but we are unaware of any authority to suggest that a permitting agency's interpretation creates a conclusive presumption. Commission staff reviewed the relevant documents to try to determine whether the County's reading is correct, and they reached out to the County to share their reading of the permits and other documents and attempt to coordinate with them, but the County did not engage in any meaningful dialogue or provide useful documentation to support their position, despite numerous requests from Commission staff over the span of over two months.

Staff also initiated a review process pursuant to section 13569 of the Commission's regulations, in an attempt to foster further coordination with the County, understand the factual basis for its position and attempt to resolve this disagreement. However, the County continued to ignore requests to identify the sections and analysis in its historic CDPs for the pipeline that could be interpreted as pre-authorizing Sable's current work.

The County has ignored these requests and consistently failed to identify any such information, leading Commission staff to reach the conclusions described above that no such information exists.

We are also unaware of any authority to suggest that the County's letter has any independent legal significance such that we would need "authority to override or otherwise nullify" it. It is simply their position, and as such, we are free to disagree with it. Our positions are based on a reading of the relevant documents as discussed herein.

Respondent's Claim:

"Commission staff appears to be asserting Commission jurisdiction over these already permitted activities in order to exert some influence over Sable's planned restart of the Santa Ynez Unit oil production operations."

- Statement of Defense at page 3

Response:

This speculation about the reasons for the Commission's assertion of jurisdiction is both baseless and irrelevant to the issues in this case. The action being taken here, and those which were taken previously by the Executive Director of the Commission, were

taken to protect the coastal resources the Commission is charged with protecting and to ensure the integrity of the permit process.

In any event, the Commission has jurisdiction for the reasons stated in the body of this report, and as such, it can proceed regardless of Sable's speculation about motives or future issues.

Respondent's Claim:

"Jurisdiction over restart activities is entirely outside of the Commission's jurisdiction"

- Statement of Defense at page 3 and fn. 7, citing the Consent Decree with the parenthetical "requiring, in part, approval of a Restart Plan by the Office of the State Fire Marshal."

Response:

Sable cites to nothing in the Consent Decree or any other authority for the proposition that restart is in the exclusive jurisdiction of the agencies that are parties that that document, and we are aware of nothing that would support this, but this point is irrelevant to the present dispute in any event, as the activities identified as having taken place without the required permit do not include restart of the pipeline, and the action here is addressing the need for Coastal Development Permits for development activities, and the importance of the associated protection of coastal resources under the permitting processes.

Respondent's Claim:

"Since these facilities were constructed, the Coastal Commission has never asserted that any new or amended coastal development permits would be required for the type of anomaly repair and maintenance activities, safety valve installation work, or span remediation work described in the EDCDO/NOI."

- Statement of Defense at page 6

Response:

The Commission is unaware of any work of the nature or magnitude of the present project having occurred before. In fact, the Commission is unaware of being notified of any anomaly repair work or valve installation work having occurred previously, and Sable has only identified one instance, more than a decade ago, where the Commission was merely cc'd on a letter regarding offshore span remediation work. Thus, the fact that the Commission has never made an assertion regarding this sort of work before is indicative of nothing. Moreover, even if the Commission had been aware of similar work and had not affirmatively asserted that it required a permit, such silence would not and could not create a waiver of the applicable legal requirements.

Respondent's Claim:

"Sable's anomaly repair work is an important protective measure for coastal resources and part of exercising the "utmost caution" urged by Commission staff –

not an activity that threatens coastal harm or increases the risk of a potential future oil spill.
- Statement of Defense at page 12

Response:

In addition to the general point made in the previous section, we note that here is no oil flowing through the pipelines at this time, so the only risk created by the current action is from the work being performed. Leaving the anomalies unresolved while they seek a permit would create no risk as long as the pipeline is idle. The Commission is merely saying that any such development activities need a CDP and with it a review of the methods, timing and impacts of work to determine whether the work can be conditioned to avoid or minimize impacts on coastal resources and made consistent with Coastal Act protections, and to determine what conditions and mitigations are appropriate and necessary.

Respondent's Claim:

"The Onshore EIR/EIS explains that its impact analysis extends through the Onshore Pipelines' entire lifetime, including both pipeline "operation" and "maintenance."
- Statement of Defense at page 13

Response:

That page of the Final EIR/EIS also refers to impacts through abandonment. Thus, the logical extension of Sable's argument would be that abandonment was also pre-authorized, which is an untenable position, given the extensive regulation of that process. That fact demonstrates that this reliance is a misreading of the provision.

In any case, as was stated on page 3 of the Notice of Intent for the second EDCDO, while it may be prudent and perhaps even required, as part of the CEQA and NEPA process, to predict the impacts that may occur down the line from a proposed project by taking into consideration future maintenance, that certainly is not the same as pre-authorizing all such maintenance.

Respondent's Claim:

"the Onshore EIR/EIS incorporates into the Pipeline Project's project description certain Oil Spill Contingency and Emergency Response Plans that address ongoing pipeline maintenance"
- Statement of Defense at page 13

Response:

Sable cites nothing in support of this claim, and it appears to be untrue. The Draft EIR/EIS project description appears on pdf page 4 and says nothing about the oil spill contingency plan. Section 2 provides more detail on the project, and section 2.2.4 (pdf pages 126-127) talks about maintenance, but it says nothing about the sort of work at issue now, or about the oil spill contingency plan as being incorporated. It just says that such a plan would be prepared (2-12 & 2-33, pdf pages 108 & 129) and attaches a draft plan, but nothing in the document says that it was being incorporated as part of the project, and in fact, it is listed as being a preliminary draft. Footnote 4 of the impacts table (S-13,

pdf page 21) says that use of such a contingency plan "as part of the project description, would" reduce the risk of an oil spill, but it doesn't say that such a plan is part of the project description. The Final EIR/EIS is even clearer that no such plan is incorporated. It does not even include such a plan as an exhibit, and it merely says that one will be prepared (2-62, 2-133, pdf pages 130, 201). This also makes Sable's arguments about the details of the draft plan (discussed on pages 13-14 of the SOD) irrelevant. Nor is it true, as Sable claims at page 13 (and Sable cites nothing to support this claim) that the EIR/EIS "incorporates [the oil spill contingency plan, which was still in draft form] into the Pipeline Project's project description."

Respondent's Claim:

> "The Onshore EIR/EIS concludes that compliance with these plans would "substantially reduce the oil spill risk" and reduce any significant impacts that would result from a major oil spill, including impacts related to soils, surface water, aquatic biology, and land use and recreation."
>
> - Statement of Defense at page 14

Response:

That doesn't mean that the impacts of all such work was addressed in the EIS/EIR. This statement (which appears on pdf page 174 of the FEIR/FEIS) was in response to a SCAG comment saying that, in order to reduce the likelihood of failures, the pipeline should be monitored and segments should be replaced as they age and deteriorate; and the response was merely that faulty segments will be replaced as necessary. In other words, it was merely noting that monitoring and maintenance were anticipated. But there is no analysis of the impacts of repeatedly having to access sites and expose pipelines, much less a suggestion that the impacts of all such future work, for all time, and however accomplished, was being mitigated up front.

Respondent's Claim:

> "Significantly, in performing its analysis of future anomaly repairs along the pipelines' route, the Onshore EIR/EIS acknowledges that impacts to environmentally sensitive habitat areas (ESHA), such as oak woodlands, within the pipelines' right-of-way would be permanent (i.e., extending throughout the pipelines' lifetime due to anticipated and ongoing maintenance activities) and constitute a significant environmental impact."
>
> - Statement of Defense at page 14

Response:

The project involved the destruction of the existing oak woodland, and the Draft EIR/EIS recognized that this would be a permanent impact to an existing resource, but that doesn't

imply that all the other impacts that would result from repeated ground disturbance were also considered as part of the project. Moreover, it did not analyze or mitigate for other impacts to resources, nor did it anticipate or address the other resources that might exist or be impacted.

Respondent's Claim:

> "The Anomaly Repair Work occurs within the boundaries of the right-of-way analyzed in the Onshore EIR/EIS, which was disturbed by Onshore Pipeline construction and has remained impacted."
> - Statement of Defense at page 14
>
> "the Onshore Pipelines' right-of-way has remained relatively devoid of mature vegetation."
> - Statement of Defense at page 15

Response:

This only goes to the merits of whether the work is approvable, not whether it requires a CDP. Moreover, the "Anomaly Repair Work" was done in a very significant number of places and habitats, and the claim that the areas were "disturbed by Onshore Pipeline construction" conducted over three decades ago and the claim that it" has remained impacted" is clearly not accurate. In many places, in the decades since the pipeline was constructed, the vegetation in the areas has grown back, and with it there have been animals and plants that have located in those areas, some of which are protected. See the discussion regarding resources impacted. This would mean that, in addition to not being legal or sufficient "preapproval" would also be not accurate or protective.

Respondent's Claim:

> "an October 2020 Biological Resources Assessment confirmed that major work could be conducted in the Onshore Pipeline' maintenance corridor" without any substantial adverse effects on or significant impacts to biological, botanical, wetland or riparian habitat resources.
> - Statement of Defense at page 15

Response:

There are several problems with reliance on this document. First, there is no indication, nor could we find any evidence that this "biological resources assessment" was reviewed or approved by any regulatory agency, including the Commission. It is impossible to verify that this was sufficient or accurate nor what it relied on. Second, it is likely outdated and not reflective of current conditions, the field work having been conducted more than eight years ago. Third, its conclusions are dependent on the implementation of certain "avoidance and mitigation measures" (see page 8), and without any regulatory oversight, it is impossible to confirm whether such measures were implemented. Fourth, it appears to employ a definition of "short term and temporary" (in describing the work) that is not consistent with the Commission's understanding of how those terms apply to ecological impacts. Moreover, it would be very difficult for such an assessment to predict any and all work that could be done, whatever the extent and

location, and flatly determine that there would be no impacts. Further, it seems very unlikely to have no significant impacts to, for example wetlands habitat, since some of the areas in which work was done include Environmentally Sensitive Habitat Areas (ESHA) and wetlands.

In any event, this is not relevant to the question of whether the work required a permit, and moreover, if it is true that there would be and were not impacts at all, then securing such a permit it should be easy.

Respondent's Claim:

> "[FDP] Condition J-11 acknowledges that the Onshore Pipelines' right-of-way will be used for 'operational maintenance'."
>
> "Condition J-11 is broadly drafted to cover the varied types of repair and maintenance activities discussed in the Onshore EIR/EIS"
>
> - Statement of Defense at page 16

Response:

This is misrepresentation of the record. The provision at issue actually says that use will be "restricted to" operational maintenance, which is a limitation on what can be done in that area, not a pre-authorization of work. Nor does it say anything about encompassing everything discussed in the EIR/EIS, but even were it to do so, that would merely make this argument derivative of Sable's overly-broad reading of that EIR/EIS, which does not state that maintenance is pre-authorized. And even if it were, there are no "varied types of repair and maintenance activities discussed in the Onshore EIR/EIS." The Final contains no discussion, and the Draft discusses a very limited scope of maintenance activities, as indicated above.

Respondent's Claim:

> "Condition P-2 similarly contemplates that the pipeline operator will conduct 'regular maintenance and safety inspections'."
> - Statement of Defense at page 16

Response:

First, that condition requires implementation of its requirements "during construction and operations," and neither of those is occurring now. Second, it provides no detail as to what sort of maintenance is envisioned. And third, even if it were requiring this sort of maintenance at a time when the pipeline is inoperative, that does not mean that it is authorizing that work in advance without needing to get a permit to regulate the manner in which that work is done.

Respondent's Claim:

> "Condition P-2 states that 'permits may not be withheld or suspended due to County concerns which are under the jurisdiction of 49 CFR Part 195'."
> - Statement of Defense at page 16

Response:

This actually demonstrates that future permitting was, in fact, anticipated. It also only applies to the County. Third, the Commission is not proposing to withhold or suspend permits, but merely to be given the opportunity to conduct the permit review process. And fourth, it's not clear that the cited regulation applies to an idle pipeline.

Respondent's Claim:

"Commission staff's interpretation is in direct conflict with the County's permitting history for the Onshore Pipelines over the past 30 years where the County consistently has authorized Anomaly Repair Work without requiring a new or amended coastal development permit"

- Statement of Defense at page 17

Response:

The County's past practices are not binding on the Commission or dispositive of the legal requirements of the Coastal Act. Further, the facts and circumstances of these alleged past activities have not been provided for review by Commission staff. In certain locations and circumstances described in the Coastal Act and Commission's regulations, repair and maintenance activities may be exempt from Coastal Act review. As such, past activities may legitimately not have required authorization.

Respondent's Claim:

"the Onshore EIR/EIS and Conditions of Approval addressed biological impacts from the installation of the Onshore Pipelines and their ongoing repair and maintenance, such as the Anomaly Repair Work and imposed mitigation to account for permanent impacts"

- Statement of Defense at page 17

Response:

Sable cites nothing to indicate that the sort of anomaly repair work at issue was ever contemplated, and the biological impacts envisioned in the EIR/EIS were only from the permanent removal of the oak woodlands, not from impacts to other sensitive habitats that might emerge over time nor any species they might support, or to water quality from runoff from work on steep slopes or being done during the rainy season.

Respondent's Claim:

"Similarly, Conditions H-10 and H-11 required the pipeline operator to, after construction, replace and revegetate any disturbed catalina mariposa lily and refugio manzanita in locations "in or near" the disturbed area, but "***exclusive of the operation [right-of-way]***.""

- Statement of Defense at page 18

Response:

This just shows that it was anticipated that the right-of-way would be disturbed again, so it would be pointless to plant sensitive species there. That disturbance could be from driving directly on the area of the pipeline location, which has few (if any) of the significant adverse effects of grading whole new roads, excavating pipe, stockpiling dirt, etc. In other words, this doesn't show that the current work was anticipated or mitigated, much less pre-authorized.

Respondent's Claim:

"Sable also implemented several construction best management practices to ensure that impacts to coastal resources, biological resources, and archaeological resources were consistent with the Onshore Pipelines' prior impact analyses"

- Statement of Defense at page 18

Response:

This shows that Sable in fact recognized that this work could have impacts to existing resources, and they did not cite anything to show that these BMPs were required by the original approvals, which shows that they recognize that the original approvals did not provide the necessary regulation for the current work. Moreover, these BMPs were not reviewed and approved by Commission ecology staff, and we have no information proving that they were adequate or even implemented. Since there was no permit sought or obtained for this work, there wasn't oversight or on site monitors. And again, whether the work was done in a sufficiently protective manner is not relevant to whether Coastal Act authorization was legally required, and thus, to the Commission's authority to issue a cease-and-desist order.

Respondent's Claim:

"the County's Statement of Overriding Considerations concluded that the pipeline operator's compliance with the Conditions of Approval would 'mitigate[] as completely as possible' all 'potential oil spill impacts' and other potentially significant impacts"

- Statement of Defense at page 18

Response:

Here again, the reliance is misplaced and misrepresents the document. Tellingly, Sable *quotes* the phrase "oil spill impacts," but the reference to "other potentially significant impacts" is not a quote, because the Statement of Overriding Considerations doesn't use that phrasing, nor does the list on page 55 refer to impacts of future ground disturbance for maintenance.

Respondent's Claim:

"Anomaly Repair Work will serve as a protective measure for coastal resources and *reduce and avoid* any potential oil spill impacts."

- Statement of Defense at page 19

Response:

Again, this refers to oil spill impacts. That is simply not what's at issue here.

Respondent's Claim:

Condition A-13 lists the types of changes that would require a further permit, stating:

"[The pipeline operator] shall obtain a new or modified permit, or authority to continue operation under the existing permit prior to undertaking any of the following activities which may, in the judgement of the County, result in significant changes to the impacts on the County. Such changes could include but not be limited to 1)

major pipeline or pump station modifications; 2) major changes in pipeline throughput; 3) introduction of production to the pipeline from sources other than those described above [noted as the outer continental shelf and other locally produced onshore and offshore petroleum from the Santa Barbara and Santa Maria Basins], and 4) introduction of a different product from any source.79"

- Statement of Defense at page 19

Response:

This is about the sorts of changes in operations that require modifications to the existing permit (or a new permit), but (1) it does not say that it is intended to be an exhaustive list, and (2) it is focused on changes to the nature of the pipeline and its throughput, not to addressing significant maintenance work.

Respondent's Claim:

The County's review of Sable's Zoning Clearance applications reflected the County's understanding "that Zoning Clearances should be used before commencing *initial* construction approved under a final development plan and that Zoning Clearances should not be used for each individual element of the approved development or use throughout the life of a project."

- Statement of Defense at page 23

Response:

This is not relevant. Whether the Zoning Clearance process would be required if these activities were covered by the original permit is not the issue here.

Respondent's Claim:

"The County's Anomaly Repair Confirmation Letter is not appealable under the CZO or LCP."

"The County's confirmation that the work was authorized by the existing Onshore CDPs is 'not appealable to the … Coastal Commission'."

- Statement of Defense at page 23

Response:

This proceeding does not involve an appeal of this letter, so this is irrelevant.

Respondent's Claim:

"Over the last 30 years, the County has employed different procedures to confirm that anomaly repair work complies with the pipelines' existing FDP and Onshore CDPs. These procedures have included using the County's Land Use Permit process, the Zoning Clearance process, as well as informal communications between the pipeline operator"

- Statement of Defense at page 23

Response:

If, as Sable contends, it has always been understood that the intent of the County's original permit was to authorize all future anomaly repair work on the pipeline, the County shouldn't have needed to issue any sort of further authorization. Thus, the fact that the County issued these additional permits shows that the work was not fully authorized in advance. Moreover, the permits Sable cited (Sable SOD Doc. 19, 25, and 26) all included extensive conditions regulating the method of that work to protect natural resources, showing that, contrary to Sable's arguments, the County must have concluded that the original approvals did not adequately protect against the impacts of this future maintenance work.

Similarly, for the valve replacement work, as Sable notes, County staff initially issued an addendum to the EIR/EIS for that work. Although it's true that the addendum proposed a conclusion that the work would not have significant new impacts, the fact that they concluded an addendum was needed at all shows that they did not view the original EIR/EIS as covering this work. It's also notable that the Planning Commission rejected that addendum that staff had proposed, so it's conclusion that no significant adverse harm would occur was not adopted by the County

Respondent's Claim:

> In connection with the anomaly repairs, "Sable implemented several construction best management practices to ensure that impacts to coastal resources . . . were consistent with the Onshore Pipelines' prior impact analyses related to ongoing repair and maintenance, and subsequent ecological and archaeological resources analyses have confirmed that impacts resulting from such work remained within the scope of impacts previously analyzed and approved"
>
> - Statement of Defense at page 25

Response:

This is an unsupported, and vague assertion. Although there is disagreement between Commission staff and Sable that the work undertaken was previously reviewed and authorized by the EIR/EIS and subsequent permits, Sable has provided no discussion or analysis of how the identified Best Management Practices (BMPs) comport with requirements of the mitigation measures and permit conditions. Second, given that there was no permit application, analysis, or regulatory review, and that the work took place without regulatory oversight, it is impossible to evaluate the veracity of Sable's statement much less the effectiveness of the BMPs they may have implemented to avoid or minimize adverse impacts to coastal resources as a result of field work. Third, Commission staff have received reports indicating that Sable may not be in compliance with required conditions and mitigation measures, including these listed BMPs. For example, a BMP in one of the references provided by Sable requires that "All oak tree impacts are to be

avoided including no vehicles, equipment, or stockpile within the dripline of any oaks". Environmental Defense Center (EDC) shared a report with Commission staff dated March 24, 2025, for Sable work in Gaviota State Park (Exh. 27). Photos 8K and 8L of that report capture an excavator parked within the drip line of an oak tree on top of the west bank of Gaviota Creek. This is clearly inconsistent with the relevant BMP and emphasizes the concern raised by Commission staff that without regulatory input on BMP development and regulatory and independent oversight of BMP implementation, BMPs may be inadequate, ignored or both.

Respondent's Claim:

"any dispute resolution process regarding the County's determination is not authorized by the Coastal Act Regulations.

- Statement of Defense at page 27

Response:

This proceeding does not involve the dispute resolution process established by section 13569 of the Commission's regulations

Respondent's Claim:

"Pipeline operators subject to AB 864 were required to submit a risk analysis and plan to retrofit existing pipelines with BAT by October 1, 2021."

- Statement of Defense at page 31

Response:

The section of the regulations that Sable cited in connection with this statement (19 C.C.R. § 2108(b)) just specifies when the regulations become enforceable. A subsequent section (section 2113(a)) requires submittal of an implementation plan "that outlines the time frame to implement the proposed best available technologies." It leaves it to the operator to propose a timeline and doesn't specify any maximum time. Section 2113(c)(2) specifically says that the timeframe proposed must consider the time needed for "acquisition of permits." And 2113(d) provides for the possibility that the operator may have to provide "an explanation demonstrating good cause for delaying implementation past the deadline extensions." Thus, the requirement Sable cites does not require that the work be completed by any particular time.

Respondent's Claim:

"OSFM anticipated that all pipeline BAT retrofits would be completed by April 1, 2023 – just eighteen months after operators were required to submit their plan for OSFM approval."

- Statement of Defense at page 31

Response:

Here too, Sable cites a regulation that does not support this statement. However, even assuming it were true, "anticipated" is not the same as "required," so it would not mean that Sable was required to complete the valve installation by any particular time. However, again, the regulation does not say that OSFM anticipated all retrofits would be completed by April 1, 2023. Section 2108(c) says that's the date when OSFM must enforce the regulatory scheme "against an operator . . . that is required to complete retrofit of existing pipelines." In other words, if an operator is required to have completed the retrofit by that date, presumably per the schedule they proposed pursuant to 2113, then OSFM must enforce the regulatory scheme at that point. Sable presents no evidence that it had committed to complete the work by that date. And even if it did, again, section 2113 provides for the need for permits and for extensions for good cause.

Respondent's Claim:

"This timeline was based in part on an assumption that "[p]ermitting costs to install [AB 864's required safety valves] would be negligible" and that "'[i]n most cases, a permit [] may not be required'."

- Statement of Defense at page 31

Response:

This reinforces the fact that the regulatory system established by AB 864 envisioned that other permits would be necessary. In addition, any "assumption" the permitting costs would be negligible is not a requirement, nor could it be a requirement, that other agencies' permitting costs would be capped. And finally, even if this could somehow be a requirement that permitting costs be capped at some level reflective of negligibility and were, Sable has presented no evidence that this would not have been the case had it applied for a CDP.

In addition, the cited text says the determination of whether a permit would be required would be made on a case-by-case basis, but even if didn't say provide for that that, this is just a report of what OSFM was told in "[d]iscussions with local agency personnel."

Respondent's Claim:

"The Onshore EIR/EIS analyzed the installation of fifteen "[p]ipeline block and check valves"

"The Onshore Pipelines' FDP and CDPs also acknowledged that the operator would undertake certain safety valve installation work."

- Statement of Defense at page 32

Response:

These are different from the valves installed more recently, which are the subject of this matter, and any analysis of valves installed with the original project is irrelevant to the question of whether the installation process for new valves, that are almost certainly of a different sort, 40 years later, requires a permit.

Respondent's Claim:

"the additional valves were located within the Onshore Pipelines' already-disturbed operational right-of-way where permanent impacts to terrestrial biology were assumed to extend throughout the pipelines' lifetime.[163]"

-Statement of Defense at page 33

Response:

The cited page only says that "220 acres of oak woodlands would be removed for the life of the project," not that all terrestrial biology would be. And for all the reasons stated previously, it does not appear that the approval of the original project was intended to approve specific maintenance projects 40 years in the future without review of the methods, much less the installation of additional valves that was not contemplated as maintenance. And clearly, it did not analyze the impacts of such additional valves or means to best avoid adverse impacts in their installation.

Respondent's Claim:

"County staff's analysis confirmed that installing these valves would not result in any new or substantially more severe impacts"

-Statement of Defense at page 33

Response:

First, this was a staff-level determination that was overturned by the Planning Commission, so it is not binding. Second, it was only comparing the impacts of the new valve installation work to the impacts of the original project, not assessing whether the new work would have its own impacts. Third, if this work were truly pre-approved, as Sable argues, then County staff shouldn't have had to assess this question at all. Fourth, impacts analyses are not the standard for whether a permit application is required. The

requirement is based on the performance of development, not the resource impacts. Lack of resource impacts just means the permit will be approved, or that the permit requirement may be waived. Here as elsewhere, Sable is jumping to a conclusion on what may be approvable with out the process leading to that. And in fact, there are often minor tweaks as to timing or manner that can make a development activity much more protective of coastal resources.

Respondent's Claim:

> "County staff initially opted to prepare discrete amendments to the Onshore Pipelines' FDP and Onshore CDPs related to the proposed safety valve installation work."
>
> -Statement of Defense at page 33

Response:

This shows that even the County originally viewed this project as requiring an amendment to the existing approvals. In fact, it was only after Sable sued the County that the County reversed its position on this and found that the work was covered by the original permits and didn't need an amendment

Respondent's Claim:

> To support the amendments, County staff prepared a draft addendum to the EIR/EIS, which "concluded that safety valve installation work "presents minor incremental impacts ***that remain less than those identified for the originally approved***"
>
> -Statement of Defense at page 33

Response:

This is all irrelevant to the issue at hand, as it once again conflates impacts with the need for a CDP. However, as to the impacts analysis, although it's true that the staff's draft addendum to the EIR stated that the impacts of the proposed project would be minor and less than the impacts of the original project, if Sable were correct that the work was covered by the original EIR/EIS, no addendum would have been necessary at all. In fact, that addendum explains that it was created to address "changes and additions from the project described in the certified SEIR to the proposed project." Page C1-2. Thus, far from supporting Sable's position, this actually shows that this was always seen as an expansion beyond the project described in the original EIR/EIS. See also page C1-4 ("The project is a request . . . for an amendment to the . . . [FDP] to allow for the installation of 16 new valves")

Respondent's Claim:

> "Sable undertook [the valve installation] work based on the County's . . . Letter, which confirmed that no further County authorization was required to complete this safety valve installation work. The County has delegated local permitting authority under the Coastal Act and therefore the County's prior authorization was understood by Sable to extend to Coastal Act permitting as well"
>
> -Statement of Defense at page 37

Response:

The County issued its letter on September 4, 2024. That same month, Sable received a Notice of Violation letter from the Coastal Commission explaining Commission staff's contrary position, and the rationale therefor. Thus, Sable was fully aware of the Commission's opposition to this analysis and of its concerns when Sabe undertook this work.

Respondent's Claim:

> "Sable requested a two-day extension from Commission staff to submit this Statement of Defense, which would have allowed Sable to submit the valve installation materials to the County and provide those materials with the initial submission of the Statement of Defense. Commission staff rejected that request."
>
> -Statement of Defense at page 37, fn.176

Response:

The Commission's Executive Director's issued a cease-and-desist order to, among other things, preserve the *status quo* until this matter could be brought before the full Commission. However, because Sable has disregarded that order and proceeded with its work, Commission staff had no choice but to rush this matter onto the next Commission meeting to obtain further relief. It would not have been possible to do that if Sable had been given an extension on the deadline for the Statement of Defense. Therefore, it was Sable's own refusal to comply with the ED-CDO that resulted in the denial of this extension request.

Respondent's Claim:

> Sable claims that the Commission lacks jurisdiction because the County acted in a timely manner to the request from the Commission for enforcement action, as provided for in Section 30810, and cites, as evidence, that the "County issued the Safety Valve Confirmation Letter"
>
> -Statement of Defense at page 38

Response:

Again, that letter from the County was issued on September 4, 2024. Commission staff requested the County act on September 20, 2024, and February 17, 2025. Thus, the County's letter could not have been responsive to the Commission's requests. Nor did it constitute taking action to address the violations that staff was alleging. To the contrary, it showed the County took a different perspective that precluded it from acting on Commission staff's request. At most, the County's letter reveals *why* the County *declined* to take action.

Respondent's Claim:

> Sable claims that the valve installation work "could not 'cause significant damage to coastal resources' as required for a cease and desist order."
>
> -Statement of Defense at page 38

Response:

The work at hand was done over a broad area within the County's Gaviota Coast which is an incredibly diverse ecologically region with a variety of habitats and other coastal resources. The original valve installation project for the above ground safety valves was previously approved by the County zoning administrator and the zoning administrator's approval was appealed to the County Planning Commission. County Planning staff recommended that the Planning Commission deny the appeals, but the Planning Commission voted against County Planning staff and upheld the appeals. The Planning Commission decision was appealed to the County Board of Supervisors and the Board of Supervisors decision ended in a tied vote. Meaning no action was taken by the Board of Supervisors and the action by the Planning Commission stood. Next, Sable and the County entered litigation resulting in the above ground safety valve project being replaced with a proposal to install the safety valves below ground. No application was prepared for the below ground valves and the County provided no regulatory oversight regarding the work.

What this history demonstrates is that although an application was filed for the original above ground valve installation project and County Planning staff made findings regarding that project, because the Planning Commission voted against staff and the Board of Supervisors decision resulted in no action, the County never formally adopted any findings demonstrating that the above ground valve installation project was consistent with the coastal resource protection policies and provisions of the County's certified Local Coastal Program. And since Sable undertook the belowground valve installation work without ever submitting an application to the County and the County never provided any regulatory review or oversight, it is impossible to know whether that project was sited,

designed and constructed in a manner to avoid, minimize and mitigate any potential adverse impacts to coastal resources.

There were many different development activities undertaken, including some that presented the potential to have a very significant damage to coastal resources. For example, the timing of Sable's work occurred during the breeding season for southern California steelhead and California red legged frog. The work also occurred during the nesting season for most bird species, as well as during the time of year in which ground disturbances would most likely result in erosion, scarring, and discharge of sediment into wetland and watercourses. It also appears that several work sites are in or adjacent to ESHA.

Section 30810(a)(2) does not require a showing that significant damage occurred. The operative phrase is that the alleged violation "**could** cause significant damage to coastal resources." The phrase, as used in both Sections 30809 and 30810, reflects the precautionary nature of the Coastal Act and of these orders in particular. The idea is not to have harm befall coastal resources before the Commission can act to prevent it. Here Commission staff went to great lengths to determine what Sable was doing, and where, so that such potential harm could be evaluated, reduced and mitigated. As the record reflects, Commission permit and enforcement staff reached out repeatedly to Sable for this information and offered to work collaboratively to resolve the situation in a legal way to find a way to evaluate impacts and minimize any potential harms, but this did not bear fruit. Sable has repeatedly claimed that the valve work remained within the scope of the impacts previously analyzed and approved. However, as discussed previously in this staff report, there is no evidence demonstrating that this valve installation work was considered, analyzed, mitigated or approved in the EIR/EIS or any of the County's permits.

Moreover, as we have stated in response to their other comments, even if the work, such as the valve installation, is not in and of itself a bad idea or even a good idea, it does not mean that it should not be done in a manner that is protective of coastal resources. This is the whole point of the permit process—to evaluate alternatives and find the one with the least impacts and to condition the work in a way that is protective.

Respondent's Claim:

> "Commission staff also assert that Coastal Act sections 30820, 30821.3, 30821.6, and 30822 authorize penalties to be levied against Sable related to the safety valve installation work. None of those sections apply here and thus no penalties may be levied."
>
> -Statement of Defense at page 39

Response:

To the extent Sable may be objecting to the idea of the Commission invoking these provisions as a basis for imposing an administrative penalty, that is not what the Commission is doing in this proceeding, as the Commission cannot impose penalties administratively pursuant to any of those sections other than 30821.3, and staff never suggested otherwise. The NOI raises those penalty provisions in saying that the "Coastal Act also includes several other penalty provisions that may be applicable" (emphasis added), meaning that these "other" penalty provisions may apply to the acts at issue, not that the Commission can invoke them to impose penalties administratively.

Respondent's Claim:

> Sable claims that because the Commission "did not include the Span Remediation Work performed in federal waters" in this action, that "indicates staff's understanding that this work was in fact contemplated and authorized in the DPP"
>
> -Statement of Defense at page 43, fn. 205, and 51

Response:

The inference Sable attempts to draw is not only unjustified, but absurd. The reason Commission staff limited the seaward extent of its pursuit of this matter is that the "federal waters" to which Sable alludes are outside Coastal Zone and the Commission's enforcement jurisdiction. Commission staff actually did inquire about this issue with the federal agency in charge; however, the Commission also has no enforcement jurisdiction over federal agencies.

Respondent's Claim:

> Sable claims that the Commission's findings in support of its action on the CDP for the DPP and the related consistency certification "highlighted the importance of addressing potential geologic constraints through 'proper mitigation,' which included 'avoidance or … engineering design'," which Sable argues shows that the Commission authorized alterations to the seafloor.
>
> -Statement of Defense at page 50, citing the findings at page 78

Response:

Not only is the language Sable cites much more general than Sable would suggest, but more importantly, Sable points to nothing to indicate that the language referred to any work beyond the initial deployment.

Respondent's Claim:

> Sable claims the Commission's findings in support of its action on the CDP for the DPP and the related consistency certification "also recognized the need for flexibility in pipeline construction methods, acknowledging that '[p]ipeline construction

> methods are presently undefined' and allowing Exxon the latitude to 'propose their own design solutions,'" suggesting that this, too, "permits the adaptation of construction techniques," such as the span remediation work at issue.
>
> -Statement of Defense at page 50, citing the findings at page 44

Response:

The very next sentence in the cited findings states that the range of possible alternatives and their impacts are nevertheless discussed below, showing that the Commission was not creating an open-ended authorization for any sort of work that could fit into this description. In addition, again, the Commission is not saying that the approach at issue is not allowable, but only that it needs to be reviewed through the permit process.

Respondent's Claim:

> Sable claims that a plan the Commission required in the CDP for the DPP, and which the Commission subsequently approved, "specifically approved future Span Remediation Work to (1) inspect the pipelines for unacceptable free spans, and (2) 'modify' the seafloor to remediate any identified unacceptable spans as part of the Offshore CDP."
>
> -Statement of Defense at page 51, citing CDP condition 9 and the 1989 "Final Comprehensive Plan for Marine Biological Impact Reduction and Mitigation in Nearshore Waters off Las Flores Canyon, at 19.

Response:

The language quoted only reflected Exxon's proposal to "modify" certain "bedrock ridges" as part of its initial construction and then to identify unacceptable free spans "following pulling of the pipelines," meaning in the immediate aftermath of the deployment, not decades into the future. Moreover, even if it were to have been referring to future work, the statement is only about "identify[ing]" those spans. It doesn't say they will be making additional modifications in response to those unacceptable free spans without further review and regulation

Respondent's Claim:

> Sable notes that leases issued by the State Lands Commission require that the pipelines be kept 'in good order and repair and safe condition'" and "also require that should inspections on the pipeline 'show bridging…then further detailed inspections shall be made and corrective action taken, if necessary.'"
>
> -Statement of Defense at page 52

Response:

One agency's requirement to take corrective action does not create immunity from other regulatory requirements. In fact, the current leases specifically require compliance with all other regulatory requirements.

VIII. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Commission finds that imposition and implementation of this Cease and Desist Order, to compel Sable Offshore Corporation to apply for Coastal Development Permits for, both, work undertaken at onshore locations along the Pipelines, as well as offshore locations of the pipeline located in state, coastal waters; as well as application for future, proposed work, among other things, is exempt from the requirements of the California Environmental Quality Act of 1970 (CEQA), Cal. Pub. Res. Code §§ 21000 *et seq*., for the following reasons. First, the CEQA statue (section 21084) provides for the identification of "classes of projects that have been determined not to have a significant effect on the environment and that shall be exempt from [CEQA]." The CEQA Guidelines (which, like the Commission's regulations, are codified in 14 CCR) provide the list of such projects, which are known as "categorical exemptions," in Article 19 (14 CCR §§15300 *et seq.*). Because this is an enforcement action and because the Commission's process, as demonstrated above, involves ensuring that the environment is protected throughout the process, the exemption covering enforcement actions by regulatory agencies (14 CCR § 15321) applies here.

Secondly although the CEQA Guidelines provide for exceptions to the application of these categorical exemptions (14 CCR § 15300.2), the Commission finds that none of those exceptions applies here. Section 15300.2(c), in particular, states that:

> *A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.*

CEQA defines the phrase "significant effect on the environment" (in Section 21068) to mean "a substantial, or potentially substantial, adverse change in the environment." This Cease and Desist Order is designed to protect and enhance the coastal resources, and contain provisions to ensure, and to allow the Executive Director to ensure, that they are implemented in a manner that will protect the environment. Thus, this action will not have any significant effect on the environment, within the meaning of CEQA, and the exception to the categorical exemptions listed in 14 CCR § 15300.2(c) does not apply. An independent but equally sufficient reason why that exception in Section 15300.2(c) does not apply is that this case does not involve any "unusual circumstances" within the meaning of that section, in that it has not significant feature that would distinguish it from other activities in the exempt classes listed above. This case is a typical Commission enforcement action to protect and restore coastal resources.

Finally, it is not even clear that this order will not result in a physical change in the environment, as that concept is used in CEQA, rending the project exempt pursuant to 14

CCR § 15060(c)(2), and it may not constitute a project within the meaning of CEQA, rendering it exempt pursuant to 14 CCR § 15060(c)(3).

In sum, given the nature of this matter as an enforcement action to protect and restore coastal resources and the environment, and since there is no reasonable possibility that it will result in any significant adverse change in the environment, it is exempt and also categorically exempt for CEQA.

IX. SUMMARY OF FINDINGS OF FACT

1. Sable Offshore Corp. ("Sable") is the owner and operator of the Santa Ynez Unit, and associated assets, consisting of three offshore platforms (Hondo, Harmony and Heritage), the Las Flores Canyon processing facility, and associated electrical transmission and onshore and offshore oil and gas transport pipelines including Las Flores Pipelines CA-324 and CA-325 (Formerly lies 901 and 903, respectively)
2. On February 14, 2024, Sable finalized a purchase agreement with ExxonMobil Corporation, to which Sable purchased the entire Santa Ynez Unit ("SYU"), including the Las Flores Pipelines, and all associated assets (the three offshore platforms, subsea pipelines and infrastructure, and Las Flores Canyon processing facility).
3. Coastal Act Section 30810 authorizes the Commission to issue a cease and desist order when the Commission determines that any person has undertaken, or is threatening to undertake, any activity that (1) requires a permit from the Commission without securing a permit, or (2) is inconsistent with a permit previously issued by the Commission. It may also be issued to enforce any requirements of a certified local coastal program or port master plan.
4. Coastal Act Section 30811 authorizes the Commission to issue a cease and desist order when the Commission determines that development has (1) occurred without a coastal development permit from the Commission or local government (2) is inconsistent with this division, and (3) and the development is causing continuing resource damage.
5. Coastal Act Section 30921.3 provides for administrative civil penalties for violations of any provision of the Coastal Act other than public access.

APPENDICES

Appendix A – Cease and Desist Order No. CCC-25-CD-01; Restoration Order CCC-25-RO-01; Civil Administrative Penalty No. CCC-25-AP3-01

Attachment L

Pursuant to CRC 2.259 this document has been electronically filed by the Superior Court of California, County of Santa Barbara, on 5/29/2025

TC

FILED
SUPERIOR COURT of CALIFORNIA
COUNTY of SANTA BARBARA
06/10/2025
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Fee exempt per Govt. Code § 6103

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA BARBARA

ANACAPA DIVISION

SABLE OFFSHORE CORP., a Delaware corporation; PACIFIC PIPELINE COMPANY, a Delaware corporation, and DOES 1 through 25, inclusive,

Plaintiffs, Petitioners, and Cross-Defendants,

v.

CALIFORNIA COASTAL COMMISSION, a state agency; and DOES 1 through 25, inclusive,

Cross-Complainant, Respondent, and Defendant.

Case No. 25CV00974

[~~PROPOSED~~] ORDER GRANTING APPLICATION FOR PRELIMINARY INJUNCTION

Date: May 28, 2025
Time: 10:00 a.m.
Dept: 3
Judge: The Honorable Thomas Pearce Anderle
Trial Date: Not set.
Action Filed: February 18, 2025

Cross-Complainant, Respondent, and Defendant California Coastal Commission ("Commission") came before this Court on May 28, 2025 for its Application for Preliminary Injunction.

The Court, having considered the Application, the Memorandum of Points and Authorities in support thereof, the Request for Judicial Notice, and all supporting declarations filed therewith, the Opposition and Reply briefs, the supplemental materials presented by Sable Offshore Corp. and Pacific Pipeline Company (collectively, "Sable"), and oral argument at the hearing, finds that good cause exists to **GRANT** the Commission's Application.

PRELIMINARY INJUNCTION

Pending a final judgment on the merits of this case, or an order of this Court dissolving the instant injunction, Sable its employees and agents, and any other persons acting with Sable or on its behalf, are hereby restrained and enjoined from conducting any further development in violation the duly-ordered cease and desist order issued by the Commission on April 10, 2025. The Court incorporates by reference into this order its ruling issued on May 28, 2025, attached hereto as exhibit "A". The activities that shall be restrained include, but are not limited to, the following:

1. Any "development" as that term is defined in the California Coastal Act (Pub. Resources Code § 30106) and the Santa Barbara County Local Coastal Program (LCP) that has not been specifically identified and authorized by a new, final action pursuant to the Coastal Act and/or the LCP.

2. Development undertaken or planned at locations onshore, including: excavation; removal of major vegetation; fill of wetlands; grading and widening of roads; installation of metal plates over water courses; dewatering and discharge of water; removal, replacement, and reinforcement of pipeline and pipeline infrastructure; and other development associated with the return to service of Las Flores Pipelines CA-324 and CA-325.

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3. Development undertaken or planned at locations offshore, including: placement of sand and cement bags on the seafloor below and adjacent to Sable's offshore oil and water pipelines.

IT IS SO ORDERED.

DATED: **06/10/2025**

Hon. Thomas P. Anderle

EXHIBIT A

Civil Law and Motion Calendar
5/28/25
10 am

***Sable Offshore Corp. and Pacific Pipeline Co. v. California Coastal Commission* #** 25CV00974

HEARING

Order to Show Cause re Issuance of Preliminary Injunction

ATTORNEYS

For Plaintiffs and Cross-Defendants Sable Offshore Corp. and Pacific Pipeline Co.: Jeffrey D. Dintzer, Matthew C. Wickersham, Garrett B. Stanton, Alston & Bird LLP

For Defendant and Cross-Complainant California Coastal Commission: Rob Bonta, Norma N. Franklin, Wyatt E. Sloan-Tribe, John M. Natalizio, Office of the California Attorney General

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RULING

For the reasons set forth herein, the application of the California Coastal Commission for issuance of a preliminary injunction is granted. No bond is required. The Commission shall present a written order for entry by the court.

Background

(Note: In making this ruling, the court has considered all of the admissible evidence and arguments presented by the parties. The summary presented herein is not intended to be exhaustive.)

On February 18, 2025, plaintiffs Sable Offshore Corp. and Pacific Pipeline Company (collectively, Sable) filed their original complaint for damages, declaratory relief, and injunctive relief against defendant California Coastal Commission (the Commission). On April 16, Sable filed an amended complaint, which includes a petition for writ of mandate.

Also on April 16, 2025, the Commission filed a cross-complaint for declaratory and injunctive relief against Sable. (Note: The Commission filed a first amended cross-complaint on May 15, 2025.) The cross-complaint alleges that Sable is the owner of the Las Flores Pipelines, which include pipeline segments designated as CA-324 and CA-325 (collectively, the Pipeline). (First Amended Complaint [FAC], ¶ 1; Cross-complaint, ¶ 2; Teufel decl., ¶ 3.) The Pipeline is located within the coastal zone in unincorporated Santa Barbara County. (Cook decl., ¶ 3 & exhibit A, at pp. 4, 9.) (Note: Sable's Statement of Defense and Response to Notice of Intent to Commence Proceedings for a Commission Cease and Desist Order, Restoration Order, and Administrative Penalty Order (the Sable Statement) is attached as exhibit A to the declaration of Stephanie Cook, but the document is not consecutively paginated as required by Cal. Rules of Court, rules 2.109 and 3.1110(c). The page numbers cited herein, to this and to other exhibits of the Commission, are to the pdf page of the filed document in which the cited material appears.) The Pipelines were operated until 2015, when the Pipelines were shut down as a result of the Refugio Oil Spill.

According to the Commission, in March 2025, Sable, in the Sable Statement, stated that several months ago Sable had undertaken steps to "repair certain 'anomalies' detected along Line CA-324 and planned to repair other identified anomalies along both Lines CA-324 and CA-325." (Sable Statement, p. 14.) A pipeline "anomaly" was explained as "a pipeline segment with some deviation from its original configuration." (*Ibid.*) Sable stated that repair of any particular detected anomaly generally requires that it: "(1) access the affected pipeline segment via existing roadways and rights-of-way, which in some locations requires placing metal plates over water courses; (2) excavate the anomaly site, including the dirt beneath the affected pipeline segment, which in some locations may require dewatering and associated discharge; (3) expose the pipeline segment by removing insulation and sandblasting; (4) evaluate whether a 'Composite Repair' or 'Cut-Out Repair' is required, (5) conduct the Composite or Cut-Out Repair as appropriate, sandblast the repaired pipeline segment, and apply an epoxy coating, pipe tape, and rockguard wrap; (6) backfill the anomaly site, and (7) conduct final site cleanup including erosion control and revegetation work[.]" (*Id.* at p. 15, fn. omitted.) This work requires the use of heavy equipment and may involve the removal of vegetation. (*Ibid.*)

According to Sable, Sable began conducting repair and maintenance activities to the Las Flores Pipelines in 2024. (Rusch decl., ¶ 4.) Sable conducted repair and maintenance until receiving Notice of Violation File No. V-9-24-0152 and subsequent communications from Coastal Commission staff dated October 4, 2024. (*Ibid.*) Sable thereafter suspended repair and maintenance activities. (*Ibid.*) Sable resumed repair and maintenance activities on February 14, 2025, following confirmation from the County of Santa Barbara (County) that the repair and maintenance activities were authorized pursuant to existing permits. (*Ibid.*)

Sable has completed the safety valve installation work on the Las Flores Pipelines and all span remediation work on the Santa Ynez Pipelines. (Rusch decl., ¶ 5.) Sable has also completed in the Coastal Zone approximately 100 anomaly repairs, and the only work remaining includes approximately twenty-two (22) additional anomaly repairs to the Las Flores Pipelines, which will occur onshore in pre-disturbed areas along small sections of the Las Flores Pipelines. (*Ibid*.) Of the approximately twenty-two remaining repairs, 18 repairs will be conducted within Sable's right of way provided by the California Department of Parks and Recreation within the Gaviota State Park. (*Ibid*.) Additionally, approximately four repairs will be conducted within Sable's right of entry obtained from the Land Trust for the County of Santa Barbara. (*Ibid*.) Sable's remaining repair and maintenance work will be completed in approximately six weeks. (*Ibid*.)

Sable currently has a right of entry to perform the repair and maintenance activities from the California Department of Parks and Recreation, and Plaintiffs are negotiating a slightly revised right of entry that is anticipated to be agreed upon following the hearing on the Commission's application for a temporary restraining order (TRO). (Rusch decl., ¶ 6.) Sable currently has a right of entry to property of the Land Trust for the County of Santa Barbara. (*Ibid*.) Sable is completing repair and maintenance activities pursuant to existing Coastal Development Permits (CDPs) for the Las Flores Pipelines, which were permitted by the County, not the Coastal Commission, under the County's Local Coastal Program pursuant to its delegated authority from the Coastal Commission. (*Id*. at ¶ 7.)

All work is being conducted in the disturbed pipeline corridor where all impacts were determined to be permanent for the lifetime of the Las Flores Pipelines. (Rusch decl., ¶ 8.) In addition, for all ongoing work, Sable is implementing robust construction best management practices, including conducting pre-construction biological resources surveys, including nesting bird surveys, ensuring that a biologist is available onsite to monitor work, and conducting environmental awareness training with all onsite personnel, to ensure that impacts to coastal resources would fall within the scope of impacts previously analyzed during the Las Flores Pipelines' environmental review, authorized under the CDPs, and approved by the County. (*Ibid*.)

According to the Commission, on April 9, 2025, Commission Energy and Ocean Resources staff conducted a site visit to a portion of pipeline segment CA-324. (Teufel decl., ¶¶ 4-5.) Commission staff observed the presence of various construction equipment, including several excavators excavating soil, a bulldozer grading an inland slope, and a mechanical crane lowering equipment or a pipeline section into a trench. (*Id.* at ¶ 4 & exhibit AA.) Personal and construction vehicles were parked at several locations within fields adjacent to the work area, and at least seven white construction trucks were also present, several bearing the emblem of Pacific Petroleum. (*Ibid*.) Staff also visited a site near Refugio Beach and

observed heavy equipment, including an excavator. (*Id.* at ¶ 5) Staff further visited a third nearby site and observed a truck with a "Fence Factory" decal on the driver's side door parked adjacent to an above-ground valve, and personnel actively installing a fence post in the adjacent field. (*Id.* at ¶ 6.) Staff also observed construction equipment, vehicles, and portable restrooms along a section of pipeline segment CA-324 near the Gaviota Pump Station. (*Id.* at ¶ 7.) All of this activity took place within the coastal zone. (*Id.* at ¶ 10.) To the Commission's knowledge, Sable had never applied to the County for a CDP to perform this work, nor had Sable provided Commission staff with a detailed description of the nature of the anomaly work it was conducting on the onshore pipelines or the precise locations of the anomaly work. (*Ibid.*)

After a public hearing on April 10, 2025, the Commission issued a cease and desist order (CDO). (Commission Request for Judicial Notice [RJN], exhibit 1.) The CDO includes findings adopted by the Commission as set forth in the Commission's staff report. (RJN, exhibit 1, at pp. 27-28; RJN, exhibit 3.) The CDO includes the following orders that Sable:

"Cease and desist from engaging in or undertaking any development, as that term is defined in the Coastal Act (PRC Section 30106) and the Santa Barbara County Local Coastal Program (at Section 35-58), on any of the property and/or locations defined in Section 4.3, below, as the Santa Ynez Unit, including but not limited to the following development undertaken or planned at A) locations onshore: excavation; removal of major vegetation; fill of wetlands; grading and widening of roads; installation of metal plates over water courses; dewatering and discharge of water; removal, replacement, and reinforcement of pipeline and pipeline infrastructure; and other development associated with the return to service of Las Flores Pipelines CA-324 and CA-325; and[ ]B) at locations offshore: placement of sand and cement bags on the seafloor below and adjacent to Sable's out-of-service offshore oil and water pipelines; as part of an effort to restart the Santa Ynez Unit oil production operations and bring the pipelines back into use*;* unless and until either: (a) Sable secures a new, final, operative CDP specifically covering the work to be performed; (b) Sables secures another final, operative, valid form of Coastal Act authorization for the work to be performed; or (c) Sable secures a final, formal determination that the work it will perform is exempt from the Coastal Act's permitting requirement. The word 'final' as used in the prior sentence shall mean that it is no longer subject to an administrative appeal, including to the Commission." (CDO, ¶¶ 1.0, 1.1.)

On April 16, 2025, the Commission filed its application for a TRO to restrain further violation of the CDO and for issuance of an order to show cause why a preliminary injunction should not issue (OSC). The application was opposed by Sable. The court heard the application on April 17 and granted the application in part. The court granted the application for issuance of the OSC to be heard on May

14, 2025, with further opposition papers to be filed and served no later than 20 days before the hearing (i.e., April 24) and reply papers to be filed and served no later than 10 days before the hearing (i.e., May 2). The court denied the application for issuance of a TRO.

On April 21, 2025, the Commission filed a notice of appeal as to the denial of the issuance of the TRO. In the Court of Appeal, on April 22, 2025, the Commission filed a petition for stay, writ of supersedeas, or other appropriate order. (Sable Offshore Corp. v. Cal. Coastal Commission (B345604, app. pending).)

No further opposition was filed by Sable in response to the OSC. The Commission filed a reply on May 2, 2025.

On May 6, the court issued a case management order (CMO) requesting further briefing on the issue of this court's jurisdiction to rule on the OSC pending the appeal of the denial of the TRO while the petition for stay was pending. The court noted the lack of further opposition filed by Sable and continued the hearing on the OSC to this hearing date of May 28.

As discussed below, both parties filed briefs in response to the court's request in the CMO. On May 15, 2025, the Court of Appeal issued its order denying the Commission's petition for writ of supersedeas "without prejudice to appellant's right to seek preliminary injunctive relief in the superior court during the pendency of this appeal." (Order, filed May 15, 2025.)

On May 23, 2025, Sable filed evidentiary objections to the evidence of the Commission.

Analysis

(1) Jurisdiction

In the CMO, this court raised the threshold issue of whether this court had jurisdiction to rule on the OSC and determine whether or not to issue a preliminary injunction during the pendency of the appeal of the denial of the TRO in the absence of a ruling from the Court of Appeal on the petition for writ of supersedeas. The court noted a lack of case law directly on this point, but noted that different legal arguments supported both the existence of jurisdiction and the lack of jurisdiction. The parties filed supplemental briefing in which the Commission argued in favor of jurisdiction and Sable argued against jurisdiction.

The Court of Appeal's order of May 15, 2025, answers the jurisdiction question. By noting that the denial of the application for writ was without prejudice to the "right to seek preliminary injunctive relief in the superior court during the pendency of

this appeal," the Court of Appeal necessarily implies that this court has jurisdiction to provide such injunctive relief.

(2) Evidentiary Matters

In support of the application, the Commission requested that the court take judicial notice of its RJN exhibits 1, 2, and 3. The court granted these requests in its order on the TRO. (Order after Hearing, filed Apr. 17, 2025, at pp. 4-5.)

On May 23, 2025, Sable filed evidentiary objections to the declaration of Cassidy Teufel, which was filed in support of the Commission's application. Each of the 23 objections are overruled.

(3) Preliminary Injunction Standards

A preliminary injunction is available "[w]hen it appears by the complaint or affidavits that the commission or continuance of some act during the litigation would produce waste, or great or irreparable injury, to a party to the action." (Code Civ. Proc., § 526, subd. (a)(2).)

"The trial courts consider two interrelated questions in deciding whether to issue a preliminary injunction: 1) are the plaintiffs likely to suffer greater injury from a denial of the injunction than the defendants are likely to suffer from its grant; and 2) is there a reasonable probability that the plaintiffs will prevail on the merits. [Citations.] '[By] balancing the respective equities of the parties, [the court] concludes that, pending a trial on the merits, the defendant should or that he should not be restrained from exercising the right claimed by him.' [Citations.]" (*Robbins v. Superior Court* (1985) 38 Cal.3d 199, 206.)

This general standard for issuance of a preliminary injunction is qualified in the context of the California Coastal Act (Coastal Act, Pub. Resources Code, § 30000 et seq.):

"Any person may maintain an action for declaratory and equitable relief to restrain any violation of this division, of a cease and desist order issued pursuant to Section 30809 or 30810, or of a restoration order issued pursuant to Section 30811. On a prima facie showing of a violation of this division, preliminary equitable relief shall be issued to restrain any further violation of this division. No bond shall be required for an action under this section." (Pub. Resources Code, § 30803, subd. (a).)

(3) Likelihood of Success

The Commission's cross-complaint seeks injunctive relief to enforce its CDO and enjoin violation of the Coastal Act.

"The Coastal Act 'was enacted by the Legislature as a comprehensive scheme to govern land use planning for the entire coastal zone of California. The Legislature found that "the California coastal zone is a distinct and valuable natural resource of vital and enduring interest to all the people"; that "the permanent protection of the state's natural and scenic resources is a paramount concern"; that "it is necessary to protect the ecological balance of the coastal zone" and that "existing developed uses, and future developments that are carefully planned and developed consistent with the policies of this division, are essential to the economic and social well-being of the people of this state...." [Citation.]' [Citation.] The Coastal Act is to be 'liberally construed to accomplish its purposes and objectives.' [Citation.] Under it, with exceptions not applicable here, any person wishing to perform or undertake any development in the coastal zone must obtain a coastal development permit 'in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency....' [Citation.]" (*Pacific Palisades Bowl Mobile Estates, LLC v. City of Los Angeles* (2012) 55 Cal.4th 783, 793–794.)

The case of *Greenfield v. Mandalay Shores Community Assn.* (2018) 21 Cal.App.5th 896 (*Greenfield*), not cited by either party, is instructive as to the application of the Coastal Act to the facts of this case. In *Greenfield*, the plaintiffs owed a single-family residence in the City of Oxnard (Oxnard), and rented their home for rental periods of less than 30 days (a short-term rental). (*Id*. at p. 899.) After Oxnard announced that it was considering drafting an ordinance to license short-term rentals, the homeowners' association governing the plaintiffs' home adopted a resolution barring short-term rentals (STR ban). (*Ibid*.) The plaintiffs filed an action under Public Resources Code section 30803 for declaratory and injunctive relief. (*Ibid*.) The trial court denied an ex parte application and a preliminary injunction based upon its determination that the STR ban was not a "development" within the meaning of the Coastal Act. (*Ibid*.)

On appeal, the *Greenfield* court disagreed, finding that the STR ban was a "development" under the Coastal Act:

" 'Development' is broadly defined to include, among other things, any 'change in the density or intensity of use of land....' Our courts have given the term 'development' '[a]n expansive interpretation ... consistent with the mandate that the Coastal Act is to be "liberally construed to accomplish its purposes and objectives." [Citation.]' [Citation.] 'Development' under the Coastal Act 'is not restricted to activities that physically alter the land or water. [Citation.]' [Citation.]" (*Greenfield*, *supra*, 21 Cal.App.5th at p. 900.) "STR bans, however, are a matter for the City and Coastal Commission to address. STRs may not be regulated by private actors where it affects the intensity of use or access to single family residences in a coastal zone." (*Id*. at p. 901.)

The *Greenfield* court therefore found that a prima facie showing had been made to issue a preliminary injunction. (*Greenfield*, *supra*, 21 Cal.App.5th at p. 902.) The trial court's denial of the preliminary injunction was reversed, and the trial court was ordered to issue a new order granting the motion for a preliminary injunction. (*Ibid*.)

The first and most significant issue therefore is whether the Commission has made a prima facie showing of a violation of the Coastal Act or of the CDO.

(A) Prima Facie Showing

"A prima facie showing is one that is sufficient to support the position of the party in question." (*Aguilar v. Atlantic Richfield Co.* (2001) 25 Cal.4th 826, 851.) "The defining feature of the prima facie standard is that it creates an initial burden on a moving party to proffer evidence that would support a favorable ruling without a court's consideration of conflicting evidence put forth by the opponent. ' "A 'prima facie' showing refers to those facts which will sustain a favorable decision if the evidence submitted in support of the allegations by the petitioner is credited." ' [Citation.] ' "Prima facie evidence is that which will support a ruling in favor of its proponent if no controverting evidence is presented. [Citations.] It may be slight evidence which creates a reasonable inference of fact sought to be established but need not eliminate all contrary inferences." ' [Citation.]" (*Finley v. Superior Court* (2023) 95 Cal.App.5th 12, 21.)

The Commission has presented credible evidence of violation of the Coastal Act and of the CDO.

" 'Development' means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, …; change in the intensity of use of water, or of access thereto; construction, reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility; and the removal or harvesting of major vegetation …. [¶] As used in this section, 'structure' includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line." (Pub. Resources Code, § 30106.)

The Commission has presented evidence of grading and removal of materials, reconstruction of a "structure," and change in the intensity of the use of land with respect to Sable's repair and maintenance activities. These activities fall squarely within the definition of "development" in the Coastal Act, and this point is not meaningfully disputed by Sable.

Except for emergency work exempted under subdivision (e), not applicable here, "and in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, any person, as defined in Section 21066, wishing to perform or undertake any development in the coastal zone, other than a facility subject to Section 25500, shall obtain a coastal development permit." (Pub. Resources Code, § 30600, subd. (a).)

The Commission has presented evidence that Sable has not obtained a CDP for Sable's repair and maintenance activities. (Teufel decl., ¶ 11; CDO, ¶ 8.0; RJN, exhibit 3, pp. 44-45, 67-69 [Staff Report, pp. 5-6, 28-30].)

The Commission has presented evidence that it issued a CDO prohibiting further work with respect to Sable's repair and maintenance activities. (RJN, exhibit 1.)

The Commission has presented evidence that Sable has continued its repair and maintenance activities notwithstanding the CDO. (Teufel decl., ¶¶ 11, 12; Rusch decl., ¶ 5.)

This evidence is sufficient to make a prima facie showing of a violation of the Coastal Act. A prima facie showing is sufficient to issue a preliminary injunction under the Coastal Act, and hence to demonstrate a likelihood of success on the merits. (Pub. Resources Code, § 30803, subd. (a); *Greenfield*, *supra*, 21 Cal.App.5th at p. 902.)

(B) Sable Opposition

As discussed above, under section 30803 and *Greenfield*, a prima facie showing is sufficient for issuance of a preliminary injunction under the Coastal Act. As also discussed above, a prima facie showing by the party applying for preliminary injunctive relief does not involve the consideration of opposition evidence. Nonetheless, it is important to discuss Sable's opposition arguments and evidence.

Sable's principal argument in opposition, supported by the February 2025 letter from the County, is that Sable's repair and maintenance work is authorized by existing CDPs issued by the County. (Opposition, at pp. 6-8; Rusch decl., ¶ 30 & exhibit C.) The existing CDPs upon which Sable relies are not presented to the court; the argument and County's letter discuss these permits but do not provide them directly. (Note: If such permits are included somewhere, there is no clear citation enabling the court to find such documents. (See Rusch decl., ¶¶ 15-29.)) The court therefore cannot directly analyze the issue of whether existing CDPs are sufficient to authorize the work at issue.

The structure of the Coastal Act for enforcement provides the framework for evaluating the conflicting arguments as to the whether the existing CDPs are

sufficient to authorize the work at issue, and thus also the issue of whether the Commission was authorized on that basis to issue the CDO. Under section 30803, any person may seek and obtain preliminary injunctive relief upon a prima facie showing of a violation of the Coastal Act. A "person" is defined to include any governmental agency, such as the Commission. (Pub. Resources Code, § 30111.) Under this provision, the Coastal Act emphasizes the importance of stopping a potential violation of the Coastal Act so that a potential violation does not continue until the ultimate resolution of the merits. This legislative determination necessarily means that a person engaged in a development under the Coastal Act may be delayed in completing the development even if the evidence more strongly tips in favor of the developer. In other words, the Coastal Act favors moving cautiously where coastal development is challenged.

The Coastal Act in the same section 30803 provide a procedural vehicle for a party affected by a CDO to address that issue directly:

"A court may stay the operation of the cease and desist order after it provides notice to the commission and holds a hearing. Any such stay may be imposed or continued only if it is not against the public interest." (Pub. Resources Code, § 30803, subd. (b).)

Sable thus had the opportunity to seek a stay of the CDO in order to challenge the validity of the CDO under subdivision (b) on a basis broader than arguing against a prima facie showing by the Commission under subdivision (a). Sable filed its complaint in this action to challenge the Commission's orders, but did not correspondingly seek provisional relief from the CDO by a stay.

The most reasonable application of section 30803 under these circumstances, even if Sable's arguments and evidence are fully weighed and considered, favors finding a likelihood of success on the merits sufficient to issue a preliminary injunction in favor of the Commission.

(4) Balance of Harms

In its opposition, Sable argues that the Commission's arguments that it would suffer irreparable harm if the TRO were not issued are baseless because Sable is conducting its activities with robust construction best management practices. (Rusch decl., ¶ 8.) Sable also argues that, as of its opposition to the TRO, granting the TRO would cause substantial economic loss to Sable and employment loss to its employees and contractors. (Rusch decl., ¶ 10-12.) Because Sable failed to file further opposition, this information has not been updated since the TRO hearing.

In *Greenfield*, *supra*, the appellate court reversed the denial of the preliminary injunction without expressly considering the relative harms of the parties under the

traditional test for a preliminary injunction. " '[T]he standard of review is not whether discretion was appropriately exercised but whether the statute was correctly construed. [Citation.]' [Citation.]" (*Greenfield*, *supra*, 21 Cal.App.5th at p. 900.) "Because standing is conferred on 'any person,' (§ 30803, subd. (a)) it matters not when [the plaintiffs] started renting to short term tenants or that appellants can be adequately compensated for economic damages if the STR ban is found to be invalid at trial." (*Ibid.*)

Under this standard, the prima facie showing of a violation of the Coastal Act itself is irreparable harm warranting an injunction.

In *IT Corp. v. County of Imperial* (1983) 35 Cal.3d 63 (*IT Corp.*), the California Supreme Court addressed the question of "What is the proper test for issuance of a preliminary injunction when a governmental entity seeks to enjoin an alleged violation of a zoning ordinance which specifically provides for injunctive relief?" (*Id.* at p. 66.) The *IT Corp.* court answer the question with the following standard: "Where a governmental entity seeking to enjoin the alleged violation of an ordinance which specifically provides for injunctive relief establishes that it is reasonably probable it will prevail on the merits, a rebuttable presumption arises that the potential harm to the public outweighs the potential harm to the defendant. If the defendant shows that it would suffer grave or irreparable harm from the issuance of the preliminary injunction, the court must then examine the relative actual harms to the parties." (*Id.* at p. 72, fn. omitted.)

The *IT Corp.* standard and *Greenfield*'s interpretation of section 30803 are consistent. In requiring a prima facie showing, the Legislature set the standard to determine when there is a likelihood of success. This establishes the rebuttable presumption that the potential harm to the public outweighs the potential harm to the defendant. *Greenfield* found that the argument that the plaintiff's economic harm was compensable in money insufficient to deny the injunction. This court finds that the evidence presented by Sable here, and considering in particular its failure to file further opposition to the OSC re preliminary injunction updating its earlier evidence (where, by denial of the TRO, Sable has not been restrained by this court from continuing its activities in the interim and presumably lessening its asserted harm), is not sufficient to show grave or irreparable harm from the issuance of the preliminary injunction.

In any event, upon consideration of all of the admissible evidence and arguments of the parties, the court finds that the balance of harms weighs in favor of issuance of the preliminary injunction.

Conclusion

Based on the foregoing, upon consideration of all of the admissible evidence and arguments of the parties and on the standards applicable to the issuance of an injunction under the Coastal Act, the court finds the evidence supports issuance of the injunction. The Commission's application for issuance of a preliminary injunction will therefore be granted.

No bond is required. (Pub. Resources Code, § 30803, subd. (a).)

Thomas P. Anderle, Judge

PROOF OF ELECTRONIC SERVICE

Case Name:	Sable Offshore Corp, et al. v. California Coastal Commission
Case Number:	25CV00974
Party Represented:	California Coastal Commission

Declaration of Electronic Service

1. I am at least 18 years of age and not a party to this matter.

2. I am employed in the Office of the Attorney General of the State of California. My business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, Los Angeles County.

3. My electronic service address is Jazmine.Cortez@doj.ca.gov.

4. On May 29, 2025, I electronically served the following document[s]:

    a. **[PROPOSED] ORDER GRANTING APPLICATION FOR PRELIMINARY INJUNCTION**

5. I electronically served the aforementioned document[s] by emailing them to the following individual[s]:

ALSTON & BIRD
Jeffrey D. Dintzer
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Attorneys for Plaintiffs and Petitioners, Sable Offshore Corp. and Pacific Pipeline Company

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct, and that this declaration was executed on May 29, 2025.

Jazmine Cortez
Declarant

Signature

DECLARATION OF SERVICE BY E-MAIL

Case Name: **Sable Offshore Corp et al vs California Coastal Commission**
Case No.: **25CV00974**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. My business address is: 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550. My electronic service address is Antinia.Brown@doj.ca.gov.

On June 13, 2025, I served the attached

NOTICE OF ENTRY OF ORDER GRANTING APPLICATION FOR PRELIMINARY INJUNCTION

by transmitting a true copy via electronic mail addressed as follows:

Jeffrey D. Dintzer
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Attorney for Plaintiffs Sable Offshore Corp.; Pacific Pipeline Company

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on June 13, 2025, at Sacramento, California.

Antinia Brown	*/s/ Antinia Brown*
Declarant	Signature

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Attachment M

Laurence M. Rosen (SBN 219683)
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Counsel for Plaintiff

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

TRACY JOHNSON, Individually and on behalf of all others similarly situated, Plaintiff, v. SABLE OFFSHORE CORP., JAMES C. FLORES, GREGORY D. PATRINELY, J.P. MORGAN SECURITIES LLC, JEFFERIES LLC, TD SECURITIES (USA) LLC, THE BENCHMARK COMPANY, LLC, JOHNSON RICE & COMPANY, L.L.C., PEP ADVISORY LLC, ROTH CAPITAL PARTNERS, LLC, and TUOHY BROTHERS INVESTMENT RESEARCH, INC., Defendants.	No. **CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS** CLASS ACTION JURY TRIAL DEMANDED

Plaintiff Tracy Johnson ("Plaintiff"), individually and on behalf of all other persons similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, among other things, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, public filings, wire and press releases published by and regarding Sable Offshore Corp. ("Sable Offshore" or the "Company"), and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery. [1]

NATURE OF THE ACTION

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded Sable Offshore securities between May 19, 2025 and June 3, 2025, inclusive (the "Class Period"), and/or pursuant and/or traceable to the Company's May 21, 2025 secondary public offering (the "SPO"). Plaintiff seeks to recover compensable damages caused by Defendants' violations of the federal securities laws under the Securities Act of 1933 and the Securities Exchange Act of 1934 (the "Exchange Act").

[1] Unless otherwise specified, all emphasis is added.

2. On or about May 21, 2025, Defendants held the SPO, issuing 10,000,000 shares of common stock at $29.50 per share. The Company raised gross proceeds of $295 million.

3. By the commencement of this action, the Company's common stock traded significantly below the SPO price. As a result, investors were damaged.

JURISDICTION AND VENUE

4. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5), and Sections 11, 12(a)(2) and 15 of the Securities Act, 15 U.S.C. §§77k, 771(a)(2) and 77o.

5. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. §78aa), and 28 U.S.C. §1331 and §22 of the Securities Act.

6. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)), as well as §22(a) of the Securities Act (15 U.S.C. §77v(a)), as the alleged misstatements entered and the subsequent damages took place in this judicial district.

7. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants (defined below), directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United

States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

8. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Sable Offshore securities during the Class Period and/or pursuant and/or traceable to the SPO (defined below) and was economically damaged thereby.

9. Pertinent to this complaint, Defendant Sable Offshore operates in the offshore drilling business, and seeks to extract oil from the Santa Ynez field in federal waters off the Coast of California. Pertinent to those activities is an offshore facility owned by Defendants at Las Flores Canyon in Santa Barbara County, California.

10. As alluded to below, Sable Offshore's efforts to restart production have been marred by litigation, amid accusations that the Company has violated the California Coastal Act (the "Coastal Act"), resulting in environmental harm.

11. Sable Offshore Corp. is incorporated in Delaware and its principal executive offices are located at 845 Texas Avenue, Suite 2920, Houston, Texas 77002.

12. Sable Offshore's common stock trades on the New York Stock Exchange (the "NYSE") under the ticker symbol "SOC".

13. Defendant James C. Flores ("Flores") served as the Company's Chief Executive Officer ("CEO") and Chairman of the Board of Directors (the "Board") at all relevant times.

14. Defendant Gregory D. Patrinely ("Patrinely") served as the Company's Chief Financial Officer ("CFO") at all relevant times.

15. Defendants Flores and Patrinely are collectively referred to herein as the "Individual Defendants."

16. Each of the Individual Defendants:

(a) directly participated in the management of the Company;

(b) was directly involved in the day-to-day operations of the Company at the highest levels;

(c) was privy to confidential proprietary information concerning the Company and its business and operations;

(d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;

(e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;

(f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or

(g) approved or ratified these statements in violation of the federal securities laws.

17. The Company is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

18. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to Sable Offshore Corp. under *respondeat superior* and agency principles.

19. Defendant J.P. Morgan Securities LLC ("J.P. Morgan") is an investment banking firm that acted as an underwriter for the SPO, helping to draft and disseminate the SPO documents. J.P. Morgan, along with Jefferies and TD Cowen (defined below) acted as a joint book-running manager. J.P. Morgan's address is 383 Madison Avenue, New York, New York 10179.

20. Defendant Jefferies LLC ("Jefferies") is an investment banking firm that acted as an underwriter for the SPO, helping to draft and disseminate the IPO documents. Jefferies' address is 520 Madison Avenue, New York, New York 10022.

21. Defendant TD Securities (USA) LLC ("TD Cowen") is an investment banking firm that acted as an underwriter for the SPO, helping to draft and

disseminate the IPO documents. TD Cowen's address is One Vanderbilt Avenue, New York, New York 10017.

22. Defendant The Benchmark Company, LLC ("Benchmark") is an investment banking firm that acted as an underwriter for the SPO, helping to draft and disseminate the IPO documents. Benchmark's address is 150 East 58th Street, 17th Floor, New York, NY 10155.

23. Defendant Johnson Rice & Company, L.L.C. ("Johnson Rice") is an investment banking firm that acted as an underwriter for the Company's SPO, helping to draft and disseminate the SPO documents. Johnson Rice's address is 639 Loyola Avenue, Suite 2775, New Orleans, Louisiana 70113-7105.

24. Defendant PEP Advisory LLC ("Pickering Energy Partners") is an investment banking firm that acted as an underwriter for the SPO, helping to draft and disseminate the SPO documents. Pickering Energy Partners' address is 100 Waugh Drive, Suite 600, Houston, TX 77007.

25. Defendant Roth Capital Partners, LLC ("Roth Capital Partners") is an investment banking firm that acted as an underwriter for the SPO, helping to draft and disseminate the SPO documents. Roth Capital Partners' address is 888 San Clemente Suite 400, Newport Beach, California 92660.

26. Defendant Tuohy Brothers Investment Research, Inc. ("Tuohy Brothers") is an investment banking firm that acted as an underwriter for the SPO,

helping to draft and disseminate the SPO documents. Tuohy Brothers' address is 641 Lexington Avenue, 15 Flr., New York, NY 10022.

27. The Defendants named in ¶¶ 19-26 are sometimes referred to herein as the as the "Underwriter Defendants."

28. Pursuant to the Securities Act the Underwriter Defendants are liable for the false and misleading statements in the Prospectus as follows:

(a) Underwriter Defendants are investment banking houses that specialize in, among other things, underwriting public offerings of securities. They served as the underwriters of the SPO and shared millions of dollars in fees collectively. The Underwriter Defendants arranged a roadshow prior to the SPO during which they, and representatives from Sable Offshore, met with potential investors and presented highly favorable information about the Company, its operations and its financial prospects.

(b) The Underwriter Defendants also demanded and obtained an agreement from Sable Offshore and the Individual Defendants that Sable Offshore would indemnify and hold the Underwriter Defendants harmless from any liability under the federal securities laws.

(c) Representatives of the Underwriter Defendants also assisted Sable Offshore and the Individual Defendants in planning the SPO, and purportedly conducted an adequate and reasonable investigation into the business and

operations of Sable Offshore, an undertaking known as a "due diligence" investigation. The due diligence investigation was required of the Underwriter Defendants in order to engage in the SPO. During the course of their "due diligence," the Underwriter Defendants had continual access to internal, confidential, current corporate information concerning the Company's most up-to-date operational and financial results and prospects.

(d) In addition to availing themselves of virtually unlimited access to internal corporate documents, agents of the Underwriter Defendants met with Sable Offshore's lawyers, management and top executives and engaged in "drafting sessions." During these sessions, understandings were reached as to: (i) the strategy to best accomplish the SPO; (ii) the terms of the SPO, including the price at which Sable Offshore securities would be sold; (iii) the language to be used in the Prospectus; what disclosures about Sable Offshore would be made in the Prospectus; and (iv) what responses would be made to the SEC in connection with its review of the Prospectus. As a result of those constant contacts and communications between the Underwriter Defendants' representatives and Sable Offshore's management and top executives, the Underwriter Defendants knew of, or in the exercise of reasonable care should have known of, Sable Offshore's existing problems as detailed herein.

(e) The Underwriter Defendants caused the Prospectus to be filed with the SEC and declared effective in connection with the offers and sales of securities registered thereby, including those to Plaintiff and the other members of the Class.

29. Sable Offshore, the Individual Defendants, and the Underwriter Defendants, are collectively referred to as "Defendants."

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

30. On May 19, 2025, before the market opened, the Company issued a press release entitled "Sable Offshore Corp. Reports Restart of Oil Production at the Santa Ynez Unit and Anticipated Oil Sales from the Las Flores Pipeline System in June 2025." (the "May 19 Press Release").

31. The May 19 Press Release stated the following, in pertinent part:

> ***[Sable Offshore] today announced that as of May 15, 2025, it has restarted production at the Santa Ynez Unit ("SYU") and has begun flowing oil production to Las Flores Canyon ("LFC")***. Additionally, with the completion of the Gaviota State Park anomaly repairs on the Las Flores Pipeline System (the "Onshore Pipeline") on May 18, 2025, Sable has now completed its anomaly repair program on the Onshore Pipeline as specified by the Consent Decree, the governing document for the restart and operations of the Onshore Pipeline.

Seven of the eight sections of the Onshore Pipeline have been successfully hydrotested. Sable will complete the final hydrotest in order to meet the final operational condition to restart the Onshore Pipeline as outlined in the Consent Decree. Sable expects to fill the ~540,000 barrels of crude oil storage capacity at LFC by the middle of June 2025 and subsequently recommence oil sales in July 2025.

32. The May 19 Press Release further stated:

On May 15, 2025, Sable initiated the flow of oil production from six wells on Platform Harmony of the SYU to LFC at a rate of ~6,000 barrels of oil per day.

33. The May 19 Press Release quoted Defendant Flores as stating the following:

[Sable Offshore] is proud to have safely and responsibly achieved first production at the Santa Ynez Unit[.] The impressive well tests from Platform Harmony confirm the prolific nature of the Santa Ynez Unit reservoir after being dormant for ten years. ***SOC is excited about our development plan and prospects for the future***. This milestone achievement is a result of a tremendous amount of effort from all of Sable's employees, contractors, Board of Directors, stakeholders, and suppliers. We are very grateful for the cooperation and partnership from our local community and

regulatory bodies as we seek to provide energy security to the State of California.

34. After the release of the May 19 Press Release, Sable Offshore stock climbed from a closing price of $28.86 per share on May 16, 2025 to $33.02 per share on May 19, 2025, a 14.4% climb in share price.

35. The statements in ¶¶ 31-33 were materially false and misleading at the time they were made because, contrary to Defendants' representations, Sable Offshore had not resumed commercial production off the coast of California.

36. Defendants then used the share price appreciation following the May 19 Press Release to conduct a secondary public offering (or "SPO") at a higher offering price per share than would have otherwise been possible.

37. On April 22, 2025, Sable Offshore Corp. filed with the SEC a Registration Statement on Form S-3 (the "Registration Statement"), which was signed by Defendants Flores and Patrinely. The Registration Statement noted that the Company might occasionally offer securities (including common or preferred stock, debt securities, warrants, and units) to the investing public, stating the following:

> We may offer and sell up to $1,500,000,000 in the aggregate of the securities ***identified above from time to time in one or more offerings***. This prospectus provides you with a general description of the securities.

Each time we offer and sell securities, we will provide a supplement to this prospectus that contains specific information about the offering and the amounts, prices and terms of the securities. The supplement may also add, update or change information contained in this prospectus with respect to that offering. You should carefully read this prospectus and the applicable prospectus supplement before you invest in any of our securities.

38. On May 1, 2025, the SEC declared the Registration Statement effective.

39. On May 21, 2025, Sable Offshore announced that it would conduct a secondary public offering.

40. On May 22, 2025, Sable Offshore filed with the SEC a prospectus on Form 424B5 (the "Prospectus"), specifying that the Company was offering 8,695,654 shares of common stock at $29.50 per share, higher than the last closing price before the May 19 press release.

41. The Prospectus was negligently prepared and, as a result, contained untrue statements of material facts or omitted to state other facts necessary to make the statements made not misleading, and was not prepared in accordance with the rules and regulations governing its preparation.

42. The Prospectus contained the following statement in the "Recent Evens" section:

On May 15, 2025, Sable initiated oil production from six wells on Platform Harmony at SYU and began flowing oil production to Las Flores Canyon ("LFC") at an initial rate of approximately 6,000 barrels of oil per day. Sable has tested approximately 30% of the 32 producing wells on Platform Harmony with the remaining Harmony Platform wells to be tested over the course of the next several days. ***Sable expects to initiate production from the additional 44 wells on Platform Heritage and the additional 26 wells on Platform Hondo in July 2025 and August 2025, respectively***. The initial production rates as our wells are brought back into production have been higher than the rate of sustained production at such wells, but are expected to decline from initial highs, as production rates from wells typically decline over time. See "Risk Factors—Risks Associated with our Operations."

On May 18, 2025, Sable completed anomaly repairs on Line 324 (formerly known as Line 901), which extends from the Las Flores Station on the California coast to the Gaviota Pump Station in Santa Barbara County, California, and Line 325 (formerly known as Line 903), which extends from the Gaviota Pump Station to Pentland Station in Kern County, California, the point of sale. With the completion of such repairs, Sable has now completed its anomaly repair program on the Onshore Pipeline as specified by a Consent Decree that Plains entered into with various governmental

agencies in 2020 (the "*Consent Decree*"), the governing document for the restart of the Onshore Pipeline.

43. The statement in ¶ 42 was materially false and misleading at the time it was made because Sable Offshore had not started production at the Santa Ynez Unit.

44. The statements contained in ¶¶ 31-33, 42 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) Defendants represented that Sable Offshore Corp. had restarted oil production off the coast of California when it had not; and (2) as a result, Defendants' statements about its business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all times.

THE TRUTH BEGINS TO EMERGE

45. On May 23, 2025, Eleni Kounalakis, the Lieutenant Governor of California and chair of the California State Lands Commission wrote a letter (the "May 23 Letter") to Sable Offshore's Vice President of Environmental & Government Affairs, Steve Rusch.

46. Upon information and belief, the May 23 Letter was not published on the internet for the general public to view until May 28, 2025.

47. The May 23 Letter stated the following, in part:

> I am writing to express my serious concerns regarding Sable Offshore Corp.'s [May 19 Press Release, as discussed above], which you sent to Commission staff on the same day. ***The press release appears to mischaracterize the nature of recent activities, causing significant public confusion and raising questions regarding Sable's intentions***.
>
> ***Your press release also implies that Sable has restarted operations at the Santa Ynez Unit (SYU). However, Commission staff has informed me that the limited volume oil flows are the result of well-testing procedures required by the Bureau of Safety and Environmental Enforcement prior to restart.*** These activities ***do not constitute a resumption of commercial production*** or a full restart of the SYU. Characterizing testing activities as a restart of operations ***is not only misleading but also highly inappropriate – particularly given that Sable has not obtained the necessary regulatory approvals to fully resume operations at SYU***.
>
> I am also concerned that as Exxon's designated operator, Sable was required to communicate with Commission staff before initiating any oil flow through the offshore pipeline, even in this limited capacity. ***Sable's failure***

to clearly and timely communicate these activities to the Commission undermines trust of Sable's motives, demonstrates a lack of understanding of the significant concerns held by many regarding the resumption of activities, and raises serious questions about Sable's willingness to be a transparent operator.

Commission staff's letter dated May 9, 2025, ***made clear that failure to comply with applicable regulatory requirements or to resolve any outstanding regulatory issues could constitute a breach of the Commission's leases***. Any attempt to restart commercial operations at the SYU without final regulatory approvals ***may place the company in violation of its lease terms and jeopardize the status of Sable's holdover lease***.

As Chair of the State Lands Commission, it is my expectation that Sable will resolve all pending legal challenges and litigation with other state agencies prior to the full restart of operations. ***The willful disregard for the directives of regulatory agencies does not engender trust or confidence in Sable's willingness to serve as a responsible partner, and could weigh significantly into considerations on the future assignment of the SYU leases from Exxon to Sable***.

48. On May 28, 2025, during market hours, KEYT, a local news organization in Santa Barbara, California (a subsidiary of News-Press & Gazette

Company), published an article entitled "Santa Barbara County Judge issues preliminary injunction against Sable Offshore as the company announces completion of pipeline tests." The article stated the following, demonstrating that Sable Offshore's claim to have restarted production in California was false:

> Sable Offshore announced that it has completed all required hydrotesting of onshore pipelines necessary to transport oil across Santa Barbara County, ***but the Houston-based company suffered a setback regarding repair work on along the coast in court Wednesday***.
>
> The announcement of pipeline work comes as representatives of Sable Offshore and the California Coastal Commission met Wednesday about the pending litigation between the two entities.
>
> * * *
>
> Wednesday morning, Santa Barbara County ***Judge Thomas Anderle granted a preliminary injunction requested by the California Coastal Commission against Sable Offshore for alleged violations of The California Coastal Act***.
>
> The injunction ***could impact Sable's ability to do future repairs or maintenance until its legal battle with the state regulator is settled***.

Linda Krop with the Environmental Defense Center ***questioned Sable's assertions that it has completed all necessary repairs in an interview Wednesday with Your News Channel.***

She shared that this is ***the first time a judge has ruled that Sable Offshore is violating the law instead of state regulators and environmental groups***.

Krop, whose organization opposes restarting oil production and has been involved in multiple lawsuits related to the project, ***says Sable's attorney told the judge that granting the injunction would harm the company***.

"If Sable really has completed all the repairs, they would be fine with this injunction," argued Krop. "The injunction only applies to repairs on the pipeline. So why does Sable care about this injunction if it's really completed the repairs?"

* * *

A California Coastal Commission spokesperson sent a statement in response to Your News Channel's inquiries stating, "***Sable has consistently ignored California law, as confirmed by the court's decision today [Wednesday] to halt work on this aging oil pipeline in Santa Barbara***. ***This fly-by-night oil company has repeatedly abused the public's trust, racking up millions of dollars in fines and causing environmental damage along the treasured Gaviota Coast***."

49. On May 28, 2025, during market hours, Investing.com published an article entitled "Sable Offshore Corp stock sinks following court injunction." It stated the following:

> Shares of Sable Offshore Corp (NYSE:SOC) tumbled 14% after the ***California Coastal Commission was granted a preliminary injunction against the company's pipeline repair and maintenance activities within the coastal zone in unincorporated Santa Barbara County***. The court's decision, which aligns with the Coastal Act's ***strict regulations on coastal development, has raised concerns about potential project delays and additional costs for Sable Offshore.***
>
> ***The legal proceedings stem from allegations that Sable Offshore Corp did not obtain the necessary coastal development permits (CDPs) for their ongoing repair and maintenance work on the Las Flores Pipelines***. Despite Sable's claims that the work was authorized under existing permits from the County of Santa Barbara, ***the court found a prima facie case for the Coastal Commission, indicating that the activities constituted a violation of the Coastal Act***.
>
> The injunction ***stops Sable from continuing any development*** associated with the return to service of the Las Flores Pipelines CA-324 and CA-325 unless they secure a new, operative CDP or other form of Coastal Act

authorization. The company had resumed repair and maintenance activities earlier in February 2025, following confirmation from the County that the activities were authorized under existing permits.

The court's ruling highlights the ongoing tension between regulatory compliance and operational progress within the energy sector. Sable Offshore Corp's stock movement reflects investor concerns over the potential impact of regulatory hurdles on the company's ability to complete essential maintenance work and resume operations.

50. On this news, the price of Sable Offshore common stock fell by $5.04 per share, or 15.3%, to close at $27.89 per share on May 28, 2025.

51. On June 4, 2025, before the market opened, Sable Offshore filed a current report on Form 8-K with the SEC. It stated, in pertinent part, the following:

On June 3, 2025, a Santa Barbara County Superior Court Judge granted *ex parte* requests from plaintiffs in *Center for Biological Diversity, et al. v. California Department of Forestry and Fire Protection, et al.* (25CV02244) and *Environmental Defense Center, et al. v. California Department of Forestry and Fire Protection, et al.* (25CV02247) ***for temporary restraining orders prohibiting Sable Offshore Corp. ("Sable") from restarting transportation of oil through the Las Flores Pipeline System pending the hearing on an order to show cause*** regarding a preliminary injunction

scheduled for July 18, 2025. ***Sable is exploring all possible avenues available to address these preliminary rulings***. Sable is now targeting August 1, 2025 for first sales due to this delay.

52. On this news, the price of Sable Offshore stock fell by $0.94 per share, or 3.91%, to close at $23.10 on June 4, 2025.

53. As of the date of the filing of this Complaint, Sable stock was trading below the SPO price.

54. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's common shares, Plaintiff and other Class members have suffered significant losses and damages.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

55. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants who acquired the Company's securities publicly traded on NYSE during the Class Period, and who were damaged thereby (the "Class"), as well as those who purchased the Company's securities pursuant and/or traceable to the Prospectus. Excluded from the Class are Defendants, the officers and directors of the Company, members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

56. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, the Company's securities were actively traded on NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

57. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

58. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

59. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the Exchange Act was violated by Defendants' acts as alleged herein;

- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and financial condition of the Company;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false filings;
- whether the prices of the Company securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

60. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it

impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

61. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- the Company's shares met the requirements for listing, and were listed and actively traded on NYSE, an efficient market;
- as a public issuer, the Company filed periodic public reports;
- the Company regularly communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and
- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

62. Based on the foregoing, the market for the Company's securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the shares, and

Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

63. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

COUNT I

For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder Against All Defendants

64. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

65. This Count is asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

66. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in

order to make the statements made, in light of the circumstances under which they were made, not misleading.

67. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

68. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the

Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

69. Individual Defendants, who are the senior officers of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or any other of the Company's personnel to members of the investing public, including Plaintiff and the Class.

70. As a result of the foregoing, the market price of the Company's securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

71. Had Plaintiff and the other members of the Class been aware that the market price of the Company's securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information

which Defendants did not disclose, they would not have purchased the Company's securities at the artificially inflated prices that they did, or at all.

72. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

73. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of the Company's securities during the Class Period.

COUNT II

Violations of Section 20(a) of the Exchange Act

Against the Individual Defendants

74. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

75. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about the Company's business practices.

76. As officers of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's' financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

77. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of the Company within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of the Company's securities.

78. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

Count III
For Violations of Section 11 of the Securities Act
Against All Defendants

79. Plaintiff incorporates all the foregoing by reference.

80. This Count is brought pursuant to §11 of the Securities Act, 15 U.S.C. §77k, on behalf of the Class, against all Defendants.

81. The Prospectus contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

82. Defendants are strictly liable to Plaintiff and the Class for the misstatements and omissions.

83. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Prospectus were true and without omissions of any material facts and were not misleading.

84. By reason of the conduct herein alleged, each Defendant violated or controlled a person who violated §11 of the Securities Act.

85. Plaintiff acquired the Company's securities pursuant to the Prospectus.

86. At the time of their purchases of Sable Offshore securities, Plaintiff and other members of the Class were without knowledge of the facts concerning the wrongful conduct alleged herein and could not have reasonably discovered those facts prior to the disclosures herein.

87. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Prospectus that should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the SPO. It is therefore timely.

COUNT IV
Violations of Section 12(a)(2) of the Securities Act
Against All Defendants

88. Plaintiff incorporates all the foregoing by reference.

89. By means of the defective Prospectus, Defendants promoted, solicited, and sold Sable Offshore securities to Plaintiff and other members of the Class.

90. The Prospectus contained untrue statements of material fact, and concealed and failed to disclose material facts, as detailed above. Defendants owed Plaintiff and the other members of the Class who purchased the Company's securities pursuant to the Prospectus the duty to make a reasonable and diligent investigation of the statements contained in the Prospectus to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. Defendants, in the exercise of reasonable care, should have known of the misstatements and omissions contained in the Prospectus as set forth above.

91. Plaintiff did not know, nor in the exercise of reasonable diligence could Plaintiff have known, of the untruths and omissions contained in the Prospectus at the time Plaintiff acquired Sable Offshore securities.

92. By reason of the conduct alleged herein, Defendants violated §12(a)(2) of the Securities Act, 15 U.S.C. §77l(a)(2). As a direct and proximate result of such violations, Plaintiff and the other members of the Class who purchased Sable Offshore securities pursuant to the Prospectus sustained substantial damages in connection with their purchases of the shares. Accordingly, Plaintiff and the other members of the Class who hold the securities issued pursuant to the Prospectus have the right to rescind and recover the consideration paid for their shares, and hereby tender their securities to Defendants sued herein. Class members who have sold their securities seek damages to the extent permitted by law.

93. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Prospectus should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the SPO. It is therefore timely.

COUNT V
Violations of Section 15 of the Securities Act
Against the Individual Defendants

94. Plaintiff incorporates all the foregoing by reference.

95. This cause of action is brought pursuant to §15 of the Securities Act, 15 U.S.C. §77o against the Individual Defendants.

96. The Individual Defendants were controlling persons of Sable Offshore by virtue of their positions as directors and/or senior officers of the Company. The Individual Defendants each had a series of direct and indirect business and personal relationships with other directors and officers and major shareholders of the Company. The Company controlled the Individual Defendants and all of Sable Offshore employees.

97. The Company and the Individual Defendants were culpable participants in the violations of §§11 and 12(a)(2) of the Securities Act as alleged above, based on their having signed or authorized the signing of the Registration Statement and having otherwise participated in the process which allowed the SPO to be successfully completed.

98. This claim is brought within one year after discovery of the untrue statements and/or omissions in the SPO that should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the SPO. It is therefore timely.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating Plaintiff's counsel as Lead Counsel;

(b) awarding damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, together with interest thereon;

(c) awarding Plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding Plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: 7/28/2025

THE ROSEN LAW FIRM, P.A.
/s/ Laurence M. Rosen
Laurence M. Rosen (SBN 219683)
355 South Grand Avenue, Suite 2450
Los Angeles, CA 90071
Telephone: (213) 785-2610
Facsimile: (213) 226-4684
Email: lrosen@rosenlegal.com

Counsel for Plaintiff

Attachment N

CALIFORNIA STATE LANDS COMMISSION

EXECUTIVE OFFICE
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

GRACE KATO, *Acting Executive Officer*
916.574.1800
TTY CA Relay Service: **711** *or Phone* **800.735.2922**
from Voice Phone **800.735.2929**
or for Spanish **800.855.3000**

May 23, 2025

File Ref.: Leases 7163 and 4977

Steve Rusch (srusch@sableoffshore.com)
Vice President of Environmental & Governmental Affairs
Sable Offshore Corp.

Subject: Sable's Claims Regarding Resumption of Oil and Gas Operations

Dear Mr. Rusch:

I am writing to express my serious concerns regarding Sable Offshore Corp.'s press release dated May 19, 2025, entitled, "Sable Offshore Corp. Reports Restart of Oil Production at the Santa Ynez Unit and Anticipated Oil Sales from the Las Flores Pipeline System in July 2025," which you sent to Commission staff on the same day. The press release appears to mischaracterize the nature of recent activities, causing significant public confusion and raising questions regarding Sable's intentions.

Your press release also implies that Sable has restarted operations at the Santa Ynez Unit (SYU). However, Commission staff has informed me that the limited volume oil flows are the result of well-testing procedures required by the Bureau of Safety and Environmental Enforcement prior to restart. These activities do not constitute a resumption of commercial production or a full restart of the SYU. Characterizing testing activities as a restart of operations is not only misleading but also highly inappropriate – particularly given that Sable has not obtained the necessary regulatory approvals to fully resume operations at SYU.

I am also concerned that as Exxon's designated operator, Sable was required to communicate with Commission staff before initiating *any* oil flow through the offshore pipeline, even in this limited capacity. Sable's failure to clearly and timely communicate these activities to the Commission undermines trust of Sable's motives, demonstrates a lack of understanding of the significant concerns held by many regarding the resumption of activities, and raises serious questions about Sable's willingness to be a transparent operator.

Commission staff's letter dated May 9, 2025, made clear that failure to comply with applicable regulatory requirements or to resolve any outstanding regulatory issues could constitute a breach of the Commission's leases. Any attempt to restart commercial operations at the SYU without final regulatory approvals may place the company in violation of its lease terms and jeopardize the status of Sable's holdover lease.

As Chair of the State Lands Commission, it is my expectation that Sable will resolve all pending legal challenges and litigation with other state agencies prior to the full restart of operations. The willful disregard for the directives of regulatory agencies does not engender trust or confidence in Sable's willingness to serve as a responsible partner, and could weigh significantly into considerations on the future assignment of the SYU leases from Exxon to Sable.

As a reminder, in December 2023, the Commission authorized the preparation of an Analysis of Public Trust Resources and Values (APTR) to evaluate the risks and impacts to Public Trust resources of all 12 offshore oil and gas pipeline leases under the Commission's jurisdiction. Prior to the Commission's consideration of the APTR, no new offshore oil and gas pipeline leases will be considered, including leases 7163 and 4997, which will expire on January 31, 2029 and December 31, 2028, respectively.

Sincerely,



Eleni Kounalakis
Lieutenant Governor
Chair, California State Lands Commission

cc: The Honorable Malia Cohen, State Controller
Joe Stephenshaw, Director, Department of Finance
Michele Perrault, Chief Deputy Director of Policy, Department of Finance
Grace Kato, Acting Executive Officer, State Lands Commission
Seth Blackmon, Chief Counsel, State Lands Commission
Chris Workman, Counsel, State Lands Commission
Drew Simpkin, State Lands Commission
Nathan Franka, ExxonMobil

Attachment O

DEPARTMENT OF FORESTRY AND FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL
P.O. Box 944246
Sacramento, California 94244-2460
(916) 568-3800
Website: www.fire.ca.gov

October 22, 2025

Lance Yearwood
Vice President
Sable Offshore Corp
845 Texas Avenue, Suite 2920
Houston, Texas 77002

SUBJECT: STATE WAIVER REQUIREMENTS PRIOR TO RESTART OF LINES CA-324 AND CA-325A/B

Dear Mr. Yearwood,

On December 17, 2024, the CAL FIRE - Office of the State Fire Marshal (OSFM) issued State Waivers for the above captioned pipelines. The Pipeline and Hazardous Materials Safety Administration (PHMSA) issued the concurrence with the terms of the State Waivers on February 11, 2025. Those State Waivers were issued in accordance with the terms of the Consent Decree (CD) between Plains Pipeline, L.P. and the United States of America and the People of the State of California, DOJ Case REF. NO. 90-5-1-1-1130 (Appendix B, Article 1.1.D).

Sable sought the State Waivers to manage the risk of corrosion under insulation that may occur as a result of inadequate cathodic protection (CP) due to the shielding effects of the polyurethane foam and the polyethylene tape wrap surrounding the pipelines. It is critical to stress that a State Waiver prescribes alternative measures that provide an equal or greater level of safety than the required regulation. The OSFM granted the State Waivers on the condition that Sable complies with the specific requirements contained therein.

On September 11, 2025, Sable submitted a restart plan to OSFM for review and approval. OSFM's review of the restart plan is ongoing. During this process, OSFM identified a requirement of the State Waivers that has not yet been met and that Sable must complete prior to any potential restart. Pursuant to item 9 in the State Waivers, Sable must repair all immediate and 180-day repair conditions prior to restart. Those conditions are further clarified in the sections titled "Immediate Repair Conditions" and "180-Day Repair Conditions." Most pertinent here is the 180-day repair condition language (see Condition 35 in the CA-324 State Waiver and Condition 36 in the CA-325A/B State Waiver) that includes "anomalies that have an ILI reported depth of 40% or greater wall loss, including tool sizing tolerance for depth." Footnotes 7 and 9 further

clarify that remediation means “a permanent repair method.” The State Waivers require all such anomalies to be remediated, including tool tolerance. According to OSFM records, Sable has not satisfied this condition in the State Waivers.

The above findings alone and the inconsistencies with the State Waiver requirements prevent restart under the law. The OSFM continues to review the restart plan submitted by Sable in September, and while OSFM is providing this initial notification of deficiency to Sable regarding the State Waiver requirements, OSFM may have further comment or requirements arising out of that review.

Sincerely,



DANIEL BERLANT
State Fire Marshal

cc: James Hosler, OSFM, Assistant Deputy Director
Alin Podoreanu, OSFM, Supervising Pipeline Safety Engineer
Joshua Cleaver, CAL FIRE, Staff Counsel

Attachment P

environmental
DEFENSE CENTER

August 14, 2025

Armando Quintero, Director
California Department of Parks and Recreation
715 P Street
Sacramento, CA 95814
Via Email: Armando.Quintero@parks.ca.gov

Dena Bellman, District Superintendent
Channel Coast District Office
911 San Pedro Street
Ventura, CA 93001
Via Email: Dena.Bellman@parks.ca.gov

Re: Sable Offshore Corp.'s Violations of the May 8, 2025, Gaviota State Park Right of Entry Permit

Dear Director Armando Quintero and District Superintendent Dena Bellman,

This letter is submitted on behalf of Get Oil Out!, Santa Barbara County Action Network, Sierra Club, by and through the Santa Barbara-Ventura Chapter, Santa Barbara Channelkeeper, and Environmental Defense Center, to address Sable Offshore Corp.'s ("Sable") violations of the Right of Entry Permit (ROE) granted to Sable, by and through the Pacific Pipeline Company, by the Department of State Parks and Recreation ("State Parks") on May 8, 2025. The purpose of the ROE was to allow Sable to conduct extensive construction and repair work in Gaviota State Park (the "Park").

It has come to our attention that, in carrying out such work, Sable violated several express terms and conditions of the ROE, including conditions imposed to protect the sensitive resources of the Park. These violations, which are described below and depicted in the attached photographs, caused, or threaten to cause, the following harm: (1) wildlife entanglement and mortality in nylon mesh covered straw wattles; (2) air quality and public health impacts from airborne particulate matter caused by hauling soil in uncovered dump trucks along a public trail; and (3) visual impacts, water quality impacts, and harmful wildlife ingestion associated with plastic trash and spray foam insulation or sealant within the Park and beyond.

The violations identified to date include the following:

1. Condition 14(f)

"All trucks or light equipment hauling soil, sand, or other loose materials on public roads will be covered or required to maintain at least two feet of freeboard."

On multiple occasions on May 13, 2025, Sable filled an uncovered dump truck with soil over the brim of the truck (no freeboard) and hauled the soil along the Beach to Backcountry Trail, which is a paved road on public land — i.e., a public road. Doing so potentially caused air quality and public health impacts.[1] (Exhibits 1 and 2.)

2. Condition 14(k)

"Straw wattles, and mats if needed, will be the primary method for erosion control using only weed free biodegradable materials such as jute/coir open weave mats, coir rolls, rice straw or other weed free wattles in jute netting, etc. (no nylon mesh or nylon mesh covered materials)."

On August 3, 2025, nylon mesh covered wattles were observed to have been installed at a Sable pipeline repair site west of the Beach to Backcountry Trail. (Exhibits 3-6.) On July 23, 2025, nylon mesh covered straw wattles were observed to have been installed at a Sable pipeline repair site adjacent to and east of Hollister Trail. (Exhibits 7 and 8.) Mesh covered straw wattles cause entanglement and mortality in wildlife, which, in the Park, may include special-status species.[2]

3. Condition 20(a)

"Protection of Property: Permittee shall protect the Property, including all improvements and all natural and cultural features thereon, at all times at Permittee's sole cost and expense, and Permittee shall strictly adhere to the following restrictions: (a) Permittee shall not place or dump garbage, trash or refuse anywhere upon or within the Property, except in self-contained trash receptacles that are maintained to State's satisfaction by Permittee."

On August 27, 2025, plastic trash and pieces of dried, hardened spray foam sealant or insulation were observed scattered along Sable pipeline repair sites on and adjacent to trails in the Park. Plastic trash and hardened spray foam insulation or sealant pose

[1] Santa Barbara County Air Pollution Control District, *https://www.ourair.org/dust-control/*, available at https://www.ourair.org/dust-control/ (last viewed August 13, 2025).
[2] Unites States Fish and Wildlife Service, *Wildlife and environmentally friendly erosion control materials* available at https://www.fws.gov/sites/default/files/documents/WLfriendlyErosionControl__final.pdf (last viewed August 13, 2025).

impacts to wildlife from ingestion, and they result in visual and water quality impacts in the Park and nearby beaches.[3] (Exhibits 9-19.)

Please let us know how State Parks decides to address these violations, which we hope will include requirements that Sable conduct appropriate mitigation and restoration. We would appreciate a written response.

Furthermore, as State Parks considers Sable's request for a new easement to restart, operate, and maintain the Las Flores Pipeline System through the Park, these violations should greatly concern the agency.

Sable's failure to comply with the ROE is just the latest transgression in a long pattern of noncompliance with agency directives. As we have seen time and again, such disregard is par for the course for Sable, which has continuously and flagrantly violated state laws and regulations. As Sable's conduct to date has made unmistakably clear, it lacks the necessary care, diligence, and basic responsibility to be entrusted to safely operate the Las Flores Pipeline System or dutifully comply with the terms of a new State Parks easement. We hope State Parks will consider these violations, and Sable's related history of noncompliance, in determining whether to grant Sable its proposed easement.

Sincerely,

Linda Krop
Chief Counsel

Brian Trautwein
Senior Analyst/Watershed Program Director

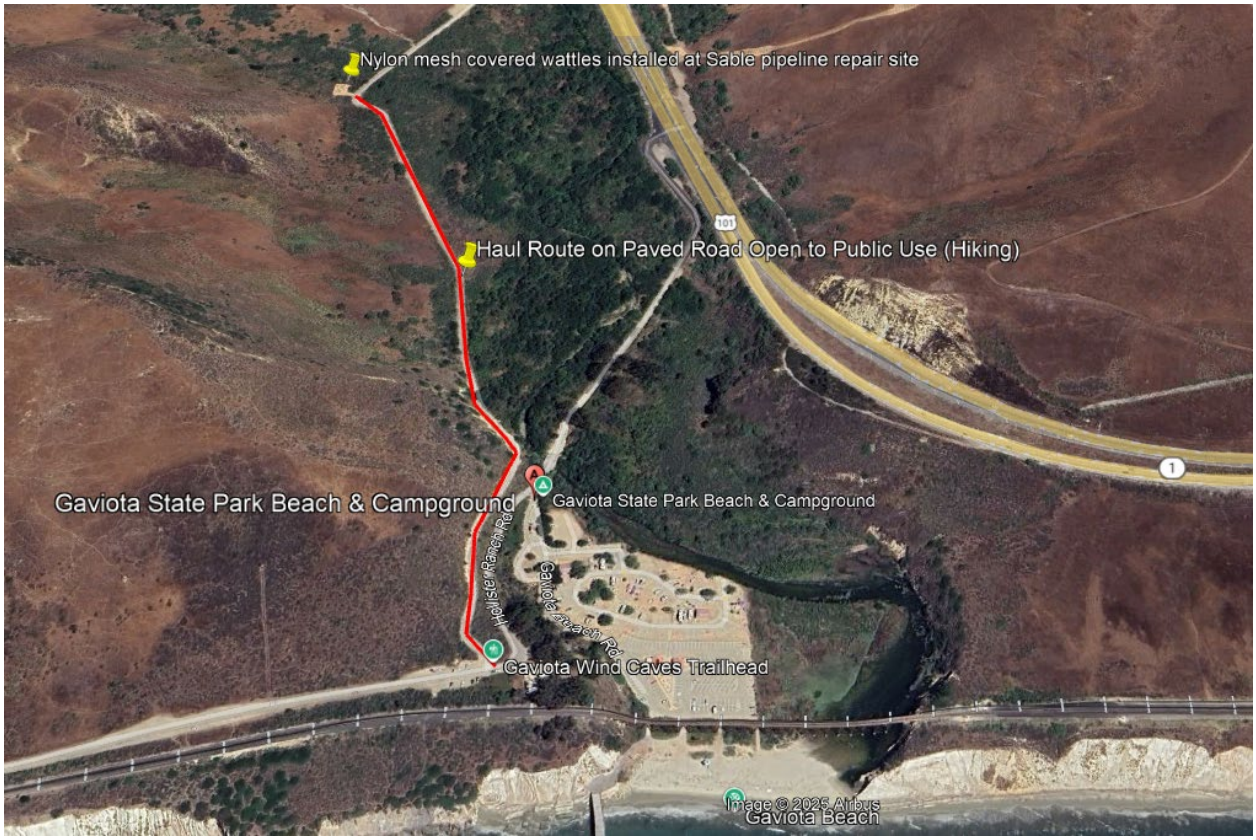
[3] National Oceanic and Atmospheric Administration, Marine Debris Program, available at https://marinedebris.noaa.gov/why-marine-debris-problem/ingestion#:~:text=Animals%20have%20been%20eating%2C%20or,when%20an%20animal%20eats%20plastic? (last viewed August 13, 2025).

Exhibit 1



An uncovered Sable dumptruck filled over the brim with loose soil and hauling soil on paved road on public land (Gaviota State Park) while the road was open to public use (hiking). Also note dirt on truck below tailgate. May 13, 2025.

Exhibit 2



Haul route along paved road serving as public hiking trail within Gaviota State Park on May 13, 2025.

Exhibit 3



Nylon mesh covered wattles west of Beach to Backcountry Trail, Gaviota State Park. August 3, 2025.

Exhibit 4



Nylon mesh covered wattles west of Beach to Backcountry Trail, Gaviota State Park. August 3, 2025.

Exhibit 5



Nylon mesh covered wattles as pipeline repair site west of Beach to Backcountry Trail, Gaviota State Park. August 3, 2025.

Exhibit 6



Location of nylon mesh covered wattles west of Beach to Backcountry Trail, Gaviota State Park

Exhibit 7



Nylon mesh wattles at Sable pipeline repair site east of Hollister Trail, Gaviota State Park. July 23, 2025.

Exhibit 8



Nylon mesh covered wattles at pipeline repair site east of Hollister Trail, Gaviota State Park. July 23, 2025.

Exhibit 9



Plastic trash along pipeline repair sites in Gaviota State Park. July 27, 2025.

Exhibit 10



Discarded plastic twine along pipeline repair sites in Gaviota State Park. July 23, 2025.

Exhibit 11



Spray foam sealant or insultion behind wattle along pipeline repair route in Gavota State Park. July 27, 2025.

Exhibit 12



Hardened spray foam sealant or insulation along pipeline repair site in Gavota State Park. July 27, 2025.

Exhibit 13



Hardened pieces of spray foam sealant or insulation on pipeline repair site in Gaviota State Park. July 27, 2025.

Exhibit 14



Close up of dried, hardened pieces of spray foam sealant or insulation on pipeline repair site in Gaviota State Park. July 27, 2025.

Exhibit 15



Dried piece of spray foam selant or insulation in masticated chaparral at pipeline repair site in Gaviota State Park. July 27, 2025.

Exhibit 16



Two pieces of dried spray foam sealant or insulation in masticated chaparral along pipeline repair site in Gaviota State Park. July 27, 2025.

Exhibit 17



Close up of dried piece of spray foam sealant or insultation on pipeline repair site in Gaviota State Park. July 27, 2025.

Exhibit 18



Piece of dried spray foam sealant or insulation on pipeline repair site in Gaviota State Park. July 27, 2025.

Exhibit 19



Multiple pieces of dried pieces of spray foam sealant within coastal sage scrub vegetation along pipeline repair site in Gaviota State Park. July 27, 2025.

Attachment Q

christian.marsh@stoel.com
Hi Christian,

Thanks for the call. Feel free to call back once you have reception again. In the meantime, this is to follow up on Sable's partial easement application. It is apparent that Sable and Parks need to get on the same page about the footprint of the easement. The legal description for the Celeron easement did not include access roads nor access routes (i.e., between the road and the pipeline). As I explained in my letter, this easement does need to include the access roads and routes. This is to account for the impact to, and use and maintenance of the roads, as well as to identify agreed-upon routes/locations of access between the roads and the pipeline. Including the access road will simplify Sable's ability to conduct anomaly digs by potentially eliminating the need to obtain multiple right of entry permits.

The project description indicates that "[w]here existing roads do not exist, PPC will travel inside the existing 50-foot ROW." We know that this is inaccurate because the pipeline easement is not within 50 feet of the road in many places and this was borne out in the recent experience with the Anomaly Dig ROE where areas outside of the pipeline easement and the roads were traversed and damaged. In order to authorize access to the easement, the document must cover access points. State Parks is working on a diagram that reflects this so that Sable can more clearly understand what State Parks is requiring. This diagram may impact the scope of the appraisal, and potentially the scope of the title report. A survey will likely be required. This is why I indicated in my June 27 letter to you that it is important that we agree on a footprint before you seek an appraisal.

Other issues that were not addressed in the Project Description that Sable should be able to work on providing at this time:

1. Parks needs data on how often anomaly digs are expected to occur. The description reviews what would happen if an anomaly is detected, but did not provide any data supporting how often it can be expected to occur based on the pipeline's age and construction. Saying that few or no anomaly digs are expected to occur seems unrealistic in light of the Consent Decree, State Waiver requirements, and recent history.
2. The Project Description did not mention excavations related to the regular in-line inspections required by the State Fire Marshal waiver. Could any validation or other routine digs required in the waiver occur within the easement?

Please let me know if you have any questions about what Parks is requesting.

Thanks,
Emma

Emma Siverson (she, her, hers)
Senior Staff Counsel
California State Parks
715 P Street
Sacramento, California 95814
(916) 584-5567 Mobile

Attachment R

apcd air pollution control district
SANTA BARBARA COUNTY

Agenda Item: D-3
Agenda Date: August 21, 2025
Agenda Placement: Admin
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer

CONTACT: Kaitlin McNally, Compliance Division Manager, (805) 979-8298

SUBJECT: Notice of Violation Report

RECOMMENDATION:

Receive and file the attached summary of notices of violation issued and penalty revenue received during the months of June and July 2025.

DISCUSSION:

Pursuant to Section 40752 of the California Health and Safety Code, the Air Pollution Control Officer shall observe and enforce Part 3 and Part 4 of Division 26 of the Health and Safety Code, all orders, rules, and regulations prescribed by the District Board, all variances and orders prescribed by the District Hearing Board, and all permit conditions imposed pursuant to the District permit program.

In order to keep your Board informed of the enforcement actions taken by the Air Pollution Control Officer, the attached reports list a summary of the notices of violation issued and the penalty revenue received during the months indicated.

ATTACHMENTS:

A. NOV Report, June 2025.
B. NOV Report, July 2025.

ATTACHMENT A

Notice of Violations
June, 2025

August 21, 2025

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

1011 West McCoy Lane
Santa Maria, California 93455

Notices of Violation Issued June 2025

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13998	Star-Tech Auto Repair	Star-Tech Auto Repair	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/03/2025	206
14123	KCOY - Tepusquet Peak	KCOY-TV	Santa Maria	Exceeded the emergency/standby diesel generator maintenance and testing daily hours limit		06/18/2025	206
14031	Verizon Wireless - Lompoc South	Verizon Wireless, Inc.	Lompoc	Failed to submit 2024 Annual Report by due date		06/20/2025	206
14071	Bonita Packing Company	Bonita Packing Company	Santa Maria	Failed to submit 2024 Annual Report by due date		06/20/2025	206
14101	Five Speed Auto Repair & Collision	Five Speed Auto Repair & Collision	Santa Maria	Failed to submit 2024 Annual Report by due date		06/20/2025	206
14121	Carlotti Dr, 1710 N. (MVFF)	California Highway Patrol	Santa Maria	Installed gas station equipment without a District permit		06/20/2025	201
14040	San Marcos High School	Santa Barbara Unified School District	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14041	Yardi Systems	Yardi Systems	Goleta	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14042	Sansum - Main Clinic	Sansum Clinic	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14043	Sanford Winery	Sanford Winery Company	Lompoc	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14045	City of SM - Paul Nelson Aquatic Center	City of Santa Maria	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14046	SBA Towers II, LLC. - Broadcast Peak (CA12653-A)	SBA Towers II, LLC.	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14047	The Home Depot - Lompoc	The Home Depot	Lompoc	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14048	Lilac (743) ES Engine	Central Trust	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14049	Santa Ynez Valley Cottage Hospital	Santa Ynez Valley Cottage Hospital	Solvang	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14050	The Home Depot - Goleta	The Home Depot	Goleta	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14051	DSP Santa Barbara Sub, LLC.	DSP Santa Barbara Sub, LLC.	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14052	Regency Innovation Place, LLC.	Regency Innovation Place, LLC.	Summerland	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14055	Dermatology Spa Med, Inc.	Dermatology Spa Med, Inc.	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14059	Hotel Santa Barbara	Hotel Santa Barbara	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14060	Wood Glen Hall	Wood Glen Hall, Inc.	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14062	Carpinteria City Hall	City of Carpinteria	Carpinteria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14064	Montecito Retirement Association	Montecito Retirement Association	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14065	J&A Santa Maria - Church St	J&A - Santa Maria, LLC	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14069	Cathedral Oaks, 7380 (MVFF)	Glen Annie Golf Club	Goleta	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14070	The Home Depot - Santa Maria	The Home Depot	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14097	Williams Holding Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14098	GWP Fee	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14099	Los Alamos Fee	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		06/26/2025	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
14102	Firestone Rd, 367 (Bulk) - Signature Flight	Signature Flight Support Corporation	Goleta	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14106	Gold Coast Collision - Inger Drive	Gold Coast Collision Body & Paint	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14110	Los Prietos Station (MVFF)	USDA Forest Service	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14111	Gold Coast Collision - Cook St	Gold Coast Collision Body & Paint	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14112	GI Autobody and Paint Repair	GI Autobody and Paint Repair	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14114	Carpinteria Ave, 5085 (MVFF)	Mohamed Elmoussaid dba American Supreme Gas	Carpinteria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14115	Broadway, 1901 S. (MVFF)	Star Wash LLC dba #1 Car Wash Petro	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14116	Broadway, 1519 N. (MVFF)	Chase, Inc.	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14124	Platform C	DCOR, LLC.	Santa Barbara County	Failed to seal an open-ended line		06/26/2025	331
14126	ATC Sequoia - Winchester Cyn Rd.	ATC Sequoia, LLC.	Goleta	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14127	Cal-Coast Pipeline	Phillips 66 Pipeline LLC	Orcutt	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14128	Gold Coast Surgery Center	Gold Coast Surgery Center, LLC.	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14129	Dental Surgery Centers of America	Blue Cloud Investment Holdings, LLC.	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14130	Melville Winery	Melville Winery	Lompoc	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14132	Orcutt Pump Station	Phillips 66 Pipeline LLC	Orcutt	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14133	Santa Maria Pump Station	Phillips 66 Pipeline LLC	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14134	Candy Man Collision Center - Broadway	Candy Man Collision Center	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14135	Sisquoc Pipeline	Phillips 66 Pipeline LLC	Sisquoc	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14136	State St, 1935 (MVFF)	LV Petroleum, Inc.	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14137	NuSil Technology	NuSil Technology, LLC.	Carpinteria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14139	Sunshine Auto Spa, Inc.	Santa Barbara Auto Refinishing	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14140	Champion SB Auto Body and Paint	Champion SB Auto Body and Paint	Santa Barbara	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14142	Robinson's Dry Cleaners	Robinson's Dry Cleaners	Lompoc	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14143	Amigos General Auto Body	Amigos General Auto Body	Santa Maria	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14144	Bell St, 290 (MVFF)	Collins Market	Los Alamos	Failed to submit 2024 Annual Report by due date		06/26/2025	206
14125	Platform Hillhouse	DCOR, LLC.	Santa Barbara County	Exceeded the number of allowable leaks		06/27/2025	331
14004	Stagliano Vineyard, LLC.	Stagliano Vineyard, LLC.	Santa Ynez	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14009	Crio Bru, LLC.	Crio Bru, LLC.	Goleta	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14010	County of Santa Barbara - Fire Station #31	County of Santa Barbara - Fire Department	Buellton	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14011	County of Santa Barbara - Fire Station #24	County of Santa Barbara - Fire Department	Los Alamos	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14020	Figueroa Mountain Brewing	Figueroa Mountain Brewing, LLC.	Buellton	Failed to submit 2024 Annual Report by due date		06/30/2025	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
14022	Mariposa at Ellwood Shores	Westmont Living	Goleta	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14024	Robin Hill, LLC.	Robin Hill, LLC.	Goleta	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14025	McCoy Immigration & Customs Enforcement Facility	U.S. Immigration & Customs Enforcement	Santa Maria	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14026	SMV Minerals Lease	Krummrich Engineering Corporation	Santa Maria	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14028	Safran Cabin, Inc. - 2850 Skyway Drive	Safran Cabin, Inc.	Santa Maria	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14029	National Blending Company	National Blending Company, LLC.	Santa Maria	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14030	Tognazzini - Adams Lease	Krummrich Engineering Corporation	Santa Maria	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14036	Cecil Cook Place, 1600 (Aviation Fuel)	Signature Flight Support Corporation	Goleta	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14038	Diani-Ward-Diani - 351 N. Blosser	Diani-Ward-Diani, LLC.	Santa Maria	Failed to submit 2024 Annual Report by due date		06/30/2025	206
14067	1 Hour Valley Cleaners	1 Hour Valley Cleaners	Solvang	Failed to submit 2024 Annual Report by due date		06/30/2025	206

Penalty Settlement Payments Received June 2025									
Nov #	**Facility**	**Company**	**Location**	**Violation Description**	**Self Reported**	**Violation Issued**	**Rule**	**Date Paid**	**Total Penalty Received**
13067	Los Prietos Station (MVFF)	USDA Forest Service	Santa Barbara County	Failed to submit 2021 Annual Report by due date		07/27/2022	206	06/04/2025	$535
13713	Los Prietos Station (MVFF)	USDA Forest Service	Santa Barbara County	Failed to submit 2023 Annual Report by due date		05/20/2024	206	06/04/2025	$590
13746	Soilmoisture Equipment Corp.	Soilmoisture Equipment Corp.	Goleta	Failed to submit 2023 Annual Report by due date		05/20/2024	206	06/11/2025	$250
13285	Industrial Way, 166 (MVFF)	California Highway Patrol	Buellton	Failed to conduct Vapor Recovery System testing by the due date		04/05/2023	206	06/16/2025	$540
13290	Safran Cabin, Inc. - 2850 Skyway Drive	Safran Cabin, Inc.	Santa Maria	Installed a paint booth without a District permit		04/14/2023	201	06/16/2025	$540
13573	Full Circle Vineyards, LLC.	Full Circle Vineyards, LLC.	Santa Maria	Failed to submit transfer application by due date		01/24/2024	203	06/16/2025	$1,090
13703	DSP Santa Barbara Sub, LLC.	DSP Santa Barbara Sub, LLC.	Santa Barbara	Failed to submit 2023 Annual Report by due date		05/20/2024	206	06/23/2025	$500
13888	Vista del Monte	Vista del Monte	Santa Barbara	Failed to maintain required emergency/standby diesel generator records		02/10/2025	206	06/23/2025	$600
									$4,645

ATTACHMENT B

Notice of Violations
July, 2025

August 21, 2025

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

1011 West McCoy Lane
Santa Maria, California 93455

Notices of Violation Issued July 2025

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
14008	Chase Palm Park (CSC)	City of Santa Barbara Parks & Recreation	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14066	Careaga LA #2	PRE Resources, Inc.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14084	Waller Lane, 505 W. (MVFF)	Santa Maria County Club	Santa Maria	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14093	Bradley II Lease	PRE Resources, Inc.	Santa Maria	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14173	True Believer, LLC.	True Believer, LLC.	Santa Maria	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14175	Chanin Wine/SB Wine Co.	Chanin Wine Company/SB Wine Co.	Lompoc	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14178	Landis Restorations	Landis Restorations	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14179	Hilliard Bruce Winery	Hilliard Bruce Winery	Lompoc	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14181	Arthur Earl Winery	Arthur Earl Winery	Los Olivos	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14184	Bernat Winery & Vineyards	Bernat Winery & Vineyards	Santa Ynez	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14185	Sunstone Winery	Channel Islands Management, LLC dba Sunstone Winer	Santa Ynez	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14191	Waste Management - Health Sanitation Service	Waste Management - Health Sanitation Service	Santa Maria	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14196	Quality 1 Auto Body Services	Quality 1 Auto Body Services	Santa Maria	Failed to submit 2024 Annual Report by due date		07/01/2025	206
14131	Silicone Technology	NuSil Technology, LLC.	Carpinteria	Failed to submit 2024 Annual Report by due date		07/02/2025	206
14170	Larner Vineyard & Winery	Larner Vineyard & Winery	Solvang	Failed to submit 2024 Annual Report by due date		07/02/2025	206
14180	LaBarge Vineyards	LaBarge Vineyards, LLC.	Lompoc	Failed to submit 2024 Annual Report by due date		07/02/2025	206
14201	City of Santa Maria Landfill	City of Santa Maria	Santa Maria	Expanded the Landfill without a District permit		07/03/2025	201
14033	Cottage Health System/Pacific Diagnostic Lab	Cottage Health System/Pacific Diagnostic Lab	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14166	Brick Barn Wine Estate	Brick Barn Winery, LLC.	Buellton	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14172	Folded Hills Winery	Folded Hills Winery	Gaviota	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14174	Northrop Grumman Systems Corporation	Northrop Grumman Systems Corporation	Goleta	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14177	Vincent Vineyards	Vincent Vineyards	Santa Ynez	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14182	D'Alfonso - Curran Wine Group	D'Alfonso - Curran Wine Group	Solvang	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14183	Santa Maria Industrial	Santa Maria Industrial	Santa Maria	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14186	Jaffurs Wine Cellars	Jaffurs Wine Cellars	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14187	Fiddlehead Cellars	Fiddlehead Cellars	Lompoc	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14188	Cal Grow Seeds	Cal Grow Seeds, LLC.	Santa Maria	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14189	Rincon Broadcasting - Cota Street	Rincon Broadcasting, LLC.	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14190	La Patera Investors, LP.	La Patera Investors, LP.	Goleta	Failed to submit 2024 Annual Report by due date		07/09/2025	206
14193	Soilmoisture Equipment Corp.	Soilmoisture Equipment Corp.	Goleta	Failed to submit 2024 Annual Report by due date		07/09/2025	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
14032	West Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14034	Cat Canyon Resources, LLC.- Various Locations	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14035	Bonetti (Cat Canyon)	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14076	Williams Fee	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14078	Wickenden Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14079	Cat Canyon Resources, LLC. Peshine/Tompkins Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14080	Dominion Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14081	UCB Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14083	Williams Holding - Long Canyon	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14085	Williams "B" Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14086	Williams Holding Lease 303 (Cat Canyon Resources)	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14088	Hammon "B" Fee - NTC 2	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14089	Texas Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14092	Fleisher Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14094	Tognazzini Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14095	Porter Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
14096	Cantin Lease	Cat Canyon Resources, LLC.	Santa Barbara County	Failed to submit 2024 Annual Report by due date		07/10/2025	206
13972	County of Santa Barbara - Fire Station #31	County of Santa Barbara - Fire Department	Buellton	Operated an emergency/standby diesel generator beyond the Source Compliance Demonstration Period		07/14/2025	201, 206
14199	Las Flores Canyon	Sable Offshore Corp.	Santa Barbara County	Failed to operate a vapor recovery compressor	x	07/15/2025	206
14200	Las Flores Canyon	Sable Offshore Corp.	Santa Barbara County	Failed to operate the flare pilot system flame at all times when combustible gases are being vented	x	07/15/2025	206
14205	4662 Via Roblada	Nick Mason, Contractor	Santa Barbara	Failed to determine whether asbestos was present and notify prior to commencing renovation/ demolition activities		07/16/2025	1001
14103	Ocean Ave, 1421 E. (MVFF)	Circle K Stores, Inc.	Lompoc	Failed to submit 2024 Annual Report by due date		07/21/2025	206
14105	Mission St, 402 W. (MVFF)	Circle K Stores, Inc.	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/21/2025	206
14107	Hollister Ave, 4801 (MVFF)	Circle K Stores, Inc.	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/21/2025	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
14109	Glen Annie Rd, 49 N. (MVFF)	Circle K Stores, Inc.	Goleta	Failed to submit 2024 Annual Report by due date		07/21/2025	206
14113	Clark Ave, 1104 E. (MVFF)	Circle K Stores, Inc.	Orcutt	Failed to submit 2024 Annual Report by due date		07/21/2025	206
14117	Betteravia Rd, 1220 E. (MVFF)	Circle K Stores, Inc.	Santa Maria	Failed to submit 2024 Annual Report by due date		07/21/2025	206
13974	County of Santa Barbara - Santa Maria Social Services	County of Santa Barbara	Santa Maria	Operated an emergency/standby diesel generator beyond the Source Compliance Demonstration Period		07/29/2025	201, 206

Penalty Settlement Payments Received July 2025

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule	Date Paid	Total Penalty Received
13209	David Love Place, 25 (MVFF)	City of Santa Barbara - Airport Department	Goleta	Failed one initial vapor recovery system test		10/27/2022	206	07/01/2025	$270
13658	Channel Islands Post Acute	LCCH Investments Company, Inc.	Santa Barbara	Failed to submit 2023 Annual Report by due date		05/20/2024	206	07/02/2025	$500
13530	Guadalupe St, 1080 #2054 (MVFF)	H&S Energy, LLC.	Guadalupe	Failed one gas station Vapor Recovery System test		11/03/2023	206, 316	07/23/2025	$580
13827	Elings Park Landfill	City of Santa Barbara	Santa Barbara	Failed to submit source test results by due date		10/23/2024	206	07/23/2025	$600
13850	Elings Park Landfill	City of Santa Barbara	Santa Barbara	Failed to maintain required combustion temperature records	x	11/20/2024	206	07/23/2025	$600
13720	Blosser, 1611 S. (MVFF)	NAPHT, LLC	Santa Maria	Failed two initial gas station Vapor Recovery System tests		05/28/2024	206, 316	07/24/2025	$1,200
13841	Blosser, 1611 S. (MVFF)	NAPHT, LLC	Santa Maria	Failed one initial gas station Vapor Recovery System test		11/08/2024	206, 316	07/24/2025	$600
13824	Lash Const. (5 S. Calle Cesar Chavez)	Lash Construction	Santa Barbara	Failed to conduct Visible Emissions Evaluation by the due date, and failed to submit permit to operate application by the due date		10/22/2024	206	07/29/2025	$600
13825	Lash Const. (5 S. Calle Cesar Chavez)	Lash Construction	Santa Barbara	Failed to submit inspection and maintenance plan by the due date, and failed to submit permit to operate application by the due date		10/22/2024	206	07/29/2025	$600
13840	Church St, 810 W. (MVFF)	City of Santa Maria	Santa Maria	Failed one initial Vapor Recovery System test		11/07/2024	206, 316	07/29/2025	$600
13521	Highway 246, 206 E. (MVFF)	H&S Energy, LLC.	Buellton	Failed to maintain required records		10/25/2023	206	07/29/2025	$580
13832	UCSB	University of California - Santa Barbara	Santa Barbara	Failed to maintain and submit fuel usage records for 8 boilers in the first half of 2024	x	10/29/2024	206	07/30/2025	$9,360
13336	Sweeney Rd, 2010 (MVFF)	County of Santa Barbara	Lompoc	Failed one initial Vapor Recovery System test		05/23/2023	206, 316	07/31/2025	$580
									$16,670

Attachment S

apcd air pollution control district
SANTA BARBARA COUNTY

Agenda Item: E-3
Agenda Date: October 16, 2025
Agenda Placement: Admin
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer

CONTACT: Kaitlin McNally, Compliance Division Manager, (805) 979-8298

SUBJECT: Notice of Violation Report

RECOMMENDATION:

Receive and file the attached summary of notices of violation issued and penalty revenue received during the months of August and September 2025.

DISCUSSION:

Pursuant to Section 40752 of the California Health and Safety Code, the Air Pollution Control Officer shall observe and enforce Part 3 and Part 4 of Division 26 of the Health and Safety Code, all orders, rules, and regulations prescribed by the District Board, all variances and orders prescribed by the District Hearing Board, and all permit conditions imposed pursuant to the District permit program.

In order to keep your Board informed of the enforcement actions taken by the Air Pollution Control Officer, the attached reports list a summary of the notices of violation issued and the penalty revenue received during the months indicated. Included in the attached Notices of Violation (NOV) Reports is one payment plan:

1) Purisima Hills, LLC. – Violation Settlement Agreement civil penalty of $14,320 is being paid in six installments, with the last due in December 2025. The first installment payment of $2,620 was received on August 5, 2025, and the second installment payment of $2,620 was received on September 9, 2025.

ATTACHMENTS:

A. NOV Report, August 2025.
B. NOV Report, September 2025.

Aeron Arlin Genet, Air Pollution Control Officer
(805) 979-8050 | ourair.org | @OurAirSBC | 260 N. San Antonio Road, Suite A, Santa Barbara, CA 93110
1011 West McCoy Lane, Santa Maria, CA 93455

ATTACHMENT A

Notice of Violations
August, 2025

October 16, 2025

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

1011 West McCoy Lane
Santa Maria, California 93455

Notices of Violation Issued August 2025

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
14208	City of Goleta - Cremona Drive	City of Goleta	Goleta	Exceeded diesel emergency generator daily operational limits		08/06/2025	206
14209	Buellton WWTP	City of Buellton	Buellton	Exceeded diesel emergency generator daily operational limits		08/07/2025	206
14210	GranVida Senior Living	RBP Carpinteria RE, LLC.	Carpinteria	Exceeded diesel emergency generator daily operational limits		08/07/2025	206
14206	Chamberlin "B" Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Barbara County	Exceeded the annual flare gas throughput		08/08/2025	206
14146	Los Flores Ranch Lease	HDT Inc.	Santa Barbara County	Operated a vapor recovery compressor beyond the Source Compliance Demonstration Period without a permit		08/15/2025	201, 206
14147	Los Flores Ranch Lease	HDT Inc.	Santa Barbara County	Operated a knockout vessel, two gas chillers and associated fugitive components beyond the Source Compliance Demonstration Period without a permit		08/15/2025	201, 206
14211	Las Flores Canyon	Sable Offshore Corp.	Santa Barbara County	Failed to operate the Waste Gas Incinerator Continuous Emissions Monitoring System for SOx for 5 days	x	08/18/2025	206, 328
14212	Figueroa Mountain Brewing	Figueroa Mountain Brewing, LLC.	Buellton	Failed to conduct the boiler source test by due date	x	08/20/2025	206
13925	Bell St, 290 (MVFF)	Collins Market	Los Alamos	Failed one initial gas station Vapor Recovery System test		08/21/2025	206, 316
13926	Bell St, 290 (MVFF)	Collins Market	Los Alamos	Installed gasoline dispensers without a District permit		08/21/2025	201
14213	Bell St, 290 (MVFF)	Collins Market	Los Alamos	Failed to submit a transfer of owner/operator permit application by due date		08/21/2025	203
14217	AB3 Investments, LLC.	AB3 Investments, LLC.	Santa Maria	Failed to submit a transfer of owner/operator permit application by due date		08/26/2025	203
14215	Santa Maria Airport District - ICE	Santa Maria Public Airport	Santa Maria	Exceeded diesel emergency generator daily operational limits		08/27/2025	206
14219	Hardy Diagnostics	Hardy Diagnostics	Santa Maria	Exceeded the annual ROC emission limit		08/28/2025	206

Penalty Settlement Payments Received August 2025									
Nov #	**Facility**	**Company**	**Location**	**Violation Description**	**Self Reported**	**Violation Issued**	**Rule**	**Date Paid**	**Total Penalty Received**
Multiple [1]	Blair Lease - Barham Ranch	Purisima Hills, LLC.	Los Alamos	Failed to properly maintain leak-free stock tanks		02/17/2023 & 09/13/2024	206	08/05/2025	$2,620
13280	Meredith Lane, 2310 S. (MVFF)	J.B. Dewar, Inc.	Santa Maria	Failed to conduct Vapor Recovery System testing by due date		03/17/2023	206	08/05/2025	$580
13581	Stowell Rd, 1027 E. (MVFF)	Moller Retail, Inc.	Santa Maria	Failed to maintain gas station alarm log records		02/02/2024	206	08/05/2025	$580
13583	Mission Dr, 3101 (MVFF)	Sibwon, LP.	Santa Ynez	Failed to submit a permit application to install ISD equipment by due date		02/08/2024	206	08/05/2025	$2,720
13744	Fiddlehead Cellars	Fiddlehead Cellars	Lompoc	Failed to submit 2023 Annual Report by due date		05/20/2024	206	08/05/2025	$250
13810	Stowell Rd, 1027 E. (MVFF)	Moller Retail, Inc.	Santa Maria	Failed to maintain daily inspection records		10/01/2024	206	08/05/2025	$3,040
13837	Primetime Farms, Inc.	Primetime Farms, Inc.	Carpinteria	Failed to submit an Odor Control System Inspection and Monitoring Plan by the due date		11/18/2024	206	08/05/2025	$600
13838	Primetime Farms, Inc.	Primetime Farms, Inc.	Carpinteria	Failed to maintain required records		11/18/2024	206	08/05/2025	$600
13907	Meredith Lane, 2310 S. (MVFF)	J.B. Dewar, Inc.	Santa Maria	Failed a gas station initial Vapor Recovery System test		03/18/2025	206, 316	08/05/2025	$620
13634	Envent - Degassing	Envent Corporation	Various Locations	Failed to submit Emissions Compliance Verification Test report by due date		05/01/2024	206	08/06/2025	$580
13635	Envent - Degassing	Envent Corporation	Various Locations	Failed to conduct required monitoring		05/01/2024	206	08/06/2025	$580
14174	Northrop Grumman Systems Corporation	Northrop Grumman Systems Corporation	Goleta	Failed to submit 2024 Annual Report by due date		07/09/2025	206	08/06/2025	$600
14205	4662 Via Roblada	Nick Mason, Contractor	Santa Barbara	Failed to determine whether asbestos was present and notify prior to commencing renovation/ demolition activities		07/16/2025	1001	08/06/2025	$1,820
13244	2618 De La Vina Street, Santa Barbara	Santa Barbara Chicken Ranch	Santa Barbara	Exceeded the visible emissions opacity limit		01/03/2023	302	08/12/2025	$2,500
13783	Calle Real, 6465 (MVFF)	California Highway Patrol	Goleta	Failed to conduct a gas station Vapor Recovery System Test		07/23/2024	206	08/12/2025	$1,820
14177	Vincent Vineyards	Vincent Vineyards	Santa Ynez	Failed to submit 2024 Annual Report by due date		07/09/2025	206	08/12/2025	$600
13843	Main St, 815 W. #0693 (MVFF)	Apro, LLC.	Santa Maria	Failed an initial Vapor Recovery System test		11/13/2024	206, 316	08/13/2025	$1,200
13334	La Goleta	Southern California Gas Company	Goleta	Exceeded the number of allowable leaks		05/22/2023	CCR 95324	08/19/2025	$9,360
13498	Jonata Park Road, 721 (MVFF)	California Department of Transportation	Buellton	Failed an initial Vapor Recovery System test		09/14/2023	206, 316	08/19/2025	$580
13243	Cal Coast Lease (Orcutt Hill)	Pacific Coast Energy Company LP	Santa Maria	Failed to maintain a produced water tank liquid-tight		12/22/2022	325	08/21/2025	$1,090
Multiple [2]	Central Coast Agriculture	Central Coast Agriculture	Santa Barbara County	Installed and operated 17 diesel generators for prime power at a cannabis facility		03/02/2021 & 03/25/2022	201, DG, PERP	08/26/2025	$260,000
13293	Platform C	DCOR, LLC.	Santa Barbara County	Exceeded the number of allowable leaks		04/17/2023	331	08/26/2025	$1,510
13526	Platform C	DCOR, LLC.	Santa Barbara County	Exceeded annual emission limits for the North Pedestal Crane	x	10/27/2023	206	08/26/2025	$1,170
13730	D'Alfonso - Curran Wine Group	D'Alfonso - Curran Wine Group	Solvang	Failed to submit 2023 Annual Report by due date		05/20/2024	206	08/26/2025	$250

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule	Date Paid	Total Penalty Received
14124	Platform C	DCOR, LLC.	Santa Barbara County	Failed to seal an open-ended line		06/26/2025	331	08/26/2025	$1,250

$296,520

1. Payment was received for the following two Notices of Violation: 13261 and 13806. The total civil penalty of $14,320 for these violations to be paid in 6 installments, with the last due in December 2025. This is payment 1 of 6.

2. Payment was received for the following 17 Notices of Violation: 12645, 12646, 12647, 12648, 12649, 12650, 12651, 12652, 12653, 12669, 12670, 12681, 12682, 12671, 12672, 12673 and 12939. The District's portion of the civil penalty was $260,000 for these violations.

ATTACHMENT B

Notice of Violations
September, 2025

October 16, 2025

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

1011 West McCoy Lane
Santa Maria, California 93455

Notices of Violation Issued September 2025

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
14222	Main St, 1204 E. (MVFF)	Au Energy, LLC.	Santa Maria	Failed one initial gas station Vapor Recovery System test		09/03/2025	206, 316
14223	Campbell Ranches	Campbell Ranches	Lompoc	Failed to comply with Agriculture Registration requirements for three agriculture engines		09/09/2025	1201
14214	Cambria Vineyards	Jackson Family Wines	Santa Maria	Failed to notify the District of change in ownership for three agriculture engines		09/10/2025	ATCM
14224	Careaga Lease	Newbridge Acquisition Holdings, LLC.	Santa Barbara County	Exceeded the number of allowable leaks		09/10/2025	331
14225	Careaga Lease	Newbridge Acquisition Holdings, LLC.	Santa Barbara County	Failed to obtain a District permit prior to installing a photobioreactor		09/10/2025	201
14226	Jim Hopkins Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Exceeded the oil/petroleum depth requirements in a well cellar		09/12/2025	206, 344
14227	Jim Hopkins Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Exceeded the number of allowable leaks and failed to close hatches at all times		09/12/2025	331
14228	Jim Hopkins Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Failed to maintain a vapor-tight crude oil tank		09/12/2025	325
14229	32 E. Hwy 246	32 E. Hwy 246	Buellton	Failed to determine whether asbestos was present and notify prior to commencing renovation/ demolition activities		09/20/2025	1001
14220	Morganti Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Barbara County	Exceeded the number of allowable leaks and failed to close hatches at all times		09/25/2025	331
14231	Platform Harmony	Sable Offshore Corp.	Santa Barbara County	Failed to monitor sulfur content of fuel gas in the Central Process Heater		09/25/2025	206
14232	Space Exploration Technologies	Space Exploration Technologies	VSFB	Failed to submit Boat Trip Report by due date		09/25/2025	206
14233	Space Exploration Technologies	Space Exploration Technologies	VSFB	Failed to submit Boat Trip Report by due date		09/25/2025	206

Penalty Settlement Payments Received September 2025

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule	Date Paid	Total Penalty Received
13212	Platform Hermosa	Freeport-McMoRan Oil & Gas, LLC.	Santa Barbara County	Exceeded the carbon monoxide emission limit during East Crane engine source test		11/29/2022	1001	09/02/2025	$1,400
13221	Platform Hermosa	Freeport-McMoRan Oil & Gas, LLC.	Santa Barbara County	Installed and operated two diesel engines without a District permit		11/30/2022	201	09/02/2025	$8,720
13465	Platform Hillhouse	DCOR, LLC.	Santa Barbara County	Exceeded the number of allowable leaks (documented in the 2H22 CVR)	x	07/26/2023	331	09/02/2025	$1,090
13543	Platform Hillhouse	DCOR, LLC.	Santa Barbara County	Exceeded the number of allowable leaks		11/15/2023	331	09/02/2025	$1,170
13614	Platform Hillhouse	DCOR, LLC.	Santa Barbara County	Failed to properly maintain the flare scrubber, which was found leaking hydrocarbons from a hole		04/05/2024	206	09/02/2025	$1,210
13816	Platform Hillhouse	DCOR, LLC.	Santa Barbara County	Exceeded the number of allowable leaks		10/10/2024	331	09/02/2025	$1,210
14125	Platform Hillhouse	DCOR, LLC.	Santa Barbara County	Exceeded the number of allowable leaks		06/27/2025	331	09/02/2025	$1,250
Multiple [1]	Blair Lease - Barham Ranch	Purisima Hills, LLC.	Los Alamos	Failed to properly maintain leak-free stock tanks		02/17/2023 & 09/13/2024	206	09/09/2025	$2,620
12585	Four Seasons Biltmore	Four Seasons Biltmore	Montecito	Operated boilers that do not meet rule emission limits		10/15/2020	206, 361	09/18/2025	$50,000
13016	Bradbury Dam	United States Bureau of Reclamation	Santa Barbara County	Failed to submit 2021 Annual Report by due date		07/27/2022	206	09/22/2025	$500
13700	Bradbury Dam	United States Bureau of Reclamation	Santa Barbara County	Failed to submit 2023 Annual Report by due date		05/20/2024	206	09/22/2025	$500
13913	Montecito Water District - 2750 Bella Vista	Montecito Water District	Montecito	Failed to submit the 2022, 2023, and 2024 Annual Reports by the due dates for the aeration system		04/07/2025	206	09/23/2025	$1,720
13914	Montecito Water District - 2750 Bella Vista	Montecito Water District	Montecito	Exceeded the aeration system exhaust gas flow rate limit in 2022.		04/07/2025	206	09/23/2025	$540
14067	1 Hour Valley Cleaners	1 Hour Valley Cleaners	Solvang	Failed to submit 2024 Annual Report by due date		06/30/2025	206	09/23/2025	$620
13639	Tunnell Lease	Asphalta, LLC.	Santa Maria	Exceeded the H2S content limit for the fuel gas in Steam Generator 3		05/07/2024	206	09/24/2025	$600
14033	Cottage Health System/Pacific Diagnostic Lab	Cottage Health System/Pacific Diagnostic Lab	Santa Barbara	Failed to submit 2024 Annual Report by due date		07/09/2025	206	09/30/2025	$620

$73,770

1. Payment was received for the following two Notices of Violation: 13261 and 13806. The total civil penalty of $14,320 for these violations to be paid in 6 installments, with the last due in December 2025. This is payment 2 of 6.

Attachment T

Governor's Office Emergency Services

Hazardous Materials Spill Report

DATE/TIME: 2025-Aug-06 15:02	RECEIVED BY: xxxxx	CONTROL#: 25 - 3908 NRC#:

1.a. PERSON NOTIFYING Cal OES:

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx	Sabel Offshore Co.	xxxxx	xxxxx

1.b. PERSON REPORTING SPILL (If different from above):

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx		xxxxx	xxxxx

2. SUBSTANCE TYPE:

2 a. SUBSTANCE:	b. QTY / Amount	Measure	Rate	c. TYPE:	d. OTHER	e. PIPELINE	f. VESSEL >= 300 Tons
Hydrochloric Acid (HCL)	= 280	Gallon(s)	N/A	Chemical		No	

g. DESCRIPTION:

Per the reporting party: Some 3/8th tube fitting's failed causing a release of the material to spill out onto the ground at an industrial facility. This material was isolated to the ground only, with any nearby storm drains being blocked off before any material could enter. No additional surfaces or waterways were impacted. The release was controlled and a cleanup crew was being equipped with proper PPE to conduct cleanup.

h. STOPPAGE/ CONTAINMENT:	i. i WATER INVOLVED:	j. WATERWAY:	k. DRINKING WATER IMPACTED:	l. KNOWN IMPACT	M. MARITIME VESSEL
Stopped / Contained	No				No

3. a. INCIDENT LOCATION: Calle Real, Goleta, California, 93117

b. CITY:	c. COUNTY:	d. ZIP:
Goleta	Santa Barbara	93117

4. INCIDENT DESCRIPTION:

a. DATE:	b. TIME *(Military)*:	c. SITE:	d. REPORTED CAUSE	e. INJURIES	f. FATALITY	g. EVACUATION	h. CLEANUP BY:	i. CLEANUP STATUS:
2025-Aug-06	15:02	Industrial Plant	Mechanical	None	None	None	Reporting Party	In Progress

5. SUSPECTED RESPONSIBLE PARTY:

a. NAME:	b. AGENCY:	c. PHONE#:	e. MAIL ADDRESS:	f. CITY:	g. STATE:	h. ZIP:
xxxxx	Sabel Offshore Co.	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

6. NOTIFICATION INFORMATION:

a. ON SCENE:	b. OTHER ON SCENE:	c. OTHER NOTIFIED:

Notified: AA/CUPA,DTSC,RWQCB,US EPA,USFWS Co/WP,Co/Hlth,Co/E-Hlth

ADMINISTERING AGENCY:	
ADDITIONAL ADMIN AGENCY:	
SECONDARY AGENCY:	

ADDITIONAL COUNTIES:	
Cal GEM:	**Northern**
RWQCB Unit:	3
Air Resource Bd:	
Cal OES Reg.	

Created by: Warning Center on 06-Aug-2025 15:12 PDT Last Modified by: Warning Center on 06-Aug-2025 15:12 PDT

Attachment U

Governor's Office Emergency Services

Hazardous Materials Spill Report

DATE/TIME: 2025-Aug-27 09:28	RECEIVED BY: xxxxx	CONTROL#: 25 - 4276 NRC#:

1.a. PERSON NOTIFYING Cal OES:

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx	Sable Offshore	xxxxx	xxxxx

1.b. PERSON REPORTING SPILL (If different from above):

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx		xxxxx	xxxxx

2. SUBSTANCE TYPE:

2 a. SUBSTANCE:	b. QTY / Amount	Measure	Rate	c. TYPE:	d. OTHER	e. PIPELINE	f. VESSEL >= 300 Tons
Anerobic Biosolid - sludge material	= 5000	CuFt	N/A	Other	Anaerobic Biosolid	No	

g. DESCRIPTION:

Per the Reporting Party: At an oil/gas production facility during a power washing operation a maintenances crew removed a manway (access door) on a containment vessel. Due to the level being higher than expected this resulted in some of the material releasing out of the manway. Most of the released material remained in a containment area; with some of the material going beyond the containment area and impacted some gravel. No waterways or storm drains were affected. The release has been stopped.

The crews are on sight using backhoes and other equipment to clean up the material.

The anaerobic biosolid material is used in the produced water treatment process for dissolving any oil residue in the water.

Samples have been taken of the released material showing a slight uptick in the barium level, indicating it may possibly be hazardous. The exact reading was not available.

There were no injuries in this incident.

h. STOPPAGE/ CONTAINMENT:	i. i WATER INVOLVED:	j. WATERWAY:	k. DRINKING WATER IMPACTED:	l. KNOWN IMPACT	M. MARITIME VESSEL
Stopped / Contained	No				No

3. a. INCIDENT LOCATION: 12000 Calle Real, Goleta, California, 93117

b. CITY:	c. COUNTY:	d. ZIP:
Goleta	Santa Barbara	93117-9708

4. INCIDENT DESCRIPTION:

a. DATE:	b. TIME *(Military)*:	c. SITE:	d. REPORTED CAUSE	e. INJURIES	f. FATALITY	g. EVACUATION	h. CLEANUP BY:	i. CLEANUP STATUS:
2025-Aug-27	08:30	Other	Unknown	None	None	None	Responsible Party	

5. SUSPECTED RESPONSIBLE PARTY:

a. NAME:	b. AGENCY:	c. PHONE#:	e. MAIL ADDRESS:	f. CITY:	g. STATE:	h. ZIP:
xxxxx	Sable Offshore	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

6. NOTIFICATION INFORMATION:

a. ON SCENE:	b. OTHER ON SCENE:	c. OTHER NOTIFIED:

Notified: AA/CUPA,DTSC,RWQCB,US EPA,USFWS Cal GEM Co/WP,Co/Hlth,Co/E-Hlth

ADMINISTERING AGENCY:	
ADDITIONAL ADMIN AGENCY:	
SECONDARY AGENCY:	
ADDITIONAL COUNTIES:	
Cal GEM:	**Northern**
RWQCB Unit:	3
Air Resource Bd:	
Cal OES Reg.	

Created by: Warning Center on 27-Aug-2025 09:44 PDT Last Modified by: Warning Center on 27-Aug-2025 10:02 PDT

Attachment V

environmental
DEFENSE CENTER

October 22, 2025

Lisa Plowman, Director
County of Santa Barbara Planning and Development Department
123 E. Anapamu Street
Santa Barbara, CA 93101
Via Email: lplowman@countyofsb.org

Re: <u>The County Must Enforce Chapter 25B and Immediately Halt Sable's Unpermitted Activities Related to the SYU, POPCO, and Las Flores Pipeline System</u>

Dear Director Plowman:

On behalf of Get Oil Out! (GOO!), Santa Barbara County Action Network (SBCAN), the Sierra Club, by and through the Santa Barbara-Ventura Chapter ("Sierra Club"), Santa Barbara Channelkeeper (SBCK), and the Environmental Defense Center (EDC),[1] we write to request that the Planning and Development Department ("P&D") direct Sable Offshore Corporation and Pacific Pipeline Company (collectively, "Sable") to immediately cease any and all activities and operations related to ExxonMobil Corporation's ("Exxon") Final Development Plan Permits (collectively, "FDPs" or "Permits") for the respective Santa Ynez Unit (SYU), Pacific Offshore Pipeline Company Gas Plant (POPCO), and Las Flores Pipeline System ("Pipeline") (collectively, "Facilities"). The Santa Barbara County Board of Supervisors (the "Board") has not yet acted on Sable's applications for Change in Owner, Operator, and Guarantor for the

[1] GOO! was formed in the wake of the 1969 Santa Barbara Oil Spill and continues to work to protect California from further oil and gas development and exploitation. SBCAN is a countywide grassroots organization that works to promote social and economic justice, to preserve our environmental and agricultural resources, and to create sustainable communities. The Santa Barbara-Ventura Chapter of the Sierra Club serves Santa Barbara and Ventura counties and is dedicated to protecting the wild places of the earth; practicing and promoting the responsible use of the earth's ecosystems and resources; educating and enlisting humanity to protect and restore the quality of the natural and human environment; and using all lawful means to carry out these objectives. Santa Barbara Channelkeeper's mission is to protect and enhance the water quality of the Santa Barbara Channel and its tributaries through science based advocacy, field work, and enforcement of environmental laws. EDC is a nonprofit public interest law firm that defends nature and advances environmental justice on California's Central Coast through advocacy and legal action.

Permits and therefore Sable does not have the required County entitlements to conduct any activities related to these Facilities.

Chapter 25B expressly prohibits the transfer of County permits for certain oil and gas facilities *unless the transfer complies with the requirements of the Chapter*. Santa Barbara County, Code of Ordinances, Chapter 25B-3;[2] 25B-4(c) (hereinafter, "Chapter 25B" or "25B"). If P&D allows Sable to continue to operate without the Permits, it would improperly allow Sable to circumvent the Board's authority, obviate the County's own ordinance (Chapter 25B), and undermine the recent court orders requiring the Board to make the permit transfer decision and rejecting P&D's February 12 letter purporting to authorize Sable's anomaly repair work. Therefore, EDC strongly requests that P&D direct Sable to cease all activities permitted by the FDPs at the Facilities until the Board determines whether to transfer the Permits from Exxon to Sable.

I. The County Has Not Provided Any Documentation to Demonstrate That Sable Has the Authority to Conduct Its Activities at the Facilities.

As you are aware, the subject of the upcoming hearing before the Board on November 4 is whether the Board should grant de novo approval to transfer the Permits from Exxon to Sable. If so approved, Sable would then be designated as the new owner, operator, and guarantor of these Facilities on the FDPs. The Board must make several findings to approve the transfer, and among other things, determine whether Sable would be a responsible operator that has the skills, training, and resources necessary to safely manage the Facilities. Chapter 25B-10(a)(9). The Board is required to review the facts de novo and determine whether the findings can be made to approve the requested transfers. Chapter 25B-12(b)(4). However, based on Sable's investor presentations,[3] financial disclosures,[4] and EDC's correspondence with P&D staff,[5] our understanding is that Sable has circumvented the Board's authority by resuming operations without the requisite approval by County decision-makers.

EDC and others[6] have reached out to P&D to try and understand what authority, if any, Sable has to conduct these activities. Based on information and belief, it is our understanding that no such authority exists, and Sable's activities are unpermitted.

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[2] Chapter 25B defines "[p]ending owner or operator" to "mean any person who owns or operates a facility subject to this chapter and is ***required*** to but has not yet obtained an amendment to any necessary permit that requires county approval prior to the transfer of the permit to that owner or operator." Chapter 25B-3 (emphasis added).
[3] Sable Offshore Corp., *Investor Presentation*, p. 3, 4 (September 29, 2025) (stating "Sable restarted production at SYU platform Harmony on May 2025 and began flowing production to Las Flores Canyon"), available at https://sableoffshore.com/events-and-presentations/default.aspx
[4] Sable Offshore Corp., *Securities and Exchange Commission Form 10-Q*, p. 8 (August 12, 2025), available at: https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000064/socc-20250630.htm
[5] *See* E-correspondence from Linda Krop, EDC, to Jennifer Richardson, Santa Barbara County (Sept. 17, 2025, to Oct. 10, 2025). See Attachment A.
[6] *See* E-correspondence from Graham Wark, One Fin Capital Management LP, to Errin Briggs, Santa Babara County (Oct. 8, 2025). See Attachment B.

On or about September 17, 2025, EDC contacted Santa Barbara County Counsel via telephone to inquire as to any authority that would permit Sable to conduct activities at the Facilities.[7] Jennifer Richardson responded on September 17, 2025, and directed EDC to a February 12th letter from Santa Barbara County to Sable regarding pipeline anomaly repair work.[8] However, not only were the County's conclusions in the letter rejected by both the Coastal Commission[9] and a state judge,[10] the letter also fails to address the fact that only Exxon—not Sable—is listed on the Permits.[11] In fact, Judge Anderle rejected the statements and conclusions in the County's February 12 Letter, as discussed in greater detail below.[12]

EDC followed up with Ms. Richardson on October 7, 2025, requesting any documentation showing that *Sable* is authorized to conduct activities at the onshore facilities.[13] The County directed EDC to *Exxon's* FDPs, which predate the sale of the Facilities to Sable, have not been transferred to Sable, and are central to the Board's decision at the November 4 hearing pursuant to Chapter 25B.[14] Additionally, EDC was informed that the County had provided all the responsive documents they have relating to its request.[15]

Given that P&D has been unable to provide any documentation authorizing Sable's activities, EDC is left to conclude that no such authority exists. If P&D allows Sable to continue to do so it would not only be an overreach of P&D's authority, it would also be entirely inconsistent with the purpose and requirements of Chapter 25B and directly undermine the September 12, 2025, peremptory writ of mandate issued by Judge Gee directing the Board to approve or deny the permit transfer to Sable, in compliance with Chapter 25B.[16]

II. Sable is Conducting Unpermitted Activities Related to the Facilities in Violation of Chapter 25B.

Chapter 25B regulates the transfer of oil and gas permits in Santa Barbara County. It is explicitly intended to "protect public health and safety, and safeguard the natural resources and

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[7] Voice Message from Linda Krop, EDC, to Jennifer Richardson, Santa Barbara County (Sept. 2025).
[8] *See* E-correspondence from Linda Krop, *supra* note 5; *See* Letter from Errin Briggs to Steve Rusch, p. 1 (Feb. 12, 2025) (hereinafter "February 12 Letter"). See Attachment C.
[9] Letter from Kate Hucklebridge, California Coastal Commission, to Steve Rusch, Sable Offshore Corporation, p. 2 (Feb. 16, 2025). See Attachment D.
[10] *Tentative Ruling* regarding Petition of Petitioners Sable Offshore Corp. and Pacific Pipeline Co. for Writ of Mandate, Santa Barbara County Superior Court Case No. 25CV 00974 (October 14, 2025), adopted by the Court on October 15, 2025. See Attachment E.
[11] *See* Letter from Errin Briggs to Steve Rusch, *supra* note 8, p. 1.
[12] *Tentative Ruling*, *supra* note 10. See Attachment E.
[13] E-correspondence from Linda Krop, *supra* note 5.
[14] Santa Barbara County Conditions of Approval, ExxonMobil Santa Ynez Unit Expansion Project, 87-DP-32cz (2003); Conditions of Approval, POPCO Gas Plant Expansion, 93-FDP-015, 74-CP-11(RV1), 93-DPF-015(RV01), & 93-FDP-015(RV02) (2002); Final Development Plan Conditions, Las Flores Pipeline System, 88-DPF-033 (RV01)z, 88-CP-60 (RV01)(88-DPF-25cz; 85-DP-66cz; 83-DP-25cz).
[15] E-correspondence from Linda Krop, *supra* note 5.
[16] Order re Cross-Motions for Summary Judgment (United States District Court Case No. CV 25-4165-DMG (AGRx) Sept. 12, 2025) at p. 25. See Attachment F.

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." Chapter 25B-1. In furtherance of this purpose, Chapter 25B establishes a series of requirements, including limitations on how permits may be transferred from one owner, operator, and guarantor to another. Chapter 25B-4(c).

Per Chapter 25B, any owner, operator, or guarantor must be listed on the applicable facility permit. Chapter 25B-4(a). Furthermore, the ordinance provides that "any permit issued or authorized . . . for a facility that is subject to this chapter *shall not be transferable*, whether by operation of law or otherwise, from any existing owner, operator, or guarantor to a new owner, operator, or guarantor, *except in accordance with this chapter*." Chapter 25B-4(c) (emphasis added).

Sable submitted to the requirements of Chapter 25B by applying to the County for a transfer of Exxon's FDPs for the respective Facilities. Exxon's FDPs are not transferrable to Sable except in accordance with Chapter 25B. Since no decision has been made, Exxon (not Sable) is identified on the Permits, must comply with all conditions of such Permits, and is responsible for the proper abandonment of the Facilities. Chapter 25B-4(h), (i)(1).

Moreover, the decision concerning whether to transfer the Permits to Sable under Chapter 25B rests entirely with the Board. Chapter 25B-8(b), 25B-12(b). Any other body that attempts to transfer the permits without adhering to Chapter 25B would be acting in violation of the ordinance and the transfer would be legally ineffective. While P&D staff can make recommendations to the Board about whether they should approve or deny an application, the actual authority to transfer permits now rests with the Board—but only after they have followed the procedures and requirements established by Chapter 25B.

P&D's inaction regarding Sable's continued activities at the Facilities has impermissibly provided Sable with a backdoor to circumvent the express requirements under Chapter 25B, thereby undermining the very purpose for which the ordinance was enacted. P&D must ensure Sable halts all activities related to the Facilities immediately.

III. The County Must Abide by Recent Court Orders Affirming that Chapter 25B Governs and The Decision is Wholly Vested with the Board—Not Staff.

Recent rulings from a federal judge and a state judge further confirm that Sable does not have the authority to operate the Facilities. First, federal court judge Dolly M. Gee has interpreted the meaning and purpose of Chapter 25B in two recent court orders in *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.*, both of which reinforce the fact that Sable cannot operate without a transfer of the Permits from Exxon to Sable, which is a decision vested with the Board. Second, state court judge Thomas P. Anderle emphasized in *Sable Offshore Corp. and Pacific Pipeline Co., v. California Coastal Commission* that County Staff are not a decisional body with regards to the existing Coastal Development Permits (CDPs) and found that the February 12 Letter is conclusory and unauthoritative.

A. Judge Gee Confirmed That Chapter 25B is Not a Paperwork Change and Can Bar the Transfer of Permits to Protect the Environment.

In ruling on EDC's motion to intervene in the lawsuit between Sable and the County, Judge Gee affirmed that, "as a practical matter, ***Sable cannot restart oil and gas processing and transport in the facilities and pipeline without an FDP***."[17] Since the Board has not transferred the FDPs from Exxon to Sable, Sable does not have the Permits necessary to operate in accordance with the County's rules and regulations. Therefore, Sable's activities have been performed in direct violation of Chapter 25B.

Judge Gee also emphasized the importance of the process established by 25B. She wrote, "[c]hapter 25B does not merely provide for the transfer of the FDP's, ***it creates an administrative process designed to bar the transfer of FDP's to a transferee that would place the environment at risk.***"[18] Therefore, Sable's ongoing conduct not only openly flouts the County's authority to decide who operates oil and gas facilities within its jurisdiction, it also deprives the County of its right to review operators *before* those operators take over ownership and/or operations at these risky facilities.

B. Judge Gee Upheld the Purpose and Integrity of Chapter 25B's Prohibition on Permit Transfers Until the Decision-Maker Makes the Requisite Findings.

Even more recently, Judge Gee ruled on Sable and EDC's cross-motions for summary judgment, issued a peremptory writ of mandate, and again analyzed the requirements of Chapter 25B.[19] Judge Gee made clear that the County's authority over the permit transfer process rests squarely with the Board of Supervisors. The court declared that "[c]hapter 25B governs the transfer of FDPs," confirming that all determinations regarding ownership, operation, or guarantorship of the Facilities must be made in strict compliance with that Chapter.[20] Judge Gee explained that "applications for change of owner, guarantor, and operator, shall be approved 'only if' [specific factual] findings are met," underscoring that approval is contingent upon the Board's independent factual determinations.[21] The judge held that "*the Board members* must vote to 'affirm, reverse, or modify' the Planning Commission's decision – which includes upholding or denying the appeals and *making the required factual findings under Chapter 25B-8, 9, and 10*."[22] The judge then issued a writ, directing the Board to hold a hearing and determine whether Sable's applications are "in compliance" with Chapter 25B.[23] Accordingly, no other

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[17] Order Granting Motion to Intervene (United States District Court Case No. 25-4165-DMG (AGRx), July 25, 2025) at p. 6 (emphasis added). See Attachment G.
[18] *Id.* (emphasis added).
[19] Order re Cross-Motions for Summary Judgment, *supra* note 16. See Attachment F.
[20] *Id.* at 4.
[21] *Id.* at 18.
[22] *Id*. at 24-25 (emphasis added).
[23] Peremptory Writ of Mandate (United States District Court Case No. CV 25-4165-DMG (AGRx), Sept. 12, 2025). See Attachment H.

body other than the Board can make the required determination regarding Sable's applications, and even the Board cannot approve the transfer of permits unless the necessary findings are satisfied.

C. Judge Anderle Rejected the February 12 Letter from P&D as Lacking in Authority and Held that the Coastal Commission's Determination was Entitled to Deference.

The County has no legal or factual basis to rely on P&D's February 12 Letter as purported authority for Sable to conduct its work at the Facilities.[24] In *Sable Offshore Corp. and Pacific Pipeline Co., v. California Coastal Commission*, Judge Anderle issued a tentative ruling, that he later adopted in its entirety, denying Sable's petition for a writ of mandate to set aside the Coastal Commission's orders and notices of violation based on Sable's unauthorized work pursuant to the CDPs and under the Coastal Act.[25] In his ruling, Judge Anderle expressly rejected the conclusion in P&D's February 12 Letter and instead agreed with the Coastal Commission that Sable's past activities were beyond the scope of the CDPs.[26] In reaching its decision, the Court described P&D's February 12 Letter as "conclusory …, reflects the position of staff rather than a decisional body of the County, and contains express qualifications as to the limitations of it as a County decision."[27] Thus, the February 12 Letter lacks any legal authority and Judge Anderle's determination further demonstrates that Sable lacks the authority to continue with activities at the Facilities.

IV. Conclusion

The plain language of Chapter 25B and the rulings by Judge Gee and Judge Anderle paint a clear picture—Sable cannot perform activities pursuant to the FDPs unless the Board has transferred the relevant permits from Exxon to Sable, and the Board has yet to make its decision. Therefore, Sable's activities have been and are being done without a permit and in direct violation of the County's own ordinance. Until the Board acts on whether to transfer the FDPs, we strongly request that P&D direct Sable to cease their operations immediately.

Sincerely,

Linda Krop
Chief Counsel

[24] *See* E-correspondence from Linda Krop, *supra* note 5; February 12 Letter. See Attachment C.
[25] *Tentative Ruling*, *supra* note 10. See Attachment E.
[26] *Id.* at 25.
[27] *Id.*

Tara C. Rengifo

Tara Rengifo
Senior Attorney

Ryan Smith
Legal Fellow

cc: Laura Capps, Chair, County of Santa Barbara Board of Supervisors
Bob Nelson, Vice-Chair, County of Santa Barbara Board of Supervisors
Joan Hartmann, County of Santa Barbara Board of Supervisors
Roy Lee, County of Santa Barbara Board of Supervisors
Steve Lavangino, County of Santa Barbara Board of Supervisors
Mona Miyasato, Santa Barbara County Executive Officer
Rachel Van Mullem, County Counsel for Santa Barbara County

Attachments:

A: Email Correspondence between Linda Krop and Jennifer Richardson
B: Email Correspondence between Graham Wark and Errin Briggs
C: February 12 Letter from Errin Briggs to Steve Rusch
D: Letter from Kate Hucklebridge to Steve Rusch
E: *Tentative Ruling* regarding Petition of Petitioners Sable Offshore Corp. and Pacific Pipeline Co. for Writ of Mandate, Santa Barbara County Superior Court Case No. 25CV 00974 (October 14, 2025), affirmed by the Court on October 15, 2025
F: Order re Cross-Motions for Summary Judgment (United States District Court Case No. CV 25-4165-DMG (AGRx) Sept. 12, 2025)
G: Order Granting Motion to Intervene (United States District Court Case No. 25-4165-DMG (AGRx) July 25, 2025)
H: Peremptory Writ of Mandate (United States District Court Case No. CV 25-4165-DMG (AGRx) Sept. 12, 2025)

Attachment W

May 9, 2025

VIA EMAIL ONLY

Michael Mills
500 Capitol Mall, Suite 1600
Sacramento, CA 95814
Michael.mills@stoel.com

Re: Response Regarding Sable's December 24, 2024 letter.

Dear Mr. Mills:

The purpose of this letter is to provide details on Sable Offshore Corporation's ("Sable") outstanding compliance issues and respond to Sable's request in its letter dated December 24, 2024, for additional discussion of the Geologic Energy Management Division's (CalGEM) regulatory authorities. While CalGEM disagrees with Sable's assertion that CalGEM has failed to provide any explanation as to how CalGEM's statutes and regulations apply to the Las Flores Canyon Processing Facility ("LFC"), additional explanation follows.

CalGEM has a number of broad statutory mandates to regulate "production facilities" and extensive regulations implementing those mandates. Public Resources Code (PRC) section 3010 defines "production facility" inclusively to mean:

> any equipment attendant to oil and gas production or injection operations including, but not limited to, tanks, flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, and pipelines that are not under the jurisdiction of the State Fire Marshal pursuant to Section 51010 of the Government Code.

At the LFC, there are pumps, compressors, tanks, vessels, and pipelines, all of which are equipment specifically identified as examples of a "production facility" under PRC section 3010. While the oil and gas at the LFC is produced via the federally regulated offshore platforms, Hondo, Heritage, and Harmony, and transported to the LFC through pipelines, the production facilities at the LFC are attendant to that oil and gas production. The definition of production facility does not exempt equipment located within the boundaries of California and attendant to oil and gas production that

happens to occur in the Outer Continental Shelf, outside the boundaries of California. The regulatory concerns associated with tanks, pipelines, and other equipment processing oil and gas production are the same regardless of the where the oil and gas is produced.

Sable asserts production facilities at the LFC are exempt from CalGEM's regulations because the facilities are not located in proximity to the wells producing the oil and gas. CalGEM's mandates and authorities to regulate production facilities are not limited to equipment that happens to be located within the administrative boundaries of an oilfield. While PRC section 3106 does reference *pipelines* within a field, that reference is not exclusive, and the broader definition of production facility found in PRC section 3010 makes no reference to pipelines being within a field. Nor do the statutes mandating maintenance regulations (PRC section 3270) and bonding (PRC section 3205.8) exempt production facilities based on where they are located in relation to an oil and gas field.

Sable cites the memorandum of understanding (MOU) between CalGEM and the State Fire Marshall (OSFM) as support for its assertion that production facilities outside of an oil and gas field are exempt from CalGEM regulation. That MOU does identify tanks and pipelines within a field as clearly being attendant to oil and gas production, but it does so as a general starting point for identifying production facilities regulated by CalGEM and not as an exclusion or limitation. Moreover, an MOU between agencies cannot limit or amend statutory and regulatory authorities, and the MOU appropriately includes a savings provision that makes clear that the MOU does not otherwise affect CalGEM's or OSFM's jurisdiction.

The more relevant aspect of the MOU between CalGEM and OSFM is that it identifies the lease automatic custody transfer (LACT) unit as being an important delineating point between CalGEM and OSFM. In the case of the production facilities at the LFC, those pumps, compressors, tanks, vessels, and pipelines not under the jurisdiction of OSFM are all located upstream from the LACT unit. Therefore, the jurisdiction between CalGEM and OSFM, which is the subject of the MOU, is clear with regard to the production facilities at the LFC.

Aside from the pipelines regulated by OSFM under section 51010 of the Government Code, the production facilities at the LFC fall within the definition of PRC section 3010, as these facilities are attendant to oil and gas production from the platforms. While Santa Barbara County has historically exercised jurisdiction over the LFC, as the Certified Unified Program Agency under the Aboveground Petroleum Storage Act, that regulatory oversight does not come at the exclusion of CalGEM's oversight. Each agency has independent and concurrent authority over the production facilities at the LFC. Some CalGEM regulatory requirements might be addressed by prior compliance

with other agencies' requirements, but it would be incumbent on Sable to provide CalGEM with documentation demonstrating that.

I. Cost estimate and bond demand.

As previously provided, Sable's acquisition of the LFC appears to have occurred after January 1, 2024, and is therefore subject to the bonding requirements found in PRC section 3205.8. As provided in the attached cost estimate, CalGEM has estimated the total cost of decommissioning the Las Flores Canyon Facility to be $31.9 million.

As provided in PRC section 3205.8, the bond may be provided in the form of a surety bond or an equally effective means of assurance including the forms found in PRC section 3205.5, an irrevocable letter of credit, or a fully funded trust fund, but does not include self-insurance or corporate guarantee.

Please provide the required transfer documentation and bonding information to Liz Yura, CalGEM Deputy Supervisor, at Elizabeth.Yura@conservation.ca.gov.

II. Additional requirements for production facilities.

CalGEM was under the impression, and your letter seems to corroborate that Sable already has a spill contingency plan and pipeline management plan prepared. As provided in California Code of Regulations, title 14, section 1722, subdivision (b), an operator may submit a spill contingency plan prepared pursuant to Federal Environmental Protection Agency regulations if such plan is determined adequate by CalGEM. Similarly, Sable represents that a pipeline management plan has already been prepared.

Given that it seems these plans have already been developed to meet other regulatory requirements and that Sable will not have to start from scratch on these plans, CalGEM's previous request and timeline were not unreasonable.

Please provide copies of the spill contingency plan and pipeline management plan referenced in your December 24, 2024 letter to Jon Iverson at Jon.Iverson@conservation.ca.gov.

III. Enforcement of requirements for production facilities.

If Sable fails to timely respond to the requests made in this letter, CalGEM will be imposing civil penalties for these violations. CalGEM therefore urges Sable to comply with these requirements immediately. For each violation, each day that the violation is not corrected is a separate violation subject to civil penalties up to fifty thousand dollars ($50,000.00) per day. (PRC, § 3236.2.)

Sincerely,

Courtney Kasberg

Courtney Kasberg

Attachment X

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SABLE OFFSHORE CORP., et al.

Petitioners/Plaintiffs,

v.

COUNTY OF SANTA BARBARA, et al.

Respondents/Defendants,

and

ENVIRONMENTAL DEFENSE CENTER, et al.

Intervenors.

Case No.: 2:25-cv-04165-DMG-(AGRx)

INTERVENORS' REPLY IN SUPPORT OF INTERVENORS' CROSS-MOTION FOR SUMMARY JUDGMENT

Hon. Dolly M. Gee

Hearing: September 12, 2025
Time: 2:00 p.m.
Place: Courtroom 8C

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1177 (2024) (traditional mandamus will not lie to compel a public agency to exercise its discretion in a particular manner). The County also does not have a mandatory duty to transfer the Permits because the Board's tie vote constitutes no action and did not affirm the Planning Commission decision for the reasons detailed above. Petitioners therefore fail to identify a clear duty to act that can be remedied by the issuance of a writ of mandate.

III. Chapter 25B Vested the Board with Discretion to Deny the Transfers.

Chapter 25B vests the Board with the necessary discretion to carry out its purpose: providing a mechanism to protect the County, its resources, and its citizens from unqualified and uncapitalized operators. Chapter 25B-1. Having failed to assure the Board that Sable can be entrusted with the facilities, as envisioned by Chapter 25B's findings, Petitioners' tack is to reimagine the ordinance, offering an interpretation that would hamstring the County from undertaking any necessary review of Sable's finances and operational capacity. Its various attempts to do so, however, are unavailing: Petitioners cannot escape that their preferred interpretation conflicts with the ordinance's plain language, purpose, and overall framework. And, when the ordinance is properly construed, the record amply supported the votes of Supervisors Capps and Lee to deny, upon de novo review, the requested transfers.

A. Interpreting Chapter 25B as a Discretionary Process Does Not Run Afoul of the Constitutional Principles Cited by Petitioners.

Petitioners suggest that allowing the Board to inquire into an entity's safety and financial qualifications—and thereon exercise its independent judgment to approve or deny a transfer—would violate principles of pre-emption, vagueness, and vested rights. Thus, they posit, the Court should restrain from construing Chapter 25B to allow such inquiry. As explained below, not only is Intervenors' construction of Chapter 25B constitutionally sound, but it is necessary to carry out its purpose of protecting health and safety.

First, Petitioners contend that "exclusive federal and state jurisdiction over pipeline safety and spill-related financial assurances pre-empt the County's authority to evaluate whether Sable can safely operate the Facilities." Dkt. 46 at 8.

As to pipeline safety, Petitioners point to the Hazardous Liquid Pipeline Safety Act (HLPSA), and specifically, its express pre-emption provision. But the provision applies only to *inter*state pipelines: "A State authority may not adopt or continue in force safety standards for *inter*state pipeline facilities or *inter*state pipeline transportation." 49 U.S.C. § 60104(c) (emphasis added). The Las Flores Pipeline System, however, is an *intra*state pipeline system. Dkt. 13-10, AR001898. The express pre-emption provision does not restrict state or local authorities from regulating intrastate pipelines. *See* 49 U.S.C. § 60104(c). In fact, state authorities have the option to assume exclusive regulatory and enforcement authority over intrastate pipelines, in which case the federal government is prohibited from "prescrib[ing] or enforce[ing] safety standards and practices." 49 U.S.C. § 60105(a).

As Petitioners correctly identify, California's Office of the State Fire Marshal (OSFM) has assumed jurisdiction over the state's intrastate pipelines, pursuant to the HLPSA's certification process. Dkt. 13-10, AR001899. But OSFM's authority is limited to matters of pipeline safety and integrity—i.e., regulating the actual infrastructure. *See* 19 C.C.R. § 2000 *et seq.* Whether a specific operator is capable of safely and responsibly operating a pipeline facility is not a matter entrusted to OSFM. *See Id.* Thus, in overseeing operational capacity, the County does not invade the province of OSFM, as Petitioners suggest.

Tellingly, in support of their argument, Petitioners merely state that "counties are precluded from imposing their own *safety and design requirements*"—not regulating operational capacity. Nor do any of the cases they cite support that OSFM has authority over anything other than technical pipeline safety requirements.

As to financial responsibility for a spill, Petitioners contend that the California Department of Fish and Wildlife, Office of Spill Prevention and Response (OSPR)

occupies the field of "evidence-of-financial-responsibility requirements for oil pipelines." Thus, Petitioners continue, the County is pre-empted, under a theory of "field pre-emption," from separately requiring financial assurances for a spill.[5]

As Petitioners acknowledge, no case supports Petitioners' theory. Instead, Petitioners point to three statutes—Government Code sections 8670.37.51, 8670.37.53, and 8670.37.54—to support their theory that the Legislature intended that OSPR have exclusive jurisdiction over financial responsibility for spill. Nothing in the language of these statutes expressly states, or even suggests, that authority over financial responsibility is reserved to OSPR, exclusive of local governments. *See City and County of San Francisco v. Post*, 22 Cal.App.5th 121, 129-30 (2018) ("'[W]hen local government regulates in an area over which it traditionally has exercised control,' such as land use legislation, 'California courts will presume, absent a clear indication of preemptive intent from the Legislature, that such regulation is *not* preempted by state statute.'" (*quoting Big Creek Lumber Co. v. County of Santa Cruz*, 38 Cal.4th 1139, 1149 (2006)). As the Supreme Court has made clear, some "brooding . . . interest," to the extent it exists here, is insufficient to establish field pre-emption. *Virginia Uranium, Inc. v. Warren*, 587 U.S. 761, 767 (2019).

Moreover, the purpose of Chapter 25B's financial assurance requirements and OSPR's Certificate of Financial Responsibility scheme differ in purpose; while the former is primarily intended to assure an entity is capable of remediating a spill, the latter provides a means to clarify what entity maintains liability. *See* Gov. Code § 8670.37.52 (the effect of a certificate is to provide "conclusive evidence that the person or entity holding the certificate is the party responsible . . . for purposes of determining liability pursuant to this chapter."); *see also Citizens for Uniform Laws v. County of Contra Costa*, 233 Cal.App.3d 1468, 1474-75 (1991) (finding no field pre-emption where

[5] Importantly, this argument only applies financial assurances for an oil spill or accident; it does not encompass the concomitant requirement in Chapter 25B to provide adequate assurances for proper abandonment.

ordinance and state statute differed in purpose, despite employing similar regulatory tools).

In any event, any doubt about the supposed limits of the County's authority was clarified by recent legislation, which, "notwithstanding any other law," affirmatively grants local governments the power to "impose regulations, limits, or prohibitions on oil and gas operations or development that are more protective of public health, the climate, or the environment than those prescribed by a state law, regulation, or order." Pub. Res. Code § 3106.1(a).

Accordingly, the County is not pre-empted from regulating operational capacity, and it is free to require financial assurances more stringent than those required by OSPR.

Second, Petitioners contend that the Court must adopt their narrow construction of Chapter 25B to avoid rendering the ordinance unconstitutionally vague. Dkt. 46 at 11-12. The crux of their argument is that the interpretation offered by Intervenors would "grant the County unbridled discretion to reject permit transfers based on arbitrary and random criteria," and leave the ordinance's findings "so vague and indefinite as really to be no rule or standard at all." *Id.*[6]

Intervenors do not suggest that the County's discretion to determine operational capability is "unbridled," as Petitioners claim. Instead, Intervenors correctly note that Chapter 25B provides the County with discretion to scrutinize the qualifications of a proposed transferee. Such discretion is cabined by express parameters set forth in the required finding, which limits the County to inquiring into a proposed operator's "skills, training, and resources" in the specific context of "compliance with the permit and all applicable county codes." Chapter 25B-10(a)(9). While the finding is broad enough to

[6] Petitioners also misrepresent that, in Intervenors' view, "Chapter 25B's purpose is to prevent large oil companies from selling to smaller, less experienced ones, and thus the Board is permitted to do essentially anything to prevent this from happening . . . ." Dkt. 46 at 12. This is incorrect. Intervenors merely claim that Chapter 25B is intended to provide a mechanism whereby the County can ensure new entities have the financial and operational capacity to safely and responsibly operate. They do not suggest it is intended to outright prohibit transfers between major and minor companies.

provide the County with the necessary flexibility to vet new operators, what is required is not so indefinite as to run afoul of due process. *See Peekay, Inc. v. City of Lacey*, 2005 WL 1528961 (W.D. Wash. 2005) ("[A]n ordinance that allows a city to review the general qualifications of each license applicant is not presumptively invalid." (*citing FW/PBS, Inc. v. City of Dallas*, 493 U.S. 215 (1990)); *Kuck v. Danaher*, 822 F. Supp. 2d 109, 134 (D. Conn. 2011) (rejecting void-for-vagueness challenge to law that allowed licensing authority to revoke firearm license if holder was found not "suitable" to carry a firearm since the law limited authority's discretion to enumerated factors regarding qualifications); *see also Great American Houseboat Co. v. U.S.*, 780 F.2d 741, 746 (9th Cir. 1986). In this case, Intervenors directed the Board to specific permit conditions that Sable lacks the "resources" to comply with, and they cited Sable's persistent regulatory non-compliance as evidence of a lack of necessary "skills" and "training." Dkt. 13-11, AR003213-19, AR003229-31.

Regarding financial assurances for accidents and abandonment, Intervenors merely suggest—based primarily on the plain language of the ordinance, *see infra* Part III.C—that a proposed transferee must demonstrate it has the financial wherewithal to remediate an accident and properly decommission the facility. The costs to do so are readily calculable, especially where, as here, the facilities have already caused a major accident. Indeed, during the administrative proceedings, Intervenors pointed to empirical evidence of the cost of the Refugio Oil Spill (from the same facilities), and they suggested that cost should be used as a baseline to establish adequate financial assurances for a subsequent permittee. Dkt. 13-11, AR003214-15. In any event, the lack of exact, identifiable measurements in a law does not render it unconstitutionally vague. *See Association des Eleveurs de Canards et d'Oies du Quebec v. Harris*, 729 F.3d 937, 946 (9th Cir. 2013).

Thus, what is required of transferees—and specifically *Sable*—is established by definite criteria and is not so vague that "a person of ordinary intelligence could not understand." *Fang Lin Ai v. United States*, 809 F.3d 503, 514 (9th Cir. 2015); *see also United States v. Harris*, 185 F.3d 999, 1003 (9th Cir. 1999) (there is a strong presumption

that a law is constitutional when considering a void-for-vagueness argument); *Brechiesen v. Mondragon*, 833 F.2d 238, 241 (10th Cir. 1987) ("When reviewing a statute alleged to be vague, courts must indulge a presumption that it is constitutional, and the statute must be upheld unless the court is satisfied beyond all reasonable doubt that the legislature went beyond the confines of the Constitution.").

Third, as to "vested rights," Chapter 25B requires discretionary review of whether to grant a permit transfer. The fact that Sable needs this discretionary review to be listed as a permittee on the County permits issued for the facilities explains why Sable cannot have a vested right. Dkt. 46 at 18. "Courts have yet to extend the vested rights or estoppel theory to instances where a developer lacks a building permit or the functional equivalent, regardless of the property owner's detrimental reliance on local government actions and regardless of how many other land use and other preliminary approvals have been granted." *Toigo v. Town of Ross*, 70 Cal. App. 4th 309, 322 (1998). Under Chapter 25B-4, the permits are not transferable except in accordance with those provisions, and Exxon previously availed itself of Chapter 25B's requirements when it asked the County to grant its requested permit transfers in 2023. Chapter 25B-4(c); Dkt. 40 at 14.

Moreover, Petitioners have further administrative remedies available to secure a final decision from the County regarding the permit transfers. *Toigo*, 70 Cal. App. 4th at 331. As noted above, Petitioners can reapply *immediately*, and can submit additional information in response to the Supervisors' inquiries; as such, Petitioners' claims are not yet appropriate for judicial review. These issues are also reserved for Phase II of this bifurcated proceeding, as stipulated to by both Petitioners and Defendants in furtherance of judicial economy and efficiency. Dkt. 17 at 2-3.

B. The Language, History, and Purpose of Chapter 25B Belie Petitioners' Narrow Interpretation.

Petitioners claim that the plain language of Chapter 25B unambiguously supports the narrow construction they advance, and thus, the Court is precluded from considering