

Katherine Douglas

Appellant Comments - CBD

---

**From:** Cynthia Elkins <CElkins@biologicaldiversity.org>  
**Sent:** Wednesday, October 29, 2025 4:18 PM  
**To:** sbcob; Jacquelyne Alexander  
**Cc:** Rachel Mathews; Julie Teel Simmonds  
**Subject:** Comments in support of appeal - SYU permit transfers  
**Attachments:** 2025-10-29\_CBD Comments\_SB BOS Permit Transfer.pdf

**Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.**

Dear Supervisors and Clerk Alexander,

Please consider the attached comments, which are submitted on behalf of the Center for Biological Diversity and Wishtoyo Foundation, as part of your deliberations on our appeal of the Planning Commission's approval of Sable Offshore Corp.'s application to transfer the Final Development Permits for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System. Our supporting references will follow in separate emails, and hard copies of both will also be delivered to your office this week.

Please let me know if there are any problems receiving these documents.

Thank you for your time and considering our concerns.

Sincerely,

Cynthia Elkins, Senior Paralegal

[celkins@biologicaldiversity.org](mailto:celkins@biologicaldiversity.org)

(707) 358 – 0430



October 29, 2025

Honorable Members of the Board of Supervisors  
c/o Jacquelyne Alexander  
Chief Deputy Clerk of the Board  
Santa Barbara County  
105 E. Anapamu Street, Room 407  
Santa Barbara, CA 93101

Via FedEx and Email: [sbcob@countyofsb.org](mailto:sbcob@countyofsb.org)

**Re: Comments in Opposition to Change of Owner, Operator, and Guarantor for the SYU, POPCO, and Las Flores Pipeline System Final Development Plan Permits**

Dear Honorable Santa Barbara County Supervisors:

The Center for Biological Diversity and the Wishtoyo Foundation submit these comments in support of our appeal of the Santa Barbara County Planning Commission's October 30, 2024, approval of Sable Offshore Corp.'s (Sable) application for transfers of the Santa Ynez Unit (SYU) Final Development Plan Permit (FDP or Final Development Permit), Pacific Offshore Pipeline Company (POPCO) Gas Plant FDP, and Las Flores Pipeline System FDP. As detailed in these comments and in our prior submittals, we urge the Board of Supervisors (the Board) to reverse the Planning Commission's approval of the transfer of these permits in accordance with Santa Barbara County Code §§ 25B-12(b)(4), because it cannot make the findings required by County Code Sections 25B-9 and 10.

In the months since the Board's last hearing on this matter, Sable has dug itself into deep legal trouble. A court has upheld the California Coastal Commission's unanimous vote assessing an \$18 million penalty against Sable for unpermitted pipeline work in the Coastal Zone and prohibiting further work without a new Coastal Development Permit; the Central Coast Regional Water Quality Control Board has sued Sable for water quality permitting and reporting violations; the Santa Barbara District Attorney has filed criminal charges against Sable for environmental violations; the State Lands Commission has reprimanded the corporation for announcing that it had restarted oil production (on the tenth anniversary of the Refugio Beach Oil Spill, no less), when it had merely conducted well-testing activities; and the company's own investors have sued the corporation and its officers for misleading them. Meanwhile, Sable's financial precarity has only deepened. Its \$875 million debt to Exxon must be paid in full or refinanced by January 10.

On this record, the Board cannot make the findings required by Chapter 25B and must reverse the Planning Commission's decision. Sable's fraught legal history "reflects a record of non-compliant or unsafe operations systemic in nature" and precludes the Board from making the Operator Capability finding in Section 25B-10(a)(9).

Moreover, the Board does not have the “financial information . . . needed” to make the required Financial Guarantees findings as to which methods of financial guarantees are “necessary” and “approved by the county” to secure Sable’s compliance with its legal obligation to properly decommission the facilities. *See* County Code §§ 25B-6(f)(2), 25B-10(a)(2), 25B-9(a)(2), (e)(1). Sable has provided the County with *no* bonds or other financial assurances to guarantee this obligation, and the County has not requested an accurate estimate of the total abandonment costs for the permitted facilities, a credit rating for Sable, or evidence that the corporation is following all other state and federal decommissioning bonding requirements. Transferring the permits without requiring Sable to post decommissioning bonds puts the County at great financial risk.

Finally, Sable’s recent threat to revive offshore oil barging provides further grounds to reject the permit transfer because offshore storage and transport is expressly prohibited by Condition VIII-3 of the SYU Final Development Permit. This brinkmanship precludes the Board from finding that Sable has accepted all conditions and requirements of the permit as required by County Code Sections 25B-9(a)(3) and 25B-10(a)(3). It also prevents the Board from making the Operator Capability finding in Section 25B-10(a)(9).

For all these reasons, we urge the Board to reverse the Planning Commission’s decision. Thank you for your time and consideration.

Sincerely,



Rachel Mathews  
Senior Attorney  
Center for Biological Diversity  
[rmathews@biologicaldiversity.org](mailto:rmathews@biologicaldiversity.org)



Mati Waiya  
Founder & Executive Director  
Wishtoyo Foundation



Julie Teel Simmonds  
Senior Counsel  
Center for Biological Diversity  
[jsimmonds@biologicaldiversity.org](mailto:jsimmonds@biologicaldiversity.org)

Enclosures

**Center for Biological Diversity and Wishtoyo Foundation’s Comments in Opposition to  
Change of Owner, Operator, and Guarantor for the SYU, POPCO Gas Plant, and  
Las Flores Pipeline System Final Development Plan Permits**

**Table of Contents**

I.	Factual Background .....	4
A.	Ten years ago, the Las Flores Pipeline System ruptured and caused the worst California oil spill in decades. ....	4
B.	Sable’s efforts to restart the SYU require waivers of pipeline safety requirements and have run afoul of the law. ....	5
C.	Sable has applied to become the new owner, operator, and guarantor of the SYU’s onshore facilities under County Code Chapter 25B. ....	8
II.	Legal Standard: The Board must reverse the permit transfers if it cannot make factual findings related to Operator Capability, Financial Guarantees, and more. ....	9
III.	The Board cannot make required Operator Capability finding because Sable’s actions reflect a record of non-compliant and unsafe operations.....	11
A.	A California Court recently upheld the California Coastal Commission’s \$18 million penalty against Sable for unpermitted and destructive development in the Coastal Zone.....	11
B.	The Regional Water Board has sued Sable for polluting coastal streams and wetlands.....	14
C.	The Santa Barbara District Attorney has filed criminal charges against Sable for discharging waste and diverting the flow of sensitive coastal creeks.....	15
D.	The State Lands Commission has warned Sable for failing to notify it before performing well-testing activities.....	16
E.	Sable and its officers face lawsuits and at least 17 investigations for misleading investors about restarting the pipelines.....	16
IV.	The Board cannot make the required Financial Guarantees finding because Sable has not provided any financial assurances for abandoning the facilities. ....	17
V.	The Board cannot make the required Operator Capability and Financial Guarantees finding because Sable lacks the resources to remediate a spill.....	21
VI.	The Board cannot make the required Operator Capability and Acceptance of Permit findings because Sable is actively pursuing offshore oil barging, which would violate the terms of the SYU Final Development Permit. ....	22
VII.	The Board cannot approve the permit transfer without first conducting a comprehensive review of the permit conditions and complying with CEQA. ....	24
VIII.	Conclusion.....	26
	REFERENCES LIST .....	27

## I. Factual Background

### A. Ten years ago, the Las Flores Pipeline System ruptured and caused the worst California oil spill in decades.

The SYU formerly produced crude oil and natural gas from Platforms Hondo, Harmony, and Heritage located in the Santa Barbara Channel. Subsea pipelines in federal and state waters carried oil and gas to shore, where it was treated at the POPCO Gas Plant and Las Flores Canyon Oil and Gas Plant, located in the Las Flores Canyon, approximately 20 miles west of Santa Barbara. The Las Flores Pipeline System then carried the oil approximately 122 miles to the Pentland Metering Station in Kern County. The pipeline system, constructed in the late 1980s and put into service in 1991–1992,<sup>1</sup> consists of two buried pipelines: Line CA-324 (formerly Line 901), which runs approximately 10.7 miles west along the coast, and Line 325A/B (formerly Line 903), which runs inland.

The SYU was shut down in 2015 after then-Line 901 ruptured due to massive external corrosion, spilling what is now believed to be hundreds of thousands of gallons of oil into the ocean and blackening Refugio State Beach.<sup>2</sup> The spill had devastating environmental impacts: it damaged approximately 1,500 acres of shoreline habitat and 2,200 acres of subtidal and fish habitats; it killed at least 558 birds—representing over 28 species—and 232 marine mammals; and it resulted in over 140,000 lost user days in Santa Barbara and Ventura Counties—including opportunities to camp, sunbathe, beach comb, exercise, swim, view wildlife, fish, dive, boat, and surf—as well as lost opportunities for research, education, and outreach by U.C. Santa Barbara.<sup>3</sup> The estimated monetary value of the damage to natural resources was \$22.3 million,<sup>4</sup> and as of 2025, the aggregate total costs of the spill incurred by the pipeline owner were an astronomical \$870 million.<sup>5</sup>

The pipeline’s inherently flawed design was primarily responsible for the spill. According to the Pipeline & Hazardous Materials Safety Administration’s (PHMSA) failure investigation report, the direct and proximate cause of the rupture was “progressive external corrosion” that occurred under the pipeline’s coating system, which consisted of a urethane coal tar coating applied to the bare pipe, which was then covered by foam thermal insulation and wrapped with Polyken tape.<sup>6</sup> The report noted that water had been trapped inside the pipeline’s foam insulation, “indicating that the integrity of the coating system had been compromised.”<sup>7</sup> A contributory cause of the rupture was the pipeline’s failed cathodic protection system, which is supposed to prevent corrosion. “Industry

---

<sup>1</sup> U.S. Dep’t of Transp., Pipeline & Hazardous Materials Safety Admin., Failure Investigation Report Plains Pipeline, LP, Line 901 Crude Oil Release, May 19, 2015 Santa Barbara County, California 4 (2016) [hereinafter “Line 901 Failure Investigation Report”], [https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA\\_Failure\\_Investigation\\_Report\\_Plains\\_Pipeline\\_LP\\_Line\\_901\\_Public.pdf](https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public.pdf).

<sup>2</sup> Expert Report of Igor Mezic, Ph.D., at ¶ 54, *Andrews v. Plains All American Pipeline, L.P.*, Case No. 2:15-cv-04113-PSG-JEM (C.D. Cal. Mar. 29, 2019) (estimating that “the most probable volume of oil in the ocean was 10,750 bbl”); *but see* Refugio Beach Oil Spill Trustees, Refugio Beach Oil Spill Final Damage Assessment and Restoration Plan/Environmental Assessment 15 (2021) [hereinafter “Refugio Beach Final Damage Assessment”], <https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=193144&inline> (reporting an estimated release of 123,228 gallons/2,934 barrels).

<sup>3</sup> Refugio Beach Final Damage Assessment, *supra* note 2, at 3.

<sup>4</sup> *Id.* at 24.

<sup>5</sup> Plains All American Pipeline, L.P., Annual Report (Form 10-K) F-54 (Feb. 28, 2025), <https://www.sec.gov/Archives/edgar/data/1070423/000107042325000006/paa-20241231.htm>.

<sup>6</sup> Line 901 Failure Investigation Report, *supra* note 1, at 14.

<sup>7</sup> *Id.*

practices recognize that the [cathodic protection] system like the one utilized on Line 901 cannot protect an insulated steel pipeline should the coating (tape wrap over insulation) become compromised.”<sup>8</sup>

**B. Sable’s efforts to restart the SYU require waivers of pipeline safety requirements and have run afoul of the law.**

On February 14, 2024, Sable—a new corporation headquartered in Texas and formed for the sole purpose of extracting fossil fuels from the SYU—purchased the SYU facilities from their longtime owner, operator, and guarantor Exxon Mobil Corporation (Exxon).<sup>9</sup> Since then, Sable has aggressively pursued restart of SYU oil production, including through excavation, retrofitting, and other substantial work along the Las Flores Pipeline System.



*Figure 1. Image of a “typical Sable dig” associated with an inline inspection checking for corrosion and damage.  
Source: Central Coast Regional Water Quality Control Board.*

---

<sup>8</sup> *Id.*

<sup>9</sup> Sable Offshore Corp., Annual Report (Form 10-K) 1 (Mar. 17, 2025), [https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000016/socc-20241231.htm#i960fcdcc081f47d8ac4b1686a3d0b5d5\\_7](https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000016/socc-20241231.htm#i960fcdcc081f47d8ac4b1686a3d0b5d5_7).

Between October 2024 and May 2025, Sable “reportedly conducted 144 anomaly repairs involving dozens of dig sites.”<sup>10</sup> These “digs,” known as inline inspection or “pig and dig” inspections, typically involve using heavy machinery to strip the topsoil and vegetation, expose the pipe, clean the exposed pipe, perform any required work on the pipe, and backfill the excavation (*see* Figure 1).<sup>11</sup> As discussed in Section III below, regulators allege that Sable performed this excavation work in violation of environmental laws and regulatory orders to halt work and obtain permits.

Sable’s decision to restart the corrosion-prone Las Flores Pipeline System has required the company to obtain from the California Department of Forestry and Fire Protection and its Office of the State Fire Marshal (collectively, Cal Fire) waivers of compliance with pipeline safety regulations that require crude oil pipelines to have fully functional cathodic protection systems among other requirements.<sup>12</sup> These waivers allow Sable to supplant front-end corrosion prevention requirements with an untested hodge-podge of back-end corrosion monitoring and risk management measures. But as a pipeline integrity expert has explained, monitoring the pipeline’s structural integrity is no substitute for proper pipeline design and effective coating and cathodic protections, and current inline inspection technologies cannot adequately detect and assess all types of external corrosion threats that are likely present along the Las Flores Pipeline System.<sup>13</sup>

Moreover, Cal Fire’s waivers require frequent excavation of portions of the pipelines for monitoring and repair, which will necessarily increase environmental disturbance beyond what is normally required for pipelines. Whereas pipelines not requiring a state waiver only undergo inline inspections—and the accompanying environmental disturbance similar to that depicted in Figure 1—once every five years,<sup>14</sup> the State Waivers require these inline inspections twice a year for the first two years and annually thereafter.<sup>15</sup> In total, Cal Fire’s waivers contemplate over 190 digs and excavations over the next 10 years just to validate the results of these inline inspections.<sup>16</sup>

No agency has reviewed the environmental impacts of these digs and Sable’s pipeline reconstruction and restart project. In April 2025, the Appellants here sued Cal Fire alleging that its issuance of the pipeline safety waivers and its failure to conduct environmental review violate state and federal pipeline safety laws and the California Environmental Quality Act (CEQA).<sup>17</sup>

---

<sup>10</sup> Complaint ¶ 22, *People ex rel. Cal. Reg’l Water Quality Bd. v. Sable Offshore Corp.*, No. 25CV06285 (Cal. Super. Ct. Oct. 3, 2025).

<sup>11</sup> *Id.* ¶¶ 21–23; Enbridge, Preventative Maintenance Digs, <https://www.enbridge.com/projects-and-infrastructure/public-awareness/preventative-maintenance-digs> (last visited Oct. 17, 2025).

<sup>12</sup> Letter from James Hosler, OFSM, to Lance Yearwood, Sable re: CA-324 (Dec. 17, 2024) [hereinafter “CA-324 Waiver”]; Letter from James Hosler, OFSM, to Lance Yearwood, Sable re: CA-325A/B (Dec. 17, 2024) [hereinafter “CA-325 Waiver”]; *see also* Consent Decree, *United States v. Plains All American Pipeline, L.P.*, no. 2:20-cv-02415 (C.D. Cal. Mar. 13, 2020).

<sup>13</sup> Declaration of Richard B. Kuprewicz ¶¶ 8, 10, *Ctr. for Biological Diversity v. Cal. Dep’t of Forestry & Fire Protection*, No. 25CV02244 (Cal. Super. Ct. June 2, 2025).

<sup>14</sup> 49 C.F.R. § 195.452(j)(3).

<sup>15</sup> CA-324 Waiver, *supra* note 12, at 6; CA-325 Waiver, *supra* note 12, at 6.

<sup>16</sup> The waivers require two inline inspection runs for the first two years for each line, and one run per line every year after in the following 8 years. The waivers also require four validation digs and four direct examination excavations for each for each inline inspection run. This amounts to 192 excavations over the next decade. CA-324 Waiver, *supra* note 12, at 6, 8 n.6; CA-325 Waiver, *supra* note 12, at 6, 8 n.6.

<sup>17</sup> *E.g.*, Petition for Writ of Mandate, *Ctr. for Biological Diversity v. Cal. Dep’t of Forestry & Fire Protection*, No. 25CV02244 (Cal. Super Ct. Apr. 15, 2025).

On the tenth anniversary of the Refugio Beach Oil Spill (May 19, 2025), Sable announced that it had “restarted” offshore production from the SYU.<sup>18</sup> Several days later, the California State Lands Commission, which oversees the leases for Sable’s pipelines in state waters, sent a letter to the corporation “to express serious concerns” that Sable had “mischaracterize[d] the nature” of its activities, “causing significant public confusion and raising questions regarding Sable’s intentions.”<sup>19</sup> The letter states that Sable had merely conducted well-testing procedures, and admonishes that “[c]haracterizing 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.”<sup>20</sup>

On July 29, 2025, in the Appellants’ lawsuit against Cal Fire, a Santa Barbara Superior Court issued a preliminary injunction enjoining the restart of the Las Flores Pipeline System.<sup>21</sup> Under the order, Sable must notify the parties that it “has received all necessary approvals and permits for restarting the Las Flores Pipelines and that Sable intends to commence such restart.”<sup>22</sup> The parties will then have 10 court days to seek further judicial relief prior to restart of the pipelines.<sup>23</sup>

Importantly, on March 14, 2025, Assemblymember Gregg Hart and Senator Monique Limón convened an Oil Pipeline Town Hall Meeting moderated by Secretary of the California Natural Resources Agency Wade Crowfoot, with presentations from eight California departments. Daniel Berlant, the State Fire Marshal, presented on behalf of Cal Fire. In his presentation, State Fire Marshal Daniel Berlant indicated that Cal Fire will not approve the restart of the pipeline until all agencies involved agree that regulatory requirements for restart have been met.<sup>24</sup>

On September 29, 2025, Sable announced that it had submitted a request to Cal Fire for approval of its pipeline restart plans.<sup>25</sup> That same day, it announced that it is also pursuing a lease of an offshore storage and treatment (OS&T) vessel to allow it to store and transport oil in offshore tankers rather

---

<sup>18</sup> Sable Offshore Corp. Current Report (Form 8-K) 2 (May 19, 2025), <https://www.sec.gov/Archives/edgar/data/1831481/000119312525122079/d943067d8k.htm>.

<sup>19</sup> Letter from Eleni Kounalakis, Lt. Gov. & Chair, Cal. State Lands Comm’n, to Steve Rusch, Vice Pres., Sable Offshore Corp. (May 23, 2025) [hereinafter “State Lands Commission Letter”], [https://keyt.b-cdn.net/2025/05/A2025\\_05\\_23\\_CSLC-letter-to-Sable-re-resumption-of-operations-1.pdf](https://keyt.b-cdn.net/2025/05/A2025_05_23_CSLC-letter-to-Sable-re-resumption-of-operations-1.pdf).

<sup>20</sup> *Id.*

<sup>21</sup> Order re: Preliminary Injunction and Undertaking, Ex. A at 2, *Ctr. for Biological Diversity v. Cal. Dep’t of Forestry & Fire Protection*, No. 25CV02244 (Cal. Super Ct. July 29, 2025).

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 18–19.

<sup>24</sup> See *Asm. Hart & Sen. Limón Host Meeting on Sable Offshore’s Pipeline Repair Proposal*, at 1:19:43 to 1:20:17, available with closed captioning at [https://www.youtube.com/watch?v=du\\_r7io712s](https://www.youtube.com/watch?v=du_r7io712s) (“Now again, just to be up front, which is probably a main question [] for many of you as there’s this continued discussion about is this work being permitted or not? All of that will have to be figured out before we’re able to sign off that this line could actually be used. And so please understand that at the very end of this process, with all of our sister departments here, it will be before we would ever sign off on a pipeline, making sure that each of these departments has agreed that all of the rules have been followed.”); see also Cal Fire, *Pathways for Restarting Pipelines* (updated Oct. 23, 2025), <https://osfm.fire.ca.gov/what-we-do/pipeline-safety-and-cupa/pathways-for-restarting-pipelines> (“The pipeline operator must undergo a multi-stage review process to comply with these requirements and is expected to work with other agencies to meet their regulations, including any environmental review, before potentially restarting the subject pipelines.”).

<sup>25</sup> Sable Offshore Corp., Current Report (Form 8-K) Ex. 99.3 (Sept. 29, 2025), <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000071/socc-20250929.htm>.

than through the pipeline,<sup>26</sup> a move that should be subject to environmental review and approvals by federal, state, and local authorities (see Section VI below).

On October 22, 2025, Cal Fire notified Sable that during its review of the company's restart plan (which is ongoing), it identified a requirement of the waivers that Sable has not met "and that Sable must complete prior to any potential restart."<sup>27</sup> The letter indicates that Sable has not repaired all pipeline anomalies with a depth of 40% or greater wall loss, *including* the margin of error associated with the tool used to measure the loss (called "tool sizing tolerance"), using a permanent repair method.<sup>28</sup> In other words, even more pipeline repairs are required before restart can even be considered. Sable has responded by disagreeing with Cal Fire that it must make these repairs prior to restarting the pipelines.<sup>29</sup>

Sable has yet to fulfill numerous additional legal and regulatory requirements, as reflected in the California Natural Resources Agency's most recent summary. For example, Sable must: (1) secure Coastal Act authorization for its pipeline work; (2) file a \$31.9 million decommissioning bond with CalGEM, among other facility requirements; (3) obtain an easement from the Department of Parks and Recreation for the four miles of pipeline in Gaviota State Park; and (4) address violations of California's Water Code identified by the Central Coast Regional Water Quality Control Board that are now the subject of litigation.<sup>30</sup>

### **C. Sable has applied to become the new owner, operator, and guarantor of the SYU's onshore facilities under County Code Chapter 25B.**

In March 2024, Sable requested that the Santa Barbara County Planning Commission transfer the Final Development Permits related to the SYU's onshore facilities to it in accordance with County Code Chapter 25B. The three permit transfers at issue include:

- Transfer of SYU FDP Permit No. 87-DP-32cz (RV06) from Exxon to Sable (Change in Owner, Operator, and Guarantor), which applies to a processing facility in the Las Flores Canyon;
- Transfer of POPCO Gas Plant FDP Permit No. 93-FDP-015 (AM03) from Exxon to Sable (Change in Operator and Guarantor); and
- Transfer of Las Flores Pipeline System FDP Permit No. 88-DPF-033 (RV01)z, 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz) from ExxonMobil Pipeline Company to Sable (Change in Operator), and ExxonMobil Corporation to Sable (Change in Guarantor).

---

<sup>26</sup> Sable Offshore Corp., Sept. 29 Current Report, *supra* note 25.

<sup>27</sup> Letter from James Hosler, OFSM, to Lance Yearwood, Sable, re: State Waiver Requirements Prior to Restart of Lines CA-324 and CA-325A/B (Oct. 22, 2025), *in* Sable Offshore Corp., Current Report (Form 8-K) Ex. 99.2 (Oct. 24, 2025), <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000086/socc-20251023.htm>.

<sup>28</sup> *Id.* "For example, if the [inline inspection] tool reports a 31% metal loss anomaly and the tool sizing tolerance is  $\pm 10$  for depth, then the anomaly . . . can be considered as an external metal loss anomaly with 41% metal loss depth." CA-324 Waiver, *supra* note 12, at 9 n.10.

<sup>29</sup> Letter from Lance Yearwood, Sable, to James Hosler, OFSM, to re: Response to October 22, 2025 OFSM Letter re CA-324 and CA-325A/B (Oct. 23, 2025), *in* Sable Offshore Corp., Oct. 24 Current Report, *supra* note 27, Ex. 99.3.

<sup>30</sup> See generally Cal. Natural Resources Agency, *Summary of State Regulation of Crude Oil Pipelines in Santa Barbara County* (Oct. 22, 2025), <https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Educational-Portal/Pipeline-Summary-102225-002.pdf>.

On October 30, 2024, following a public hearing, the Planning Commission voted to approve the permit transfers, and determined that the requests were not a project subject to CEQA. The Center and Wishtoyo Foundation appealed these decisions to the Board on November 5, 2024. On February 25, 2025, following a public hearing on the appeal, the Board was unable to reach a majority vote to either approve or deny the appeals, with a final vote of 2-2. The Center and Wishtoyo presented written and oral comments at each meeting.<sup>31</sup>

Sable subsequently sued the County to compel it to transfer the permits, arguing that the tie vote of the Board left the Planning Commission's approval in place.<sup>32</sup> On September 12, 2025, the U.S. District Court for the Central District of California held that the Board's tie vote "was 'no action,' was not 'acquiescence,' and did not affirm or reverse the Planning Commission's approval of the FDPs," and that the Board has a mandatory duty to affirm, reverse, or modify the Planning Commission's decision following a *de novo* hearing.<sup>33</sup> The Court ordered the Board to hold a new hearing on the appeals within 60 days, and every 45 days thereafter, until it is able to reach a vote that affirms, reverses, or modifies the Planning Commission's decision.<sup>34</sup>

## **II. Legal Standard: The Board must reverse the permit transfers if it cannot make factual findings related to Operator Capability, Financial Guarantees, and more.**

Under County Code Chapter 25B, Final Development Permits for facilities supporting offshore oil and gas extraction "shall not be transferable . . . from any existing owner, operator, or guarantor to a new owner, operator, or guarantor, except in accordance with [Chapter 25B]."<sup>35</sup> Chapter 25B authorizes the transfer of such permits "only if" the decisionmaker makes certain findings.<sup>36</sup> For example, before approving a change in operator, the Planning Commission (and, on appeal, the Board) must make the following findings, among others:

- "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."<sup>37</sup>

---

<sup>31</sup> Letter from Julie Teel Simmonds and Miyoko Sakashita, Center for Biological Diversity, to Santa Barbara Cnty. Plan. Comm'n (Oct. 28, 2024); Appeal Letter from Miyoko Sakashita, Center for Biological Diversity, and Mati Waiya, Wishtoyo Foundation, to Santa Barbara Cnty. Bd. of Supervisors (Nov. 5, 2024); Letter from Mark Patronella, et al., Center for Biological Diversity, and Mati Waiya, Wishtoyo Foundation, to Santa Barbara Cnty. Bd. of Supervisors (Feb. 18, 2025).

<sup>32</sup> Complaint, *Sable Offshore Corp. v. Cnty. of Santa Barbara*, No. 2:25-cv-04165-DMG-AGR (C.D. Cal. May 8, 2025).

<sup>33</sup> Order re: Cross Mot. for Summary Judgment at 19, 23, *Sable Offshore Corp. v. Cnty. of Santa Barbara*, No. 2:25-cv-04165-DMG-AGR (C.D. Cal. Sept. 12, 2025).

<sup>34</sup> Peremptory Write of Mandate, *Sable Offshore Corp. v. Cnty. of Santa Barbara*, No. 2:25-cv-04165-DMG-AGR (C.D. Cal. Sept. 12, 2025).

<sup>35</sup> County Code §§ 25B-4(c), (e)-(g), 25B-2.

<sup>36</sup> *Id.* §§ 25B-9(a), (e), 25B-10(a).

<sup>37</sup> *Id.* § 25B-10(a)(9) (emphasis added).

- “Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and *necessary to comply with the permit and any county ordinance* have been updated, if necessary, to reflect the new operator and will remain in full effect following the operator change.”<sup>38</sup> The information needed to make this finding “shall include the previous year’s annual report, audited financial statements, and required SEC filings.”<sup>39</sup>
- “Acceptance of Permit. The proposed operator has provided a letter from a responsible official representing the proposed operator formally accepting all conditions and requirements of the permit.”<sup>40</sup>

The Board must make similar findings related to financial guarantees and permit acceptance (among other things) before approving a change in owner.<sup>41</sup> To approve a change in guarantor, the Board must find “[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.”<sup>42</sup>

Additionally, the Board “may impose additional conditions on the permit in order to ensure that any insurance or other financial guarantees that were submitted to and relied on by the [decisionmaker] as a basis to make any finding required by this chapter are maintained.”<sup>43</sup>

Appeals to the Board of Chapter 25B permit transfer decisions “shall be de novo and the [B]oard shall affirm, reverse, or modify the [P]lanning [C]ommission’s decision at a public hearing.”<sup>44</sup> As a federal judge recently held, the Board is “required to make factual findings.”<sup>45</sup> It “must look to the evidence supporting these required factual findings and determine whether those findings are supported.”<sup>46</sup> The Board is not bound by or required to defer to the previous findings of the Planning Commission.<sup>47</sup> In other words, if the Board weighs the evidence and finds that it must reverse the Planning Commission’s decision because the requirements of Chapter 25B are not met, its findings must provide the reasons for its decision.

The purposes of County Code Chapter 25B are relevant to the Board’s decision here. Chapter 25B exists

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

---

<sup>38</sup> *Id.* § 25B-10(a)(2) (emphasis added).

<sup>39</sup> *Id.* § 25B-6(f)(2)(d).

<sup>40</sup> *Id.* § 25B-10(a)(3).

<sup>41</sup> *Id.* § 25B-9(a)(2), (3).

<sup>42</sup> *Id.* § 25B-9(e).

<sup>43</sup> *Id.* § 25B-10(b); *see also id.* § 25B-9(g) (specifying the same for change in owner and guarantor).

<sup>44</sup> *Id.* § 25B-12(b)(4).

<sup>45</sup> Order re: Cross Mot. for Summary Judgment at 18, *Sable Offshore Corp. v. Cnty. of Santa Barbara*, No. 2:25-cv-04165-DMG-AGR (C.D. Cal. Sept. 12, 2025).

<sup>46</sup> *Id.*

<sup>47</sup> *Id.* at 17–18.

maintained during and after all changes of owner, operator or guarantor of certain oil and gas facilities.<sup>48</sup>

As County Counsel has explained, Santa Barbara adopted County Code Chapter 25B in “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.”<sup>49</sup> This is precisely the scenario that the Board now faces. As discussed in the following sections, the Board cannot make the findings necessary to transfer the permits from Exxon to Sable.

### **III. The Board cannot make required Operator Capability finding because Sable’s actions reflect a record of non-compliant and unsafe operations.**

When the State Lands Commission admonished Sable for mischaracterizing its well-testing activities as a restart of oil production, the agency wrote that Sable’s actions “undermine[] trust of Sable’s motives” and “raise[] serious questions about Sable’s willingness to be a transparent operator.”<sup>50</sup> This issue of integrity gets at the heart of the Operator Capability finding that the Board would have to make here to affirm the Planning Commission’s decision. Since the Board’s last hearing, a court has upheld the California Coastal Commission’s unanimous vote assessing an \$18 million penalty against Sable for unpermitted pipeline work; the Central Coast Regional Water Quality Control Board has sued Sable for water quality violations; the Santa Barbara District Attorney has filed criminal charges against Sable for environmental violations; and Sable’s own investors have sued the corporation and its officers for misleading them. Sable’s fraught legal and regulatory history “reflects a record of non-compliant or unsafe operations systemic in nature” and should preclude the Board from finding that Sable “has the skills, training, and resources necessary” to operate the facilities in compliance with the permits and law.<sup>51</sup>

#### **A. A California Court recently upheld the California Coastal Commission’s \$18 million penalty against Sable for unpermitted and destructive development in the Coastal Zone.**

Over the past year, Sable has openly defied the California Coastal Commission’s orders to stop unpermitted pipeline work in the ecologically sensitive Coastal Zone. The Commission demonstrated that Sable’s work caused “extensive damage to coastal resources,” and impacted critical habitat for federally-protected endangered species, streambed corridors and wetlands, and native grasslands and woodlands.<sup>52</sup> The work also occurred during nesting season for birds and breeding season for federally listed Southern California steelhead and California red legged frogs.<sup>53</sup>

---

<sup>48</sup> *Id.* § 25B-1.

<sup>49</sup> Respondents Response to Petitioners’ Mot. for Summary Judgment at 11, *Sable Offshore Corp. v. Cnty. of Santa Barbara*, No. 2:25-cv-04165-DMG-AGR (C.D. Cal. Sept. 12, 2025).

<sup>50</sup> State Lands Commission Letter, *supra* note 19.

<sup>51</sup> County Code § 25B-10(a)(9) (emphasis added).

<sup>52</sup> Cal. Coastal Comm’n, Staff Report: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty 40, 5 (Apr. 10, 2025) [hereinafter “Coastal Commission Staff Report”].

<sup>53</sup> *Id.* at 5.

Sable's actions ultimately led the Commission to unanimously impose an administrative penalty of \$18,022,500 on Sable,<sup>54</sup> which a court upheld in October 2025.<sup>55</sup>

As detailed in a Coastal Commission staff report supporting the penalty, since Coastal Commission staff became aware of Sable's unpermitted development in the Coastal Zone in the fall of 2024, the Commission "made repeated, and extensive, attempts to work with Sable, and their counsel, in an effort to resolve both onshore and offshore Coastal Act violations."<sup>56</sup> Despite dedicating "considerable resources, time, and efforts toward trying to reach an amicable resolution," the Commission's efforts have been unsuccessful because Sable only "sporadically indicated willingness to comply" and repeatedly ceased negotiations with the Commission.<sup>57</sup>

In September 2024, Commission staff "immediately initiated conversations" with Sable after learning that the corporation was conducting unpermitted development work on the pipelines in the Coastal Zone. The Commission issued a Notice of Violation on September 27, 2024, and met with the corporation a few days later to discuss the Notice.<sup>58</sup> Despite these efforts, the Commission received reports that Sable had not stopped work, prompting staff to request written assurances on October 4 that Sable's work had ceased.<sup>59</sup>

On November 12, 2024, the Commission's Executive Director was ultimately required to issue an Executive Director Cease and Desist Order directing Sable to halt all unpermitted development activities, secure all work sites, and apply for a Coastal Development Permit for future work and After-the-Fact authorization for unpermitted work.<sup>60</sup> Sable paused its onshore operations in the Coastal Zone, but still did not apply for a Coastal Development Permit.<sup>61</sup>

Just weeks after issuance of the November Executive Director Cease and Desist Order, Sable carried out additional development activities in state coastal waters without a Coastal Development Permit by using a remotely operated vehicle to create support piers along 14 spans of pipelines.<sup>62</sup> On February 11, 2025, Coastal Commission staff sent a second Notice of Violation to Sable directing the corporation to immediately cease unpermitted development in state waters and the Coastal Zone, and to apply for a Coastal Development Permit and After-the-Fact authorization for the unpermitted offshore work.<sup>63</sup>

---

<sup>54</sup> Margaux Lovely, *Sable Offshore Slammed with \$18 Million Fine at Marathon Coastal Commission Meeting in Santa Barbara*, Santa Barbara Independent (Apr. 10, 2025), <https://www.independent.com/2025/04/10/sable-offshore-slammed-with-18-million-fine-at-marathon-coastal-commission-meeting-in-santa-barbara/>.

<sup>55</sup> Order, *Sable Offshore Corp. v. Cal. Coastal Comm'n*, No. 25CV00974 (Cal. Super. Ct. Oct. 15, 2025).

<sup>56</sup> Coastal Commission Staff Report, *supra* note 52, at 7.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.* at 8; Cal. Coastal Comm'n, Notice of Violation No. V-9-24-0152 (Sept. 27, 2024).

<sup>59</sup> Coastal Commission Staff Report, *supra* note 52, at 9.

<sup>60</sup> *Id.*; Cal. Coastal Comm'n, Executive Director Cease and Desist Order No. ED-24-CD-02 (Nov. 12, 2024).

<sup>61</sup> Coastal Commission Staff Report, *supra* note 52, at 9.

<sup>62</sup> *Id.* at 23.

<sup>63</sup> *Id.* at 37; Cal. Coastal Comm'n, Notice of Violation No. V-9-25-0013 (Feb. 11, 2025).



*Figure 2. Unpermitted construction pipeline work documented by the Center for Biological Diversity in the sensitive Coastal Zone. October 2024.*

The November Executive Director Cease and Desist Order expired on February 10, 2025. Within days, “Sable quickly resumed [onshore] work, despite having not submitted any application for a [Coastal Development Permit],” with work reportedly continuing into the evenings and through the weekends.<sup>64</sup> The corporation had also obtained a letter from Santa Barbara Planning and Development Deputy Director Errin Briggs asserting that Sable needed no permit for its pipeline construction work because its activities were authorized by existing permits.<sup>65</sup> Despite the Commission’s swift objection to the County’s determination, Sable continued work.<sup>66</sup> The Commission’s Executive Director issued a second Executive Director Cease and Desist Order on February 18 for the onshore and offshore work.<sup>67</sup> Sable sued the Commission that same day.<sup>68</sup>

According to Commission staff, as of April 2025, Sable “has made no efforts to comply with this second [Executive Director Cease and Desist Order], has not submitted any application for a [Coastal Development Permit], and had refused to cease operations despite being fully informed of the ongoing Coastal Act Violations and ongoing threats to coastal resources associated with its activities.”<sup>69</sup> On April 10, following a public hearing, the Coastal Commission unanimously voted to

---

<sup>64</sup> Coastal Commission Staff Report, *supra* note 52, at 9.

<sup>65</sup> *Id.*; *see also* Letter from Errin Briggs, Deputy Director, Santa Barbara County Planning and Development, to Steve Rusch, Sable Offshore Corp., Re: Zoning Clearance Applications (Feb. 12, 2025).

<sup>66</sup> Coastal Commission Staff Report, *supra* note 52, at 10; Cal. Coastal Comm’n, Executive Director Cease and Desist Order No. ED-25-CD-01 (Feb. 18, 2025).

<sup>67</sup> Coastal Commission Staff Report, *supra* note 52, at 10.

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

issue a Cease and Desist Order, Restoration Order, and Civil Administrative Penalty Order for \$18,022,500.<sup>70</sup>

On October 15, 2025, a Santa Barbara County Court upheld the Coastal Commission's orders in Sable's lawsuit seeking to overturn them.<sup>71</sup>

**B. The Regional Water Board has sued Sable for polluting coastal streams and wetlands.**

A lawsuit filed on October 3, 2025, by the Central Coast Regional Water Quality Control Board (Regional Water Board) demonstrates a similar pattern of Sable refusing to comply with regulatory orders and the laws protecting Santa Barbara's delicate ecology. As the complaint alleges, "Sable placed profits over environmental protection in its rush to get oil on the market" by avoiding compliance with the Porter-Cologne Water Quality Control Act's waste discharge permit requirements.<sup>72</sup> Indeed, "throughout the entire 10-month execution of its Repair Plan for Lines 324 and 325 Sable did not identify and [obtain a] permit [for] a single excavation site before putting shovel to dirt."<sup>73</sup>

The complaint states that in August 2024 the Regional Water Board informed Sable that the corporation's planned pipeline excavation and repair work could affect the water quality of nearby streams.<sup>74</sup> Sable Vice President Steve Rusch responded that Sable "understands the regulatory requirements and processes for water qualification certificates involving both U.S. and state waters."<sup>75</sup> After receiving a report in early October 2024 that Sable's work had disturbed waters along the Gaviota Coast, Regional Water Board staff repeatedly requested to inspect the construction sites.<sup>76</sup> Sable "finally" granted them access on November 4, 2024, when staff "observed an excavation site within and adjacent to state waters" for which Sable had not obtained a permit.<sup>77</sup> On December 13, "[h]aving received no response to their efforts to persuade Sable to meet its statutory and regulatory requirements," the Regional Water Board issued Sable a Directive to Obtain Regulatory Coverage related to the unpermitted site and containing a "clear request to commence regulatory compliance for all" of Sable's pipeline repair work.<sup>78</sup> That same day, the Regional Water Board issued a Notice of Violation for Unauthorized Discharge of Waste to Waters of the State for excavation near Baron Ranch Trailhead.<sup>79</sup>

After issuing the Directive and Order, "Regional Water Board staff continued to follow up with Sable management in an effort to obtain the company's compliance," but as of late January 2025

---

<sup>70</sup> Cal. Coastal Comm'n, Sable Offshore Corp. Cease and Desist Order, Restoration Order and Administrative Penalty CCC-25-CD-01, CCC-25-RO-01 & CCC-25-AP3-01 (Apr. 10, 2025); see also *Lovely 2025*, *supra* note 54 ("After multiple notices of violation, two cease-and-desist orders, and countless attempts to resolve the situation amicably, the California Coastal Commission voted on April 10 to impose a more than \$18 million fine on oil company Sable Offshore, which was originally facing a nearly \$15 million fine based on commission staff's recommendation.").

<sup>71</sup> Order, *Sable Offshore Corp. v. Cal. Coastal Comm'n*, No. 25CV00974 (Cal. Super. Ct. Oct. 15, 2025).

<sup>72</sup> Complaint ¶ 1, *People ex rel. Cal. Reg'l Water Quality Bd. v. Sable Offshore Corp.*, No. 25CV06285 (Cal. Super. Ct. Oct. 3, 2025).

<sup>73</sup> *Id.* at ¶ 38.

<sup>74</sup> *Id.* at ¶ 24.

<sup>75</sup> *Id.*

<sup>76</sup> *Id.* at ¶ 25.

<sup>77</sup> *Id.* at ¶ 26.

<sup>78</sup> *Id.* at ¶ 27.

<sup>79</sup> *Id.* at ¶ 28.

Sable had not responded, “no response . . . appeared to be forthcoming,” and “it was evident” that Rusch’s August 2024 representation that Sable would comply with waste discharge requirements “was patently false.”<sup>80</sup> On January 22, 2025, the Regional Water Board issued a Requirement to Submit a Technical Report Associated with Discharge of Earthen Material to Waters of the State that ordered Sable to provide a “detailed assessment” of how its excavation work impacts Waters of the State and Waters of the United States.<sup>81</sup>

The January 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.”<sup>82</sup> But while “[o]ne 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,” “[a]ll Sable could come up with” was a single document that “provide[d] 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.”<sup>83</sup>

This “made clear” to the Regional Water Board that Sable “did not perform meaningful assessment of the environmental impact of its excavation campaign through Santa Barbara’s rich and unique landscape before despoiling it.”<sup>84</sup> Additionally, Sable limited its response to work done as of March 10, which the Regional Water Board characterized as a “cynical approach” that was “obviously taken to avoid any potential delay in getting the sites permitted and any associated Regional Water Board review that might impact [a] July 1, 2025 deadline for Sable’s completion of repairs imposed by the Fire Marshal.”<sup>85</sup>

The complaint goes on to detail subsequent Regional Water Board investigations, notices, and violations,<sup>86</sup> and alleges that Sable “deliberately avoided its obligation to obtain waste discharge requirements *before* commencing work at [various creeks, streams, and tributaries] and took no action until directed by the Regional Water Board.”<sup>87</sup> The lawsuit seeks civil penalties for Sable’s alleged violations of the Porter-Cologne Water Quality Act.<sup>88</sup>

### **C. The Santa Barbara District Attorney has filed criminal charges against Sable for discharging waste and diverting the flow of sensitive coastal creeks.**

On September 16, 2025, the Santa Barbara County District Attorney charged Sable with 21 counts of criminal violations stemming from its pipeline excavation work.<sup>89</sup> The charges include:

- Five felony counts for violating the state Water Code by discharging excavated material into Asphalum Creek, a Nojoqui Creek tributary, Arroyo Quemado, and Cañada de la Gallina.

---

<sup>80</sup> *Id.* at ¶ 29.

<sup>81</sup> *Id.* at ¶ 31.

<sup>82</sup> *Id.* at ¶ 34.

<sup>83</sup> *Id.*

<sup>84</sup> *Id.* at ¶ 33.

<sup>85</sup> *Id.* at ¶ 37.

<sup>86</sup> *Id.* at ¶¶ 38–47.

<sup>87</sup> *Id.* at ¶ 46 (emphasis added).

<sup>88</sup> *Id.* at 26.

<sup>89</sup> Felony Complaint, *People v. Sable Offshore Corp.*, No. 25CR07677 (Cal. Super. Ct. Sept. 16, 2025).

- Eleven misdemeanor counts for violating the Fish and Game Code by excavating and discharging excavated material on and near the bank of Asphaltum Creek, a Peterson Creek tributary, a Nojoqui Creek tributary, and several unnamed waterways.
- Five misdemeanor counts for violating the Fish and Game Code by placing excavated materials in or where they could pass into a Peterson Creek tributary and other unnamed waterways.

Sable's arraignment is scheduled for November 4. No company that repeatedly defies agency requests and directives and so blatantly violates the law can reasonably be considered a capable operator for purposes of the FDP transfers.

**D. The State Lands Commission has warned Sable for failing to notify it before performing well-testing activities.**

In its May 2025 letter regarding Sable's oil production "restart" announcement, the State Lands Commission expressed "concern[] 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 [a] limited capacity."<sup>90</sup> The letter further warned that any "failure to comply with applicable regulatory requirements or to resolve any outstanding regulatory issues could constitute a breach of the Commission's leases," as could "[a]ny attempt to restart commercial operations at the SYU without final regulatory approvals."<sup>91</sup> Finally, the letter scolded that "[t]he 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."<sup>92</sup>

**E. Sable and its officers face lawsuits and at least 17 investigations for misleading investors about restarting the pipelines.**

In July 2025, a proposed class action lawsuit was filed against Sable alleging that the company injured investors by inflating the price of a secondary public offering held just days after it misrepresented that it had restarted oil production on the tenth anniversary of the Refugio Beach Oil Spill.<sup>93</sup> The lawsuit alleges that the prospectus for the sale contained materially false and misleading statements that the corporation had "initiated oil production" from six wells "at an initial rate of approximately 6,000 barrels of oil per day," and represented that the corporation expected to "initiate production" from 70 additional wells by August 2025.<sup>94</sup> The sale ultimately raised gross proceeds of \$295 million.<sup>95</sup> The lawsuit further alleges that investors sustained substantial damages when, after they purchased shares, Sable's stock price dropped following news that the State Lands Commission had reprimanded Sable for misrepresenting well-testing activities as the restart of oil production; the Coastal Commission had obtained a preliminary injunction against continued

---

<sup>90</sup> State Lands Commission Letter, *supra* note 19.

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> Complaint at ¶ 34, *Johnson v. Sable Offshore Corp.*, No. 2:25-cv-06869 (C.D. Cal. July 28, 2025).

<sup>94</sup> *Id.* at ¶ 42.

<sup>95</sup> *Id.* at ¶ 2.

pipeline work in the Coastal Zone; and the Appellants here had obtained a temporary restraining order prohibiting Sable from restarting the pipeline.<sup>96</sup>

On August 21, a shareholder derivative lawsuit was filed against current and former members of Sable's Board of Directors for breaches of their fiduciary duties in connection with the secondary public offering.<sup>97</sup> Among other things, the complaint alleges that the corporation has "suffered and will continue to suffer a loss of reputation and goodwill, and a 'liar's discount' that will plague the Company's stock in the future due to the Company's misrepresentations and management's breaches of fiduciary duties and unjust enrichment."<sup>98</sup>

At least 17 law firms have announced ongoing investigations into potential claims against Sable.<sup>99</sup>

In conclusion, Sable's failure to timely seek required approvals and permits and refusal to comply with orders it disagrees with demonstrate a systemic unwillingness to play by the rules and accept responsibility. These enforcement actions, lawsuits, warnings, and investigations "reflect[] a record of non-compliant or unsafe operations systemic in nature" and make clear that Sable does not meet Chapter 25B's Operator Capability requirement.<sup>100</sup>

#### **IV. The Board cannot make the required Financial Guarantees finding because Sable has not provided any financial assurances for abandoning the facilities.**

Under Chapter 25B, "[t]he current owner or operator of a facility shall be responsible for the proper abandonment of the facility[.]"<sup>101</sup> All three permits would also require Sable to decommission the SYU facilities at the end of the oil field's life.<sup>102</sup> **Sable has provided the County with no financial assurance to guarantee this obligation.**<sup>103</sup> This means that if Sable files for bankruptcy or is otherwise unwilling to fulfill its abandonment obligations, the County has no bond to fall back on. The total absence of financial assurances, coupled with Sable's compliance history and excessive debt, should preclude the Board from making Chapter 25B's Financial Guarantees finding.

Chapter 25B requires the Board to make a finding that "[a]ll necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new operator and will remain in full effect following the operator change."<sup>104</sup> The ordinance also expressly authorizes the Board to "impose additional conditions on the permit in order to ensure that any insurance or other financial guarantees that were submitted to and relied on by the

---

<sup>96</sup> *Id.* at ¶¶ 45–54.

<sup>97</sup> Complaint, *Kelley v. Flores*, No. 2:25-cv-07848-WLH-SK (C.D. Cal. Aug. 21, 2025).

<sup>98</sup> *Id.* at ¶ 88.

<sup>99</sup> The following firms have announced investigations: Bragar Egel & Squire, P.C.; Bronstein, Gerwitz & Grossman; DJS Law Group; Edelson Lechtzin LLP; Faruqui & Faruqi, LLP; Glancy Prongay & Murray LLP; Grabar Law Office; Hagens Berman; Johnson Fistel, PLLP; Kirby McInerney LLP; Law Offices of Frank R. Cruz; Levi & Korsinsky; Lifshitz Law; Pomerantz Law Firm; Schall Law Firm; Shamis & Gentile P.A.; Shareholders Foundation, Inc.

<sup>100</sup> County Code § 25B-10(a)(9).

<sup>101</sup> *Id.* § 25B-4(i)(1).

<sup>102</sup> SYU FDP Conditions, 87-DP-32cz (RV06), XIX-1, XIX-2; POPCO Gas Plant FDP Conditions, 93-FDP-015 (AM03), Q-1, Q-2; Las Flores Pipeline System FDP Conditions, 88-DPF-033 (RV01)z, 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz), O-1.

<sup>103</sup> Santa Barbara Board of Supervisors Agenda Letter at 5 (Feb. 25, 2025).

<sup>104</sup> County Code § 25B-10(a)(2); *see also id.* § 25B-9(a)(2), (e)(1) (same requirement for owners and guarantors).

[decisionmaker] as a basis to make any finding required by this chapter are maintained.”<sup>105</sup> In other words, the Board must exercise its discretion and make findings as to *which* methods of financial guarantees are “necessary” and “approved by the county” to secure the new operator’s compliance with legal obligations, and *whether* those methods needs to be updated prior to approving the permit transfer.

These findings are critical to fulfilling Chapter 25B’s purpose of ensuring “adequate financial responsibility.”<sup>106</sup> The fact that the Chapter also requires all applicants to submit “[f]inancial information on any owner, operator, or other guarantor needed for the [decisionmaker] to make the financial guarantees finding,” including “the previous year’s annual report, audited financial statements, and required SEC filings,”<sup>107</sup> further suggests that the finding requires the Board to *independently determine* whether current financial guarantees are adequate or whether the ownership transfer necessitates new or different financial assurances.

All three permits require or authorize a decommissioning bond. The POPCO Final Development Permit mandates posting of a “performance bond, or other security device acceptable to County Counsel, in an amount determined by the County.”<sup>108</sup> Under the SYU permit, the permittee “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.*”<sup>109</sup> And under the Las Flores Pipeline System Permit, the permittee “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.*”<sup>110</sup> The County has not required Sable to post a bond for any of these facilities, despite the requirement and authorization to do so.<sup>111</sup> In fact, Planning and Development Staff have misinterpreted this language as requiring the permittee to post a bond “*following* the permanent shut down of the facilities.”<sup>112</sup> This misreads the plain language of the permit terms, which impose no such delay.<sup>113</sup>

It is irrational to expect an operator to post a bond guaranteeing they will fulfill an obligation at the exact time that the obligation comes due. Oil and gas regulators require financial assurances for decommissioning *prior* to production<sup>114</sup> because if they wait until after the project has stopped generating revenue, the producer may not have the resources to post a bond, and surety companies will have no incentive to take on the company’s risk. Indeed, the surety bond market is already showing signs of intolerance for oil and gas decommissioning risk. Capital & Main reported that in 2024, numerous California well transfers fell through because “[b]ond sellers have become reluctant

---

<sup>105</sup> *Id.* §§ 25B-10(b), 25B-9(g).

<sup>106</sup> *Id.* § 25B-1.

<sup>107</sup> *Id.* § 25B-6(f)(2).

<sup>108</sup> POPCO Gas Plant FDP Condition Q-2.

<sup>109</sup> SYU FDP Condition XIX-1 (emphasis added).

<sup>110</sup> Las Flores Pipeline System Permit Conditions O-1 (emphasis added).

<sup>111</sup> Santa Barbara Board of Supervisors Agenda Letter at 5 (Feb. 25, 2025).

<sup>112</sup> *Id.* (emphasis added).

<sup>113</sup> *See* POPCO Gas Plant FDP Condition Q-2 (requiring abandonment of the facilities “immediately following permanent shut down of the facilities,” and separately stating that “POPCO shall post a performance bond, or other security device acceptable to County Counsel, in an amount determined by the County”).

<sup>114</sup> *See, e.g.*, 30 C.F.R. §§ 556.900–556.907.

to work with California oil operators.”<sup>115</sup> As one surety provider explained, oil and gas “is one of the highest risk industries” and “[a] lot of surety companies think it’s not even worth it” because operator defaults are so common.<sup>116</sup> Likewise, a recent article in an offshore oil industry publication observed that late-life facility operators face a “critical lack” of financial assurance capacity because “the rash of operator insolvencies over the past 5–10 years has significantly reduced the number of commercial bonding entities that have historically provided financial sureties for the offshore sector.”<sup>117</sup>

Although the County may have historically chosen to take this risk—whether through a misapplication of the permit terms or because Exxon is one of the largest oil companies in the world—the stakes have changed dramatically under Sable’s ownership. Sable is a new corporation whose only assets are the SYU and whose business currently hinges on pumping oil through a decades-old, post-failure, corrosion-prone pipeline. As discussed at length in our prior comments, Sable’s own corporate filings are replete with warnings about its solvency,<sup>118</sup> and disclose that there is “substantial doubt . . . about the Company’s ability to continue as a going concern.”<sup>119</sup> Moreover, Sable is already deeply in debt, having borrowed about 75% of the approximate \$829 million purchase price of the SYU from Exxon (\$622,886,982).<sup>120</sup> With interest and additional borrowing, the company’s debt to Exxon now exceeds \$875 million,<sup>121</sup> and because Sable now claims that it “restarted” production, it must pay the entire loan balance in full or refinance by January 10, 2026.<sup>122</sup> The corporation estimates that it will need another \$66.6 million to commence production.<sup>123</sup>

While Sable has previously argued that the Board should focus on the corporation’s market capitalization rather than its debt,<sup>124</sup> this number is volatile and does not reflect Sable’s cash flow or risk of default (e.g., through debt-to-earnings and debt-to-funds ratios). Moreover, small-cap companies like Sable are considered to be more volatile and risky than larger-cap companies.<sup>125</sup> A company’s net worth is also inadequate for predicting an offshore oil and gas company’s future financial position, “because a [company’s] financial deterioration can occur quickly due to volatility in oil and gas prices, improper hedging of risks, and other business and economic reasons.”<sup>126</sup> For this reason, federal regulators consider *credit rating* to be the most reliable indicator of a corporation’s

---

<sup>115</sup> Aaron Cantú, *There’s a Reason Oil Well Sales Are Collapsing in California: Cleanup Costs*, Capital & Main (Nov. 20, 2024), <https://capitalandmain.com/theres-a-reason-oil-well-sales-are-collapsing-in-california-cleanup-costs>.

<sup>116</sup> *Id.*

<sup>117</sup> Glen Legge, *Cooperative, coordinated strategy may be best approach to decommissioning challenges*, Offshore (July 9, 2025), <https://www.offshore-mag.com/regional-reports/us-gulf-of-mexico/article/55302301/cooperative-coordinated-strategy-may-be-best-approach-to-decomm-challenges>.

<sup>118</sup> See, e.g., Sable Offshore Corp., Annual Report, *supra* note 9, at 19–42 (listing 27 pages of non-exhaustive risk factors that “could materially and adversely affect [Sable’s] business, financial condition or results of operations.”).

<sup>119</sup> Sable Offshore Corp., Quarterly Report (Form 10-Q) 9 (Aug. 12, 2025), [https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000064/socc-20250630.htm#i28b0392c5dca4b778d37e06f1fcf226b\\_31](https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000064/socc-20250630.htm#i28b0392c5dca4b778d37e06f1fcf226b_31).

<sup>120</sup> Sable Offshore Corp., Annual Report, *supra* note 9, at 69, 71.

<sup>121</sup> Sable Offshore Corp., Quarterly Report, *supra* note 119, at 20.

<sup>122</sup> *Id.* at 43.

<sup>123</sup> *Id.* at 41.

<sup>124</sup> Market capitalization or market cap is defined as the number of a company’s shares multiplied by their price.

<sup>125</sup> Rick Wayman, *Understanding Small-Cap and Big-Cap Stocks*, Investopedia (Aug. 4, 2022), <https://www.investopedia.com/insights/understanding-small-and-big-cap-stocks/#toc-what-are-some-characteristics-of-big-cap-stocks>.

<sup>126</sup> Proposed Rule: Risk Management and Financial Assurance for OCS Lease and Grant Obligations, 88 Fed. Reg. 42136, 42141 (June 29, 2023), <https://www.federalregister.gov/d/2023-12916/p-128>.

probability of default, as “studies have shown a very close correlation between the rating level and the probability of default.”<sup>127</sup> Sable does not appear to have a credit rating and has provided no audited financial statements that the County could use to objectively assesses the company’s probability of default by developing a proxy credit rating.<sup>128</sup>

If Sable defaults on its obligations, Exxon’s joint and several liability is no panacea.<sup>129</sup> By selling the SYU to Sable, Exxon moved these decommissioning obligations off its books. Predecessor companies commonly mount legal battles against their successors and regulators to dispute their decommissioning liability, which drains government resources and delays timely decommissioning. For example, in 2020 the federal government ordered the former owners of Platforms Hogan and Houchin to decommission them when the platforms’ insolvent operator relinquished its lease.<sup>130</sup> All three predecessors—which are all large oil corporations—are challenging the orders, with their appeals still apparently pending half a decade later.<sup>131</sup>

Similarly, when authorities recommended decommissioning the Rincon Island Platform in 2016, the operator successfully avoided its decommissioning obligations by filing for bankruptcy just before its lease was terminated.<sup>132</sup> This has effectively shifted decommissioning costs to the taxpayers and stuck local communities with hazardous, deteriorating infrastructure for years as governments struggle to fund and carry out decommissioning. In the case of the Rincon Island Platform, the state was obligated to take over decommissioning and was only able to collect about \$18 million from an existing performance bond and through a settlement with a predecessor operator.<sup>133</sup> Thus far, the state has had to pay an additional \$53 million to plug and abandon the wells on the lease and conduct an environmental analysis of the decommissioning process, and will require additional funding to complete decommissioning.<sup>134</sup> The estimated cost of decommissioning the onshore Rincon facilities is currently \$14 million.<sup>135</sup> Requiring Sable to post decommissioning bonds *now* would protect the County if a scenario like this arises later.

Under these circumstances, transferring the permits without requiring Sable to post decommissioning bonds puts the County at great financial risk. Planning and Development staff have not even required Sable to provide an estimate of the abandonment and restoration costs for the SYU’s onshore facilities, so the Board has no sense of how much it may cost to decommission these facilities. However, federal estimates for decommissioning the offshore facilities alone exceed \$471,000,000.<sup>136</sup> And on May 9, 2025, CalGEM notified Sable that a decommissioning bond in the

---

<sup>127</sup> *Id.*

<sup>128</sup> *See id.* at 42146 (discussing the use of S&P Global’s Credit Analytics credit model to calculate proxy credit ratings).

<sup>129</sup> *See* County Code § 25B-4(i).

<sup>130</sup> Richards, Heather, *Why Interior could get stuck with the tab for cleaning up oil platforms*, E&E News (Apr. 12, 2024), <https://www.eenews.net/articles/why-interior-could-get-stuck-with-the-tab-for-cleaning-up-oil-platforms/>.

<sup>131</sup> *Id.*; *see* U.S. Dep’t of the Interior, Interior Board of Land Appeals Pending Cases as of Dec. 31, 2024, <https://web.archive.org/web/20250204195704/https://www.doi.gov/sites/default/files/documents/2025-01/december-2024-pending-appeals-ii.pdf> (docket nos. IBLA-2021-0132, IBLA-2021-0137, IBLA-2021-0138).

<sup>132</sup> Cal. State Lands Comm’n, Staff Report 71, Consider certification of a Final Environmental Impact Report for Rincon Island 3-4 (Aug. 29, 2024), [https://slcprdwordpressstorage.blob.core.windows.net/wordpressdata/2024/08/08-29-24\\_71.pdf](https://slcprdwordpressstorage.blob.core.windows.net/wordpressdata/2024/08/08-29-24_71.pdf).

<sup>133</sup> *Id.* at 5.

<sup>134</sup> *Id.*

<sup>135</sup> *Id.* at 13.

<sup>136</sup> Bureau of Ocean Energy Mgmt., Pacific Region – Property and Decommissioning Liability Assessment Information, <https://www.boem.gov/oil-gas-energy/risk-management/property-list-and-orphaned-liability> (last visited Oct. 19, 2025).

amount of \$31.9 million is required for the Las Flores Canyon processing facility.<sup>137</sup> As of October 2025, there is no indication that Sable has posted this bond.<sup>138</sup> Moreover, this bond secures the state against losses, not the County.

In light of these astronomical numbers, it is not surprising that Exxon, unlike the County, has robustly protected itself against this liability by contractually requiring Sable to provide Exxon a \$350,000,000 performance bond to guarantee its SYU decommissioning obligations at or prior to resuming production.<sup>139</sup> Exxon even has the right to request a review of decommissioning obligations at any time after January 1, 2026, and at other specified times, at which point it can adjust the required performance bond to an amount of “no less than” \$500,000,000.<sup>140</sup> These performance bonds protect Exxon alone in the event of Sable’s default, and do not guarantee any protection for the County.

In sum, the Board cannot make the Financial Guarantees finding. The Board does not have the “financial information . . . needed” to make this finding, such as an accurate estimate of the total abandonment costs for the permitted facilities, a credit rating for Sable (or other indicator of its probability of default), or evidence that the corporation is in compliance with all other state and federal decommissioning bonding requirements.<sup>141</sup> Without this information, the Board cannot determine which financial guarantees are necessary to secure Sable’s abandonment obligations, how much liability Sable must actually secure, and whether to impose additional conditions on the permit to ensure Sable maintains these financial guarantees.<sup>142</sup> Similarly the Board cannot make the Operator Capability finding that Sable has the “resources necessary” to comply with the County’s facility decommissioning requirements. As it stands, Sable has provided no bond or other financial assurance to guarantee its decommissioning obligations. It would be reckless to approve the permit transfers without additional financial protections.

**V. The Board cannot make the required Operator Capability and Financial Guarantees finding because Sable lacks the resources to remediate a spill.**

Given Sable’s current financial precarity and the elevated risks of operating a decades-old, post-failure pipeline, the Board cannot make the Operator Capability finding that Sable has the “resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes” requiring it to clean up and restore areas damaged by an oil spill.<sup>143</sup>

The total aggregate costs of the 2015 Refugio Beach Oil Spill were approximately \$870 million.<sup>144</sup> This figure provides a guide as to the level of “resources necessary” to remediate a spill. As demonstrated above, Sable is currently in deep debt and has no ability to generate income unless and until it restarts the pipelines. Should another oil spill occur soon after the pipelines start up, Sable would plainly lack the resources to remediate a spill. The insurance documents Sable has provided

---

<sup>137</sup> Cal. Natural Resources Agency, *Summary of State Regulation of Crude Oil Pipelines in Santa Barbara County* 5 (Oct. 22, 2025).

<sup>138</sup> *Id.*

<sup>139</sup> Purchase and Sale Agreement between Exxon Mobil Corporation, Mobil Pacific Pipeline Company, and Sable Offshore Corp. §§ 11.1(b), 11.18 (amended Dec. 13, 2024).

<sup>140</sup> *Id.* § 11.18.

<sup>141</sup> County Code § § 25B-6(f)(2).

<sup>142</sup> *See id.* §§ 25B-10(a)(2), 25B-9(a)(2), (e)(1).

<sup>143</sup> *Id.* § 25B-10(9); SYU FDP Permit Conditions IV-E.2, XI-2.w.

<sup>144</sup> Plains All American Pipeline, L.P., Annual Report, *supra* note 5, at F-54.

are also insufficient, as they fall far short of \$870 million baseline that the Refugio Beach Oil Spill established: Certificates of Financial Responsibility (COFRs) issued by the California Office of Spill Prevention and Response (OSPR) show that Sable has demonstrated only \$101,000,000 in financial responsibility for its onshore and offshore facilities,<sup>145</sup> and the insurance certificate that Sable provided the County covers only \$401,000,000 in general and excess liability. (It is also unclear what this policy covers, as the full policy is not in the record.) Neither of these provide the “resources” necessary to remediate a spill like the one that has already occurred in the Las Flores Pipeline System. For this reason, the Board cannot make the Operator Capability finding that Sable has the “resources necessary” to comply with the permit conditions.

**VI. The Board cannot make the required Operator Capability and Acceptance of Permit findings because Sable is actively pursuing offshore oil barging, which would violate the terms of the SYU Final Development Permit.**

Sable’s recent actions to revive offshore storage and transport (OS&T) provide further grounds to reject the permit transfer because OS&T is expressly prohibited by the SYU Final Development Permit, which states that the permittee “shall not use, permit others to use, or transfer the OS&T for further oil and gas processing in California Coastal Waters offshore Santa Barbara, Ventura, and San Luis Obispo Counties . . . .”<sup>146</sup> Sable has already agreed to abide by this permit condition: with each of its permit transfer applications, the corporation provided an agreement signed by CEO Jim Flores accepting all terms of the Final Development Permits and agreeing to comply with them.<sup>147</sup> Because Sable’s recent pursuit of OS&T directly contradicts its letters accepting all permit terms, the Board cannot make the required findings that the proposed owner and operator have “formally accept[ed] all conditions and requirements of the permit,”<sup>148</sup> and that “[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.”<sup>149</sup>

Sable’s aggressive pursuit of OS&T may simply be brinksmanship that attempts to pressure state and local regulators into quickly greenlighting the restart of the SYU and its onshore pipelines by dangling the threat of storing, processing, and transporting oil in offshore tankers. Specifically, on September 19, Sable sent a letter to Interior Secretary Doug Burgum and Energy Secretary Chris Wright “requesting . . . support to proceed with the permitting and installation” of offshore barging facilities in the SYU and citing “barriers” created by “[r]ecently passed legislation by the California state legislature” as the reason for its request.<sup>150</sup> That same day, Governor Newsom had signed into law Senate Bill 237 (effective January 1, 2026), which clarifies that operators of facilities idled, out of

---

<sup>145</sup> See OSPR Dispatch Report, Marine Facility, Evidence of Certificate of Responsibility 19 (Oct. 16, 2025), <https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=90093&inline>; OSPR Dispatch Report, Inland Facility, Evidence of Certificate of Responsibility 5 (Oct. 16, 2025), <https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=121519&inline>.

<sup>146</sup> SYU FDP at VIII-3.

<sup>147</sup> See SYU FDP App. at 14 (Mar. 14, 2024),

<https://cosantabarbara.app.box.com/s/urghlguikn7jlo1igrq5yz55zyiveo7k/file/1489580351768>; Las Flores FDP App. at 15 (Mar. 14, 2024), <https://cosantabarbara.app.box.com/s/urghlguikn7jlo1igrq5yz55zyiveo7k/file/1489576076700>; POPCO FDP App. at 15 (Mar. 14, 2024), <https://cosantabarbara.app.box.com/s/urghlguikn7jlo1igrq5yz55zyiveo7k/file/1489574080314>.

<sup>148</sup> County Code § 25B-10(a)(3).

<sup>149</sup> *Id.* § 25B-10(a)(9) (emphasis added).

<sup>150</sup> Sable Offshore Corp., Sept. 29 Current Report, *supra* note 25, at Ex. 99.3.

service, or inactive for more than five years must obtain new coastal development permits prior to restarting.<sup>151</sup>

Sable has since made public statements pushing for quick approvals of the pipeline system restart, *or else*. On September 29, 2025, the corporation issued a press release stating that “[c]ontinued delays related to the Onshore Pipeline will prompt Sable to fully pivot back to a leased OS&T strategy.”<sup>152</sup> The threat was even clearer in a statement that Mr. Flores made to the Los Angeles Times in October: “California *has to make a decision soon* on the pipeline *before* Sable signs an agreement for the [offshore vessel] and goes all in on the offshore federal-only option.”<sup>153</sup>

Sable and its CEO are openly and actively pursuing a course of action that directly violates the very permit that the company is asking the Board to transfer, which as noted above expressly prohibits the use of OS&T. As such, the Board cannot make the required Operator Capability finding that Sable “has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit,” because the Board does not have “sufficient assurance that the proposed operator does not reflect a record of non-compliant . . . operations systemic in nature for similar facilities to those being considered for operatorship.”<sup>154</sup> Just the opposite: the only assurances that Sable has provided is that it *will not comply* with the permit unless officials cave to pressure. Additionally, the Board cannot make the required finding that Sable has accepted all conditions and requirements of the permit,<sup>155</sup> as its actions in pursuit of offshore storage and transport contradict and undermine the letter it submitted with its SYU Final Development Permit application to fulfill this requirement.

Finally, the Board should understand that offshore storage and transport is a threat, not a foregone conclusion. The Board can and must stand strong against these threats and ensure full compliance with County laws and permits. If Sable continues to pursue offshore storage and treatment, its efforts will face significant legal and practical barriers. Contrary to the corporation’s public statements, Sable’s federal Development and Production Plan *does not* currently authorize offshore storage and treatment of oil and gas. Although Exxon previously used OS&T at the Santa Ynez Unit, all infrastructure was removed decades ago in accordance with a 1987 supplement to its Development and Production Plan.<sup>156</sup> Any revisions to this plan to incorporate OS&T is subject to state and local government review, public comment, consistency review under the Coastal Zone Management Act,<sup>157</sup> and environmental review under the National Environmental Policy Act and other governing federal laws before federal regulators may decide whether to approve or disapprove the revisions.<sup>158</sup> And even if Sable can overcome these legal hurdles, it would reportedly need to

---

<sup>151</sup> Cal. S.B. 237 § (b)(2) (2025), [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260SB237](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB237).

<sup>152</sup> Sable Offshore Corp., Sept. 29 Current Report, *supra* note 25, at Ex. 99.1.

<sup>153</sup> Grace Toohey, *How grand plans to restart oil drilling off Santa Barbara's coast hit California's green wall*, LA Times (Oct. 13, 2025), <https://finance.yahoo.com/news/offshore-oil-plan-primed-cash-100000279.html>.

<sup>154</sup> County Code § 25B-10(a)(9).

<sup>155</sup> *Id.* §§ 25B-9(a)(3), 25B-10(a)(3).

<sup>156</sup> Exxon Company, U.S.A., Development and Production Plan (Cumulative Updates), Santa Ynez Unit Development IX-3 (Sept. 1987), <https://www.boem.gov/sites/default/files/about-boem/BOEM-Regions/Pacific-Region/DPPs/9A3---1987-09-Platforms-Harmony-Heritage-Hondo---Santa-Ynez-Unit-Cumulative-Updates.pdf>.

<sup>157</sup> 30 C.F.R. § 550.267.

<sup>158</sup> *Id.* §§ 550.269, 550.270; *see* Letter from Miyo Sakashita, Ctr. for Biological Diversity, to Matt Giacona & Douglas Boren, BOEM (Oct. 22, 2025).

borrow a colossal \$1.7 billion to implement OS&T.<sup>159</sup> Finally, the County has significant leverage to enforce the terms of the SYU Final Development Permit against Exxon *and* Sable. Chapter 25B provides that failure to comply with permit conditions “shall subject the owner, operator or guarantor to the applicable penalty and enforcement provisions of chapter 35 or other applicable ordinance for such permits,”<sup>160</sup> and the permit provides that “[f]ailure to abide by and faithfully comply with any conditions for the granting of [the SYU Final Development Permit] shall constitute grounds for the . . . revocation of [the] permit.”<sup>161</sup>

**VII. The Board cannot approve the permit transfer without first conducting a comprehensive review of the permit conditions and complying with CEQA.**

As these comments have established, the Board must reverse the Planning Commission because it cannot make the findings required in Chapter 25B. If the Board nevertheless intends to allow the transfer, it must modify the Planning Commission’s decision by (1) conducting a comprehensive review of the Las Flores Pipeline System FDP and its conditions of approval to account for and mitigate the substantially changed pipeline features, erroneous assumptions underlying the previous approvals, and increased environmental impacts of operating a flawed, decades-old, corrosion-prone pipeline, and (2) engaging in review of a new or modified permit for the pipelines under CEQA.

The existing Las Flores Pipeline System FDP conditions were adopted with the understanding that the pipelines would be equipped with *effective* coating and cathodic protections in accordance with the 1985 Final Environmental Impact Report/Environmental Impact Statement (1985 EIR/EIS) that last studied the pipelines’ impacts.<sup>162</sup> This document did not explore the alternative of waiving those protections and using inspection and monitoring in lieu of effective corrosion prevention. Given the Las Flores Pipeline System’s inadequate cathodic protections and the environmental risks and implications of operating and maintaining the pipelines under the state waivers issued by Cal Fire, the Board cannot affirm the Planning Commission’s decision to transfer the permits because, at a minimum, the permit conditions mandate that the County require new or modified permits for the project.

A new or modified permit, or a finding of substantial conformity, is required where there is a departure from the original “procedures, operating techniques, design, equipment and other descriptions (hereinafter procedures)” originally approved for the pipeline, because “these procedures were part of the project description which received environmental analysis, [and] a failure to include such procedures in the actual project could result in significant unanticipated environmental impacts.”<sup>163</sup> A new or modified permit is also required prior to undertaking activities

---

<sup>159</sup> Shariq Khan, *Sable to need about \$1.7 billion in funding to progress Santa Ynez project, sources say*, Reuters (Oct. 24, 2025), <https://www.reuters.com/business/energy/sable-need-about-17-billion-funding-progress-santa-ynez-project-sources-say-2025-10-24/>.

<sup>160</sup> County Code § 25B-4(h).

<sup>161</sup> SYU FDP Condition I-2.

<sup>162</sup> Cal. State Lands Comm’n & Bureau of Land Mgmt., Draft Environmental Impact Report/Environmental Impact Statement for the Celeron/All American and Getty Pipeline Projects 4-106 (Aug. 1984) [hereinafter “1984 Draft EIR/EIS”], <https://cosantabarbara.app.box.com/s/gc3vhh8ns8aiwketnq35vwbbehnhre672>. Note that the 1984 Draft EIR/EIS is incorporated into the final EIR/EIS. Cal. State Lands Comm’n & Bureau of Land Mgmt., Final Environmental Impact Report/Environmental Impact Statement for the Celeron/All American and Getty Pipeline Projects 3 (Jan. 1985), <https://cosantabarbara.app.box.com/s/lkl9oo9xdaangevdp6pasfo0cmimvlt>.

<sup>163</sup> Las Flores Pipeline System FDP Condition A-7.

that may result in significant changes in impacts on the County.<sup>164</sup> Furthermore, the permit conditions require a “new or modified permit, or authority to continue operation under the existing permit prior to undertaking . . . major pipeline or pump station modifications.”<sup>165</sup>

Finally, “[i]f at any time [the] County determines that [the Las Flores Pipeline System] permit conditions are inadequate to effectively mitigate significant environmental impacts caused by the project, or that recent proven technological advances could provide substantial additional mitigation, then additional reasonable conditions shall be imposed to further mitigate these impacts.”<sup>166</sup> The County “shall conduct a comprehensive review of the project conditions and consider adding reasonable conditions which incorporate proven technological advances . . . at appropriate intervals,” and “[a] comprehensive review of conditions which are not effectively mitigating impacts may be conducted at any appropriate time.”<sup>167</sup>

It is now widely accepted that the Las Flores Pipeline System has a perfect storm of design flaws, rendering the corrosion protections intended to limit the risk of a spill ineffective. Existing permit conditions are thus “inadequate to effectively mitigate significant environmental impacts,” and it is an “appropriate time” to conduct a comprehensive review of the permit conditions. Moreover, the pipeline system’s failure, its ineffective coating and cathodic protections, its operating and environmental conditions, and the need for Sable to seek state waivers from pipeline safety regulations to restart them all constitute major modifications with risks and implications that preclude any finding of substantial conformity—meaning that a new, or substantially modified, permit is required if the Board intends to allow the permit transfer to proceed despite the objections raised in these comments.

As Appellants have argued in our previous comments, restarting the SYU for the first time in over a decade following a devastating oil spill is plainly a “project” under CEQA<sup>168</sup> that has caused (and will continue to cause) direct physical changes to the environment through construction, development, and refurbishment of mothballed facilities. The fact that this project is subject to other approvals by other agencies does not absolve the Board of its own CEQA responsibilities.<sup>169</sup> CEQA does not permit the County to avoid environmental review by defining its own role in the project narrowly as an “administrative” act of simply switching out one corporate name for another on a handful of legal documents, with no physical implications.<sup>170</sup> The County’s role is more significant: the County must make discretionary findings related to safety, compliance, operator capability, and more, and its role extends to determining whether a new or modified permit is required to account for the substantially different pipeline now at issue and to fully evaluate and mitigate the impacts of moving forward with the restart project. Thus, if the Board intends to transfer the permits despite the overwhelming reasons to reverse, the County must modify the Planning Commission’s decision by

---

<sup>164</sup> *Id.* at A-13.

<sup>165</sup> *Id.*

<sup>166</sup> *Id.* at B-2.

<sup>167</sup> *Id.*

<sup>168</sup> See Cal. Code Regs. tit. 14, § 15378(a)(3) (“project” includes “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is . . . [a]n activity involving the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies”).

<sup>169</sup> Cal. Pub. Resources Code § 21165; Cal. Code Regs. tit. 14, § 15051(b)(1).

<sup>170</sup> See, e.g., *Association for a Cleaner Environment v. Yosemite Community College Dist.* (2004) 116 Cal.App.4th 629, 638 [10 Cal.Rptr.3d 560] (CEQA review “cannot be avoided by chopping up proposed projects into bite-size pieces which, when taken individually, may have no significant adverse effect on the environment.”).

requiring it to review the permit conditions, require a new or modified permit, and then prepare a new Environmental Impact Report in accordance with CEQA.<sup>171</sup>

### **VIII. Conclusion**

For all the reasons detailed above, we strongly urge the Board (1) reverse the Planning Commission's decision to transfer the Final Development Permits and (2) make thorough written findings supporting its decision, including that Sable has not met the Operator Capability, Financial Guarantees, and Acceptance of Permit requirements established by Chapter 25B.

---

<sup>171</sup> See Cal. Pub. Resources Code § 21151(a); see also *id.* § 21165.

## REFERENCES LIST

### Prior Comments

1. Letter from Mark Patronella, et al., Center for Biological Diversity, and Mati Waiya, Wishtoyo Foundation, to Santa Barbara Cnty. Bd. of Supervisors (Feb. 18, 2025).
2. Appeal Letter from Miyoko Sakashita, Center for Biological Diversity, and Mati Waiya, Wishtoyo Foundation, to Santa Barbara Cnty. Bd. of Supervisors (Nov. 5, 2024).
3. Letter from Julie Teel Simmonds and Miyoko Sakashita, Center for Biological Diversity, to Santa Barbara Cnty. Plan. Comm'n (Oct. 28, 2024).

### Sable Corporate Filings

4. Sable Offshore Corp., Current Report (Form 8-K) (Oct. 24, 2025), <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000086/socc-20251023.htm>.
5. Sable Offshore Corp., Current Report (Form 8-K) (Sept. 29, 2025), <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000071/socc-20250929.htm>.
6. Sable Offshore Corp., Quarterly Report (Form 10-Q) (Aug. 12, 2025), [https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000064/socc-20250630.htm#i28b0392c5dca4b778d37e06f1fcf226b\\_31](https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000064/socc-20250630.htm#i28b0392c5dca4b778d37e06f1fcf226b_31).
7. Sable Offshore Corp. Current Report (Form 8-K) (May 19, 2025), <https://www.sec.gov/Archives/edgar/data/1831481/000119312525122079/d943067d8k.htm>.
8. Sable Offshore Corp., Annual Report (Form 10-K) (Mar. 17, 2025), [https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000016/socc-20241231.htm#i960fcdcc081f47d8ac4b1686a3d0b5d5\\_7](https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000016/socc-20241231.htm#i960fcdcc081f47d8ac4b1686a3d0b5d5_7).
9. Purchase and Sale Agreement between Exxon Mobil Corporation, Mobil Pacific Pipeline Company, and Sable Offshore Corp. (amended Dec. 13, 2024), <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000119312524080879/d11434d10k.htm>.

### Select Legal and Regulatory Records:

10. Cal. Natural Resources Agency, *Summary of State Regulation of Crude Oil Pipelines in Santa Barbara County* (Oct. 22, 2025), <https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Educational-Portal/Pipeline-Summary-102225-002.pdf>.

### *Coastal Commission*

11. Order, *Sable Offshore Corp. v. Cal. Coastal Comm'n*, No. 25CV00974 (Cal. Super. Ct. Oct. 15, 2025).

12. Cal. Coastal Comm'n, Sable Offshore Corp. Cease and Desist Order, Restoration Order and Administrative Penalty CCC-25-CD-01, CCC-25-RO-01 & CCC-25-AP3-01 (Apr. 10, 2025).
13. Cal. Coastal Comm'n, Staff Report: Recommendations and Findings for Cease and Desist Order, Restoration Order, and Administrative Civil Penalty 40, 5 (Apr. 10, 2025).
14. Margaux Lovely, *Sable Offshore Slammed with \$18 Million Fine at Marathon Coastal Commission Meeting in Santa Barbara*, Santa Barbara Independent (Apr. 10, 2025), <https://www.independent.com/2025/04/10/sable-offshore-slammed-with-18-million-fine-at-marathon-coastal-commission-meeting-in-santa-barbara/>.
15. Cal. Coastal Comm'n, Executive Director Cease and Desist Order No. ED-25-CD-01 (Feb. 18, 2025).
16. Cal. Coastal Comm'n, Notice of Violation No. V-9-25-0013 (Feb. 11, 2025).
17. Cal. Coastal Comm'n, Executive Director Cease and Desist Order No. ED-24-CD-02 (Nov. 12, 2024).
18. Cal. Coastal Comm'n, Notice of Violation No. V-9-24-0152 (Sept. 27, 2024).

*Regional Water Board:*

19. Complaint, *People ex rel. Cal. Reg'l Water Quality Bd. v. Sable Offshore Corp.*, No. 25CV06285 (Cal. Super. Ct. Oct. 3, 2025).

*Santa Barbara District Attorney:*

20. Felony Complaint, *People v. Sable Offshore Corp.*, No. 25CR07677 (Cal. Super. Ct. Sept. 16, 2025).

*State Lands Commission:*

21. Letter from Eleni Kounalakis, Lt. Gov. & Chair, Cal. State Lands Comm'n, to Steve Rusch, Vice Pres., Sable Offshore Corp. (May 23, 2025), [https://keyt.b-cdn.net/2025/05/A2025\\_05\\_23\\_CSLC-letter-to-Sable-re-resumption-of-operations-1.pdf](https://keyt.b-cdn.net/2025/05/A2025_05_23_CSLC-letter-to-Sable-re-resumption-of-operations-1.pdf).

*Permit Transfer Lawsuit:*

22. Order re: Cross Mots. for Summary Judgment, *Sable Offshore Corp. v. Cnty. of Santa Barbara*, No. 2:25-cv-04165-DMG-AGR (C.D. Cal. Sept. 12, 2025).
23. Peremptory Write of Mandate, *Sable Offshore Corp. v. Cnty. of Santa Barbara*, No. 2:25-cv-04165-DMG-AGR (C.D. Cal. Sept. 12, 2025).

*Cal Fire:*

24. Declaration of Richard B. Kuprewicz, *Ctr. for Biological Diversity v. Cal. Dep't of Forestry & Fire Protection*, No. 25CV02244 (Cal. Super Ct. June 2, 2025).

25. Petition for Writ of Mandate *Ctr. for Biological Diversity v. Cal. Dep't of Forestry & Fire Protection*, No. 25CV02244 (Cal. Super Ct. Apr. 15, 2025).
26. Letter from James Hosler, OFSM, to Lance Yearwood, Sable re: CA-324 (Dec. 17, 2024) (CA-324 Waiver).
27. Letter from James Hosler, OFSM, to Lance Yearwood, Sable re: CA-325A/B (Dec. 17, 2024) (CA-325 Waiver).

#### *Shareholder Lawsuits:*

28. Complaint, *Johnson v. Sable Offshore Corp.*, No. 2:25-cv-06869 (C.D. Cal. July 28, 2025).
29. Complaint, *Kelley v. Flores*, No. 2:25-cv-07848-WLH-SK (C.D. Cal. Aug. 21, 2025).

#### Financial Guarantees

30. Aaron Cantú, *There's a Reason Oil Well Sales Are Collapsing in California: Cleanup Costs, Capital & Main* (Nov. 20, 2024), <https://capitalandmain.com/theres-a-reason-oil-well-sales-are-collapsing-in-california-cleanup-costs>.
31. Glen Legge, *Cooperative, coordinated strategy may be best approach to decommissioning challenges*, Offshore (July 9, 2025), <https://www.offshore-mag.com/regional-reports/us-gulf-of-mexico/article/55302301/cooperative-coordinated-strategy-may-be-best-approach-to-decomm-challenges>.
32. Excerpt of Proposed Rule: Risk Management and Financial Assurance for OCS Lease and Grant Obligations, 88 Fed. Reg. 42136, 42141 (June 29, 2023), <https://www.federalregister.gov/d/2023-12916/p-128>.
33. Excerpt of Bureau of Ocean Energy Mgmt., Pacific Region – Property and Decommissioning Liability Assessment Information Spreadsheet, <https://www.boem.gov/oil-gas-energy/risk-management/property-list-and-orphaned-liability> (last visited Oct. 22, 2025).

#### Misc.

34. Excerpt of Plains All American Pipeline, L.P., Annual Report (Form 10-K) F-54 (Feb. 28, 2025), <https://www.sec.gov/Archives/edgar/data/1070423/000107042325000006/paa-20241231.htm>.
35. Grace Toohey, *How grand plans to restart oil drilling off Santa Barbara's coast hit California's green wall*, LA Times (Oct. 13, 2025), <https://finance.yahoo.com/news/offshore-oil-plan-primed-cash-100000279.html>.
36. Excerpt of Exxon Company, U.S.A., Development and Production Plan (Cumulative Updates), Santa Ynez Unit Development (Sept. 1987), <https://www.boem.gov/sites/default/files/about-boem/BOEM-Regions/Pacific-Region/DPPs/9A3---1987-09-Platforms-Harmony-Heritage-Hondo---Santa-Ynez-Unit-Cumulative-Updates.pdf>.

37. Letter from Miyo Sakashita, Ctr. for Biological Diversity, to Matt Giacona & Douglas Boren, BOEM (Oct. 22, 2025).
38. Shariq Khan, *Sable to need about \$1.7 billion in funding to progress Santa Ynez project, sources say*, Reuters (Oct. 24, 2025), <https://www.reuters.com/business/energy/sable-need-about-17-billion-funding-progress-santa-ynez-project-sources-say-2025-10-24/>.