

ATTACHMENT A: FINDINGS OF DENIAL

1.0 CEQA FINDINGS

1.1 CEQA EXEMPTION

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

2.0 ADMINISTRATIVE FINDINGS

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

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

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

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

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

2.1.1 Findings required for Change of Operator

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

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

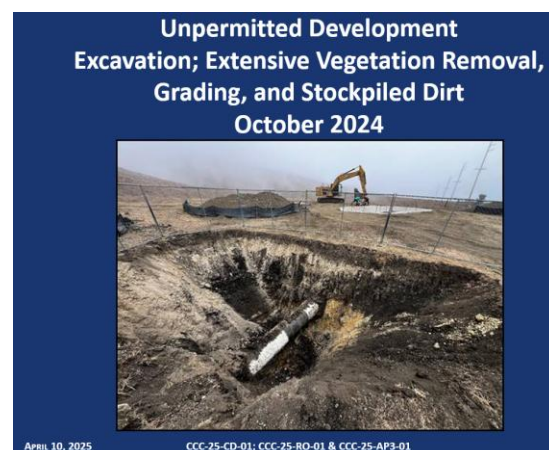
all applicable county codes and has a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f. The director shall require relevant records of compliance, and corrective actions taken subsequent to any major incidents for facilities, if any, that are similar in nature to those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

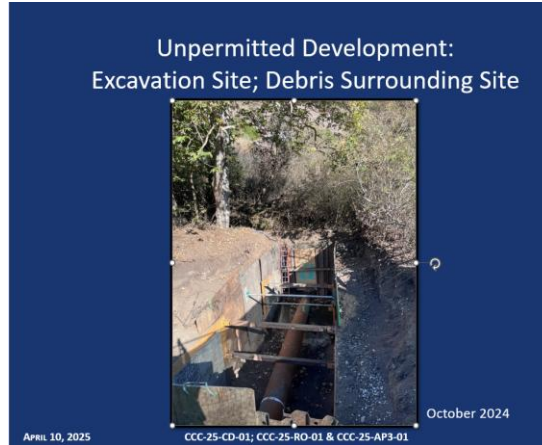
The Board of Supervisors finds that Sable reflects a record of non-compliant or unsafe operations systemic in nature for the Facilities being considered for operatorship, and therefore does not have the skills, training, and resources necessary to operate the permitted Facilities in compliance with the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

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

County of Santa Barbara

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





State Lands Commission

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

Central Coast Regional Water Quality Control Board (Water Board)

- A Report on an *"Inspection of Unauthorized Discharges to Waters by Sable Offshore"* documents observations by Water Board staff of violations observed during a February 28, 2025 site visit.
- The Water Board sent Sable notices of violation and/or non-compliance notices for unauthorized waste discharges into Santa Barbara County waterways on December 13, 2024, April 15, 2025, and April 16, 2025.
- In a staff report for a meeting held on April 17-18, 2025, Water Board staff wrote: *"Sable's practice of performing unauthorized work in waters of the state and United States has inhibited the Central Coast Water Board from ensuring that appropriate mitigation and best management practices are in place to protect water quality."*
- The Water Board passed a resolution on April 18, 2025 referencing alleged violations of the California Water Code for potential civil judicial enforcement to the California Office of the Attorney General.

California Attorney General

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

(1) failure to comply with an investigative order, (2) failure to report waste discharges, and (3) discharge of waste without permit requirements. The complaint alleges “...Sable deliberately avoided its obligation to obtain waste discharge requirements before commencing work...” and “...Sable’s blatant and knowing failure to first obtain waste discharge requirements...before commencing excavation work that could affect water quality.”

California Department of Fish and Wildlife (CDFW):

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

Lance Yearwood
December 17, 2024
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Photo 23 (Site R5-4). Photo taken from the linear center of the impact area, facing upstream by Environmental Scientist Andrew Aitken on November 25, 2024, showing the sediment pile in the riverbed and extending into the flowing stream. The vegetation is willow trees the sediment piles have compressed and partially buried.

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



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

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

Water Board

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

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

California Attorney General

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

- "*One would expect a responsible oil production company running 125 miles of underground pipeline with unique integrity challenges through the high consequence areas of Santa Barbara and San Luis Obispo Counties would have that information readily available in a database for use by its integrity and environmental management teams. Not so.*"
- "*...the location of streams, channels and drainage along Sable's pipeline route is something any responsible operator should have at their fingertips.*"
- "*...Sable management misinformed the Regional Water Board by assuring staff that Sable had assessed how its excavation work could affect water quality.*"

Evidence that Sable fails to comply with applicable laws

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

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

Evidence that Sable Ignores Regulatory Agency Directives

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



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

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

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





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

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

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

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

2.2.1 Findings required for Change of Operator

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

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

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

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

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

2.3.1 Findings required for Change of Operator

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

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

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