

Katherine Douglas

Applicant Presentation - Sable

# 3



**From:** Jessica.StebbinsBina@lw.com  
**Sent:** Friday, October 31, 2025 11:17 AM  
**To:** sbcob  
**Cc:** Jessica.StebbinsBina@lw.com; lkapan@omm.com; srusch@sableoffshore.com  
**Subject:** November 4, 2025 Board of Supervisors Meeting - Applicants' Submissions Sable Offshore  
**Attachments:** 2025.10.31 Nov. 2025 Sable Board Presentation.pdf; ExxonMobil 10.31.25 Written Submission to BOS for 11.4.25 Rehearing.pdf; 2025.10.31 Sable - Supplemental Appeal Response for November 2025 Board Hearing.pdf

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Good morning,

Please find attached Applicants' Sable Offshore Corp., Pacific Pipeline Company, and Pacific Offshore Pipeline Company submission to the Board of Supervisors in connection with the November 4, 2025, Hearing regarding the Application for Change of Owner, Guarantor, and Operator for the Las Flores Pipeline System Lines CA-324 and CA-325 A/B; Application for Change of Owner, Guarantor, and Operator for the POPCO Facilities; and Application for Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, as well as Applicants' planned presentation to the Board at the hearing. I am also attaching an additional letter from the ExxonMobil affiliates that currently hold the permits at issue.

Hard copies of all documents will be delivered this afternoon.

We would appreciate your confirming receipt.

Please don't hesitate to reach out with any questions.

Best regards,

**Jessica Stebbins Bina**

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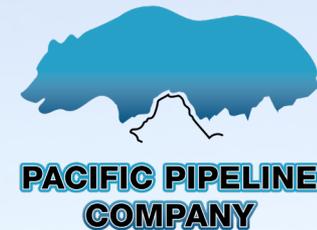
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# Sable Offshore Corp.

Application for Change of Owner, Operator  
and Guarantor

**SABLE**  
OFFSHORE



**SOC  
LISTED  
NYSE**

# Overview of the Permit Transfer Process

- **Three facilities:**
  - Santa Ynez Unit: change of owner, operator, and guarantor from ExxonMobil to Sable
  - Pacific Offshore Pipeline Company Gas Plant: change of operator and guarantor from ExxonMobil to Sable
  - Las Flores Pipeline System: change of operator and guarantor from ExxonMobil to Sable
- Santa Barbara County Code Chapter 25B provides for transfer of county permits upon satisfaction of specified criteria across nine required findings (County Code §§ 25B-9, 25B-10)
- The nine requirements are **ministerial**, requiring the application of “fixed standards” to determine “objective” facts
  - Examples: if a fee was paid or a document submitted; conformity with various County requirements
- Once these findings are met, the Board has a mandatory duty to approve the permit transfers
  - “Upon making the findings...the planning commission **shall approve** the change” of owner, operator, and guarantor. Chapter 25B details the County’s **narrow** evaluation process for changes in ownership, operation, or guarantor of certain oil and gas facilities under a County FDP.
- Per the September 12, 2025, court order, the Board **must** follow Chapter 25B requirements

# By Court Order, the Board Must Adhere to Chapter 25B

- Consistent with requirements, the Planning Commission approved permit transfers on October 30, 2024
  - Planning Commission’s detailed findings outline compliance
  - County staff recommends denial of the appeals, as detailed in recommendation letter
- The Planning Commission’s approval was appealed to the Board of Supervisors
- Staff recommended that the Board deny the Appeals at the February 2025 hearing and confirmed that Sable satisfied the Chapter 25B requirements, consistent with the Planning Commission’s findings
- On February 25, 2025, the Board came to a tie vote on the Appeals, which resulted in no action – staff declined to take any further action with respect to the FDPs
- Litigation ensued, and on September 12, 2025, the court held that the Board’s duty to affirm, reverse or modify the Planning Commission’s decision approving the Transfers “is **mandatory** and **ministerial**”
- The court has directed the Board to make a decision that is “tethered to the factual findings under Chapter 25B”
- The Board may not resort to extra-jurisdictional concerns outside the narrow scope of Chapter 25B, such as:
  - Areas where County regulation is preempted (e.g., pipeline safety, design and restart, evidence of financial responsibility)
  - Policy preferences
  - Matters arising after the appeals were filed or after the applications were deemed complete
- Given the ministerial nature of Chapter 25B, the Board, Staff, and County Counsel have all appropriately described it as a “checklist.”

# Preemption Limits County's Inquiry Under 25B

- **Pipeline safety, design, operation**, and restart are preempted by federal and state law (HLP/SA/PHMSA; Elder California Pipeline Safety Act/OSFM); local regulation is barred
- **Evidence-of-financial-responsibility** for spill response is exclusively governed by OSPR; the County cannot impose additional or different COFR requirements
- State Lands Commission, BSEE, and Cal/OSHA regulate various offshore and industrial operations, **further occupying the field**
- The 1988 Celeron Settlement confirms the County lacks jurisdiction over pipeline design, construction, and operation, consistent with preemption
- County has acknowledged the limits of its authority in Chapter 25B, including in litigation
- Practical Implications:
  - Operator Capability Finding (Sec. 25B-10(a)(9)) cannot be used to regulate pipeline safety or the merits of flowing oil through the pipeline, which is outside the County's authority
  - Requiring different or additional evidence of financial responsibility for pipeline or facility spills would exceed the County's authority
  - Confirms the ministerial nature of Chapter 25B

# All Chapter 25B Findings Are Met

Sable Offshore Corp.  
 Pacific Offshore Pipeline Company  
 Pacific Pipeline Company

Sable Offshore Corp.

Sable Offshore Corp.

## Owner

- Fees and Exactions
- Financial Guarantees
- Acceptance of Permits
- Facility Safety Audit
- Compliance with Existing Requirements

## Operator

- Fees and Exactions
- Financial Guarantees
- Acceptance of Permits
- Facility Safety Audit
- Compliance with Existing Requirements
- Compliance Plans
- Transitional Plan
- Emergency Response Plan Drills
- Operator Capability

## Guarantor

- Financial Guarantees

# Planning Commission Confirmed Findings Are Met

- Fees and Exactions (Sec. 25B-9(a); 25B-10(a)(1).)
  - “The requirements of this finding are satisfied. **Planning and Development has verified with Accounting staff that no outstanding payments are due for the facility**, or related planning and compliance cases.” (PC Findings, pp. 1, 3, 5, 9 [emphasis added].)
- Acceptance of Permit (Sec. 25B-9(a)(3); 25B-10(a)(3).)
  - “The requirements of this finding are satisfied. **Sable provided a signed Agreement to Comply with Conditions of Approval dated March 14, 2024** accepting all conditions and requirements of the permit.” (PC Findings, pp. 2, 4, 7, 10 [emphasis added].)
- Safety Audit (Sec. 25B-10(a)(4).)
  - “The requirements of this finding are satisfied. The most recent **County-conducted safety audit of the Las Flores Canyon Facilities (SYU and POPCO Gas Plant)** was conducted on July 16 -17, 2014 by the County's Systems Safety & Reliability Review Committee (SSRRC).” (PC Findings, p. 2.)
- Compliance with Existing Permit Requirements (Sec. 25B-9(a)(5), 25B-10(a)(5).)
  - “The requirements of this finding are satisfied. The **permittee is in compliance** with all requirements of the FDP Permit. No [County] notice of violations have been issued for the facility.” (PC Findings, pp. 3, 8 [emphasis added].)

## Sable Exceeds Financial Requirements (Sec. 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2))

“The requirements of this finding are satisfied. **Previously required bonds** and endowments under the FDP Permit **have been satisfied** and none remain outstanding. The FDP Permit Condition No. XXX-1 requires the permittee to be responsible for the proper abandonment of the facility, and that a performance bond be in place, or that the permittee continue to pay property taxes until abandonment is complete. **As no bond is in place, the permittee will continue to pay property taxes until site restoration is complete.**” (PC Findings, pp. 2, 4, 6-7, 9-10.)

- Santa Barbara County Sections 25B-9 and 25B-10 do not require bonds for the Change of Owner, Operator and Guarantor
- FDP requires payment of property taxes:
  - As of June 30, 2025, Sable had \$247.1MM in unrestricted cash and market cap exceeding \$2B (Form 10-Q (Aug. 12, 2025))

- Sable carries extensive insurance:
  - More than **\$700 million** in liability coverage (incidents and spills)
  - Additional **\$35 million** in Oil Spill Financial Responsibility policy that will significantly increase at restart
  - **\$2.5 billion** in property insurance covering SYU, the POPCO Gas Plant and the Las Flores Pipeline System

**OSPR regime preempts the Board’s authority to require alternative or additional evidence of financial responsibility with respect to the Pipeline.**

# Sable Exceeds Financial Requirements (Sec. 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2))

Though not required here, Sable/PPC submitted Certificates of Financial Responsibility (Certificate Nos. 22624-00-001, 42624-00-001 and 22623-00-001), which confirm consistency with state financial responsibility requirements.

***OIL SPILL PREVENTION AND RESPONSE***

***DISPATCH REPORT  
INLAND FACILITY, EVIDENCE OF CERTIFICATE OF RESPONSIBILITY  
By Applicant Name***

<i>App. #</i>	<i>Applicant Name</i>	<i>Facility Name</i>	<i>Cert. #</i>	<i>Cert. Exp.</i>	<i>Evidence</i>			<i>Fin. Resp. Demon</i>
					<i>Type</i>	<i>Evidence Expires</i>		
					<i>1</i>	<i>2</i>	<i>3</i>	
2624	PACIFIC PIPELINE COMPANY	LAS FLORES PIPELINE SYSTEM	42624-00-001	08/31/2026	01	08/14/2025		\$101,000,000

***OIL SPILL PREVENTION AND RESPONSE***

***DISPATCH REPORT  
MARINE FACILITY, EVIDENCE OF CERTIFICATE OF RESPONSIBILITY  
By Applicant Name***

<i>App. #</i>	<i>Applicant Name</i>	<i>Facility Name</i>	<i>Cert. #</i>	<i>Cert. Exp.</i>	<i>Evidence</i>			<i>Fin. Resp. Demon</i>	<i>MTU Fin. Resp. Demon.</i>
					<i>Type</i>	<i>Evidence Expires</i>			
					<i>1</i>	<i>2</i>	<i>3</i>		
2624	PACIFIC PIPELINE COMPANY	CA-324- LAS FLORES PIPELINE (LAS FLORES CANYON TO GAVIOTA)	22624-00-001	08/31/2026	01	08/14/2025		\$101,000,000	
2623	SABLE OFFSHORE CORP.	CRUDE OIL & WATER EMULSION PIPELINE - PORTION IN STATE WATERS FROM	22623-00-001	08/31/2026	01	08/14/2025		\$101,000,000	

## Compliance and Transition Plans Were Updated (Sec. 25B-10(a)(6), 10(a)(7))

- Compliance Plans (Sec. 25B-10(a)(6).)
  - “The requirements of this finding are satisfied. **County staff confirmed that all relevant compliance plans have been updated with current emergency contact information pertaining to Sable.**” (PC Findings, pp. 5, 8, 12.)
- Transition Plans (Sec. 25B-10(a)(7).)
  - “The requirements of this finding are satisfied. **Sable submitted a comprehensive Transition Plan describing the general strategy taken for the transition from ExxonMobil Corporation to Sable,** a description of the facilities and general operating procedures, details on the staffing and support employees, and asset-specific training and general training conducted.” (PC Findings, pp. 5, 8, 12.)

# County Staff Reviewed the Following Plans

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- Las Flores Pipeline Integrated Contingency Plan (including valid & effective oil spill contingency plan)
- Las Flores Pipeline Noise Monitoring and Control Plan
- Las Flores Pipeline Pump Station Fire Protection Plan
- Las Flores Pipeline SIMQAP
- Las Flores Pipeline Site Security Plan
- Santa Barbara Harbor Use Plan
- SYU/POPCO Emergency Response Plan
- SYU/POPCO Fire Protection Plan
- SYU/POPCO Groundwater Management Plan
- SYU/POPCO Integrated Noise Monitoring Plan
- SYU/POPCO NGL Inventory Management Plan
- SYU/POPCO Preservation Plan
- SYU/POPCO Security Control Plan
- SYU/POPCO SIMQAP
- SYU/POPCO Transportation Risk Management and Prevention Program (TRMPP)

# Sable Conducted Required Emergency Drills (Sec. 25B-10(a)(8))

“The requirements of this finding are satisfied. Sable submitted an updated Emergency Response Plan and staffing details for their Incident Management Team who run the response drills. **Sable held a comprehensive emergency response drill on September 19, 2024**, in coordination with the County Fire Department's Office of Emergency Services and other regulatory agencies.” (PC Findings, pp. 5, 9.)

**On September 18, 2025**, in coordination with the County Fire Department's Office of Emergency Services and other regulatory agencies, **Sable once again conducted a comprehensive emergency response drill** for the SYU and POPCO facilities. (October 2025 Proposed Findings, p. 6.)

Related to the pipeline, **Sable conducted a comprehensive training exercise and emergency response drills on July 25, 2024, and again on July 17, 2025**, in accordance with County requirements. (PC Findings, p. 12; October 2025 Proposed Findings, p. 15.)



Sable/PPC performed an onshore emergency response drill with California Department of Fish and Wildlife's Office of Spill Prevention ("OSPR") and Santa Barbara County Fire Department ("SBC Fire") present in July 2024.



Sable performed a federally-monitored emergency response drill with the U.S. Coast Guard ("USCG"), the Bureau of Safety and Environmental Enforcement ("BSEE"), the California State Lands Commission, OSPR and SBC Fire present in September 2024.

# Sable Meets Operator Capability Requirements (Sec. 25B-10(a)(9))

- “The requirements of this finding are satisfied. Sable's Executive Management Team members have managed oil and gas exploration and production businesses in the Pacific Ocean, offshore Texas and Louisiana, and onshore California **for more than 30 years.**
- Sable's Onsite Middle Management Team members have all transferred over from similar roles at the Las Flores Canyon Facilities under ExxonMobil, with **an average of 21 years of experience working at the facilities.**
- Over 95% of ExxonMobil employees transferred over in their same or similar capacity.
- All employees and management have been trained on the facility-specific Compliance Plans.
- **Sable management had zero major incidents involving crude oil and gas facilities** within the U.S. while managing Sable Permian Resources from 2017 - 2021, FMOG from 2013 - 2017, and PXP from 2009 - 2013. (PC Findings, pp, 6, 9, 12-13.)
- To the extent that Appellants assert that this finding allows the Board to evaluate whether Sable is capable of operating the Pipeline safely, the Board is preempted from doing so. OSFM has exclusive jurisdiction over pipeline safety, design and restart. Nonetheless, **Sable's track record shows it has the experience necessary to continue safe operations.**
- This finding is narrow and ministerial, requiring the County to review *specifically enumerated* compliance records and corrective actions for major incidents at similar facilities.

# World Class Quality and Safety Assurance

- **Santa Ynez Unit and POPCO Gas Plant**

- Production facilities fully “re-commissioned” to original world-class design specifications
  - Equipment meets “as-new” service requirements
  - Facilities maintained since 2015 shutdown with continuous monitoring of critical systems to ensure equipment maintained for re-commissioning
  - Conducted testing (wall thickness measurements) of all process piping and vessels to ensure equipment meets original design requirements
  - Tested all process and safety control devices to ensure they meet or exceed current design standards
  - Pressure tested all piping and equipment above maximum expected operating pressures to provide extra measure of safety
- Upgraded the existing leak detection system on emulsion pipeline to shore to current state-of-the-art technology
- Facilities operational since May 2025

# World Class Quality and Safety Assurance

- **Las Flores Pipeline**

- County review of pipeline safety is fully preempted by federal law
- Implementing a world-class integrity management program, using state-of-the-art management practices, multiple annual internal inspections, planned cathodic protection upgrades and more
  - Anomaly repair criteria is **20% more restrictive** than current regulations - **far exceeding industry standards**
  - Integrity **tool run frequency is 10 times greater** than current regulations
  - Successful hydrotests, including “spike tests,” **ensure the pipelines are in as-new condition and good for decades of safe operation**
- Incorporating substantially enhanced leak detection and system improvements
  - Includes real time transient monitoring, additional flow meters, pressure instrumentation and other enhancements
- Significantly reduced system reaction times using automatic shutoff systems and 27 new emergency flow restriction devices
  - Meets and exceeds California’s Best Available Technology mandates
- Sable has voluntarily enhanced its emergency response capabilities through deployment of additional Spill Response Teams and strategically located response equipment
  - Active engagement with local emergency responders
  - Established a local control center in Santa Maria vs. prior location of Midland, TX

# Cathodic Protection Enhancements

- This Board already considered and rejected claim that cathodic protection did not meet permit requirements:
  - **Cathodic protection system remains intact** and is actively monitored under **exclusive jurisdiction of OSFM**
  - The FDP and associated Conditions of Approval do not include cathodic protection requirements
    - Staff report confirms Sable is in **full compliance** with FDP
- Sable received OSFM and PHMSA “waiver” allowing the company to **enhance integrity** measures beyond existing cathodic protection, with **over 60 enhancements**, including:
  - Enhanced anomaly response, repair criteria, and accelerated reassessments of pipeline integrity
  - Integration of data from appropriate alternating in-line inspection tool technologies designed to ascertain various types of integrity concerns
  - Improved cathodic protection test stations located every mile or less
  - Significantly more frequent inspections
  - Permanent removal of any insulation encountered during repair and maintenance program
  - Coating repair procedures to prevent external corrosion and seal transition areas
- Existing cathodic protection is in full compliance with original EIR/EIS project description

# Appeals Should Be Denied

- Appeals filed by Center for Biological Diversity/Wishtoyo Foundation and Environmental Defense Council/Get Oil Out!/Santa Barbara County Action Network
- Appellants ask the County to exceed its authority
  - State and federal law preempt the County from regulating certain pipeline safety, design, and operations
  - County confirmed, in Celeron settlement, that federal and state authorities have exclusive authority over pipeline safety
  - Procedural due process means that the Board cannot introduce extra-statutory requirements
  - Chapter 25B confirms that the Board cannot consider information that post-dates the date the applications were deemed complete
- Appeals ignore evidence supporting Planning Commission's findings and misrepresent County Code requirements
  - The Court stressed that the Board must adhere to the narrow requirements in Chapter 25B
  - Because the findings have been properly made, the applications must be approved
- The Planning Commission considered and rejected all of Appellants' arguments
- All Chapter 25B requirements have been met
- **The appeals should be denied**

# Procedural Due Process Requires County to Follow Code

- A permit transfer appeal from the Planning Commission is a **quasi-judicial proceeding** concerning a ministerial review process. An Applicant is owed:
  - Due process
  - A fair tribunal
- Procedural due process means that Applicants must be given **fair notice**, meaning the Applicants must be able to understand the true requirements it must satisfy to secure a permit transfer
- The County may not introduce new requirements, outside of Chapter 25B, and impose new standards midstream, or else the Applicant would have no way to understand the true requirements it must satisfy to secure a permit transfer
- **Yet this is exactly what the Appellants ask the Board to do**
- Appellants' overly broad construction would allow the Board **unbridled discretion** to reject permit transfers based on **arbitrary and random** criteria -- this would violate due process
- The Board does not have authority to go beyond the four corners of Chapter 25B to find other, extra-statutory bases to deny transfer approval

# Board Cannot Consider Information that Post-Dates the Application

- Sec. 25B-9(a)(5) and 25B-10(a)(5) provides that the Board must consider only the information related to permit compliance “[a]s of the date that the application is deemed complete”
- The Appeals, like the original applications, are evaluated as of the date the applications were deemed complete
- The Applications were deemed complete on July 30, 2024
- Considering matters that postdate the application date goes beyond the confines of Chapter 25B
- The court expressly ordered that the Board reach a determination in compliance with the requirements of Chapter 25B
- The Board would violate both Chapter 25B and the court if it considers events after July 30, 2024, in determining whether to deny the Transfers
- While Applicants provide post-Application information due to Appellants improperly raising later issues, this is outside the scope of Chapter 25B

# Appellants Misstate Facts and Law

- **Appellants claim that the County must require new permits to authorize the facilities**
  - Existing permits are still valid and none of the circumstances allowing modification or revocation have occurred
  - Facilities are in compliance with all conditions and will continue to be operated in compliance with the permits
  - Chapter 25B and the FDPs *do not* allow the Board to reconsider permit conditions as part of permit transfer
- **Appellants demand additional financial assurances**
  - Chapter 25B cannot be reasonably read to require additional assurances
  - Planning Commission found that all previously required bonds and endowments under the FDPs have been satisfied (PC Findings, pp. 2, 4, 6-7, 9-10)
  - Sable has provided evidence of financial assurances above and beyond what is required
  - Any attempt by the County to impose greater requirements than those required by OSPR would be preempted
  - Permits only require bonding upon permanent cessation of operations; this Board has never required a cessation bond
  - Applicants have received COFRs for Facilities actually flowing oil and provided additional evidence of the substantial insurance coverage for the Facilities

# Appellants Misstate Facts and Law

- **Appellants argue that the facilities are not in compliance with permit requirements**
  - This Board determined that the prior owner/operator was in compliance with all County requirements in September 2023
  - Nothing has changed in 2 years – Sable continues to comply with all permit and County Code requirements
- **Appellants argue that the County is responsible for evaluating the status or content of the compliance plans**
  - The County’s review of the compliance plans is limited to whether the Applicants have updated any existing, approved plans “with current emergency **contact information** pertaining to the new operator” – Applicants have submitted all required plans
  - The County is not responsible for verifying the efficacy of these contingency plans or evaluating the Applicants’ ability to implement them; that authority is vested in OSPR (Gov. Code §§ 8670.28, 8670.29.)
  - Appellants assert that the oil spill contingency plans have not yet been approved by various state and federal agencies, which is untrue; they have been approved

# Appellants Misstate Facts and Law

- **Appellants argue that Applicants have not demonstrated capabilities to operate the Facilities**
  - County’s inquiry into operator capability is to determine whether the operator “has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes” (County Code § 25B-10)
  - Planning Commission properly found that this finding had been satisfied
  - Any inquiry regarding pipeline safety or operations is preempted
  - Sable team has long history of safe and successful operation of oil production facilities
- **Appellants claim that County staff misled the Planning Commission and that the approval process was unfair**
  - Appellants were given full opportunity to be heard - Planning Commission reviewed hundreds of pages of materials and listened to hours of public testimony before making the required findings and approving the transfers
  - Appellants and the public had many opportunities to present their claims, which were fully rejected by the Planning Commission
- **Appellants argue that CEQA requires additional review of the County’s action**
  - Approval of the transfers is an administrative action that is not a project under CEQA
  - Consistent with prior approvals under the same County Code section, approval of the change of owner, operator and guarantor is exempt from CEQA

# EDC Relies on Draft Law that was REJECTED

- EDC cites to various County documents analyzing prior drafts of Chapter 25B that were considered but rejected and **never enacted**.
- Relying on these sources, EDC argues that the County authority extends far beyond the narrow scope outlined in the **plain language** of Chapter 25B.
- The additional financial assurances and abandonment commitments EDC requests are not included in Chapter 25B.

REJECTED Draft Ordinance Language (Summer 2001)	ACTUAL Chapter 25B Language
<p>DRAFT Sec. 25B-9(1). b) Financial Guarantees. The proposed owner, operator, or other guarantor has provided all <b>necessary instruments or methods of financial responsibility approved by the County and necessary to comply with the permit and any County ordinance.</b></p>	<p>Sec. 25B-9(a)(2). Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance <b>have been updated, if necessary, to reflect the new owner(s) and will remain in full effect</b> following the ownership change.</p>
<p>DRAFT Sec. 25B-9(5). Upon making the findings listed in Section 25B-9(1), (2), (3), or (4), the Director shall approve the change of owner, operator, or guarantor, or approve the temporary operator. The Director may impose additional conditions on the permit, except for applications approved under Section 25B-9(4), <b>in order to ensure that the new owner, operator, temporary operator, or other guarantor maintains adequate financial guarantees for operations and abandonment.</b></p>	<p>Sec. 25B-9(g). Approval. Upon making the findings listed in Sec. 25B-9.1 to 9.6 the director shall approve the change of owner, operator, or guarantor, or approve the temporary operator. The director may impose additional conditions on the permit, except for applications approved under Sec. 25B-9.4, <b>in order to ensure that any insurance or other financial guarantees that were submitted to and relied on by the director as a basis to make any finding required by this chapter are maintained.</b></p>
<p>DRAFT Sec. 25B-9(1). c) Abandonment. The proposed owner, operator, or other guarantor has demonstrated the financial capability through financial guarantees to comply with all federal, state and local law and permits regarding abandonment of the facility and remediation of contamination.</p>	<p>N/A</p>

# Legislative History Contradicts Appellants' Arguments

- Appellants' arguments that the Board may consider greater or different financial assurances, are directly contradicted by the legislative history of Chapter 25B itself.
- The 2001 Staff Report regarding the proposed Chapter 25B permit transfer process provides:

***“[N]either the Financial Guarantees nor the Abandonment findings [. . .] impose any unspecified financial requirements.*** The findings simply require that financial responsibility and abandonment provisions in permits and ordinances are adhered to.”

- In response to industry concerns, the Staff Report clarified that the proposed permit transfer process:

***“[W]ould not open permits up for negotiation of financial responsibility, except in cases where a permit already contains the basis for doing so.”***

- The legislative history contradicts Appellants' arguments and confirms that the County's authority with respect to financial assurances is limited.

# Appellants Focus On Everything But Chapter 25B

- Appellants cite to news articles, “expert” reports, and court filings regarding unrelated facilities and unrelated business entities to distract from the narrow inquiry in front of the Board
- Appellants focus on matters exclusively within the control of state and federal agencies:
  - Appellants’ submissions are full of materials from federal and state agencies, including BOEM, BSEE, PHMSA, OSFM, CalGEM, State Lands, various state and federal courts, and many others
  - Appellants cite no authority that would permit the County to override these federal and state agencies
- Appellants submit speculative expert reports on Pipeline restart—but pipeline safety is in the exclusive control of OSFM under delegated authority granted by PHMSA
  - The County acknowledged in Celeron and has repeatedly acknowledged since: it has no jurisdiction over pipeline safety
  - Pipeline restart is not before this Board
- Appellants ask the Board to engage in extra-statutory actions that are *not authorized* by Chapter 25B
  - Appellants cite unadopted language that was specifically rejected and is not in Chapter 25B
  - Appellants invite the Board to arbitrarily impose new requirements and act in excess of its jurisdiction
- Appellants ask the Board to consider disputes involving other agencies (Coastal Commission, Water Board, Department of Fish & Wildlife) and related complaints that post-date when the applications were deemed complete and which have no bearing on the limited findings of Chapter 25b
- As confirmed by the court, the Board **must** follow Chapter 25B

# Repair and Maintenance Work Dispute with Coastal Commission

- The ongoing dispute with the Coastal Commission is not a basis to deny approval of the transfers
- The dispute goes beyond the confines of Chapter 25B:
  - The Coastal Commission’s NOV’s and April 2025 Orders were not issued by the County and thus ***do not demonstrate non-compliance with any County ordinance***
  - Chapter 25B does not contemplate denial even for County NOV’s; only assigns responsibility to work through them, and
  - The Coastal Commission’s NOV’s and April 2025 Orders post-date the application completeness date
- The dispute does not demonstrate wrongdoing by Applicants – ***existing approvals and authorizations from the County allowed Sable to repair pipeline anomalies, install safety valves, and support offshore pipeline facilities as required by federal and state regulations***
- Applicants relied on **the County’s own authorization** when completing repairs in the Coastal Zone – Sable’s reliance on the County’s authorization cannot be used as a basis to deny the transfer

# Water Board and CDFW Related Matters

- Water Board and CDFW NOV's and related Attorney General and District Attorney complaints are not a basis to deny the transfers
- On October 3, 2025, the California Attorney General's office filed a civil complaint alleging violations of the California Water Code. On September 16, 2025, the Santa Barbara District Attorney's Office filed a criminal complaint based on the same alleged violations underlying the civil suit.
- The disputes go beyond the confines of Chapter 25B:
  1. The events and complaints post-date the application completeness date
  2. Chapter 25B permits the Board to consider only compliance with "applicable county ordinance[s]," not state laws, which are outside its jurisdiction
  3. The allegations in the complaints pertain to the Pipeline, meaning County is preempted
  4. The complaints consist of unproven allegations, not a final compliance record or corrective action
  5. Applicants strongly deny wrongdoing:
    - Biological and cultural assessments were done to ensure no adverse effects on resources, all repairs and excavations were witnessed and observed by the California Office of the State Fire Marshal and evaluated by certified professionals, and no wildlife was adversely affected
    - Sable has been cooperating with Water Board and CDFW regarding after the fact permitting – Sable has received permits from the Water Board and CDFW for 5 sites and is in the process of working with the Water Board and CDFW to permit an additional 9 sites

# Conclusion

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1) Sable has met all Chapter 25B requirements.

- Sable management team has decades of safe oil and gas operations
- Sable is committed to a state-of-the-art pipeline
- Sable’s extensive insurance and cash reserves exceed requirements

2) Pipeline Operations

- Pipeline safety is preempted
- Approval of permit transfer **does not** authorize the flow of oil through the pipeline
- Flowing oil through pipeline is subject to separate state and federal regulatory requirements

3) The Appellants ask the Board to go beyond the requirements of Chapter 25B

- This would violate both Chapter 25B and the court’s express order

# Request of the Board of Supervisors

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- Sable respectfully requests that the Board of Supervisors:
  - Deny the appeals;
  - Determine that the requested Change of Owner, Operator and Guarantor applications are not a “project” and exempt from CEQA;
  - Make the required findings under Santa Barbara County Code Sections 25B-9 and 25B-10; and
  - Approve the Change of Owner, Operator and Guarantor applications.