

# **Summary of State and Federal Lawsuits Against Sable Offshore Corporation Impeding Restart of Santa Ynez Unit Oil and Gas Production**

## **Updated 11/05/25**

### **Background**

The Santa Ynez Unit (SYU) Las Flores Pipeline System is a set of onshore crude oil pipelines (CA-324 and CA-325) that run 122 miles from the Las Flores Canyon (LFC) oil and gas processing facility in Santa Barbara County to the Pentland Terminal in Kern County. The oil and gas processed at LFC is produced at Platforms Hondo, Harmony, and Heritage located on the federal OCS offshore Santa Barbara County. The LFC pipeline system has been shut in since May of 2025 when the CA-324 pipeline ruptured releasing an estimated 3,333 barrels (140,000 gallons) of oil that impacted an estimated 150 miles of the California coast. At the time of the spill the pipeline was owned and operated by Plains All American Pipeline. The LFC pipelines were subsequently sold to ExxonMobil (XOM) who in turn sold the pipelines and its SYU platforms and processing facilities to Sable Offshore Corporation (Sable) in February 2024 for approximately \$988 million, financed in large part by a \$625 million loan from XOM. Under the terms of the deal with XOM, which was amended in 2025, Sable has until March 1, 2027, to begin commercial sales of hydrocarbons. Failing that, the property reverts to XOM. Sable has been attempting to obtain permits from federal, state and local regulatory agencies to restart SYU production and the LFC pipelines. Sable's efforts have been stymied by multiple lawsuits filed by environmental groups and State and local regulatory agencies. The combined legal challenges, injunctions, and restraining orders have significantly delayed Sable's restart plans and prompted the company to pursue an Offshore Storage and Treatment Vessel (OS&T) strategy, which was utilized to process SYU production in federal waters from 1981 - 1994, and transport oil to markets using tankers.

### **State and County Litigation**

Sable Offshore Corp. (Sable) et al vs California Coastal Commission (CCC), Superior Court of California, County of Santa Barbara, Case No. 25CV00974

- In April 2025, the CCC issued cease-and-desist orders (CDO), a \$18 million fine, and a restoration order against Sable for conducting unpermitted LFC pipeline repair and maintenance work damaging the coastal zone.
- On May 28, 2025, the Santa Barbara (SB) Superior Court (Judge Thomas Anderle) granted a preliminary injunction requested by the CCC prohibiting Sable from conducting maintenance and repair work on its pipelines pending resolution of litigation between the company and the CCC.
- On October 15, 2025, Judge Aderle issued a tentative ruling in favor of the CCC against Sable on the first cause of action (CCC's authority to issue CDOs); the remaining points

of contention raised by Sable (e.g. the amount of the fines, etc.) will be addressed in future hearings.

- Judge Aderle ruled the repair work undertaken by Sable clearly qualified as development under the terms of the state Coastal Act and required a Coastal Development Permit (CDP).
- On October 15, 2025, Judge Aderle issued a final ruling confirming the conclusions he reached in his October 15<sup>th</sup> tentative ruling.
- The ruling leaves intact the injunction the CCC secured blocking Sable from doing any more repair work until it gets the necessary permits.
- On December 3, 2005, a hearing is scheduled on this matter.
- Sable stated that it planned to appeal Judge Aderle's decision that the pipeline repair work by Sable was development and required a CDP from the CCC.

Sable et al vs CCC – Superior Court of the State of California, County of Santa Barbara, Case No. 25CV00974

- On February 18, 2025, Sable filed lawsuit for damages and for declaratory and injunctive relief against the CCC for issuing CDOs prohibiting Sable from conducting LFC pipeline repair and maintenance operations.
- Sable's filing asserted four causes of action: (1) damages for inverse condemnation; (2) declaratory relief for impairment of vested rights; (3) declaratory relief for inverse condemnation; and (4) declaratory relief re Public Resources Code section 30803.
- Sable asserts that their pipeline repair program was authorized by existing permits issued by the SB County under its Local Coastal Program and delegated Coastal Act authority.
- On October 6, 2025, Sable filed a motion seeking damages against the CCC in excess of \$347 million.

Center for Biological Diversity (CBD) et al and the Environmental Defense Center (EDC) et al vs California Office of State Fire Marshal (OSFM), Superior Court of the State of California, Santa Barbara County, Case No. 25CVO2244

- In late 2024, OSFM waived standard cathodic protection safety requirements for Sables LFC pipelines raising concern among pipeline restart opponents that OSFM was poised to approve restart of the LFC pipelines.
- OSFM waived the cathodic protection requirements based on its determination supplemental pipeline safety and inspection measures required by OSFM provided assurances Sable's pipelines could be operated safely.
- On February 11, 2025, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) notified OSFM that it had no objection to its waiver decision.
- In April 2025, the CBD et al, along with the EDC et al sued OSFM for failing to conduct an environmental review or provide an opportunity for public comment before issuing the cathodic protection waiver..

- On June 3, 2025, the SB County Superior Court (Judge Donna Geck) issued a temporary restraining order preventing OSFM from taking any action towards restarting Sable's LFC pipelines.
- The judge's injunction order found that OSFM likely violated state/federal pipeline safety laws by failing to provide a statement of reasons justifying its finding that the LFC pipelines will be safe to operate despite the lack of an effective cathodic protection system to prevent corrosion.
- On July 18, 2025, Judge Geck issued a revised ruling narrowly granting the motions for preliminary injunctions to enjoin the restart of Sable's LFC pipelines.
- The order required Sable to come back to the court after receiving all outstanding approvals and then gives environmental groups a 10-day period to seek further relief from the court.
- Judge Geck noted Sable is not prevented by this injunction from taking steps towards restarting the LFC pipelines short of actual restart.
- She also noted OSFM is not impeded by the injunction from taking steps it finds appropriate in its regulatory capacity, including any steps OSFM may find desirable following this order.
- On October 22, 2025, OSFM sent a letter to Sable notifying the company that it had not repaired all the corroded portions of its damaged LFC pipeline according to the specifications included in a special state waiver the OSFM issued in December 2024.
- The waiver mandates that all lengths of the pipeline that are corroded by 40 percent or greater must be repaired. But beyond that, the OSFM claimed, Sable needed to have factored in a margin of error specific to the diagnostic in-line tool used to read the extent of corrosion.
- Typically, that margin of error would be 10 percent. This means a stretch of LFC pipeline showing corrosion levels of 30 percent would need to be repaired as if it was 40 percent corroded.
- The OSFM informed Sable that the restart application cannot be processed until any additional repairs required are completed.
- Sable is contesting OSFM's determination.
- If Sable is required to take additional measures to repair the LFC pipelines, restart of the pipelines could be delayed indefinitely because court injunctions (see Sable vs CCC) prohibit Sable from doing any more pipeline repair and maintenance operations until it obtains all necessary permits.

Sable, XOM et al vs. Santa Barbara County, and Santa Barbara County Board of Supervisors, United States District Court, Central District of California, Case No. 25-4165-DMG (AGRx)

- On May 8, 2025, Sable, XOM et al filed suit against SB County and the SB County Board of Supervisors for failure to approve the ownership transfer of the SYU facility Final Development Plan (FDP) permits held by XOM to Sable.
- Sable claimed the denial of the ownership transfer was an unlawful seizure of private property.
- Sable requested the court to force the county to transfer the permits, but the judge (Dolly Gee) declined the request and instead sent the issue back to the Board of Supervisors,

saying it was required to vote on the issue again within 60 days of the court's decision. If a decision is not reached, the board must rehear the issue every 45 days until a majority vote is reached.

#### Case Background:

- On February 14, 2024, Sable closed on a Purchase and Sale Agreement with XOM transferring ownership of the SYU facilities from XOM to Sable..
- POPCO remains the legal owner of the POPCO Gas Plant, and PPC remains the legal owner of the LFC pipelines. Sable would be the Guarantor and Operator for all the facilities.
- Ownership, Guarantor, and Operator changes on SB County permits require Planning and Development Director and Planning Commission approval pursuant to Section 25B of the SB County Code.
- On March 14, 2024, Sable submitted applications for the Change of Owner, Operator, and Guarantor for the SYU, POPCO Gas Plant, and LFC Pipelines.
- On July 30, 2024, Sable's applications were determined to be complete.
- On October 30, 2024, the SB County Planning Commission approved the ownership transfer of permits from XOM to Sable by a 3-1 vote.
- The Planning Commission was appealed by local environmental groups, including the EDC and CBD.
- At a hearing held on February 24, 2025, the SB County Board of Supervisors deadlocked by voting 2-2 on the ownership transfer.
- According to SB County Counsel, the 2-2 vote means no action was taken and the ownership transfer was not approved.
- Sable said it viewed the split vote as meaning that the appeal did not pass and that the Planning Commission's decision stands.
- Supervisor Joan Hartmann, who had recused herself from the prior vote on the grounds that the pipeline came within a short distance of her home in Buellton, is now able to vote after receiving clearance from the California Fair Political Practices Commission who determined she was not constrained from voting due to financial conflicts.
- On November 3, 2025, the SB County Planning Commission on a 4-1 vote denied approving LFC ownership transfer from XOM to Sable.
- In a surprise reversal, Supervisor Steve Lavagnino, a proponent of the oil and gas industry, voted against the ownership transfer; he noted the landscape had changed dramatically since the February vote due to the 21 criminal charges filed against Sable for environmental damages caused by pipeline repair and maintenance activities, the related \$18 million fine issued by the CCC, and litigation filed against Sable by investors.
- On December 16, 2025, the Supervisor's will meet again to discuss the findings that must be made to deny Sable the transfer permits it sought.
- Sable and XOM have vowed to continue litigating this matter.

#### Santa Barbara County District Attorney (SBDA) vs Sable

- On September 16, 2025, the SBDA filed 21 criminal counts against Sable related LFC pipeline repair and maintenance work.

- The 21 counts include five felony charges of knowingly discharging a pollutant into a waterway, and 16 misdemeanors, including allegations of unlawful obstruction of a streambed.
- Sable issued the following statement “All of the repairs and excavations were supervised by a certified independent biologist and cultural resource professional, and OSFM personnel. No wildlife was adversely affected. All of these previously disturbed areas have been or are being remediated in accordance with state and local erosion control mitigation measures.”
- On November 4, 2025, a hearing was held on the criminal case in the SB Superior Court.

#### State Attorney General (CAG) vs Sable

- On October 3, 2025, the CAG filed lawsuit against Sable in the SB Superior Court, saying it illegally discharged waste into waterways.
- The complaint alleges that Sable “placed profits over environmental protection in its rush to get oil on the market,” carrying out 144 excavations between October 2024 and May 2025 that cut through creeks, wetlands, and riparian corridors without authorization.
- The lawsuit was filed at the request of the Central Coast Regional Water Quality Control Board..
- Violations could carry penalties of \$5,000 per day per site.
- As noted above, Sable claims the pipeline maintenance and repair work was conducted in compliance with existing permits issued by SB County and monitored by OSFM.

#### Sable Declaratory Judgement Against the State of California

- On Sept. 29, 2025, Sable filed a declaratory judgement action against the State of California in Kern County; the judgement seeks to confirm that the pipeline permitting provisions of SB 237 do not apply to Sable’s LFC pipelines.
- Prior to the enactment of SB 237, Sable had threatened to sue the State for \$11 billion if Governor Newsom signed the bill because it contained what it considered to be new, onerous permitting requirements for the LFC pipelines.

#### Case Background:

- On September 19, 2025, Governor Newsom signed Senate Bill 237.
- The bill, which takes effect in January, reasserts the authority of the CCC to oversee pipeline repair projects and requires the "best available technology" for any pipe transporting petroleum from offshore.
- SB 237 clarifies in the Coastal Act that the repair, reactivation, and maintenance of an oil and gas facility that has been idled, inactive, or out of service for five years or more is considered a new or expanded development requiring a new CDP.
- SB 237 also requires the CCC or local government with a certified local coastal program to review and approve, modify, condition, or deny the CDP, as provided.

#### **Federal Litigation**

Center for Biological Diversity (CBD) et al vs Bureau of Safety and Environmental Enforcement (BSEE) and Sable Offshore Corp. (Intervenor), United State District Court, Central District of California, Western Division, Case 2:25-cv-02840

- On June 27, 2024,, the CBD et al sued BSEE for unlawfully renewing the SYU federal OCS leases in 2023.
- CBD argued BSEE's national interest determination failed to consider several highly relevant factors (climate crisis, Endangered Species Act, environmental justice etc.).
- CBD also argued BSEE failed to conduct any environmental review under NEPA of the environmental impacts of extending XOM's leases. Instead, BSEE deemed the lease extensions categorically excluded from NEPA and determined that no extraordinary circumstances exist that would make application of the categorical exclusion inappropriate.
- BOEM subsequently requested that the court remand the challenged action so that the agency could revise its NEPA and National Interest analyses.
- In its request for a remand, BSEE identified deficiencies in the completeness and sufficiency of both the categorical exclusion review and National Interest analysis that were performed and stated it had requested BOEM to prepare an Environmental Assessment to evaluate the potential environmental effects of lease extension.
- On March 21, 2025, the court denied BSEE's request for a "voluntary remand," which would have paused the lawsuit while the agency performed a new environmental review.
- On May 28, 2025, BOEM/BSEE released an Environmental Assessment and a Finding of No Significant Effect for SYU lease extensions.
- Plaintiffs argue BSEE's May 2025 decision and Environmental Assessment was completed in bad faith, was improperly predetermined, was unreasonably slanted, and/or was substantively inadequate pursuant to the relevant case law.
- The case is now moving forward, with both sides presenting arguments regarding the legality of the lease extensions.

Center for Biological Diversity (CBD) et al vs. Bureau of Ocean Energy Management (BOEM), United States District Court, Central District of California, Western Division, Case 2:25-cv-02840

- Sable plans a phased return-to-production of the SYU facilities beginning with Platform Harmony.
- On April 2, 2025, the CBD et al sued BOEM for not complying with the Outer Continental Shelf Lands Act (OCSLA), which requires Sable to revise its development and production plans (DPPs) for the SYU platforms located on the federal OCS offshore SB County..
- The CBD claims that BOEM has non-discretionary mandates that outline when an oil company must revise its DPP. The triggers include "when operations would result in a significant increase in the volume of oil and gas production, an increase in air pollution



that exceeds the amounts specified in an approved plan, or a significant increase in water pollution.”

- On April 30, 2025, BOEM completed a periodic review of the SYU Unit DPP for Platform Harmony pursuant to OCSLA and the BOEM implementing regulations at 30 CFR § 550.284(a) and determined no revisions to the DPP were needed at that time.
- BOEM noted a revision to the Platform Harmony DPP was completed in December 2024. This revision incorporated Terms and Conditions from the Endangered Species Act Section 7(a)(2) Biological and Conference Opinion: Development and Production of Oil and Gas Reserves and Beginning Stages of Decommissioning within the Southern California Planning Area of the Pacific Outer Continental Shelf Region National Marine Fisheries Service (NMFS) consultation #2023-02183.
- In September 2025, the court allowed the lawsuit to proceed, rejecting intervenor Sable's attempt to dismiss the case.
- On October 9, 2025, Sable updated its Platform Harmony DPP to utilize an OS&T and has requested expedited permitting support from the federal government.
- To support its decision on Sable's DPP revision for the OS&T, BOEM will be required to prepare a new NEPA review.
- In its November 3, 2025, Form 8-K report to the Securities Exchange Commission, Sable reported it was targeting purchasing an identified OS&T vessel by the 1<sup>st</sup> quarter of 2026.

## **Investor Litigation**

### Class Action Lawsuit Against Sable – United States District Court, Central District of California, Case 2:25-cv-06869

- On July 28, 2025, investors filed a class action lawsuit (Johnson v. Sable Offshore Corporation) against Sable for violations of the federal securities laws; the plaintiffs alleged false and misleading statements made in a May 19, 2025, Sable News Release reporting Sable had restarted oil and gas production at SYU, and anticipated sales from the LFC pipeline system in June 2025.
- Plaintiffs seek to recover compensable damages caused by Sable's violations of the federal securities laws under the Securities Act of 1933 and the Securities Exchange Act of 1934 (the “Exchange Act”).
- On November 3, 2025, Federman & Sherwood, a national litigation firm, announced that it has opened a preliminary investigation into the conduct of Sable in light of new reporting by Hunterbrook Media that raises serious concerns about Sable's disclosures and regulatory posture.
- According to the Hunterbrook Media article, Sable officials held a leaked conference call in October 2025 in which CEO Jim Flores reportedly told a select group of investors that Sable may need to raise up to \$200 million in equity by the end of 2025 — information that had not been publicly disclosed at that time.
- The article further alleges that Sable shared this and other material information with a limited subset of investors (including professional golfer Phil Mickelson), while the broader market may not have received notice at the same time — raising questions about potential violations of the Securities and Exchange Commission's Regulation FD (fair disclosure).

