Summary of State Regulation of Crude Oil Pipelines in Santa Barbara County

May 14, 2025 (Updates in red)

Sable Offshore Corporation is attempting to restart the Santa Ynez Unit oil and gas operation in Santa Barbara County. The Santa Ynez Unit includes three offshore platforms in federal waters connected to shore by offshore pipelines, onshore pipelines, the Ellwood Pier, mooring buoys, and the Las Flores Canyon Processing Facility. The onshore pipelines include pipelines identified as CA-324 and CA-325 that were responsible for the 2015 Refugio Oil Spill.

This summary outlines the many state agencies that oversee the Santa Ynez Unit operations, including oil pipeline construction, maintenance and operations, which would need to approve various actions to allow these pipelines to restart. This summary has been assembled to build public understanding of the regulatory processes over these pipelines.

Overview

California's lands and offshore waters have hosted significant crude oil extraction for well over a century. Since the mid-1980's, however, crude oil extraction has declined each year largely due to decreasing levels of easily accessible crude oil.

Today, the state has three active crude oil/petroleum extraction platforms off its coast in state waters and eight active platforms in federal waters. These platforms are connected to the shore via undersea pipelines that transport crude oil from the offshore platforms to onshore facilities that process the oil for sale. This oil is eventually transported to refineries to be converted into products such as gasoline and diesel fuel.

California state government enforces a broad set of laws and regulations over many aspects of crude oil infrastructure. This includes oversight of the extraction, transport, and refining of crude oil. These laws and regulations exist to protect public health and safety and to safeguard California's natural resources and environment.

Oversight By Agency

Multiple state agencies regulate the pipelines owned and operated (pipelines CA-324 and CA-325) by Sable Offshore Corporation in Santa Barbara County that the company is attempting to restart. Each of these state entities has specific authorities and obligations over these pipelines that is detailed in state law and discharges these responsibilities through regulatory and oversight processes.

The state entities with oversight over these pipelines include (in alphabetical order):

- 1. California Coastal Commission
- 2. California Department of Conservation, California Geologic Energy Management Division (CalGEM)

- 3. California Department of Fish and Wildlife (CDFW), including the Office of Oil Spill Prevention and Response (OSPR)
- 4. California Department of Forestry and Fire Protection (CAL FIRE), Office of the State Fire Marshal (OSFM)
- 5. California Department of Parks and Recreation (State Parks)
- 6. Central Coast Regional Water Quality Control Board
- 7. Central Valley Regional Water Quality Control Board
- 8. State Lands Commission

These state entities, with the exception of the two regional Water Quality Control Boards, exist within the California Natural Resources Agency. The regional Water Boards fall under the umbrella of the California Environmental Protection Agency.

Below is a short summary of the referenced state entities with regulatory oversight over these pipelines.

CALIFORNIA COASTAL COMMISSION

Issues permits for approved development activity in coastal areas.

- FOCUS: Environmental protection and public access to state coastal areas.
- ROLE & AUTHORITY: Under the California Coastal Act of 1976, the California Coastal Commission has permitting responsibility for non-exempt pipeline work and other development associated with the pipeline in the Coastal Zone, including any enforcement actions for permitting requirements. The Commission also has federal consistency review authority under the Coastal Zone Management Act of certain pipeline-related activities in federal waters.
- ACTIONS UNDERWAY: Commission staff is coordinating with Santa Barbara County, which shares the permitting jurisdiction, on permitting processes related to Sable's work along the pipeline. Commission staff continues to direct Sable to apply for a Coastal Development Permit to resolve Coastal Act violations that occurred both onshore and offshore.
 - On September 27, 2024, Commission staff issued a Notice of Violation and cease and desist letter to Sable due to then recent and ongoing development activities that were occurring on and around the pipeline within the Coastal Zone without any Coastal Act authorization, requesting that Sable cease and desist.
 - On October 4, 2024, Commission staff issued a Notice of Intent to issue an Executive Director Cease and Desist Order and requested confirmation that all work on the pipeline had ceased and that Sable would apply for a Coastal Development Permit for the work that had already occurred.
 - On November <u>112</u>, 2024, the Commission's Executive Director issued a Cease and Desist Order to Sable, directing Sable, among other things, to submit an application for a Coastal Development Permit "for any proposed future work to be undertaken along the Pipelines, as well as for after-the-fact ('ATF') authorization for unpermitted development that has already occurred."
 - Sable temporarily ceased <u>its onshore</u> activities. The Cease and Desist
 Order expired on February <u>910</u>, 2025. The deadline established in the Order

for Sable to apply for a Coastal Development Permit expired on March 11<u>12</u>, 2025. Sable has not filed an application.

- On February 18, 2025, Sable filed a complaint against the Commission in Santa Barbara Superior Court, challenging two Notices of Violation and the Executive Director Cease and Desist Order issued on November 1112, 2024. Sable is seeking declaratory and injunctive relief and inverse condemnation damages.
- On February 11, 2025, Commission staff issued a Notice of Violation and cease and desist letter to Sable regarding unpermitted development activities which had taken place offshore, in state coastal waters. This letter directed asked Sable to cease any further unpermitted development activities and apply for after-the-fact authorization for those development activities already undertaken.
- Around February 14, 2025, Sable recommenced its <u>onshore</u> activities <u>in the coastal</u> zone, and on February 18, 2025, the Commission's Executive Director issued a second Executive Director Cease and Desist order addressing the unpermitted development activities Sable had recommenced onshore. This <u>order letter</u>, among other things, directed Sable to, again, cease any further development activities at the onshore locations, and to apply for a Coastal Development Permit for both after-the-fact authorization for work previously undertaken at these locations and for proposed, future work. This Executive Director Cease and Desist Order also included notice of the Executive Director's intent to pursue a future Cease and Desist Order <u>and other further enforcement actions</u> from the Coastal Commission and other further enforcement orders. Sable did not cease its activities or comply with the order.

- On April 10, 2025, the Commission held a five-hour noticed, public hearing, at the conclusion of which it issued Sable a Cease and Desist Order and Restoration Order and imposed an administrative penalty. The Cease and Desist Order required, among other things, that Sable cease operations until securing Coastal Act authorization or a formal, final exemption determination for any work it wished to pursue. It also required that Sable seek after-the-fact Coastal Act authorization for work already completed and prospective authorization for anticipated work. The administrative penalty requires Sable to pay approximately \$18 million, with a potential reduction to approximately \$15 million if Sable complies with the requirement to seek Coastal Act authorization and pursues the most expeditious permitting approach. Sable continued its work and did not apply for authorization under the Coastal Act.
- On April 16, 2025, the Commission filed a cross-complaint and an application for a temporary restraining order (TRO) and preliminary injunction (PI) against Sable to enforce the April 10, 2025 Cease and Desist Order.
- On April 17, 2025, the trial court reversed its tentative ruling in favor of the Commission, denied the Commission's request for a TRO, and set a hearing for May 14, 2025, on an Order to Show Cause (OSC) why a PI should not issue.
- On April 21, 2025, the Commission filed a notice of appeal of the denial of the TRO, and on April 22, 2025, the Commission filed a writ petition with the Court of Appeal

seeking immediate injunctive relief. To date, the Court of Appeal has issued no ruling on that petition.

- On May 6, 2025, the trial court issued an order moving the OSC hearing to May 29, 2025, and requiring the parties to submit briefs by May 14, 2025, on the question of whether the trial court retains jurisdiction to consider the issuance of a PI at an OSC hearing, given the appeal.
- FOR MORE INFORMATION: Contact the <u>California Coastal Commission</u> at <u>ExecutiveStaff@coastal.ca.gov</u> or the Commission's Public Information Officer at (415) 200-8052.

CALIFORNIA DEPARTMENT OF CONSERVATION: GEOLOGIC ENERGY MANAGEMENT DIVISION (CalGEM)

Oversees and regulates oil processing and production facilities.

- FOCUS: Public health and safety, environmental quality.
- ROLE & AUTHORITY: The Department of Conservation oversees compliance for oil production facility management. While the department has oversight of the Los Flores Canyon oil processing facility, CalGEM approval is not required prior to restarting the pipeline. CalGEM does, however, have a role in ensuring compliance with other regulatory partners in completing an oil spill plan, a pipeline management plan, various testing and maintenance requirements, bonding to cover decommissioning costs, and oversight of any potential oil production work happening near communities (called health protection zones).
- ACTIONS UNDERWAY:
 - On December 17, 2024, the Department of Conservation sent a letter to Sable notifying them of the need for an additional inspection of facilities, and production and bonding requirements.
 - On *May 9, 2025,* the Department of Conservation sent a letter to Sable notifying them that a bond in the amount of \$31.9 million must be filed and outlining additional production facility requirements.
- FOR MORE INFORMATION: Contact <u>Department of Conservation</u> Public Affairs at <u>PAO@conservation.ca.gov</u> or the Office of the Director at (916) 322-1080.

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE/CDFW OFFICE OF SPILL PREVENTION AND RESPONSE

Manages natural resources for their ecological value and for public use.

- FOCUS: Protecting wildlife.
- ROLE & AUTHORITY: Exercises oversight as a landowner, as well as through its authority to protect fish and wildlife, and separately through one of its offices that oversees prevention, preparation for, and response to oil spills. CDFW-OSPR reviews and approves oil spill response plans and works to ensure that facilities have the financial resources necessary to cover the costs of oil spill scenarios. Under the Endangered Species Act and other Fish and Game Code laws, CDFW also oversees the review and approval process for evaluating impacts to wildlife due to altering the adjacent landscape.

• ACTIONS UNDERWAY:

- In October 2024, CDFW-OSPR certified that Sable had the financial resources to cover the costs of a reasonable worst-case scenario oil spill.
- On November 22, 2024, CDFW-OSPR sent a second notice to Sable sharing that its offshore contingency plan (C-Plan #CA-00-7239) was deficient. On December 20, 2024, Sable submitted corrections to its plan. CDFW-OSPR is reviewing these corrections and must respond by January 19, 2025.
 - Additional corrections were submitted by Sable on December 20, 2024 and January 17, 2025. CDFW-OSPR has reviewed the plan and found no deficiencies.
 - On March 26, 2025, following the completion of a formal review, CDFW OSPR issued an approval letter for the C-Plan and an updated COFR for #CA-00-7239.
- On December 17, 2024, CDFW-OSPR sent a third notice to Sable sharing that its onshore contingency plan (C-Plan #CA-00-7217) was deficient. On January 9, 2025, Sable submitted corrections to its plan. CDFW-OSPR is reviewing these corrections and must respond by February 9, 2025.
 - OSPR has reviewed the plan and found no deficiencies.
 - On March 26, 2025, following the completion of a formal review, CDFW
 OSPR issued an approval letter for C-Plan #CA-00-7217
- On December 17, 2024, CDFW also issued a notice of potential violation (NOPV) for Fish and Game Code violations. This notice requests that Sable discontinue any work on CDFW properties and contact CDFW to discuss remedial measures and other actions to address impacts. Specifically, the NOPV explained 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 NOPV requested Sable to discontinue any work on CDFW property inconsistent with the easement and to contact CDFW to discuss remedial measures and other actions to address impacts on fish and wildlife resources at the locations identified in the NOPV.
 - Sable submitted three notifications to CDFW under Fish and Game Code section 1602(a)(1), all to complete remediation work at the locations identified in the notifications.
 - On February 18, 2025, CDFW received a notification (No. EPIMS-SBA-57481-R5) pertaining to Sable's previous work at Site 280.65.19 (Unnamed Drainage East of Baron Ranch). On March 18, 2025, CDFW notified Sable that its notification was complete and because the project would not substantially adversely affect an existing fish or wildlife resource, a streambed alteration agreement was not required.
 - On March 13, 2025, CDFW received a second notification (No. EPIMS-SBA-58088-R5) pertaining to the three locations in Santa Barbara County that CDFW identified in the NOPV: Sites R5-1, R5-2, and R5-3. CDFW is still reviewing the notification and has until April

14, 2025, to notify Sable whether the notification is complete. On April 14, 2025, CDFW determined the notification was complete. CDFW also determined the work at the three locations identified in the notification will not substantially adversely affect an existing fish or wildlife resource, and therefore a streambed alteration agreement would not be needed for any of the work. CDFW explained this in a letter to Sable dated April 14, 2025.

- On March 4, 2025, CDFW received a third notification (No. EPIMS-SLO-57972-R4) pertaining to the location that CDFW identified in the NOPV: Site R4-1. On April 3, 2025, CDFW sent Sable a letter, explaining the notification wasis incomplete. If Sable provides a corrected notification, CDFW will have 30 days to review the notification a second time to determine if the notification with additional information is complete. On April 25, 2025, Sable submitted additional information to CDFW in response to CDFW's April 3, 2025, letter. CDFW has 30 days to review the notification a second time to determine if the notification with additional information is complete.
- On February 7, 2025, one of Sable's contractors, SCS Engineers, requested a letter of permission from CDFW to access the Carrizo Plains Ecological Reserve. CDFW has not acted on the request.
- FOR MORE INFORMATION: Contact <u>Department of Fish and Wildlife</u> Public Information Officer at <u>Steve.Gonzalez@wildlife.ca.gov</u> or (916) 804-1714.

CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE): OFFICE OF THE STATE FIRE MARSHAL

Oversees and regulates the safety and operation of intrastate pipelines moving hazardous liquid in California.

- FOCUS: Protecting public safety and spill prevention.
- ROLE & AUTHORITY: With other regulatory partners, inspects, regulates, and oversees the overall safety of hazardous liquid pipelines. Prior to restarting any pipeline, the State Fire Marshal must approve a thorough list of requirements and regulations, including Sable's proposed plans for using technology to minimize oil spill impacts, a detailed risk analysis, safety compliance reports, pipeline integrity evaluations, field verifications and maintenance plans, start-up and safety inspection plans, and waiver applications proving equal or greater levels of safety than required regulations.
- ACTIONS UNDERWAY:
 - CAL FIRE Office of the State Fire Marshal (OSFM) approved a risk analysis and implementation plan for Sable's use of best available technologies in 2021.
 - On December 17, 2024, OSFM submitted waivers for federal review.
 - On February 11, 2025, PHMSA provided its notification of non-objection.
 - Sable has completed most of the required pipeline repairs, and OSFM has inspected the field work and is verifying records of those repairs.

• All remaining oversight items listed above, including pressure testing of lines and Sable's submission of an updated start-up plan, which OSFM must review and approve, remain open and must be completed prior to restarting the pipeline.

FOR MORE INFORMATION: Contact <u>CAL FIRE</u> Communications at <u>calfire.dutypio@fire.ca.gov</u> or (916) 651-FIRE (3473).

CALIFORNIA DEPARTMENT OF PARKS AND RECREATION

Protecting and managing California state park land in areas where onshore pipelines are located.

- FOCUS: Environmental protection, state-owned land stewardship.
- ROLE & AUTHORITY: The California Department of Parks and Recreation manages public land for public benefits in areas where onshore pipelines may cross. The Department may grant easements for pipelines on this property. Specifically, this would include an easement to accommodate a four-mile section for pipeline maintenance in Gaviota State Park. The previous 30-year easement expired in 2016. Since then, the Department has issued individual permits for accessing and maintaining the pipeline.
- ACTIONS UNDERWAY:
 - On December 20, 2024, the Department of Parks and Recreation sent a letter to Sable requesting a full project description to evaluate their request for an easement.
 - The Department of Parks and Recreation <u>evaluated</u> is <u>evaluating</u> a request to perform maintenance anomaly digs and associated repair work along a four-mile section of pipeline on State Parks property.
 - On May 9, 2025, the Department of Parks and Recreation issued a Right of Entry Permit to Sable to perform the 18 anomaly digs within Gaviota State Park, with work to commence on May 12, 2025.
- FOR MORE INFORMATION: Contact <u>Department of Parks and Recreation</u> Communications at <u>newsroom@parks.ca.gov</u> or (916) 654-7538.

CENTRAL COAST AND CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARDS

Protecting the state's water ways and drinking water.

- FOCUS: Water quality and environmental public health.
- ROLE & AUTHORITY: The Central Coast and Central Valley Regional Water Quality Control Boards oversee water resources for the State of California within their respective jurisdictions, implementing the Clean Water Act and the Porter-Cologne Water Quality Control Act. The Regional Water Boards regulate the discharge of waste, such as sediment, that could occur during pipeline repair or construction. This includes issuing permits for dredging and land disturbances, and discharges of waste and stormwater.
- ACTIONS UNDERWAY:
 - On December 13, 2024, following an inspection, the Central Coast Regional Water Quality Control Board issued violation and non-compliance notices for unauthorized waste discharge into Santa Barbara County waterways, as well as a

directive to seek permit coverage. Sable must take corrective action, submit a waste discharge report, and apply for appropriate permits.

- On January 22, 2025, the Central Coast Regional Water Quality Control Board issued Sable a directive to submit a technical report describing Sable's activities at all pipeline work locations and associated potential discharges to waterways. The technical report was due March 10, 2025.
 - On March 8, 2025, Sable submitted an incomplete response to the Central Coast Regional Water Quality Control Board's January 22, 2025 directive to submit a technical report.
 - On April 15, 2025, Sable submitted additional incomplete information in response to the Central Coast Regional Water Quality Control Board's January 22, 2025 directive to submit a technical report.
- On January 31, 2025, Sable submitted an application for waste discharge requirements for its work at one waterway location.
 - On March 20, 2025, the Central Coast Regional Water Quality Control Board issued authorization to Sable to restore the one waterway location identified in its January 31, 2025 application.
- On February 28, 2025, the Central Coast Regional Water Quality Control Board inspected additional project work locations discovered as a result of public complaints. Staff observed unauthorized work within waters of the state and discharges of waste to waters of the United States.
- On March 4, 2025, Sable submitted two applications for coverage under the statewide permit for stormwater discharges associated with construction and land disturbing activities. The applications are under review.
- On March 13, 2025, Sable submitted applications for waste discharge requirements for its work at four additional waterway locations.
- On April 7, 2025, Central Coast Regional Water Quality Control Board staff notified Sable and the public that the Board will consider adopting a resolution to refer alleged violations of the California Water Code for potential civil judicial enforcement to the California Office of the Attorney General at a public hearing on April 17, 2025.
- On April 17, 2025, at a public hearing, the Central Coast Regional Water Quality Control Board adopted a resolution referring alleged violations of the California Water Code for potential civil judicial enforcement to the California Office of the Attorney General.
- FOR MORE INFORMATION: Contact the <u>State Water Resources Control Board</u> at <u>opa@waterboards.ca.gov</u> or (916) 341-5252.

STATE LANDS COMMISSION

Oversees and approves leases for offshore pipelines, piers, and buoys.

- FOCUS: Safety of offshore pipelines to shore, spill prevention, environmental protection.
- ROLE & AUTHORITY: Under the Public Resources Code, the State Lands Commission must review and approve assignment of leases from the current owner (ExxonMobil) to Sable for

offshore pipelines from federal platforms to shore, piers, and mooring buoys. Per this role and overview, Sable could restart the pipelines only if the terms and requirements of the current lease and operating agreements are met. This includes Sable performing detailed inspections of the pipeline line (in-line inspections), pressure testing (called hydrotesting), and using remotely operated vehicles to monitor the pipeline.

- ACTIONS UNDERWAY:
 - Ongoing review of assignment of leases as of December 20, 2024, with the most recent discussion at the State Lands Commission on December 17, 2024.
 - On May 9, 2025, Staff issued a letter to Exxon and Sable stating that the inspections required by the Commission's leases, for the portion of the offshore pipelines in state waters, and under the Commission's jurisdiction, have been completed and reviewed. This is not directly related to the repair work on the onshore pipeline.
- FOR MORE INFORMATION: Contact the <u>State Lands Commission</u> External Affairs at <u>ExternalAffairsChief.Public@slc.ca.gov</u> or (916) 574-1992.