

Exxon Documents Reveal Sable Offshore's Hidden Risks in Controversial California Oil Project

Environmental Cover-Ups and Investor Deceptions Exposed as Federal Probes of Sable Offshore Intensify Amid State Lawsuits



New York City, New York Nov 6, 2025 ([Issuewire.com](https://www.issuewire.com)) - A bombshell investigation into Sable Offshore Corp. (NYSE: SOC) has uncovered explosive leaked internal ExxonMobil documents, exposing the energy giant's spinout subsidiary's alleged efforts to downplay severe environmental hazards and inflate asset values in its bid to revive offshore oil drilling off California's Santa Barbara coast. The revelations come as Sable faces a cascade of legal setbacks, including a federal judge's denial of its motion to dismiss a high-stakes environmental lawsuit, signaling deepening regulatory scrutiny and potential financial ruin for shareholders.

The leaked memos, detailed in an exclusive report by Hunterbrook Media (https://newsletter.hntrbrk.com/p/exclusive-exxon-spinout-sable-leaked?utm_medium=ios), paint a damning picture of Sable's origins. Documents from Exxon's archives, obtained through whistleblower channels, show executives knowingly transferred aging, high-risk platforms—once shuttered after the 2015 Refugio oil spill—to Sable in a 2023 spinout valued at over \$1 billion. Internal emails reveal warnings about pipeline corrosion, seismic vulnerabilities, and spill probabilities exceeding 20% were buried to attract investors. "This wasn't a clean handover; it was a toxic asset dump designed to offload liabilities while hyping 'green' redevelopment," said Dr. Elena Vasquez, environmental policy director at the Center for American Progress, which commissioned the analysis. The leaks substantiate claims that Sable misled the SEC and public by projecting minimal ecological threats, despite modeling data forecasting billions in cleanup costs.

Compounding the crisis, a Santa Barbara Independent exposé (<https://www.independent.com/2025/10/30/more-trials-and-tribulations-for-sable-offshore/?amp=1>) highlights Sable's courtroom defeats. On October 30, U.S. District Judge Consuelo Callahan rejected Sable's bid to quash a coalition-led suit under the National Environmental Policy Act (NEPA), alleging the company violated disclosure rules for its Heritage Platform revival. Environmental groups, including the Environmental Defense Center, argue Sable's permits ignored climate impacts and indigenous rights, with seismic retrofits lagging federal standards. "Sable's tribulations are self-inflicted—rushing permits while suppressing spill risks endangers communities from Ventura to San Luis Obispo," noted

lead plaintiff attorney Rachel Zonn. State regulators have halted drilling approvals pending reviews, slashing Sable's stock by 15% in after-hours trading.

Investor alarms are ringing louder. Law firms Bronstein, Gewirtz & Grossman (<https://fox40.com/business/press-releases/accesswire/1079603/bronstein-gewirtz-grossman-llc-encourages-sable-offshore-corp-soc-shareholders-to-inquire-about-securities-investigation/>) and Faruqi & Faruqi (<https://www.businesswire.com/news/home/20250909476010/en/INVESTOR-ALERT-Faruqi-Faruqi-LLP-Investigates-Claims-on-Behalf-of-Investors-of-Sable-Offshore>) have launched probes into potential securities fraud, urging SOC holders to contact them for class-action eligibility. Allegations center on overstated reserves and undisclosed Exxon-era liabilities, echoing patterns in past energy scandals.

A Seeking Alpha deep-dive (<https://seekingalpha.com/mp/1108-hfi-research-natural-gas/articles/6214524-idea-sable-offshore-the-end-is-near>) warns of Sable's demise, citing \$500 million in looming fines, bondholder defaults, and eroding partnerships with Chevron. Analysts predict bankruptcy by mid-2026 if federal injunctions stick, vaporizing \$300 million in market cap.

"This is corporate malfeasance on a scale that demands accountability," Vasquez added. "Sable's wrongdoings— from leaked cover-ups to courtroom stonewalling—threaten California's coastline and investors' nests alike. We call on the SEC and DOJ to fast-track investigations and bar Sable from further operations until full transparency is enforced."

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Media Contact

The United States News Agency

*****@unitedstatesnewsagency.com

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