

Regulatory and Legal Developments Surrounding Sable Offshore's Santa Ynez Unit Restart Efforts

Regulatory decisions and filings outline mandatory requirements for Sable Offshore (\$SOC) to resume Santa Ynez Unit operations. Idled since a 2015 rupture, the project faces a complex local, state, and federal jurisdictional framework.



Sacramento, California Jan 26, 2026 ([Issuewire.com](https://www.issuewire.com)) - Regulatory decisions and court filings outline a series of mandatory requirements for Sable Offshore Corp. (\$SOC) as it seeks to resume operations at the Santa Ynez Unit (SYU) in Santa Barbara County. The project, which has been idled since a 2015 pipeline rupture, is subject to a complex jurisdictional framework involving local, state, and federal authorities.

According to Sable's filings with the Securities and Exchange Commission (SEC), the company faces a March 1, 2026, deadline to achieve "Restart Production." Failure to meet this milestone could result in the SYU assets reverting to ExxonMobil Corporation without compensation to Sable.

Current Regulatory Status and Identified Barriers

A review of official actions and third-party analysis, including a January 2026 report by Hunterbrook Media ([huntrbrk.com/sable-5/](https://hunterbrook.com/sable-5/)), identifies several distinct regulatory and legal conditions required for the project to proceed:

- **California Coastal Commission Jurisdictional Requirements**

The California Coastal Commission (CCC) maintains an active Cease and Desist Order (CDO) and a Restoration Order regarding the pipeline. On October 15, 2025, a Santa Barbara Superior Court judge upheld these orders, ruling in favor of the Commission. Consequently, Sable is required to obtain a Coastal Development Permit (CDP) for both past unpermitted activities and future repair work on

pipeline segments within the Coastal Zone.

- **Santa Barbara County Permit Transfer Denial**

On December 16, 2025, the Santa Barbara County Board of Supervisors voted 3-1 to deny the transfer of essential operating permits from ExxonMobil to Sable. The Board's findings cited concerns regarding operator capability and financial assurances. Under current county regulations, these permits are necessary for the lawful operation of onshore facilities, including the processing plant at Las Flores Canyon.

- **Pipeline Safety Jurisdiction and Ongoing Litigation**

In December 2025, the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) asserted oversight authority, designating the line an interstate pipeline. This moved primary safety oversight from the California Office of the State Fire Marshal (OSFM) to federal jurisdiction. However, on January 23, 2026, the California Attorney General filed a lawsuit against the federal government to challenge this transfer, seeking to return oversight to the OSFM, which has previously demanded more extensive safety audits and repairs.

- **State Lands Commission Lease Obligations**

Operation of the pipeline requires valid leases from the California State Lands Commission (SLC) for segments crossing state-owned seafloor and tidelands. In a May 2024 letter, the SLC clarified that Sable's preliminary testing activities did not constitute a resumption of commercial production and emphasized that necessary regulatory approvals remain outstanding.

- **Gaviota State Park Easement**

A portion of the pipeline route traverses Gaviota State Park. Legal counsel for the Environmental Defense Center has stated in court records that Sable must still obtain an easement from the California Department of Parks and Recreation, a process that typically requires an Environmental Impact Report (EIR) and can take a year or more to finalize.

- **U.S. Coast Guard and Federal Platform Certification**

The Bureau of Safety and Environmental Enforcement (BSEE) and the U.S. Coast Guard maintain oversight of the three offshore platforms (Hondo, Harmony, and Heritage). Sable must maintain approved Oil Spill Response Plans and platform integrity certifications to operate in federal waters.

- **Ongoing Environmental Injunctions**

The project remains subject to a preliminary injunction resulting from litigation brought by groups including the Center for Biological Diversity and the Environmental Defense Center. On January 3, 2026, the U.S. Ninth Circuit Court of Appeals denied a request to stay Sable's restart plans immediately, but the underlying lawsuit remains active, with the court ordering further briefs through early 2026.

Financial Condition

In its Q3 2025 10-Q filing, Sable disclosed a "going concern" warning, noting substantial doubt about its ability to continue due to a lack of revenue and significant upcoming debt maturities. The filing reported

approximately \$41.6 million in cash against nearly \$900 million in debt. While a recent federal court decision declined to halt restart plans immediately, the company noted that its liquidity depends on obtaining the necessary regulatory authorizations for its pipeline plan or its alternative ship-to-shore (OS&T) strategy.

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