

Staff Report 01

PARTY

California State Lands Commission

PROPOSED ACTION:

Authorize staff to pursue litigation in defense of, and in response to any violation of the March 13, 2020, Consent Decree in the ongoing litigation titled The United States of America and the People of the State of California et al. v. Plains All American Pipeline, L.P. (Case No. 2:20-cv-02415), and for any litigation addressing Sable's reliance on the Department of Energy's Defense Production Act Order to restart oil transportation from the Santa Ynez Unit into California.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6106, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, section 2000 and 2003.

BACKGROUND:

On March 16, 2026, Sable Offshore Corp (Sable) announced on its website that beginning on March 14, 2026, the company has resumed the transportation of oil through pipelines 324 and 325.¹ Sable relied on the Defense Production Act (DPA) order issued by the United States Secretary of Energy on March 13, 2026. It is Sable's position that it is obligated to comply with the DPA order over existing California laws, regulations, and ongoing judgments in both state and federal courts to restart production at the Outer Continental Shelf Santa Ynez Unit and through the broader

¹ <https://sableoffshore.com/news/news-details/2026/Sable-Resumes-Oil-Flow-as-Ordered-by-the-Federal-DPA-with-Expected-Gross-Oil-Rate-of-50000-Bblsd-and-Expects-First-Sales-by-April-1-2026/default.aspx>

Santa Ynez pipeline system terminating at the Pentland Station in Kern County. ExxonMobil Corporation and Pacific Offshore Pipeline Company (a wholly owned subsidiary of Sable) hold right-of-way leases with the Commission for offshore infrastructure supporting the operations at the Santa Ynez Unit.

The Commission maintains exclusive jurisdiction over state sovereign lands as outlined in Public Resources Code sections 6216 and 6301. As a trustee of Public Trust lands, the Commission is tasked with the responsibility to consider and uphold the Public Trust in the planning and management of these lands and resources, ensuring the protection of Public Trust uses and resources wherever feasible. (San Francisco Baykeeper, Inc. v. State Lands Com. (2015) 242 Cal.App.4th 202, 233-234.) This jurisdiction includes leasing authority on tide and submerged lands for improvements that serve Outer Continental Shelf operations. The Commission's mission is to provide the people of California with effective stewardship of the lands, waterways, and resources entrusted to its care based on the principles of equity, sustainability, and resiliency, through preservation, restoration, enhancement, responsible economic development, and the promotion of public access

PUBLIC TRUST AND STATE'S BEST INTERESTS:

As a State, California is faced with an unprecedented situation, where a private oil company, Sable, is claiming that California's laws, regulations, and courts are preempted from enforcing the laws of the State by virtue of a Defense Production Act Order issued by the United States Secretary of Energy. The potential risks to California's environment and the legal obligations of operators who need certainty when engaging in business in California, could remain permanently impaired to the detriment of all citizens. What distinguishes California is that it is the fifth-largest economy in the world and home to two of the largest ports in the nation, the Ports of Long Beach and Los Angeles, which are a commercial gateway for the entire United States. California's coastline supports commerce, tourism, recreation, fishing, navigation, marine transportation, public access, and abundant marine life. California's marine transportation and commerce and coastal tourism and recreation support economies across the country. A thematic characteristic of California's economic drivers that contribute to the United States economy is that they are primarily concentrated along the coastline.

The State of California, acting through the Commission, must protect its sovereignty and constitutional right to make decisions on infrastructure and use within its geographic boundaries.

OTHER PERTINENT INFORMATION:

1. This action is consistent with the Commission's 2021-2025 Strategic Plan, specifically strategic focus areas of "prioritizing social, economic, and environmental justice", "partnering with Sovereign Tribal Governments and Communities" and "meeting evolving Public Trust needs".
2. Authorization to pursue litigation is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

RECOMMENDED ACTION:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the authorization to consider litigation options, including the delegation of authority to the Executive Office, is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

AUTHORIZATION:

- 1) Authorize staff, in consultation with the Office of the Attorney General, to pursue litigation in defense of, and in response to, any violation of the March 13, 2020 Consent Decree in the ongoing litigation titled The United States of America and the People of the State of California et al. v. Plains All American Pipeline, L.P. (Case No. 2:20-cv-02415), and for any litigation addressing Sable's reliance on the Department of Energy's Defense Production Act Order to restart oil transportation from the Santa Ynez Unit into California.
- 2) Delegate authority to the Executive Officer to take any steps necessary, up to and including termination of leases, to protect the interests of the People of California, the Commission, and the State, as needed, and in consultation with the Office of the Attorney General.