

DRAFT

 air pollution control district SANTA BARBARA COUNTY	Case No / Date	2026-07-N	07/17/2026
	Petitioner	Sable Offshore Corp.	
	Permit #	Part 70/PTO 9102-R7	
	Date Rec'd	05/22/2026	
	Time Rec'd	1614 hours	
	FOR OFFICIAL USE ONLY		

**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In the Matter of the Application of)
Sable Offshore Corp. for a 90-Day)
Variance from District Rule 206, Part)
70/Permit to Operate 9102-R7,)
Conditions 9.C.3.a, 9.C.3.b.i and)
9.C.18 (Unplanned Flaring Only).)
)

H.B. Case No. 2026-07-N

VARIANCE FINDINGS

AND ORDER

Sable Offshore Corp. (Petitioner) filed a Petition for Interim and 90-Day Variances on May 22, 2026. The Interim Variance hearing was held on June 12, 2026 and granted by Hearing Board Member Terence Dressler. Interim Variance Order 2026-06-I is in effect from May 22, 2026 through June 30, 2026, or the date a decision is made on the 90-Day Variance, or the date compliance is achieved, whichever occurs first.

A hearing of the 90-Day Variance was held on June 25, 2026, in accordance with Health and Safety Code Section 40808, and granted by Hearing Board Member Terrence Dressler.

After the hearing on June 25, 2026, a written request to appeal the decision for Variance Order 2026-07-N, was received. In accordance with California Health and Safety Code Section 40825.c, if any member of the public contests a decision made by a single member of the hearing board, the application shall be reheard by the full hearing board.

As a result, a rehearing of Variance Order 2026-07-N was held on July 17, 2026, in accordance with Health and Safety Code Section 40808. Patrice Surmeier represented the Petitioner, and Kaitlin McNally and Eric Kett represented the Santa Barbara County Air Pollution Control District (District).

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

HEARING

1. Notice of the Hearing was duly given in the manner and for the time required by law.
2. Sworn testimony and argument on behalf of the Petitioner and the Air Pollution Control Officer were made, received, and considered.
3. A nuisance as defined in District Rule 303 is not expected to occur as a result of this Variance.
4. If, due to reasons beyond the control of the Petitioner, compliance is not achieved during this Variance period, additional relief will be sought.

BACKGROUND

1. The Petitioner operates the equipment described in the Petition at Platform Heritage located in the Santa Ynez Unit on lease tract OCS P-0182 approximately 25 miles west of the City of Santa Barbara, California.
2. Platform Heritage is an eight leg, 60 well slot platform. The platform is equipped with a waste gas flaring system for planned and unplanned flaring events.
3. The equipment described in the Petition, the unplanned flare (APCD Device ID 102385), is utilized for unplanned flaring events.
4. The Petitioner's permit limits unplanned flaring event volumes for the unplanned flare (APCD Device ID 102385).
5. Prior to restart operations, the Petitioner conducted system inspections, tested operation of all devices and mechanical equipment, and conducted maintenance of equipment in all areas of the platform. In addition, the Petitioner conducted well surveys to evaluate well status and conditions.
6. On March 23, 2026, the Petitioner restarted operations of the equipment.
7. On March 31, 2026, the Petitioner began well production.
8. Since the equipment startup, the platform has experienced an unexpected number of equipment malfunctions, onshore and offshore balancing issues, and well production issues which are related to restart of the platform, and have resulted in an increase in unplanned flaring events.
9. In addition, there have been unforeseen issues with the reestablishment of sweet gas well production, causing an increase in the unplanned flaring events.

10. All disassociated produced gas is currently being reinjected since gas cannot be sent to shore via the gas pipeline at this time. Produced gas that cannot be injected must be flared until the gas line to shore is reestablished.
11. On May 22, 2026, the Petitioner exceeded the quarterly unplanned flaring event volume. As a result, the Petitioner requested variance coverage for the remainder of the quarter.

FINDINGS

1. Without Variance coverage, the Petitioner will be in violation of District Rule 206, Part 70/Permit to Operate 9102-R7, Conditions 9.C.3.a., 9.C.b.i. and 9.C.18 (Unplanned Flaring Only).
2. Due to conditions beyond the reasonable control of the Petitioner, requiring compliance would result in either (A) an arbitrary or unreasonable taking of property, or (B) the practical closing and elimination of a lawful business. The Petitioner was proactive and conducted extensive recommissioning work prior to the start of Platform Heritage. Despite the Petitioner's efforts, the Platform experienced an unexpected number of equipment malfunctions, onshore and offshore production balancing issues and well production issues.

As part of the Petitioner's recommissioning process, the Petitioner conducted extensive well surveys to evaluate well status and conditions. Unforeseen issues with the reestablishment of sweet gas well production has also caused unexpected flaring related to attempts to stimulate gas flow. The platform is currently reinjecting all disassociated produced gas as gas cannot be sent to shore via the gas pipeline at this time. Produced gas that cannot be injected must be flared until the gas line to shore is reestablished.

In addition, if the facility were required to shut down the flare would still be necessary to safely remove the produced gas from the platform during the depressurization process. Shutting down the platform would result in delayed production and a loss of revenues of approximately \$1.75 million per day.

3. The closing or taking would be without a corresponding benefit in reducing air contaminants. Immediate compliance would require the Petitioner to completely shut down, depressurize the equipment and isolate the wells resulting in increased flaring emissions.
4. The Petitioner has considered curtailing operations, however, there are significant impacts to curtailing operations. Curtailment of the flare would not result in immediate compliance. The flare is a necessary operation at the Petitioner's facility to prevent venting produced gas to atmosphere. In addition to regulatory requirements, the flare is utilized for worker safety, and to reduce the risk to the public and environment.

5. During the period the Variance is in effect, the Petitioner will reduce emissions as they work through the complexity of the restart process with attention to reducing the flaring events to the maximum extent possible. In addition, the Petitioner is working towards restarting the gas line that delivers produced gas to shore, which will provide another mechanism for reducing flaring.
6. The Petitioner will monitor and report the excess emissions associated with the granting of this variance. The Petitioner will monitor the volume of produced gas routed to the flare through the calibrated flowmeters and use the emission factors listed in the Petitioner's permit to determine the excess emissions associated with the granting of this variance.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That a 90-Day Variance be granted for operating the Petitioner's flare during unplanned flaring events in violation of the quarterly limit, which is in violation of District Rule 206, Part 70/Permit to Operate 9102-R7, Conditions 9.C.3.a., 9.C.b.i. and 9.C.18 (Unplanned Flaring Only), from June 25, 2026 through June 30, 2026, or the date compliance is achieved, whichever occurs first, with the following conditions:

1. Petitioner shall submit a written report to the Hearing Board and District, to variance@sbcapcd.org, by July 15, 2026. The report shall include the date compliance was achieved, date, time, duration and volume of each unplanned flaring event and totaled for the variance duration, and, actual excess emissions (lb/day), if any, that occurred during the variance period.
2. Petitioner shall monitor, record, and quantify, on a daily basis, all emissions related to the granting of this Variance.
3. Petitioner shall retain the obligation to comply with all other local, state, and federal regulations not specifically referenced in the Order.
4. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
5. In accordance with District Fees Rule 210, the Petitioner shall pay excess emission fees for each additional ton of pollutant emissions, or portion thereof, allowed as the result of the issuance of this Variance.
6. The Environmental Protection Agency does not recognize California's Variance Program; therefore, this Variance does not protect the Petitioner from Federal Enforcement actions.

7. Each day during any portion of which a violation occurs is a separate offense.

DATED: _____

Chair
Santa Barbara County Air Pollution Control District
Hearing Board