

Trump Administration's Invocation of Defense Production Act to Bolster Energy Production Draws Legal Challenges

By: Scott Kiplinger

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The Trump administration's recent use of the Defense Production Act ("DPA") to open a segment of a pipeline off the coast of Santa Barbara signals to our energy clients that the exigencies of the ongoing dispute in the Middle East may affect ongoing operations.

The federal government [recently directed](#) Sable Offshore Corporation to restore operations of the Santa Ynez Unit and Santa Ynez Pipeline System. This follows previous efforts from the administration to stabilize global oil markets disrupted by conflict in the Middle East, which has included releasing 172 million barrels of oil from the Strategic Petroleum Reserve and coordinating with members of the International Energy Agency to release up to an additional 400 million barrels.

As global events unfold, domestic energy companies should be aware that the current administration is willing to consider unorthodox approaches to increase production capacity, subject to challenges from state and local authorities.

The administration issued the order to resume operations pursuant to the DPA, a federal law enacted in 1950, which permits the federal government to enact regulations and orders to allocate materials in the interest of national defense. In addition to wartime efforts, previous administrations have invoked the DPA to respond to natural disasters, the COVID-19 pandemic, and foreign cyberattacks. U.S. Secretary of Energy Chris Wright stated the directive will permit Sable to produce 50,000 barrels of oil per day and decrease domestic reliance on foreign crude oil. Sable resumed operations along the pipeline on the day the administration issued its order.

This offshore oil platform and pipeline have been shuttered for 11 years, and Sable has attempted to resume operations since it purchased the assets from ExxonMobil in 2024. California has contested the administration's order, claiming that it violates the state's regulatory authority and poses an environmental hazard. Governor Gavin [Newsom issued](#)

[a statement](#) pledging to challenge the order in court, alluding to a 2015 incident in which the pipeline released thousands of barrels of crude oil along the Santa Barbara coastline. [Sable reports](#) the company completed its onshore anomaly repair program and hydrotested all pipeline segments in May of 2025.

The administration's use of the DPA signals a willingness to intervene directly in energy infrastructure operations where supply, transportation capacity, or national security concerns are implicated. Oklahoma producers and midstream operators should be mindful that federal intervention is possible, with potential upside to unlock capacity and constraint issues and cut through permitting delays. But these opportunities also carry litigation, regulatory, and operational risk. Against this backdrop, energy companies should evaluate how federal authorities could affect existing assets, expansion plans, and idle or constrained infrastructure.

Scott Kiplinger is an attorney at GableGotwals. This Alert was prepared in collaboration with the Firm's [Energy Practice Group](#) in a continuing effort to keep our clients informed of the transitions of law within the areas they operate. For questions regarding this development, or any other energy questions, please contact Scott or a member of [our team](#).



[Scott Kiplinger](#)

405-568-3317

skiplinger@gablelaw.com

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