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Gavel to Gavel: Federal invocation of Defense Production Act faces legal pushback

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Scott Kiplinger

The [Trump administration](#)'s recent decision to invoke the [Defense Production Act](#) ("DPA") to restart offshore oil operations near [Santa Barbara](#) is drawing legal and regulatory challenges, underscoring how geopolitical tensions can shape domestic [energy policy](#) and operations.

In response to continued instability in the Middle East and its impact on global oil markets, federal officials directed [Sable Offshore Corporation](#) to restore production at the Santa Ynez Unit and the associated Santa Ynez Pipeline System. The directive is part of broader federal efforts to stabilize supply, which includes the release of significant volumes from the [Strategic Petroleum Reserve](#) and coordination with international partners to increase available reserves.

The administration relied on the DPA, a Cold War-era statute enacted in 1950 that allows the federal government to prioritize contracts, allocate materials, and direct private industry activity in the interest of national defense. While historically associated with wartime mobilization, the law has also been used in response to natural disasters, public health emergencies, and cybersecurity threats. [Federal](#) officials claim that reopening the Santa Ynez assets could restore production of approximately 50,000 barrels per day and reduce reliance on foreign crude.

[California](#) officials have challenged the order, arguing that it infringes on state regulatory authority and poses environmental risks. The pipeline system has remained inactive for more than a decade following a 2015 spill that released thousands of barrels of oil along the Santa Barbara coastline. Although Sable reports that it completed repairs and hydrotesting in 2025 after acquiring the assets from [ExxonMobil](#) in 2024, state leaders have signaled their intent to pursue litigation to block or limit resumed operations.

For energy producers and midstream operators, the administration's action signals a willingness to intervene directly in infrastructure and production decisions where supply security or transportation constraints are implicated. Federal involvement could create opportunities to unlock dormant capacity, expedite permitting timelines, or address bottlenecks. At the same time, such intervention may heighten exposure to litigation, regulatory conflict, and operational uncertainty.

Against this evolving backdrop, companies should assess how [federal authority](#) under statutes such as the DPA could affect existing assets, expansion strategies, and idle or constrained infrastructure. Careful evaluation of both the potential benefits and the associated legal risks will be critical as policymakers continue to balance energy security priorities with environmental and state regulatory considerations.

[Scott Kiplinger](#) is an associate in the Oklahoma City office of [GableGotwals](#), where he previously worked as a summer associate.

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