

**FINANCIAL ASSURANCE DEMONSTRATION PLAN**  
**40 CFR 146.82(a)(14) and (19), 146.85**

**Brown Pelican CO<sub>2</sub> Sequestration Project**

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**1.0 Facility Information and Overview**

Facility name: Brown Pelican CO<sub>2</sub> Sequestration Project  
BRP CCS 1, CCS2 and CCS 3 Wells

Facility contact: Caroline Huet, Project Manager  
5 Greenway Plaza Houston, TX 77046  
[REDACTED]

Well location: Penwell, Texas

BRP CCS1	[REDACTED]	[REDACTED]
BRP CCS2	[REDACTED]	[REDACTED]
BRP CCS3	[REDACTED]	[REDACTED]

The matter of financial assurance demonstration is relevant to the requirements of Environmental Protection Agency (EPA) document 40 CFR Subpart H - Criteria and Standards applicable to Class VI Wells. The main topics covered in this attachment are activities requiring financial assurance, instruments to meet financial responsibility, and the plan to be implemented by Oxy Low Carbon Ventures, LLC (“OLCV”).

## **2.0 Activities Requiring Financial Assurance**

Pursuant to 40 CFR 146.85, OLCV, is required to demonstrate financial ability to successfully complete all the tasks associated with performing well corrective action, well plugging, post-injection site care, site closure, and implementation of an emergency remedial plan as specified in Table 1.

**Table 1—List of Project Activities That Require Financial Assurance**

Activity	Period of Performance
Performing corrective action	As needed
Plugging injection and monitoring wells	One time
Post-injection site care	Throughout the post-injection phase
Site closure	One time
Emergency/remedial response	As needed

## **3.0 Instruments to Meet Financial Responsibility**

OLCV has reviewed the extensive guidance, research, and analysis documents published by the EPA and proposes to utilize a letter of credit to demonstrate financial responsibility for all activities requiring financial assurance. The letter of credit will be issued by a U.S. commercial bank or a U.S. branch office of a foreign bank that has (a) assets of at least Ten Billion Dollars (\$10,000,000,000) and (b) has a Long-Term Credit Rating of at least “A-” by S&P and at least “A3” by Moody’s. The letter of credit will require the issuing institution to provide notice if it does not plan to reissue the letter of credit and will include a provision for automatic renewal. OLCV will establish a standby trust fund in accordance with EPA’s guidance to receive any funding necessary to address the cost of covered activities. OLCV may change the instrument used to demonstrate financial assurance in accordance with 40 CFR 146.85.

## **4.0 Cost Estimate for Activities Covered by Financial Responsibility**

OLCV will provide financial assurance sufficient to cover the costs identified in Table 2. Costs are in 2023 \$USD. A detailed cost estimate is included as separate document PBI\_FA\_Est\_v1.pdf.

**Table 2—Cost Estimate for Activities Covered by Financial Assurance**

Activity	Cost (Millions of \$USD)
Performing corrective action	
Plugging injection wells	
Post-injection site care	
Site closure	
Emergency/remedial response	

Three wells within the Area of Review were determined to require corrective action. Details of the corrective action plan are found in the Area of Review and Corrective Action Plan document of this permit.

Surface infrastructure removal and restoration scope is included in the Site Closure and includes such items as:

- Wellhead and cellar removal
- Removal of valve stations
- Removal of auxiliary surface equipment such as pumps, electrical panels, etc.
- Demolition of small concrete foundations
- Restoration of wellpads
- Removal of de-commissioned powerlines and communications

Details of the well plugging plan are found in the Plugging Plan document of this permit.

Details of the post-injection site and site closure plan are found in the Post Injection Site Care and Site Closure Plan document of this permit. Post-injection site care costs were estimated from cessation of injection to site closure and account for seismic studies at five-year intervals, maintenance of the wells until closure, and monitoring the site to ensure protection of the USDW. Site closure costs include plugging monitoring wells, removal of surface facilities, and reclamation of the site.

Details of the emergency and remedial response plan are found in the Emergency and Remedial Response plan document of this permit. Costs include activities required in response to failure of the confining zone, including drilling of a relief well and remediation of USDW.

The instrument values included in this document are based upon cost estimates by OLCV project team with input cost data from service providers. Cost estimates were provided during the permit application process. If the cost estimates change during the permitting process or the life of the project, OLCV will adjust the value of the financial instruments.