

3.0 FINANCIAL RESPONSIBILITY DEMONSTRATION 40 CFR 146.85

CASS SEQUESTRATION

Facility Information

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Well name:

[REDACTED]

Well location:

CASS COUNTY, INDIANA

[REDACTED] [REDACTED]

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3.0 Demonstration of Financial Responsibility

Pursuant to 40 CFR 146.85(a), Cass Sequestration, LLC (“Cass Sequestration”) will demonstrate and maintain financial responsibility as determined by the Underground Injection Control (UIC) Director using a surety bond as the qualifying instruments (40 CFR 146.85(a)(1)).

Pursuant to 40 CFR 146.85(a)(2)(3), the selected instrument will be sufficient to protect underground sources of drinking water (USDWs) and cover corrective actions (per 40 CFR 146.84), injection well plugging (per 40 CFR 146.92), post-injection site care/site closure (per 40 CFR 146.93), and the emergency and remedial response plan (per 40 CFR 146.94), as demonstrated by the cost estimates in Table 3-1 and detailed throughout this document.

3.1 Cost Estimate (40 CFR 146.85(c))

The cost estimates below were provided by Battelle Memorial Institute, a third-party company, in September 2025 utilizing 2025 dollars; for more details see the Cost Breakdown for Financial Responsibility in Appendix 3A. **Table 3-1** provides the total cost estimates for each of the five areas of financial responsibility: corrective action, injection well plugging, post-injection site care, post-injection site closure, and emergency and remedial responses. A more detailed discussion follows to offer more clarity on the calculations behind the cost estimates.

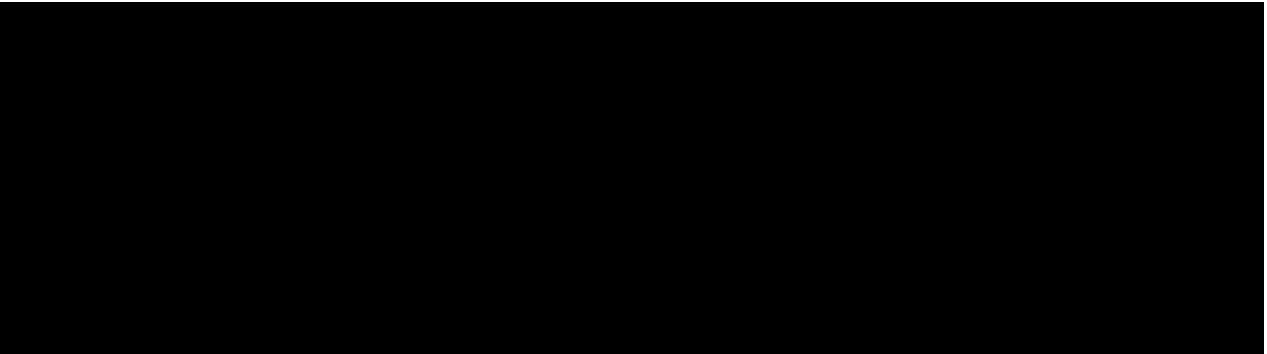
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Table 3-1: Estimated total costs in 2025 dollars for financial responsibility.

3.1.1 Corrective Action on Wells in AoR

Corrective action on wells in the area of review (AoR) includes modeling and establishing an AoR, performing surveys and database searches to compile wells within the AoR. No wells within the AoR penetrate the caprock, therefore no remediation is required at this time.

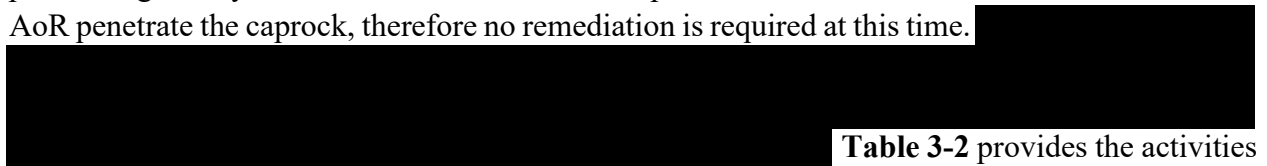
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Table 3-2 provides the activities and cost estimates for plugging the injection well.

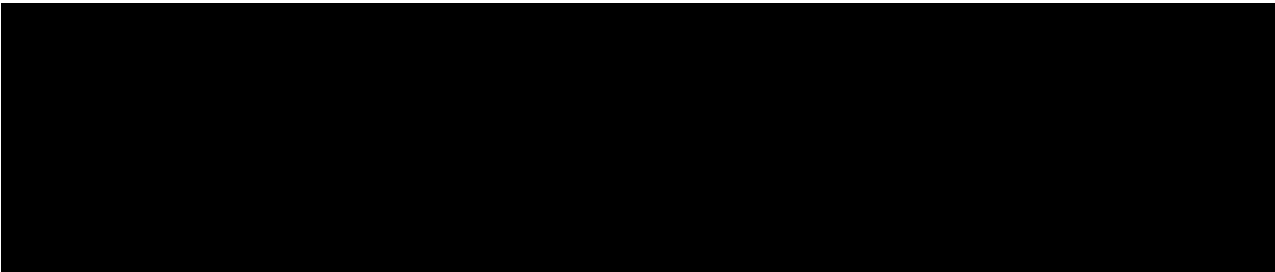


Table 3-2: Estimated total costs in 2025 dollars for AoR reevaluation and corrective action.

3.1.2 Plugging Injection Wells

The injection well will be plugged per the outline described in Permit Section 8.0 - Injection Well Plugging Plan. Cost estimates for the plugging work include

Table 3-3 provides the activities and cost estimates for plugging the injection well.

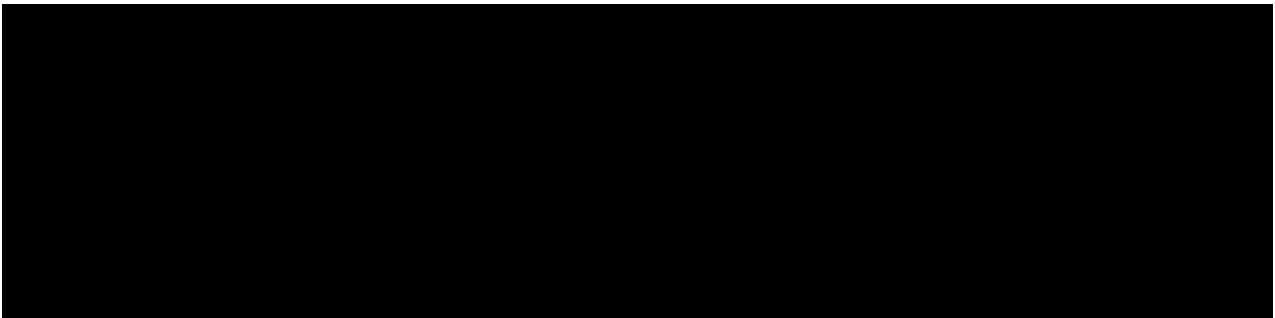


Table 3-3: Estimated total costs in 2025 dollars for plugging the injection well.

3.1.3 Post Injection Site Care (PISC)

PISC includes the post-injection monitoring that will be performed to verify that the carbon dioxide (CO₂) plume has stabilized and demonstrates non-endangerment of USDWs. Specific monitoring and testing to be performed are provided in Permit Section 9.0 - PISC and Site Closure Plan. Cost estimates for this work include

Table 3-4 provides the activities and cost estimates during PISC. Geophysical surveys are acquired every 5 years.

Table 3-4: Estimated total costs in 2025 dollars for post injection site care.

3.1.4 Post Injection Site Closure

Site closure refers to the plugging and abandonment of the Above Zone Monitoring (AZM) Well and In Zone Monitoring (IZM) Well. Per the PISC Plan, the monitoring wells will be plugged and abandoned when the UIC Director approves the closure of the site (Permit Section 9.0 - PISC and Site Closure Plan). Cost estimates for this work include

Table 3-5 provides the activities and cost estimates for site closure. Includes plugging of one IZM well and one AZM well.

Table 3-5: Estimated total costs in 2025 dollars for site closure.

3.1.5 Emergency and Remedial Response

In the Emergency and Remedial Response Plan, six scenarios are described that could present potential emergency responses. Since the scenarios are broad, a representative situation was assigned to each scenario to facilitate the cost estimate (**Table 3-6**).

- Injection or monitoring well integrity failure
- Injection well equipment failure (e.g., shut-off valve or pressure gauge, etc.)
- A natural disaster (e.g., tornado, lightning strike)
- Fluid (e.g., brine) leakage to a USDW
- CO₂ leakage to USDW or land surface
- Seismic event

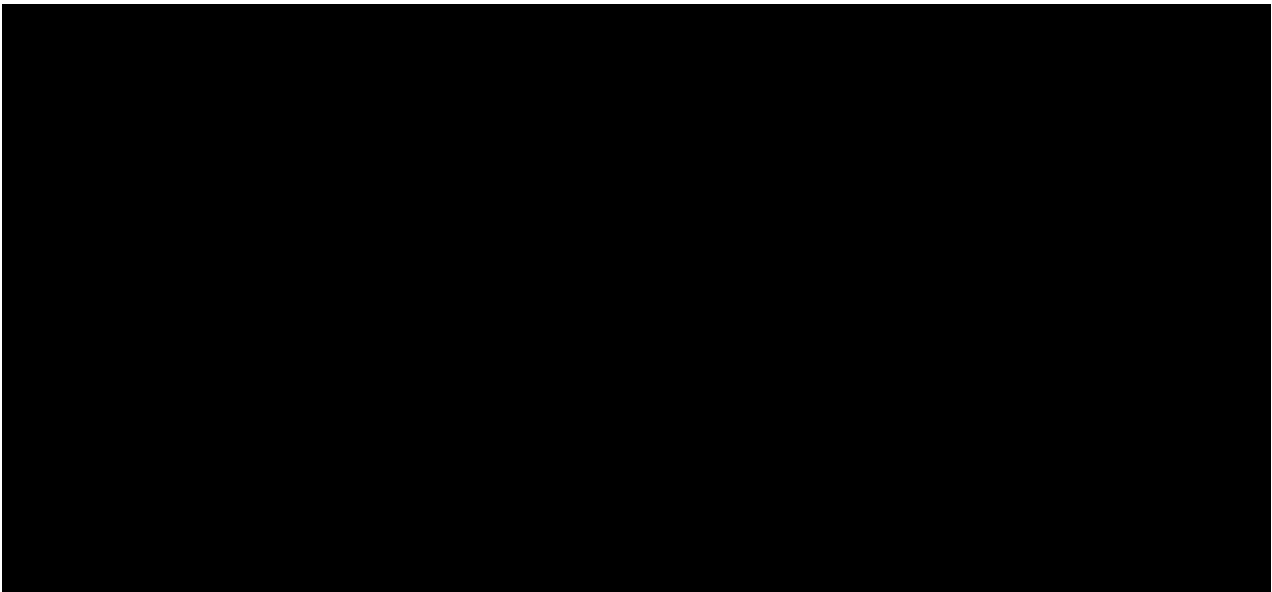


Table 3-6: Scenarios, the associated example situation, and estimated cost in 2025 dollars for well remediation and emergency response.

3.2 Financial Instrument (40 CFR 146.85(a)(4)(5)(6)(d)(e)(f))

Pursuant to 40 CFR 146.85(a)(2)(3), Cass Sequestration will use a [REDACTED] [REDACTED] as their financial instrument to protect underground sources of drinking water (USDWs) and cover corrective actions (per 40 CFR 146.84), injection well plugging (per 40 CFR 146.92), post-injection site care/site closure (per 40 CFR 146.93), and the emergency and remedial response plan (per 40 CFR 146.94). This financial instrument will be in place prior to the commencement of injection well construction.

Appendix 3A Cost Breakdown for Financial Responsibility

Cost breakdowns for the financial responsibility demonstration are presented in a separate document accompanying this permit application.