

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

Bluebonnet Sequestration Hub

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1.0 Facility Information

Facility name: Bluebonnet Sequestration Hub, LLC (Bluebonnet Hub or the Project)
Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3 Wells

Facility contacts: **Claimed as PBI**, Project Manager
5 Greenway Plaza Houston, TX 77046
Claimed as PBI

Well location: Chambers County, Texas

Well Name	Latitude (NAD27)	Longitude (NAD27)
Bluebonnet CCS 1	Claimed as PBI	
Bluebonnet CCS 2		
Bluebonnet CCS 3		

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 the Bluebonnet Sequestration Hub, LLC.

2.0 Activities Requiring Financial Assurance

Pursuant to 40 CFR 146.85, Bluebonnet Sequestration Hub, LLC, is required to demonstrate the 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 FA-1.

Table FA-1: List of project activities that require financial assurance.

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

3.0 Instruments to Meet Financial Responsibility

The Bluebonnet Sequestration Hub, LLC, has reviewed the extensive guidance, research, and analysis documents published by the EPA and will propose instruments to meet the financial responsibility in accordance with the EPA guidelines.

4.0 Cost Estimate for Activities Covered by Financial Responsibility

The Bluebonnet Sequestration Hub, LLC, will provide financial assurance sufficient to cover the costs identified in Table FA-2. Costs are to be in 2024 U.S. dollars. A detailed cost estimate is included in Appendix A.

Table FA-2: Cost estimate for activities covered by financial assurance.

Activity	USD
Performing corrective action	Claimed as PBI
Plugging injection wells	
Post-injection site care	
Site closure	
Emergency/remedial response	
Total	

4.1 Corrective Action

Fourteen wells within the Area of Review (AoR) were determined to require corrective actions. Bluebonnet Hub will conduct corrective action on twelve of these wells before the start of injection. Corrective action for the additional two wells will be scheduled for year 10 after the start of injection starts, and the corrective action cost estimation is included in Table FA-2. Details of the corrective action plan are found in the Area of Review and Corrective Action Plan document of this permit.

4.2 Plugging Injection Wells

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

4.3 Post-Injection Site Care

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. The Post-Injection Site care costs will be estimated from cessation of injection to site closure and account for activities included in the Post-Injection Site care plan.

4.4 Site Closure

Details of the site closure plan are found in the Post Injection Site Care and Site Closure Plan document of this permit. Site closure costs include plugging monitoring wells and demonstration of non-endangerment to USDW.

4.5 Emergency and Remedial Response

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 endangerment of the USDW. This cost was estimated based on statistics analysis and will be refined.

The instrument values to be included in this document will be based upon cost estimates by the Bluebonnet Sequestration Hub, LLC, project team with input cost data from representative projects and service providers. Cost estimates provided during the permit process can be expected to change during the application approval process. The Bluebonnet Sequestration Hub, LLC, will adjust the value of the financial instruments prior to securing them.

Appendix A: Detail Cost Estimations for Financial Assurance

a) Performing Correction Actions:

Table FA-3: Cost estimate for performing corrective actions.

Description	Claimed as PBI
Mobilization & Location	
Rig rates and daily cost	
Hauling & Disposal	
BOP	
Hydrostatic Testing and Scanning	
Pipe Rental	
Bit and Scrapers	
Logging	
Surface infrastructure	
Wellhead service	
Total \$	

b) Plugging and Abandonment Costs:

Table FA-4: Cost estimate for plugging per well type.

Description/Cost per Well	Claimed as PBI
Mob Rig & Equip	
Rig & Daily Cost	
Hauling & Disposal	
BOP	
Hydrostatic Testing	
Pipe Rental	
Bit and Scrapers	
Cementing	
Casing Crew	
Wireline & Sensors	
Wellhead service	
Lump Sum	
Sub-Total \$	

Table FA-5: Cost estimate for plugging and abandonment operations in CO2 Injector Wells.

Description	Qty	Unitary Cost \$	Total Estimated \$
Claimed as PBI			

c) Post Injection Site Care

Table FA-6: Cost estimate for post injection site care.

Description	Total Estimated \$
Claimed as PBI	

d) Site Closure

Table FA-7: Cost estimate for site closure.

Description	Total Estimated \$
Claimed as PBI	

e) Emergency Remedial and Response Plan

Table FA-8: Cost estimate for emergency remedial and response plan.

Description	Total Estimated \$
Total \$	Claimed as PBI