

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

Pelican Sequestration Project

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1.0 Facility Information

Facility name: Pelican Sequestration Project
Pelican CCS 1 Well

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

Well location: Holden, Livingston Parish, Louisiana
[REDACTED] (NAD 1927, BLM Zone 15N)

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 Pelican Sequestration Hub, LLC.

2.0 Activities Requiring Financial Assurance

The Class VI rule requires that Pelican Sequestration Hub, LLC, 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 FA-1.

Table FA-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

Pelican Sequestration Hub, LLC, has reviewed the extensive guidance and 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

Pelican Sequestration Hub, LLC, will provide financial assurance sufficient to cover the costs identified in Table FA-2. Costs are to be in current \$USD at the time of submission. A detailed cost estimate will be included as a separate document.

Table FA-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	

One well within the AoR was determined to require corrective actions. Details of the corrective action plan are found in the Area of Review and Corrective Action Plan document of this permit.

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 will be estimated from cessation of injection to site closure and account for activities included in the Post-Injection Site care plan. 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 to be included in this document will be based upon cost estimates by the Pelican Sequestration Hub, LLC, project team with input cost data from representative projects

Plan revision number: 0

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and service providers. Cost estimates provided during the permit process can be expected to change during the application approval process. Pelican Sequestration Hub, LLC, will adjust the value of the financial instruments prior to securing financial instruments.

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1.0 Facility Information

Facility name: Pelican Sequestration Project
Pelican CCS 2 Well

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

Well location: Holden, Livingston Parish, Louisiana
[REDACTED] (NAD 1927, BLM Zone 15N)

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 Pelican Sequestration Hub, LLC.

2.0 Activities Requiring Financial Assurance

The Class VI rule requires that Pelican Sequestration Hub, LLC, 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 FA-1.

Table FA-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

Pelican Sequestration Hub, LLC, has reviewed the extensive guidance and 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

Pelican Sequestration Hub, LLC, will provide financial assurance sufficient to cover the costs identified in Table FA-2. Costs are to be in current \$USD at the time of submission. A detailed cost estimate will be included as a separate document.

Table FA-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	

One well within the AoR was determined to require corrective actions. Details of the corrective action plan are found in the Area of Review and Corrective Action Plan document of this permit.

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

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