



Underground Injection Control – Class VI Permit Application for Hummingbird Carbon Storage Project Injection Wells No. 01, No. 02, No. 03, No. 04, and No. 05

SECTION 9 – FINANCIAL ASSURANCE

Hummingbird Carbon Storage Project  
Allen Parish, Louisiana  
ExxonMobil Low Carbon Solutions Onshore Storage, LLC  
March 2025

## SECTION 9 – FINANCIAL ASSURANCE

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## 9.1 Financial Assurance

Under the Louisiana Administrative Code, Title 43 (LAC43): XVII **§3609.C**, owners or operators of Class VI injection wells are required to demonstrate and maintain financial resources to perform all required corrective action, plug the injection wells, conduct post-injection site care and site closure, and perform any needed emergency and remedial response. ExxonMobil Low Carbon Solutions Onshore Storage, LLC (ExxonMobil) plans to construct five injection wells as part of the Hummingbird Carbon Storage (CS) Project (Hummingbird Project) for the purpose of sequestering approximately [REDACTED]

Consistent with these regulatory requirements, ExxonMobil has prepared this document to demonstrate financial responsibility for the injection wells that comprise the Hummingbird Project.

The sections that follow summarize the project's activities, as well as the qualifying financial instrument that ExxonMobil proposes to use, to demonstrate financial responsibility for the following project phases: (1) Corrective Action; (2) Well Plugging; (3) Post-Injection Site Care (PISC) and Site Closure; and (4) Emergency and Remedial Response (ERR).

## 9.2 Facility Information

**Facility Name:** ExxonMobil Low Carbon Solutions Onshore Storage, LLC –  
Hummingbird Carbon Storage Project

**Facility Contact:** [REDACTED]  
ExxonMobil Low Carbon Solutions Onshore Storage, LLC

**Project Site Name:** Hummingbird CS Project

**Well Location(s):** Allen Parish, Louisiana

Hummingbird INJ No. 01: [REDACTED]  
Hummingbird INJ No. 02: [REDACTED]  
Hummingbird INJ No. 03: [REDACTED]  
Hummingbird INJ No. 04: [REDACTED]  
Hummingbird INJ No. 05: [REDACTED]

\*NAD 27 – North American Datum of 1927

## 9.3 Financial Assurance Demonstration

Per LAC43: XVII **§3609.C**, ExxonMobil informs the Commissioner of Conservation (Commissioner) or their designee, that it will provide, before issuance of the construction permit, a qualifying financial instrument sufficient to cover the cost of meeting the requirements of the following:

- Corrective Action (**§3615.C**)
- Well plugging (**§3631**)
- PISC and site closure (**§3633**)
- ERR (**§3623**)

The qualifying financial instrument to be provided will be one of the following instruments per LAC43: XVII **§3609.C**:

- A certificate of deposit issued in sole favor of the Office of Conservation in a form prescribed by the Commissioner—and that may not be withdrawn, canceled, rolled over, or amended in any manner without the approval of the Commissioner
- A performance bond (surety bond) in sole favor of the Office of Conservation in a form prescribed by the Commissioner
- A letter of credit in sole favor of the Office of Conservation in a form prescribed by the Commissioner
- Site-specific trust account
- Any other instrument of financial assurance acceptable to the Commissioner

#### **9.4 Estimated Coverage Amounts**

The total current cost estimate for the Hummingbird Project's activities, as estimated by a third party, necessitating financial assurance at the project site is [REDACTED] in 2025 dollars. This total cost estimate assumes the hiring of independent, third-party contractors to perform the required activities for each project phase.

The cost estimate is separated into the following phases<sup>1</sup>:



Table 9-1 summarizes the total estimated cost of performing each activity, along with the timeline for which financial assurance coverage is expected to be needed. The values included in this demonstration of financial responsibility are based on cost estimates developed as part of

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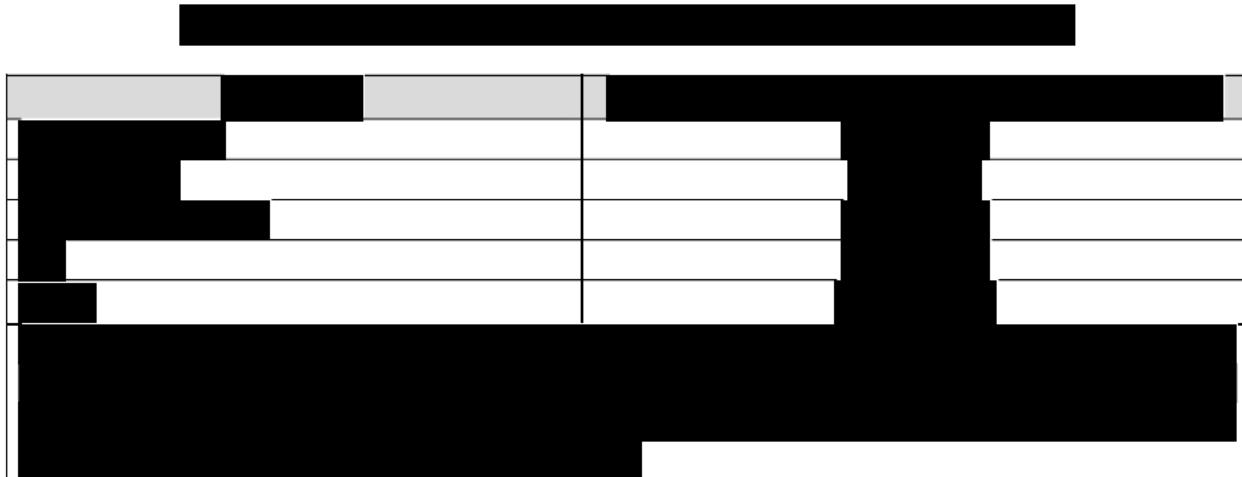
<sup>1</sup> Assumes receipt of permit in 2027, start of injection in 2027, and 28 years of injection.

<sup>2</sup> Financial responsibility coverages for well plugging reflect the current estimated cost for plugging the five injection wells and [REDACTED] related to the Hummingbird Project.

the application process and assume the hiring of third-party contractors to perform the services—or to procure the goods associated with the performance of each activity. These values are subject to change during the life of the project to account for inflation of costs and changes to the project that may affect the cost of covered activities.

Per LAC43: XVII §3609.C.4.h, ExxonMobil will, during the active life of the project, adjust the cost estimates for inflation within 60 days prior to the anniversary date of the establishment of the financial assurance instrument. In addition, ExxonMobil will provide to the Commissioner written updates of adjustments to the cost estimates within 60 days of any amendments to the AOR and Corrective Action Plan (LAC43: XVII §3615.C), the Injection Well Plugging Plan (LAC43: XVII §3631), the PISC and Site Closure Plan (LAC43: XVII §3633), and the Emergency and Remedial Response Plan (ERRP) (LAC43: XVII §3623).

ExxonMobil will adjust the value of its financial assurance instrument in response to any changes in cost estimates and will resubmit its revised demonstration of financial responsibility to the Commissioner or their designee for review and approval. ExxonMobil will not adjust the established coverage values of any financial assurance instrument without prior approval from the Commissioner, or their designee.



## **9.5 Corrective Action**

The Corrective Action Plan is discussed in detail in *Section 3 – Area of Review and Corrective Action Plan*. Per the requirements of LAC43: XVII §3615.C, the plan specifically outlines both a plugging plan for the artificial penetrations found within the CO<sub>2</sub> plume and brine pressure front, and the recompletion schedule whereby the wellbore modifications will have been completed.

For the planned activities at the Hummingbird Project, workovers on the legacy wells found to have a deficiency sufficient to represent a potential loss of CO<sub>2</sub> or brine containment will be reentered and plugged prior to receiving approval from the Commissioner to inject.

Per LAC43: XVII §3609.C.4.d.ii, this financial responsibility demonstration will be updated annually to account for any changes in expected financial coverage values and to confirm that the financial instrument(s) then in place remain adequate for use.

Table 9-2 – Summary of Corrective Action Costs Underpinning Financial Assurance Coverages

CS Activity	Estimated Financial Assurance Coverage Value
[REDACTED]	[REDACTED]

## 9.6 Well Plugging

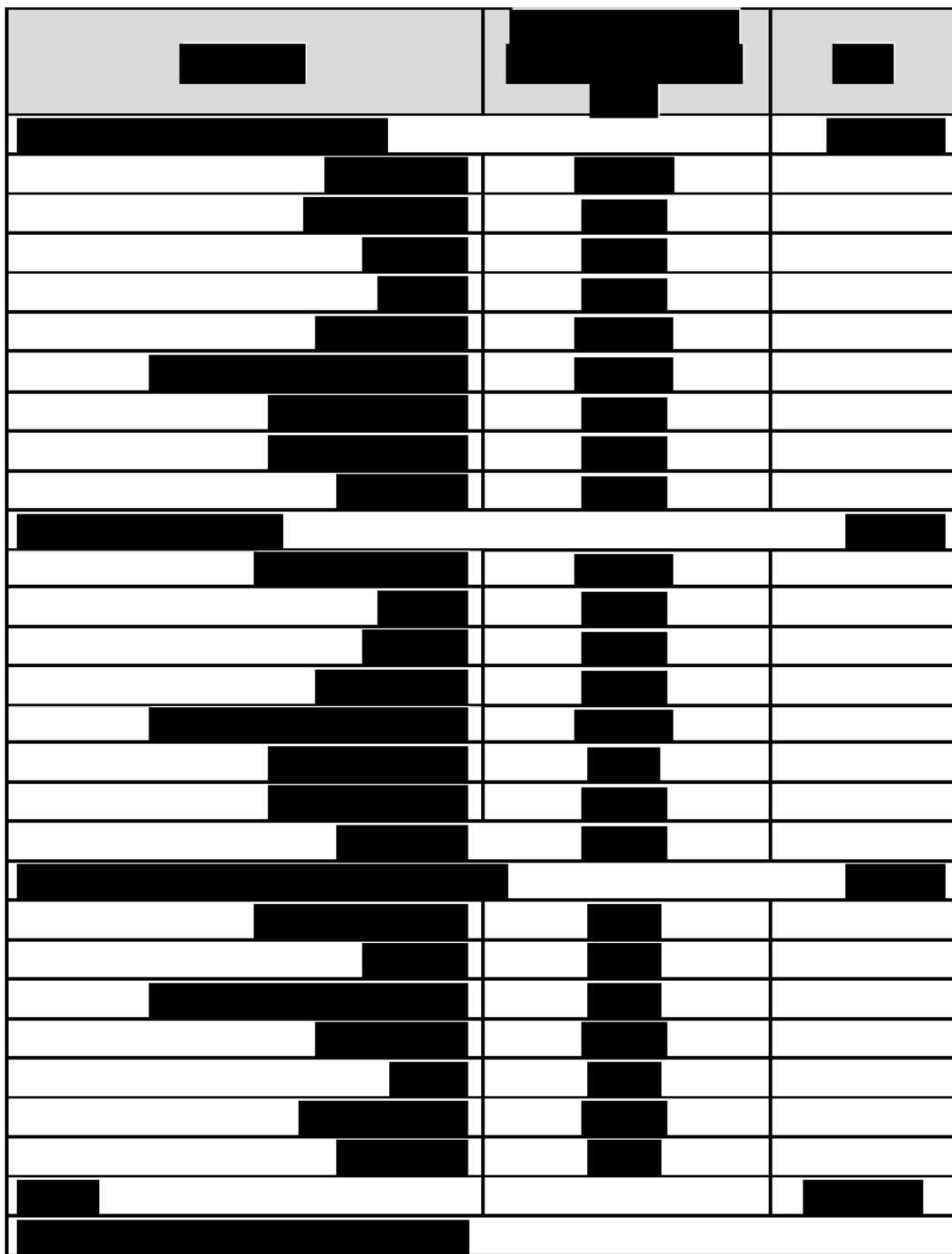
### 9.6.1 Injection Well Plugging

Plugging and abandonment (P&A) of the injection wells at the Hummingbird Project will meet the requirements of LAC43: XVII §3631. The P&A plan for the proposed injection wells was designed to reduce the potential for movement of CO<sub>2</sub> or brine from the injection zone through the upper confining zone (UCZ) and toward underground sources of drinking water (USDWs).

A detailed P&A plan is discussed in *Section 6 – Injection Well Plugging Plan*. In alignment with the requirements for the P&A plan, the estimated financial assurance coverage value includes costs for logs/wireline to be run in the wellbore before cementing occurs, if necessary. Carbon dioxide-compatible cement will be used to set the cement plug for the first [REDACTED] followed by additional plugs at the base of the lowermost USDW and at the well surface. The expenses relating to personnel and equipment have been accounted for in Table 9-3.

### 9.6.2 Monitoring Well Plugging

Plugging and abandonment of the project's [REDACTED] will also meet the requirements of LAC43: XVII §3631. As detailed in *Section 6 – Injection Well Plugging Plan*, the P&A of the monitoring wells was designed to protect the USDW from potential endangerment. The estimated financial assurance coverage value for this activity includes the costs for logs and wireline to be run in the in-zone monitoring wells before cementing occurs to the extent necessary. The expenses relating to personnel and equipment have been accounted for in Table 9-3.



## **9.7 Post-Injection Site Care and Site Closure Plan**

The PISC and Site Closure Plan has been designed to meet the requirements of LAC43: XVII §3633. The estimated financial assurance coverage value for this CS activity includes the cost categories

summarized in Table 9-4, while the plan itself is discussed in *Section 7 – Post-Injection Site Care and Site Closure Plan*.

### 9.7.1 Post-Injection Monitoring

As discussed in *Section 5 – Testing and Monitoring Plan*, [REDACTED] and pressure and temperature monitoring will be conducted during operations and after the end of injection to assess the integrity of the wells and to track the migration of the CO<sub>2</sub> plume and brine pressure front.

## 9.7.2 Site Closure Plan

Site closure will occur when the Commissioner has released the owner from PISC duties and the demonstration of non-endangerment of USDWs has been approved. The estimated financial assurance coverage value for this CS activity is summarized in Table 9-4 and reflects the expected amount to decommission and close the site.

## 9.8 Emergency and Remedial Response

The ERRP, discussed in *Section 8 – Emergency and Remedial Response Plan*, is designed to satisfy the requirements of LAC43: XVII §3623, which necessitates an ERRP that describes actions that ExxonMobil will take to address movement of injection or formation fluids that may cause an endangerment to a USDW during the construction, operation, and PISC periods.

The financial assurance coverage value for ERR is estimated to be [REDACTED] in 2025 dollars and summarized in Table 9-5. This estimate assumes coverage for the following event-based risk activities at the Hummingbird Project: mechanical integrity of the injection well casing or cement seal, artificial penetrations of the UCZ, mechanical integrity of the operating equipment, natural features affecting the sealing properties of the UCZ, and incidents/unplanned events. Also summarized in detail in *Section 8* are the details regarding the approach used to develop the scenarios; the levels of severity considered; and the actions to be taken to avoid, monitor, respond to, and notify about the occurrence of risk events.

[REDACTED]

