Application Number: 45054
Plan Revision: December 2025

ATTACHMENT C

FINANCIAL ASSURANCE DEMONSTRATION [LAC 43:XVII.3609.C and 40 CFR 146.85]

1 FACILITY INFORMATION

Facility name: River Parish Sequestration – RPN 1

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Well name/location:

Well	Parish/State	Latitude (NAD27)	Longitude (NAD27)
RPN-1-INJ	Ascension, LA	30° 6' 09.04" N	91° 3' 45.37" W

2 INTRODUCTION

This financial assurance demonstration describes how River Parish Sequestration, LLC (RPS), will meet the requirements for 40 Code of Federal Regulations (CFR) 146.85 and Louisiana Administrative Code (LAC) 43.XVII.3609. The financial assurance for Class VI projects consists of these four components:

1. Corrective Action
2. Injection Well Plugging and Abandonment (P&A)
3. Post-Injection Site Care (PISC) and Site Closure
4. Emergency and Remedial Response Plan (ERRP)

This document discusses the methodology of determining the costs for each of the four components, the financial responsibility instrument to be used, and the frequency with which the financial assurance will be reassessed.

3 FINANCIAL INSTRUMENTS [40 CFR 146.85(A) AND LAC 43.XVII.3609.C]

RPS plans to demonstrate financial responsibility as follows:

- Corrective Action, Injection Well P&A, and the PISC and Site Closure will each be covered by either a trust fund to be held by a bank or a surety bond.
- The ERRP will be fulfilled by an insurance policy, in accordance with 43.XVII.3609.C.4.a.ii.

Each method of financial assurance will contain applicable protective conditions of coverage as required pursuant to 40 CFR 146.85(a)(4) and LAC 43:XVII.3609.C.4.c. RPS will provide proof to the U.S. Environmental Protection Agency (EPA) and Louisiana Department of Conservation & Energy (C&E) that the insurance provider and surety bond issuers selected pass the financial strength requirements of the Class VI rule and are able to do business in Louisiana. The financial assurance will be maintained for the period required in 40 CFR 146.85(b) and LAC 43:XVII.3609.C.4.

4 COST ESTIMATES [LAC 43:XVII.3609.C.4.h and 40 CFR 146.85(C)]

Cost estimates for the required activities associated with RPN-1-INJ were prepared by several different service providers (**Table 1**). Well plugging and site closure costs are based on estimates developed by Brammer Engineering. PISC costs are comprised of various activities with estimates from the relevant subject matter expert service provider, including SLB, Core Labs, Brammer Engineering, Geotomo, ESG Solutions, and Applied Geochemical Imaging. The cost for Emergency and Remedial Response (ERR) is based on an estimate developed by Industrial Economics. All costs are presented in 2025 dollars.

Table 1: Cost Estimate for Project Activities to be Covered

Activity	Estimated Cost (2025 USD)
Corrective Action on Wells in the AoR	$0
Plugging of Injection Well	$684,000
Post-Injection Site Care	$5,350,000
Site Closure	$1,162,000
Emergency and Remedial Response	$6,100,000
Total:	**$13,296,000**

AoR: Area of Review
USDW: underground source of drinking water

4.1 Performing Corrective Action on Wells in the Area of Review [43.XVII.3609.C.4.a.i.(a)]

There are no wells within the AoR that currently require corrective action. No wells within the AoR penetrate the confining zone (**Attachment B**). As such, there is no cost associated with remedial action for artificial penetrations that penetrate the confining zone within the AoR. Any corrective action to wells associated with the project which penetrate the confining zone are covered in the ERRP (**Attachment I**).

4.2 Plugging of Injection Well [43.XVII.3609.C.4.a.i.(b)]

The Injection Well Plugging Plan discusses the plugging plan in detail, which will occur following cessation of injection operations and commencement of the PISC period (P&A procedures provided in **Attachment G**).

The estimated P&A cost for the injection well, RPN-1-INJ, is $684,000 in 2025 dollars (P&A procedures provided in **Attachment G**), which is based on an Authorization for Expenditure

(AFE) provided by Brammer Engineering that is appended hereto. Further details, schematics, and technical standards for the well plugging can be found in the Injection Well Plugging Plan.

4.3 PISC and Site Closure [43.XVII.3609.C.4.a.i.(c)]

The PISC and Site Closure Plan details the plume, pressure front, and groundwater monitoring activities that will be performed during the post injection period, as well as their frequencies (PISC and Site Closure Plan provided in **Attachment H**). This plan also describes the process for decommissioning monitoring wells and closing the site.

PISC cost estimates are presented in **Table 2** and are based on quotes provided by the following:

- Geotomo and Schlumberger for vertical seismic surveys
- Core Labs for fluid sampling lab analysis
- Brammer Engineering for fluid sample collection
- ESG for seismicity monitoring
- Applied Geochemical Imaging for soil gas monitoring

Table 2: PISC Cost Estimate

Activity	Cost per Event per Well (2025 USD)	# of Wells per Event	Total Estimated Cost (2025 USD)
Vertical Seismic Profiling Survey	$250,000	1	$2,500,000
Groundwater Quality – Direct Sampling	$6,250	4	$1,250,000
Seismicity Monitoring	$50,000	--	$100,000
Soil Gas Monitoring	$150,000	--	$1,500,000
		PISC Subtotal:	**$5,350,000**

Site Closure costs are presented in **Table 3** and are based on AFEs provided by Brammer Engineering that are appended hereto.

Table 3: Site Closure Cost Estimate

Activity	Total Estimated Cost (2025 USD)
Plug Monitoring Wells (4 wells)	$808,000
Site Restoration	$354,000
Site Closure Subtotal:	**$1,162,000**

4.4 Emergency and Remedial Response Costs [43.XVII.3609.C.4.a.i.(d)]

The ERRP describes measures that will be taken to meet the requirements of 43.XVII.3623 to address movement of injection or formation fluids that may cause an endangerment to a USDW during construction, operation, and post-injection site care periods. RPS estimates the cost of meeting these requirements is $6,100,000 in 2025 dollars.

This estimate is based on a third-party cost analysis using readily available information tailored to project-specific risks and uncertainties which, when combined with the results of Monte Carlo analysis, generate reasonable upper bound estimates of ERR costs. This analysis provides a reasonable, conservative, and objective basis for determining the face value of financial assurance instruments necessary to support a Class VI permit. Industrial Economics, Inc., (IEc) the consultant retained to generate this estimate, provided a report to substantiate this cost estimate, which is included in **Appendix A.**

The estimation method applied is based on the peer-reviewed approach pioneered by IEc; the approach has been used to inform estimation of coverage amounts for emergency and remedial response in previously approved Class VI permits. The valuation parameters of the Carbon Capture and Storage stochastic Monte Carlo model ("CCSvt model"), which is the cornerstone of the estimation method, have been tailored to reflect site-specific factors associated with this injection well location. Specifically, the model's input parameters reflect the geologic location and specific chemical composition of the project's CCS stream, as well as site-specific conditions that exist within the established area of review. The analysis adopts several conservative input assumptions and incorporates probabilistic calculations that allow for multiple release incidents across geologic sequestration activities – from injection through post-injection site care to site closure. The resulting coverage values are based on generally accepted response actions commonly used to respond to contamination incidents that could impair the public's ability to safely access Underground Source(s) of Drinking Water (USDWs).

This upper-bound estimate reflects the single Monte Carlo trial with the greatest estimate of emergency and remedial response costs out of the 50,000 trials run (comprising three separate ERR actions over the 80-year combined duration of injection and post-injection site care periods). The estimates described in the IEc report specifically account for an array of possible risk events of potential concern at CCS sites that could endanger a USDW.

5 UPDATES TO FINANCIAL ASSURANCE [LAC 43:XVII.3609.C.4.h(ii)(iii)(iv) and 40 CFR 146.85(C)(2)(3)(4)]

The values detailed in **Table 1** and this document will be reevaluated annually or as otherwise required by LAC 43:XVII.3609.C and 40 CFR 146.85. As such, the insurance policy and amount held in trust for the remaining section will be reevaluated and updated annually. Any changes to the financial assurance will be communicated to the UIC Director and EPA on an annual basis in accordance with LAC 43:XVII.3609.C.1 and 40 CFR 146.85(a)(5). Any adverse financial conditions that may affect the Operator's ability to carry out injection well plugging and PISC and site closure will be communicated to the UIC Director and EPA in accordance with LAC 43:XVII.3609.C.4.j and 40 CFR 146.85(d).

During the evaluation of the qualifying financial responsibility instruments, if the UIC Director determines the qualifying financial instrument(s) is no longer adequate to cover the cost of corrective action, injection well plugging, PISC and site closure, and ERR, RPS will provide an adjustment of the cost estimate to the UIC Director and EPA within 60 days of notification.

RPS will post financial assurance for well plugging and well site closure after receipt of a Class VI authorization to construct and prior to starting well construction. Before commencement of CO_2 injection, the financial assurance amount for the injection well plugging will be sized for Louisiana UIC Class V standards as set forth in **Table 4** below. Upon the commencement of CO_2 injection, injection well plugging financial assurance will be increased to the amount set forth in **Table 2** above that reflects a Class VI plugging standard. Financial assurance for PISC and ERR activities will be posted immediately before CO_2 injection.

Application Number: 45054
Plan Revision: December 2025

Table 4: Financial Assurance Required Before and Upon Commencement of CO_2 Injection

Financial Assurance Posting Schedule (2025 $)						
	Plugging	Site Restoration	Prior to CO2 Injection	Plugging	Site Restoration	Commencement of CO2 Injection
	A	*B*	*C=A+B*	*A*	*B*	*C=A+B*
Injection Well	684,000	25,000	709,000	684,000	25,000	709,000
Above Confinining Zone Monitor Well	310,000	65,000	375,000	310,000	65,000	375,000
Ground Water Well 1	166,000	88,000	254,000	166,000	88,000	254,000
Ground Water Well 2	166,000	88,000	254,000	166,000	88,000	254,000
Ground Water Well 3	166,000	88,000	254,000	166,000	88,000	254,000
PISC						5,350,000
ERR						6,100,000
Total Financial Assurance	1,492,000	354,000	1,846,000			13,296,000