Application No. 45079, 45080, 46169, 46170, and 46171

FINANCIAL RESPONSIBILITY

Pelican Sequestration Project

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1.0 Facility Information

Facility name: Pelican Sequestration Project
Pelican CCS 1, Pelican CCS 2, Pelican CCS 3,
Pelican CCS 4, and Pelican CCS 5 wells

Facility contact: Tyler Spoede, Project Manager
5 Greenway Plaza Houston, TX 77046
713-985-6954 william_spoede@oxy.com

Well location: Livingston Parish, Louisiana

Well Name	Longitude (NAD 27)	Latitude (NAD 27)	Longitude (NAD 83)	Latitude (NAD 83)
Pelican CCS 1	-90° 40' 55.76"	30° 35' 19.16"	-90° 40' 56.10"	30° 35' 19.83"
Pelican CCS 2	-90° 40' 58.83"	30° 34' 53.98"	-90° 40' 59.17"	30° 34' 54.66"
Pelican CCS 3	-90° 43' 50.13"	30° 36' 10.56"	-90° 43' 50.48"	30° 36' 11.24"
Pelican CCS 4	-90° 44' 29.72"	30° 36' 41.03"	-90° 44' 30.06"	30° 36' 41.70"
Pelican CCS 5	-90° 46' 30.21"	30° 37' 35.26"	-90° 46' 30.56"	30° 37' 35.93°

The matter of financial assurance demonstration is relevant to the requirements of the Louisiana Department of Conservation and Energy (C&E) code (LAC 43:XVII.3609(C)) concerning financial responsibility for Class VI Wells. The Financial Assurance Plan lists 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 LAC rule requires that Pelican Sequestration Project, LLC, demonstrate financial ability for successful closing, plugging, and abandoning the underground injection wells, and where necessary, related surface facilities, and for post-injection site care and site closure in a manner prescribed by the commissioner (LAC 43:XVII.3609(C)(1)). Financial responsibility also includes corrective actions, injection well plugging, post-injection site care and site closure, and emergency and remedial response (LAC 43:XVII.3609(C)(4)(a)). Table FA-1 provides a summary of items included in the financial assurance cost.

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

Activity	Period of Performance
Performing corrective action	As needed
Plugging injection	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, research, and analysis documents and intends to utilize a letter of credit to demonstrate financial responsibility for all activities requiring financial assurance. The letter of credit will be from a financially stable bank or institution. The letter of credit will require the issuing institution to provide notice if it does not plan to reissue the letter of credit and will include a provision for automatic renewal. Pelican Sequestration Hub, LLC, will establish a standby trust fund in accordance with regulations and guidance to receive any funding necessary to address the cost of covered activities. Pelican Sequestration Hub, LLC, may change the instrument used to demonstrate financial assurance in accordance with regulations.

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 in 2025 $USD.

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

Activity	Cost (Millions of $USD)
Performing corrective action	17.10
Plugging injection wells	5.12
Post-injection site care	9.88
Site closure	4.05
Emergency/remedial response	10.05
Total	46.20

Fifteen wells within the AoR were determined to require corrective actions. Five will be corrected prior to initial operations. Therefore, corrective costs will be incurred prior to operations and are excluded from the financial assurance. 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 Injector Well Plugging Plan document of this permit.

Details of the post-injection site and site closure plan are found in Post Injection Site Care and Site Closure Plan document of this permit. Post-Injection Site care costs were estimated from cessation of injection to site closure and account for plume monitoring techniques, maintenance of the wells until closure, and monitoring the site to ensure protection of the USDW. Site closure costs include plugging monitoring wells, removal and/or abandonment 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.

The instrument values included in this document are based upon cost estimates by the Pelican Sequestration Hub, LLC, project team with input cost data from service providers. Cost estimates were provided during the permit application process. If the cost estimates change during the permitting process or the life of the project, Pelican Sequestration Hub, LLC, will adjust the value of the financial instruments.