

CLASS VI FINANCIAL RESPONSIBILITY DEMONSTRATION

COST ESTIMATES DESCRIPTION 40 CFR 146.85

Elk Hills A1-A2 Storage Project

Description of Financial Responsibility Cost Estimates

Carbon TerraVault 1 LLC (CTV) utilized the EPA Cost Estimation Tool for Class VI Financial Responsibility Demonstration. The 2015 estimates provided by the EPA have been updated by CTV with an annual inflation rate of 2.5%.

Prior to injection and project approval CTV will provide updated estimates that are verified with a third party contractor.

Financial responsibility will be covered by the following:

1. **Letter of Credit** for Post-Injection Site Care and Closure and Injection Well Plugging.
2. **Insurance** coverage for Emergency and Remedial Response.