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M E M O R A N D U M

Bluebonnet Sequestration Hub Class VI UIC Facility - Draft Permit # 57900 (Chambers & Liberty Counties, Texas)
Responses to Comments Received Regarding Class VI Carbon Sequestration

Overview

On August 5th, 12th, and 19th, 2026, in The Anahuac Progress newspaper (Chambers County), and on August 6th, 13th, and 20th, 2026, in The Vindicator newspaper (Liberty County), the Railroad Commission of Texas (RRC) published notices of the subject Bluebonnet Sequestration Hub Class VI UIC Facility (Bluebonnet) draft permit, announcing both in-person and virtual public comment meetings.
The in-person public comment meeting was held on Tuesday, September 15th, 2026, from 6:00-8:00 PM at the Winnie-Stowell Community Building, 335 South Park Street, Winnie, Texas 77665. This was followed by a virtual public comment meeting held online on Wednesday, September 16th, 2026, from Noon - 2:00 PM. The public was also advised that comments could be submitted online on the RRC website at https://www.rrc.texas.gov/oil-and-gas/applications-and-permits/injection-storage-permits/co2-storage/class-vi-comment-form.

- In response to the in-person public comment meeting, the RRC received statements from nine (8) people who registered to speak at the in-person meeting; three (3) were in support, four (4) were non supportive and one (1) were neutral.
- In response to the virtual public comment meeting, four (4) comments were received during the virtual meeting; two (2) of these were non-supportive, one (1) was supportive and one (1) was neutral of the Bluebonnet project.
- In response to public notices published, the RRC received four hundred seven (407) identical form letter via email and three (3) individual emails of non-supportive comments on the Bluebonnet project. There were two (2) supportive and one (1) neutral individual email/online portal.

Comments and Responses

Comment 1: Protect our Drinking Water Sources from CO2 Contamination
(407 copies of this Form Letter with nearly identical wording were received via email)

Response 1:

Site Characterization
The information and concerns stated in your comment are not substantiated by the findings of Texas Water Development Board Report 236: “Stratigraphic and Hydrogeologic Framework of Part of the Coastal Plain of Texas” which was written in

1979 for the Texas Department of Water resources by E.T. Baker, Jr. of the United States Geological Survey.

Area of Review / Corrective Action
As stipulated by **16 TAC §5.203(d)(1)(C) Corrective action.** "The applicant must demonstrate whether each of the wells on the table of penetrations has or has not been plugged and whether each of the underground mines (if any) on the table of penetrations has or has not been closed in a manner that prevents the movement of injected fluids or displaced formation fluids that may endanger USDWs or allow the injected fluids or formation fluids to escape the permitted injection zone. The demonstration shall include evidence that the materials used are compatible with the carbon dioxide stream. The applicant must perform corrective action on all wells and underground mines in the AOR that are determined to need corrective action. The operator must perform corrective action using materials suitable for use with the CO2 stream. Corrective action may be phased". The applicant has performed this demonstration and the RRC has determined the demonstration to be satisfactory.

Well Construction / Injection Plan
The comment above takes issue with the redaction of information regarding the expected chemical composition of the CO2 stream that will be injected at the Bluebonnet Sequestration Hub.
Confidential Business Information: In Texas, the handling and protection of confidential business information by government agencies is primarily governed by the Texas Public Information Act (TPIA) (Texas Government Code, Chapter 552). The Texas Public Information Act gives you the right to access government records. All government information is presumed to be available to the public. However, certain exceptions may apply to the disclosure of the information. Governmental bodies must promptly release requested information provided that the information is not confidential by law, either constitutional, statutory, or by judicial decision, or information for which an exception to disclosure has not been sought.
There are statutory protections for certain business information that agencies may or must withhold certain proprietary business data under specific exceptions:

- **Confidential Materials:** TAC Title 16, Part 1, Chapter 1, Subchapter F, Rule §1.68
- **Trade Secrets:** Protected under Section 552.110(b).
- **Commercial or Financial Information:** Protected under Section 552.110(c) if disclosure would cause specific commercial or financial competitive harm.
- **Proprietary Bids and Proposals:** Protected under Section 552.1101 for certain internal pricing, methods, and commercial parameters.
- **Competitive Advantage:** Protected under Section 552.104 (Boeing Co. v. Paxton) to safeguard a public or private entity's interests in competitive bidding.

If you believe the redacted information that you are interested in seeing is not one of the specific exceptions listed above, you may contact the RRC Office of General Counsel in writing and ask that your request be adjudicated by the Texas Office of the Attorney General (OAG). The Texas OAG will review the requested information that has been redacted and will determine whether the information in question meets the specific exceptions listed above defining confidential business information. If the information in question is determined to not meet these specific exceptions, the Texas OAG may order the information be unredacted and released by the RRC to the requestor. For information, please contact the Office of the Attorney General, Open Government Hotline, at 512-478-6737 or toll-free at 1-877-673-6839.

Testing & Monitoring/Reporting
In response to the comment, please refer to 16 TAC §5.206(g) relating to Permit conditions for AOR and corrective action, which states: “At the frequency specified in the approved AOR and corrective action plan or permit, and whenever warranted by a material change in the monitoring and/or operational data or in the evaluation of the monitoring and operational data by the operator, but no less frequently than every five years, the operator of a geologic storage facility also must:

(1) perform a re-evaluation of the AOR by performing all of the actions specified in §5.203(d)(1)(A)-(C) of this title to delineate the AOR and identify all wells that require corrective action;

(2) identify all wells in the re-evaluated AOR that require corrective action;

(3) perform corrective action on wells requiring corrective action in the re-evaluated AOR in the same manner specified in §5.203(d)(1)(C) of this title;

(4) submit an amended AOR and corrective action plan or demonstrate to the director through monitoring data and modeling results that no change to the AOR and corrective action plan is needed. Any amendments to the AOR and corrective action plan must be approved by the director, must be incorporated into the permit, and are subject to the permit modification requirements at §5.202 of this title (relating to Permit Required, and Draft Permit and Fact Sheet), as applicable; and

(5) retain all modeling inputs and data used to support AOR reevaluations for at least 10 years”.

Therefore, there is already a trigger for the re-evaluation of the Area of Review and updated geologic model. In addition, amendments to the AOR and corrective action plan are subject to the permit modification requirements. These requirements for Area of Review re-evaluation or change in the geologic model found in Chapter 5 of the Texas Administrative Code, were taken from and are essentially identical to the Environmental Protection Agency’s (EPA) Federal requirements found under 40 CFR § 146.84(e) Area of review and corrective action.

Post-Injection Site Care
As stipulated by 16 TAC §5.203(d)(1)(C), relating to Corrective action, “The applicant must perform corrective action on all wells and underground mines in the AoR that are determined to need corrective action. The operator must perform corrective action using materials suitable for use with the CO_2 stream. Corrective action may be phased“. This means that the legacy wells within the AoR penetrating the confining zone, must be plugged with CO_2-resistant cement. Plugging and abandonment plans for the Bluebonnet Sequestration Hub LLC wells comply with 16 TAC §3.14 requirements for well plugging, and also follow best practices specified by the EPA Underground Injection Control (UIC) regulations (40 CFR § 146.92) and the EPA Class VI Well Plugging, Post-Injection Site Care, and Site Closure Guidance. The well plugging and abandonment planned by Bluebonnet also follows best practices for UIC well plugging and abandonment found at the Society for Petroleum Engineers (SPE) Plug and Abandonment website https://connect.spe.org/plugandabandonment/home , and best practices promulgated by the American Petroleum Institute (API) through API Recommended Practice (RP) 65-3: Wellbore Plugging and Abandonment.

Emergency and Remedial Response Plan
Section 8 of the ‘Emergency and Remedial Response Plan’ states:

"All operations employees will receive training related to health and safety, operational procedures, and emergency responses according to the roles and responsibilities of their work assignments. Initial training will be conducted by, or under, the operations manager or a designated representative's supervision. Trainers will be thoroughly familiar with the Operations Plan and ERRP.
Facility personnel will participate in annual training that teaches how to perform their duties in ways that prevent CO2 discharge. The training will include familiarization with operating procedures and equipment configurations appropriate to the job assignment and emergency response procedures, equipment, and instrumentation. New personnel will be instructed before beginning work.
Refresher training will be conducted at least annually for all operations personnel.
Monthly briefings will be provided to operations personnel according to their respective responsibilities and highlighted with recent operating incidents, actual experience in operating equipment, and recent storage reservoir monitoring information.
Only personnel who have been properly trained will participate in drilling, construction, operations, and equipment repair at the storage site. A record including the person's name, date of training, and instructor's signature will be maintained.
Bluebonnet Sequestration Hub LLC has coordinated with local offsite emergency agencies and resources. However, the RRC does not have the authority to require or specify training for local first responders as suggested in your comment.

Financial Responsibility
The comment above takes issue with the redaction of certain financial information found in the Bluebonnet permit application. See the response above regarding the Texas Public Information Act and confidential business information.

Comment 2: Texas CCS Community Advocacy Coalition, and Allies
(submitted by Litzy Chavana via email)

Response 2:

Geologic Site Characterization
Gulf Coast Aquifer
The information and concerns stated in the comment are not supported by the findings of Texas Water Development Board Report 236: "Stratigraphic and Hydrogeologic Framework of Part of the Coastal Plain of Texas" which was written in 1979 for the Texas Department of Water resources by E.T. Baker, Jr. of the United States Geological Survey. Specifically refer to Cross-Section A-A' and Cross- Section B-B' in this report, which clearly shows that the injection reservoirs proposed for the Bluebonnet Sequestration facility are not Underground Sources of Drinking Water (USDWs). In general, a USDW contains water with 10,000 milligrams per liter or less of total dissolved solids. This was confirmed by petrophysical salinity data collected from the proposed by the applicant in their Stratigraphic Test Well.

The lowest geologic unit in the Area of Review that has the potential to be an underground source of drinking water is the Chicot Aquifer. The base of the Chicot Aquifer within the Bluebonnet Sequestration Hub site ranges in depth between approximately 1,100 and 1,700 feet below the ground surface. The Groundwater Advisory Unit has determined that the base of the deepest USDW occurs at a depth 1,550 feet below the ground surface in the Bluebonnet Sequestration Hub Area of Review.

The three proposed injection zones from top to bottom are the Lower Miocene, Frio, and Hackberry Formations, perforated across multiple injection intervals ranging in depth between approximately 5,200 – 8,800 feet below ground surface. The Lower Miocene

injection reservoir is confined and geologically isolated by approximately 800 feet of very low permeability Miocene Composite Confining Zone and Lower Miocene Shale. The Frio (Oligocene) injection reservoir is confined and geologically isolated by approximately 1000 feet of overlying Anahuac Shale. The Hackberry (Oligocene) injection reservoir is confined and geologically isolated by approximately 200 feet of overlying Frio shale. The shallowest Lower Miocene injection reservoir at the Bluebonnet Sequestration site lies approximately 3,500 feet below (deeper than) the deepest underground source of drinking water (USDW) at the site.

Natural Faulting & Induced Seismicity
The geology of the Liberty, Chambers, Jefferson counties area of the Bluebonnet Project is characterized by geologically young, typically poorly lithified, and typically ductile sedimentary strata. The extensional tectonic setting (pulling apart and downward into the Gulf of Mexico Basin) of the Texas Gulf Coast region surrounding the Bluebonnet Sequestration Hub, is not conducive to major natural earthquakes. The region is considered one of the most seismically quiet areas in North America because it sits far from active (compressive and/or transpressive) tectonic plate boundaries. The Bluebonnet Sequestration site lies on the passive margin of the North American Plate, which is an extensional passive tectonic setting characterized by cratonic stability. The underlying crystalline basement is thinned, and occurs very deep below the surface, covered by up to 20 kilometers (approximately 65,000 feet) of sand, silt, and clay-dominated sediment layers. Because there is no tectonic plate collision associated with the passive margin of the Texas Gulf Coast, the enormous compressive or transpressive tectonic forces required to trigger large, destructive earthquakes do not exist.

Area of Review (AoR) & Corrective Action
Area of Review Model + Compounded Effects

- **Why are these two oil-gas majors not including each other's rock-fluid flow dynamics and pressure front data into each other's reservoir modeling to determine the compounded effects of injecting a combined 210 Million Metric Tons in a total of 20 years within a 10 mile radius?**
  The two companies Oxy (Bluebonnet Sequestration Hub LLC) and ExxonMobil each have their own proprietary subsurface data sets. Such proprietary information is not usually shared with a competitor. In some instances, these companies may not own the information – it may be owed by the company that collected the data. The Areas of Review for these two separate projects are several miles apart, and the vertically endangering pressure threshold isobar ("critical pressure') surrounding each set of injector wells for the respective projects do not interfere with one another or add to (increase) the pressures of any other UIC projects in the region. Individual UIC projects around the region are separated and isolated from one another by stratigraphic pinch-outs, facies changes, diagenetic factors (mineral cementation, clay pore-throat occlusion), and sealing faults of which there are many in the region.

- **Why did the SIP division not compel these two oil-gas majors to include each other's rock-fluid flow dynamics, pressure front scenarios /timelines, and critical pressure data into each other's reservoir modeling under 16 TAC §5.203(c)-(d)?**
  The RRC cannot compel business competitors to share proprietary technical data with one another. Both ExxonMobil and Oxy employ highly skilled geologists and reservoir engineers who are aware that there are hundreds of other oil and gas wells and UIC wells across the Texas Gulf Coast Region in which they operate, and they are able to directly measure and monitor formation pressures within reservoirs of interest (for oil and gas production, secondary recovery/EOR activities, or UIC

projects in which they may be involved). The ambient pressures within injection reservoirs are measured and are used to define the initialization pressures and boundary conditions used when running their numerical fluid flow simulations of the injection reservoirs.

- **Plug Oil-Gas Wells before CO2 Injection**
  Both Federal and State regulations allow corrective action to be conducted in a phased manner. The Federal EPA regulations state in 40 CFR Subpart H §146.84(d)(iv) require the applicant to indicate “How corrective action will be conducted to meet the requirements of paragraph (d) of this section, including what corrective action will be performed prior to injection and what, if any, portions of the area of review will have corrective action addressed on a phased basis and how the phasing will be determined; how corrective action will be adjusted if there are changes in the area of review; and how site access will be guaranteed for future corrective action”. Texas regulations found in 16 TAC §5.203(d)(1) states: “Initial delineation of the AOR and initial corrective action. The applicant must delineate the AOR, identify all wells that require corrective action, and perform corrective action on those wells. Corrective action may be phased”.

Well Construction & Operations
CO2 Stream Requirements
Carbon dioxide (CO2) is not typically classified as a toxic or poisonous substance, but it is recognized as a simple asphyxiant and a physiological hazard at high concentrations. Captured carbon dioxide (CO2) injected into underground wells for long-term storage is technically considered a "discarded material". Under the EPA's Conditional Exclusion for Carbon Dioxide Streams in Geologic Sequestration Activities, these streams are excluded from hazardous waste regulations as long as they meet strict conditions (such as being injected into Class VI wells and not mixed with other hazardous wastes). If those conditions are not met, or if hazardous constituents exceed thresholds, it can potentially be classified as a hazardous waste. For this reason, Oxy and other Class VI UIC well operators impose strict acceptance criteria on the specific chemical composition of the CO2 stream delivered to them (via pipeline) from third party industrial emitters.

The Class VI UIC well operator injecting the material underground for permanent sequestration can cease injection /refuse acceptance of out-of-specification CO2 stream if it does not meet the strict contractually specified criteria agreed upon by both parties (Oxy and the industrial emitter/ CO2 supplier).

The comment asserts that: “the sample taken once every few months will take an additional unknown amount of time to be analyzed in a lab and if those results come back outside the “CO2 specification” then there is a chance that 1) the source facility pipeline will be shut in with the CO2 stream with corrosive compounds or 2) Bluebonnet will just inject a CO2 stream with corrosive compounds into the Gulf Coast Aquifer based on their discretion. What is even more concerning is Bluebonnet does not include what will happen to the “unapproved” CO2 stream in the pipeline – Will it be released to air?”

The chemical composition of CO2 injectate flowing through a pipeline can be continuously tested and verified in real time using automated online and inline analytical technologies. This process, often referred to as Process Analytical Technology (PAT) or online quality monitoring, allows operators to ensure that fluids (liquids and gases) strictly adhere to contractual specifications, custody transfer agreements, and safety standards without interrupting the flow. The chemical analyzer equipment will continuously feed compositional data into a control system. The measured data is compared against

predefined contractual limits (e.g., H_2O, NO_2, H_2S, SO_2, O_2, or minimum purity percentages). If a threshold is breached, the system triggers an immediate alarm to the operators. The facility is monitored (24/7). If the CO2 composition falls outside of contract specifications ("off-spec"), the operators will follow the protocol to validate the data and proceed to isolate the source of CO2 if needed. The CO2 stream quality will be measured at the point source before entering the carrier pipeline as well as at the metering station located at the sequestration site. The continuous data creates a permanent, tamper-evident digital ledger. This ledger provides legal and financial proof of quality during custody transfer, ensuring fair billing based on actual chemical composition. The operator is required under TAC 16 §5.207(a)(2)(A)(ii) to report CO2 stream composition to the RRC semi-annually. The RRC Class VI UIC Program Director can order injection activities to cease, if changes in the chemical composition of the CO2 stream are seen that in the judgment of the director, would interfere with the operation of the facility or its ability to meet the permit conditions.

The CO2 that Oxy will accept in its contract(s) for sequestration must be 95% or higher in purity. Other fractional amounts / trace components which together in total cannot exceed 5% of the total CO2 stream, include water vapor, nitrogen, oxygen, SO2 (<1 part per million), NO2 (<1 part per million), H2S (<20 parts per million), hydrocarbons (<5 mole percent), CO, HCN, glycol, ammonia, argon, sulfur, carbonyl sulfide and alcohols. The proposed Bluebonnet CO2 injectate stream is very typical and is not unusual compared to the CO2 injectate stream of other carbon sequestration injection projects around the world.

Testing & Monitoring/Post Injection Care (PISC)/Site Closure
The Bluebonnet Class VI UIC permit application fully meets the Testing and Monitoring Plan requirements stipulated in 16 TAC §5.305.

Emergency & Remedial Response Plan (ERRP)
ERR Plan Accounts for Entire AoR
The first part of the comment states that “the CO2 injection well locations are away from major, reliable roads. If an emergency occurs near an injection site or at a plugged oil-gas well from the corrective action plan, how will Bluebonnet access those areas to fix the issue?” In the same way that these CO2 injection wells locations were originally accessed during site selection, and will later be drilled, operated, and maintained, they can be accessed in the event of an emergency. The oil and gas industry has demonstrated remarkable technical ingenuity over more than a century in its ability to access areas and drill wells (and perform emergency response actions) in all types of environments around the world including swamps, deserts, mountainous terrain, offshore, even deep underwater. There are no realistically conceivable circumstances under which Oxy (Bluebonnet Sequestration Hub LLC) would not be able to access and respond to its injection wells in the event of an emergency.

Response Actions
The Bluebonnet Class VI UIC Emergency Response & Remediation Plan fully complies with both the relevant Federal EPA regulations found in 40 CFR Subpart H §146.94, and the Texas State regulations found in TAC 16 §5.203(l) Emergency and remedial response plan, that state:
The applicant must submit an emergency and remedial response plan that:

(1) accounts for the entire AOR, regardless of whether corrective action in the AOR is phased;
(2) describes actions to be taken to address escape from the permitted injection interval or movement of the injection fluids or formation fluids that may cause an

endangerment to USDWs during construction, operation, closure, and post-closure periods;
(3) includes a safety plan that includes:
(A) emergency response procedures;
(B) provisions to provide security against unauthorized activity;
(C) CO2 release detection and prevention measures;
(D) instructions and procedures for alerting the general public and public safety personnel of the existence of an emergency;
(E) procedures for requesting assistance and for follow-up action to remove the public from an area of exposure;
(F) provisions for advance briefing of the public within the AOR on subjects such as the hazards and characteristics of CO2,
(G) the manner in which the public will be notified of an emergency and steps to be taken in case of an emergency; and
(H) if necessary, proposed actions designed to minimize and respond to risks associated with potential seismic events, including seismic monitoring; and
(4) includes a description of the training and testing that will be provided to each employee at the storage facility on operational safety and emergency response procedures to the extent applicable to the employee's duties and responsibilities. The operator must train all employees before commencing injection and storage operations at the facility. The operator must train each subsequently hired employee before that employee commences work at the storage facility. The operator must hold a safety meeting with each contractor prior to the commencement of any new contract work at a storage facility. Emergency measures specific to the contractor's work must be explained in the contractor safety meeting. Training schedules, training dates, and course outlines must be provided to Commission personnel upon request for the purpose of Commission review to determine compliance with this paragraph.

Alerting the General Public & First Responders

The Bluebonnet Class VI UIC Emergency Response & Remediation Plan fully complies with both the relevant Federal EPA regulations found in 40 CFR Subpart H §146.94, and the Texas State regulations found in 16 TAC §5.203(l) Emergency and remedial response plan, that state;16 TAC §5.203(l)(3) Paragraphs D-G:

(D) instructions and procedures for alerting the general public and public safety personnel of the existence of an emergency;
(E) procedures for requesting assistance and for follow-up action to remove the public from an area of exposure;
(F) provisions for advance briefing of the public within the AOR on subjects such as the hazards and characteristics of CO2,
(G) the manner in which the public will be notified of an emergency and steps to be taken in case of an emergency;

Earthquake

The Texas Gulf Coast is characterized by thousands of miles of growth faults paralleling the coastline. These extensional (pulling-apart) faults are formed by sediment loading by sand, silt, and mud, which causes the downthrown side of these faults to push downward and accumulate ever-thickening wedges of sediment over millions of years of geologic time. Because these sediments have not yet become fully compacted and de-watered, they are relatively soft and poorly-lithified (in some cases not completely hardened into competent rock layers). And, as a result of being formed in these relatively soft, easily deformable sediments, growth faults along the Texas Gulf Coast typically move through a process known as “aseismic creep” which is slow, continuous slippage.

These growth faults do not move suddenly in violent releases of pent-up energy, i.e. earthquakes, as would typically be seen along a compressive or transpressive tectonic margin with shallow near-surface crystalline basement rocks as is seen in California or in parts of West Texas. For these reasons, the Bluebonnet Sequestration facility is unlikely to cause induced seismicity.

Training

Carbon dioxide (CO_2) safety training in the oil and gas industry—particularly for enhanced oil recovery (EOR) facilities, carbon capture, utilization, and storage (CCUS) projects, and CO_2 pipelines—focuses mainly on asphyxiation risks, high-pressure equipment handling, and emergency response. This includes understanding how CO_2 displaces oxygen in low-lying or confined areas (which can lead to rapid suffocation), and recognizing federal Occupational Safety and Health Administration (OSHA) exposure thresholds. CO2 is not classified by the EPA or OSHA as a hazardous or toxic substance under the statutory lists maintained by the EPA or OSHA, so HAZWOPER (Hazardous Waste Operations and Emergency Response) training is not really the correct training for this type of activity. Training typically will include hands-on tactical response drills for pipeline emergencies, and industrial material leakage emergencies, such as specialized programs hosted by institutions like Texas A&M Engineering Extension Service (TEEX Brayton Fire Training Field) in partnership with operators like Oxy (Occidental Petroleum / OXY USA). Oxy is in fact one of the industry leaders in the area of CO2 processing, handling, and safety, due to the company's extensive experience and expertise operating CO2 Enhanced Oil Recovery (EOR) operations in Texas and elsewhere.

The permit applicant has met all requirements necessary to fulfill the regulations stipulated under 16 TAC §5.203(l)(4), which states that "Training schedules, training dates, and course outlines must be provided to Commission personnel upon request".

Financial Responsibility

Bluebonnet has demonstrated, and will maintain, adequate financial responsibility to perform all needed corrective action on wells in the Area of Review, to plug the injection wells, to perform all required post-injection site care, to close the site, and to conduct any needed emergency and remedial response measures. The total cost estimates for these activities to be covered by the approved financial assurance mechanisms is $35,925,514 in 2025 dollars. Bluebonnet will use a Letter of Credit to cover costs and demonstrate financial responsibility. The draft permits require the permittee to annually update cost estimates for the covered activities. These provisions ensure that resources are available to perform the required activities without using public funds.

In the comment on Financial Responsibility, it takes issue with the redaction of certain cost-estimation details. Please see the information above regarding the Texas Public Information Act.

RRC-EPA Memorandum of Agreement (MOA) - Appendix H: Public Outreach and Community Engagement Plan

Planning and Development Phase

Bluebonnet Sequestration Hub, LLC (and their parent company Oxy) initiated early community engagement with Liberty and Chambers County officials, local emergency response officials, Chambers of Commerce, and various community organizations as well as city and town representatives during the planning and development phase of their project.

Post-application/Pre-permitting Phase
The RRC published a "Notice of Request for Public Comment and Notice of Public Meeting on the Intended Issuance of a Permit for a Geologic Storage Facility & Associated Injection of Anthropogenic Carbon Dioxide" for the Bluebonnet Sequestration Hub three times over three consecutive weeks (on August 5th, 12th, and 19th, 2026) in the Anahuac Progress newspaper serving Chambers County, and three times over three consecutive weeks (on August 6th, 13th, and 20th, 2026) in The Vindicator newspaper serving Liberty County. These published notices provided a summary of the project and announced two public meetings: an in-person public meeting to accept comments on the proposed Class VI permit from 6-8 p.m. on Tuesday, September 15, 2026 at the Winnie-Stowell Community Building in Winnie, Texas; and a virtual (online video and audio conferencing) meeting held from Noon - 2 p.m. on Wednesday, September 16, 2026. In addition, all affected persons (surface landowners, subsurface mineral interest owners, and oil and gas operators within the Area of Review or directly adjacent (abutting) the Area of Review, were mailed a project overview/fact sheet and a copy of the entire draft Class VI UIC permit for their review.

Post-permitting Phase
The RRC will continue to carry out community engagement and notification activities as agreed to in the April 2025 MOA with the US EPA.

Comment 3: Pat Ruff
(Resident 1 mile from the plume via email)
Response 3:

Secrecy
With regard to the first comment, the RRC published a "Notice of Request for Public Comment and Notice of Public Meeting on the Intended Issuance of a Permit for a Geologic Storage Facility & Associated Injection of Anthropogenic Carbon Dioxide" for the Bluebonnet Sequestration Hub three times over three consecutive weeks (on August 5th, 12th and 19th, 2026) in the Anahuac Progress newspaper serving Chambers County, and three times over three consecutive weeks (on August 6th, 13th and 20th, 2026) in The Vindicator newspaper serving Liberty County. These published notices provided a summary of the project and announced two public meetings: an in-person public meeting to accept comments on the proposed Class VI permit from 6-8 p.m. on Tuesday, September 15, 2026 at the Winnie-Stowell Community Building in Winnie, Texas; and a virtual (online video and audio conferencing) meeting held from Noon - 2 p.m. on Wednesday, September 16, 2026. In addition, all affected persons (surface landowners, subsurface mineral interest owners, and oil and gas operators within the Area of Review or directly adjacent (abutting) the Area of Review, were mailed a project overview/fact sheet and a copy of the entire draft Class VI UIC permit for their review. The RRC also published notice on its website.

Health and Safety
Regarding the second comment about Health and Safety, the assertion that the permit applicant will be "using old Oil and Gas wells" is not correct. All wells that will be used for either injection or monitoring will be new wells that have been drilled and constructed by the permit applicant in accordance with the requirements in the rules.

As to the statement that the injected fluids "can create various acids - sulfuric and nitric acid, to name a couple, that are corrosive and dangerous," while CO2 (carbon dioxide) itself is not corrosive. CO2 can mix with and react with water under the right conditions to form carbonic acid. CO2 mixed in the correct proportions with subsurface formation water can form carbonic acid which is corrosive. However, several mechanisms,

including capillary trapping, dissolution, and mineralization, that trap CO2 in deep geological formations, contribute to the long-term storage of the injected CO2. Capillary Trapping occurs when injected CO2 is immobilized in the pore spaces of the rock due to capillary forces. The CO2 becomes trapped as it encounters water in the formation, which prevents it from migrating upward. This is a primary method of ensuring that CO2 remains contained within the geological formation. Dissolution is a process in which CO2 dissolves into the saline water present in the rock formations. As the CO2 dissolves, it reduces the pressure in the formation and can lead to increased stability of the stored CO2. Mineralization is a trapping mechanism in which the injected CO_2 reacts with minerals in the geological formation to permanently form solid carbonate minerals. Mineralization can occur naturally over time or can be enhanced through specific geological conditions.

The rules require baseline geochemical information on subsurface formations in the AoR. Geochemical information on both solids and fluids, in combination with the mineralogic data, is used to determine whether the interaction of the formation fluids with the injectate and solids will cause changes in injectivity, changes in the properties of the confining zone, or the release of trace elements. This information is used to assess the compatibility of the CO2 stream with injection zone fluids and minerals in the injection zone and confining zones. Fluid chemistry also controls the amount of CO2 that can dissolve in the fluid, affecting estimates of CO2 trapping mechanisms and storage capacity.

The rules require operators to report on the compatibility of the CO2 stream with fluids in the injection zone(s) and minerals in both the injection and the confining zone(s), based on the results of the formation testing program, and with the materials used to construct the well. This demonstration supports an understanding of (1) whether subsurface interactions among the injectate, fluids, and solids will lead to precipitation or dissolution of minerals such that permeability, porosity, and injectivity may change; (2) if geochemical changes due to the introduction of large amounts of carbon dioxide into the subsurface might cause trace elements to be liberated from subsurface solids; and (3) if interactions among the fluid, CO2, and cement might cause deterioration of the cement such that the cement sheath would become a conduit for fluid migration.

Carbon storage technology is a proven solution to reduce CO2 emissions and has been used for decades. In its most recent Working Group III report Climate Change 2022: Mitigation of Climate Change report, the International Panel on Climate Change (IPCC) reaffirmed the central role that carbon capture and storage will play reducing carbon dioxide levels in the atmosphere. Carbon capture and storage technologies have been proven at commercial scale and there is an extensive network of global knowledge about carbon dioxide storage. Most of the injection and monitoring technologies applicable to geologic storage are commercially available today and will be more widely demonstrated over the next 10 to 15 years. The oil and gas industry has over 55 years of experience of injection and monitoring of CO2 in the deep subsurface for the purposes of enhancing oil and gas production. Geologic storage of carbon dioxide for the purpose of reducing carbon dioxide emissions, began in 1996 with the Sleipner project offshore Norway. Today, there are over 12 commercial scale facilities capturing and safely storing carbon dioxide in the United States. This experience provides a strong foundation for the injection and monitoring technologies needed for commercial-scale geologic storage.

Carbon dioxide (CO2) is a greenhouse gas that is produced from a number of natural and man-made sources. CO2 is captured from various industrial facilities like those involved in power generation or manufacturers of essential materials. CO2 can also be captured from the atmosphere (Direct Air Capture). Once captured, the CO2 is converted to a liquid and transported by pipeline to a location suitable for permanent

storage. At the storage site, CO2 is injected for permanent storage into rock formations deep under the surface, far below ground water. Potential CO2 storage sites are carefully selected only after undergoing rigorous analysis to ensure they are suitable. Any formation chosen for CO2 storage will be deep underground. In the case of the Bluebonnet project, the carbon will be stored nearly a mile beneath the surface. The injected CO2 will be held in place by thick, impermeable seal rocks, which are similar to the rocks that have kept oil, natural gas and naturally occurring CO2 underground for millions of years. Over time, stored CO2 will either mineralize with the surrounding rock or dissolve. Once stored, the storage sites are constantly monitored for any potential geologic changes.

The RRC agrees that, as with any activity, there are potential risks associated with the geologic storage of carbon dioxide. The CO2 geologic storage rules were designed to mitigate those potential risks and to ensure that there is no impact to drinking water resources. The Class VI rules address the unique nature of CO2 injection for geologic storage and set minimum technical criteria for Class VI wells for the purposes of protecting underground sources of drinking water from endangerment.

The applicant will be required to monitor the site throughout the Post-Injection and Site Care period until they can demonstrate through substantial evidence, that the CO2 plume and pressure front have stabilized in the subsurface, i.e., show that the CO2 plume and pressure front have stopped expanding and has become static, and that the geologic storage project will no longer pose a risk of endangerment to USDWs. This is required for all Class VI UIC projects in Texas and the United States.

Expensive Ineffective Technology

The third comment about carbon sequestration being expensive, ineffective technology may in fact be correct. However, the RRC has not been tasked by the State of Texas with approving or denying Class VI UIC permits on the basis of relative cost or effectiveness of the currently available carbon sequestration technology. This is outside of the RRC's particular area of authority or official duty.

It was asked "what is to keep that subsidiary of Oxy from going bankrupt after several years of CO2 injection and just walking away? Who gets to pay to clean up the mess?" That is the purpose of the Financial Assurance demonstration provided by the applicant. Bluebonnet has demonstrated, and will maintain, adequate financial responsibility to perform all needed corrective action on wells in the Area of Review, to plug the injection wells, to perform all required post-injection site care, to close the site, and to conduct any needed emergency and remedial response measures. The total cost estimates for these activities to be covered by the approved financial assurance mechanisms is $35,925,514 in 2025 dollars. Bluebonnet will use a Letter of Credit to cover costs and demonstrate financial responsibility. The draft permits require the permittee to annually update cost estimates for the covered activities. These provisions ensure that resources are available to perform the required activities without using public funds.

Comment 4: Sara Spikes

(Cheek resident of Exxon Rose CCS Project via email)

Response 4:

EPA established there is a framework of strict regulations regarding carbon capture and storage, in large part to specifically protect underground sources of drinking water (USDWs). The Federal regulations at Subpart H of 40 CFR Part 146 (Criteria and Standards Applicable to Class VI Wells for geologic sequestration of carbon dioxide) were published in the Federal Register on December 10, 2010 (75 FR 77230) and took effect on January 10, 2011. The RRC adopted initial State regulations at 16 Texas

Administrative Code (TAC) Chapter 5 (Carbon Dioxide) effective December 20, 2010, and subsequently adopted major updates and amendments in 2022 and August 2023 (effective September 11, 2023) to align with federal Class VI Underground Injection Control (UIC) standards. The U.S. Environmental Protection Agency (EPA) approved an application from the State of Texas requesting primary enforcement responsibility (primacy) for Class VI injection wells under the Safe Drinking Water Act (SDWA) section 1422. The EPA's approval of the State's UIC program revision application allows the RRC to issue and enforce compliance with UIC Class VI permits for injection wells used for geologic carbon sequestration. The EPA remains the permitting authority for Class VI wells on Indian lands within the State of Texas. This final rule became effective on December 15, 2025.

Regarding public engagement and alerting the public about this project, the RRC published a "Notice of Request for Public Comment and Public Meeting on the Intended Issuance of a Permit for a Geologic Storage Facility & Associated Injection of Anthropogenic Carbon Dioxide" for the Bluebonnet Sequestration Hub once a week for three consecutive weeks (on August 5th, 12th and 19th, 2026) in the Anahuac Progress newspaper serving Chambers County, and once a week for three consecutive weeks (on August 6th, 13th and 20th, 2026) in The Vindicator newspaper serving Liberty County. These published notices provided a summary of the project and announced two public meetings: an in-person public meeting to accept comments on the proposed Class VI permit from 6-8 p.m. on Tuesday, September 15, 2026, at the Winnie-Stowell Community Building in Winnie, Texas; and a virtual (online video and audio conferencing) meeting held from Noon - 2 p.m. on Wednesday, September 16, 2026. In addition, all affected persons (surface landowners, subsurface mineral interest owners, and oil and gas operators within the Area of Review or directly adjacent the Area of Review), were mailed notice of the daft permit and the opportunities for public comment. They were also mailed a Fact Sheet and Draft Permit for their review.

Comment 5: Gloria Way
(Spoke in person public meeting)
Response 5:

The Class VI UIC permit application has been thoroughly technically reviewed over the last two years by the RRC. The applicant meets all the legal requirements to be issued a Class VI UIC permit for this facility, and so the RRC has prepared a Draft Permit. That Draft Permit is the specific reason for the publication of notifications, the notification of all affected parties owning surface property and the associated subsurface pore space, subsurface mineral interest owners, and oil and gas operators having interests within or directly contiguous with (abutting) the boundary line delimiting the maximum predicted areal extent of the Area of Review (AoR) for the Bluebonnet Class VI UIC Project.

Comment 6: Austin Ruff
(Spoke in person public meeting)
Response 6:

Pipeline operations/safety and job creation are outside the scope of the RRC.

Comment 7: Litzy Chavana
(Spoke in person public meeting)
Response 7:

Please see the Response 2 above. The assertions in the statement are not substantiated by, and are in fact consistently contradicted by the published findings of extensive geological and hydrogeological research conducted by the United States

Geological Survey, the Texas Water Development Board, the University of Texas Gulf Coast Carbon Center, the Bureau of Economic Geology, and the Groundwater Advisory Unit of the RRC.

The emergency notification and response plans submitted by this Class VI UIC permit applicant meet or exceed all of the emergency planning, notification, and response requirements stipulated in 16 TAC §5.203.

Comment 8: Pat Ruff
(Spoke in person public meeting)
Response 8:

Please see the Response 1 above which explains how Confidential Business Information is handled in Texas, and the procedure for requesting this additional information.

Comment 9: Monica Reed
(Spoke in person public meeting)
Response 9:

This comment is addressed and answered in the previous responses above. Bluebonnet has engaged with landowners, offset operators, local officials, first responders, industry groups, and other stakeholders interested in this project, see the link: Public Engagement List.

Oxy had not sold the project to a company called “Bluebonnet 6”. As with many or most large projects carried out by large corporations like Oxy, the operating company (Oxy) has for a multitude of business reasons set up a wholly owned subsidiary called “Bluebonnet Sequestration Hub LLC” that owns and operates the project.

Comment 10: Litzy Chavana
(Spoke in virtual public meeting)
Response 10:

Please see Response 2 and 7 above.

Comment 11: Erandi Trevino
(Spoke in virtual public meeting)
Response 11:

Please see Response 7 and 9.
Federal tax policy is beyond the purview and jurisdiction of the RRC.

Comment 12: Becky Smith
(Spoke in virtual public meeting)
Response 12:

The comments are addressed and answered in responses to previous questions and comments above.

Comment 13: Ferguson & Garner
(Comment Letter filed by Travis Ferguson via email)
Response 13:

Without seeing the technical substantiation of these claims and working with only the technical information contained in the Bluebonnet Class VI UIC permit application that was submitted to our agency, the RRC has no way to substantiate these claims.
While the RRC handles operational and environmental enforcement of oil and gas, UIC, and other resource-extraction related activities, it does not have jurisdiction to resolve private disputes over mineral estate ownership (title) or claims of mineral trespass. In Texas, these matters are typically settled by private agreement, or civil litigation. You can request a hearing with the RRC to contest the issuance of this permit if you believe the permit does not meet the requirements of TAC16 Chapter 5

Mineral Rights: While the RRC handles operational and environmental enforcement of oil and gas, UIC, and other resource-extraction related activities, it does not have jurisdiction to resolve private disputes over mineral estate ownership (title) or claims of mineral trespass. In Texas, these matters are typically settled by private agreement, or civil litigation. You can request a hearing with the RRC to contest the issuance of this permit if you believe the permit does not meet the requirements of TAC16 Chapter 5. Although the RRC lacks jurisdiction over these private legal matters, our agency does have some resources regarding mineral rights and royalties available to the public on our website at:

- Oil & Gas Exploration and Surface Ownership: https://rrc.texas.gov/about-us/faqs/oil-gas-faqs/oil-gas-exploration-and-surface-ownership/
- Frequently Asked Questions: https://rrc.texas.gov/about-us/faqs/royalties-faq/

Here is some other information regarding carbon sequestration that may be helpful:

- https://www.epa.gov/uic/class-vi-wells-used-geologic-sequestration-carbon-dioxide
- https://www.rrc.texas.gov/oil-and-gas/applications-and-permits/injection-storage-permits/co2-storage/

Here is the link for Texas laws and statutes regarding carbon sequestration in Texas:

- https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=16&pt=1&ch=5&sch=B&rl=Y

Public Outreach: Bluebonnet has engaged with landowners, offset operators, local officials, first responders, industry groups, and other stakeholders interested in this project, see the link: Public Engagement List In addition to the formal events and outreach documented in this log, Bluebonnet staff have had numerous informal conversations, via phone and in person, with community members that are not individually recorded. Bluebonnet remains committed to open communication, transparency about the project, and environmental stewardship. Bluebonnet welcomes the opportunity to discuss the project, its safeguards, and the benefits of permanent CO2 sequestration with anyone who is interested.

Comment 14: Frost Family
(Protest Letter filed by FVL, Ltd.; FPL Farming, Ltd.; FPL Real Estate, Ltd.; Frost Family I, LLC; Frost Properties, Ltd.; and Dino Due, LLC)

Response 14:

Responding to Section I in the letter, although the focus of the federal Class VI Underground Injection Control (UIC) regulations is the protection of underground sources of drinking water (USDWs), Texas Water Code §27.051 authorizes the Commission to issue a Class VI permit only if it finds, among other things, that the injection of carbon dioxide will not endanger or injure human health and safety; that with proper safeguards, both ground and surface fresh water can be adequately protected from carbon dioxide migration or displaced formation fluids; and *that the injection and geologic storage of carbon dioxide will not endanger or injure any oil, gas, or other mineral formation*. (Emphasis added.)

RRC staff reviewed the information for the referenced project and have determined that the injection and geologic storage of carbon dioxide will not endanger or injure any oil, gas, or other mineral formation. However, an affected person may protest the issuance of an application. If a protest from an affected person, including a mineral interest owner, is received by the RRC, staff will advise the applicant that the RRC can no longer process the application administratively and the applicant must request a contested case hearing for the application to continue. If a contested case hearing is requested by the applicant, the issues relating to mineral interests will be addressed in the hearing.

See the response above regarding mineral interests.

Section III (a) of the comment takes issue with the many redactions found in the Bluebonnet permit application. Please see the response above regarding the Texas Public Information Act.

Section III (b) of the comment states “The application fails to take into account the waste of natural resources within the AoR and nearby property (including Protestant's property) that will be occasioned by approval and implementation of the Project as proposed.” One of the most important Commission goals is to ensure that Texas natural resources are not wasted. The RRC regulates the conservation of oil and gas and the prevention of physical and economic waste under the Texas Natural Resources Code (Chapters 85 and 86) and the Texas Administrative Code (Title 16, Part 1). Under Texas law, "waste" in oil and gas operations is strictly prohibited and includes, among other things,

- Permitting water or other fluids to damage or destroy oil- or gas-bearing formations.

See the response above regarding mineral interests.

Section III (c) of the comment states: “The application does not consider legacy well risks on property in or within extremely close proximity to the AoR”. There are 29 oil and gas wells within the AoR, identified through both public and private databases (Table AoR 62). During the research and evaluation of these wells/deep penetrations, some discrepancies were noted between the RRC, the Bureau of Economic Geology (BEG), the General Land Office (GLO), and IHS databases. To verify the locations, the files for each well were obtained from RRC offices, and the plats were compared with the positions presented in the maps and viewers. In addition to reviewing databases and microfilms, Bluebonnet conducted a Magnetic Survey over the AoR in 2025 to validate the locations and eliminate the possibility of unreported wells that could pose a leakage risk. Furthermore, Bluebonnet licensed historical imagery to aid in the identification of well locations. 26 of the 29 oil and gas wells within the Bluebonnet AoR were drilled through the Confining Zone into the Miocene and Frio formations. Sixteen of the 29 oil and gas wells identified in the

AoR were abandoned open hole, while nine ran intermediate casing through the proposed storage complex to reach the deepest formation. One of the 26 wells is the Encanto 01 well (API 42-071-32664) which was drilled by the permit applicant as a stratigraphic well in support of the project and will be converted to a monitoring well before the start of injection. The well is currently temporarily abandoned. Bluebonnet Sequestration Hub LLC has submitted a detailed Corrective Action Plan ('AoR_CA_Site_Char_Plan_Bluebonnet_Hub_v3') for remediating all 25 of the legacy wells found within the AoR prior to these wells being encroached upon by the injected CO_2 plume. Bluebonnet Sequestration Hub LLC has also submitted a plan ('PLG_Bluebonnet_Hub_v4') for plugging and abandonment of their Encanto 01 stratigraphic test/monitor well prior to site closure.

Conclusion:

No changes were made to the draft permit in response to comments.

In September 2026, SIP received seven (7) protests. Bluebonnet have met with each of the protestant, answered their questions, provided additional data when requested, provided technical support when needed, and worked successfully through their concerns. All protests were withdrawn.