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M E M O R A N D U M

Milestone Carbon Midland CCS Hub, LLC, South Midland Class VI UIC Facility - Permit # 57099 (Upton County, Texas)
Responses to Comments Received Regarding Class VI Carbon Sequestration

Overview

On March 5th, 12th, and 19th, 2026, the Railroad Commission of Texas published notices of the subject Milestone South Midland Class VI UIC Facility draft permit in *The McCamey News,* announcing both in-person and virtual public comment meetings.
The in-person public comment meeting was held on Tuesday, April 7, 2026, from 6:00 PM-8:00 PM at the Rankin Park Building, 310 East 10th Avenue, Rankin, Texas 79778. This was followed by a virtual public comment meeting held online on Wednesday, April 8, 2026, from Noon - 2:00 PM.

- In response to the in-person public comment meeting, the Railroad Commission of Texas received statements from five (5) people who registered to speak at the in-person meeting; two (2) were in support and three (3) were non supportive.
- In response to the virtual public comment meeting, three (3) comments were received during the virtual meeting; two (2) of these were non-supportive and one (1) was supportive of the Milestone South Midland project.
- In response to public notices published, the Railroad Commission of Texas received four (4) comments via e-mail/comment portal non-supportive of the Milestone South Midland project.

Comments and Responses

Comment 1: Brett Meyer
Response 1:
Mineral Rights: This commenter objected to the permit based on concerns about their Woodford and Barnett Shale production target. The RRC has no authority or jurisdiction over lease agreements, mineral rights, or royalty matters.
Seismicity: This commenter stated that there is lot of faulting in the Ellenberger that may not contain the injected CO_2. Milestone Carbon Capture Midland CCS performed an extensive seismic analysis in which recent studies by the United States Geological Survey (USGS) evaluated peak ground accelerations based on seismicity and fault slip rates. The study surmised that the Midland CCS #2 was within a region of lowest hazard probabilities and away from major geological faults and uplifts causing larger earthquakes. In addition, regional stresses in the Ellenberger were evaluated by Milestone as well as fault slippage potential noting that the nearest faults are strike-slip faults which are less likely to move. In all, the seismic review found that stable geologic conditions exist around the potential injection site.

Comment 2: Alexis Iwasiw
Response 2:
Out of Scope Comments: This commenter is concerned that decarbonization strategy is barely three (3) years old with no evidence of longevity and durability. The commenter asked that all applicants include the proposed type of carbon capture technology, history of its use and where it has been tested and lists out a history of high-profile failures globally. The commenter listed projects not performing as designed and stated that CCUS projects are not economical. These comments are considered "outside the scope" and do not relate to the UIC permitting process or any UIC regulatory standards.
AoR: The commenter expressed concern that majors don't have a robust geologic model and acknowledged she does not know what was included in the applicants geologic modeling but called for an expansion of the AOR. Geologic modeling was signed and sealed by a Professional Geologist (PG) which attested to the review of the modeling data and found it to be based on reasonable data and assumptions. The applicant ran the model using site specific data with four distinct modeling steps or equilibrium phases, targeting changes in minerology at initial and final reservoir pressures in the Ellenberger, Simpson, Silur-Devonian and Woodford intrazonal seal. The applicant's conclusion was that no significant water-rock-gas reactions will occur that will affect the injection or containment of the project. In the interest of a thorough evaluation, an additional one (1) mile radius outside the required AoR was performed.
Additional Regulation: The commenter called for multi-discipline committee to create more regulation and oversight. The process of evaluating a CCUS application already involves technical reviews of the 11 different modules by staff engineers and geologists with specialized industry knowledge as well as internal RRC resources providing site specific support for things like vase of usable quality water (BUQW) and underground sources of drinking water (USDW) determinations, seismicity reviews (as needed) and legal opinions. In addition to the RRC resources, TCEQ reviews the application for any potential influences from Class I injection wells, so there are multiple sets of eyes on every aspect of an application, each with the authority to raise questions and demand clarification of proposed items.
Seismicity: The commenter expressed suspicion of the applicant's claim of low probability of earthquakes The seismicity report in the response to Commenter 1 shows that seismic activity has been properly vetted and risk factors assessed. The applicant has proposed a passive seismicity monitoring network as an additional safeguard.
SWD: This commenter asserted that SWD injection is still occurring in the Elllenberger and speculated that SWD is still occurring at high rates. The RRC has taken steps to reduce injection volumes and wells in known problem areas.

Comment 3: Becky Smith
Response 3:
Drinking Water: This commenter expressed concerns about aquifers and damage during construction. The RRC takes its responsibility to protect our water resources seriously. Any time any well is drilled, not just CCUS wells, the GAU issues a protection letter as part of the drilling permit for depths at which surface casing must be set to protect drinkable water. The GAU evaluates the geology and hydrology to identify freshwater zones, base of usable-quality water (generally less than 3,000 milligrams per liter total dissolved solids but may include higher levels of total dissolved solids if identified as currently being used or identified by the Texas Water Development Board as a source of water for desalination), and include protection depths recommended by the RRC. The geological interpretation may include groundwater protection based on potential hydrological connectivity to usable-quality water. In addition, for injection wells, the GAU evaluates the geology to identify the base of the underground source of drinking water (generally less than 10,000 milligrams per liter total dissolved solids), as defined in federal regulations at 40 Code of Federal Regulations §146.3. The RRC will not permit any Class VI injection well that could contaminate an underground source of drinking water. Another step in protecting our drinking water is casing and cement used to isolate these sensitive zones from anything that could contaminate this resource. Applicants must prove to staff that materials used

in the completion of the well will be designed for the environment in which they will be operating under, considering pressures, temperatures, rates, injection fluid composition, and setting depths. This is especially critical across the injection and confining zones.
Well Construction: The commenter raised questions about materials used for construction of CCUS facilities and called for demonstrations that project won't damage water resources. The Commission has rules that state that applicants demonstrate that all materials used in the construction of CCUS projects must be compatible with the injection fluid, injection zone and reservoir fluids. A monitoring program requires the use of corrosion coupons in a side stream to monitor the rate of corrosion and requires internal and external mechanical integrity tests to verify system integrity. Additionally, pressure and temperature sensors in the annulus and downhole continuously monitor for any pressure and temperature anomalies to ensure a rapid response.
Emergency Response: The commenter questioned First Responder training and supplies. The applicant is required to provide an Emergency and Remedial Response plan (ERRP). The ERRP must account for the entire Area of Review, describe actions to be taken to address escape from the permitted injection interval or movement of the injected fluids or formation fluids that may cause an endangerment to underground sources of drinking water during construction, operation, closure and post-closure periods. The ERRP must also include a safety plan that includes emergency response procedures, provisions to provide security against unauthorized activity, CO2 release detection and prevention methods, instructions and procedures for alerting the general public and public safety personnel of the existence of an emergency, procedures for requesting assistance and for follow-up action to remove the public from an area of exposure, provisions for advance briefing of the public within the area of review on subjects such as hazards and characteristics of CO2, the manner in which the public will be notified of an emergency and steps to be taken in case of an emergency, and, if necessary, proposed actions designed to minimize and respond to risks associated with potential seismic events, including seismic monitoring. Furthermore, the ERRP must include 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 will conduct outreach and training to local responders, but the initial response responsibility will be the operator's internal response team. The operator is required to survey the immediate area around in the AOR and to submit a contact list for local, state, and federal notifications.

Comment 4: Litzy Chavana
Response 4:
Drinking Water: This commenter lives in Houston and claims to be surrounded by CCS wells and is concerned about drinking water and water for livestock and farming. Concerns about drinking water protection are addressed in the Response to Comment 3 above.
Pipeline Incidents: The RRC received many comments that addressed matters outside the scope of the UIC Program's purpose and mandate, which is to protect underground sources of drinking water (USDWs). The RRC is not obligated to respond to comments which do not relate to the UIC permitting process, or to any UIC regulatory standards applicable to Class VI carbon sequestration projects.
Seismicity: The commenter's seismic activity concerns are addressed in the response to the 1st commenter.
Mineral Rights: The RRC has no authority or jurisdiction over lease agreements, mineral rights, or royalty matters. 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 you may find 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

Comment 5: Elie Hilbert
Response 5:
Public Notification: The commenter stated that public notification was insufficient and that residents were unaware of the proposed project. The RRC's regulations require that the RRC publish notice of a draft permit once a week for three consecutive weeks in a newspaper of general circulation in the county of the proposed project. A notification was published in the *McCamey News* on March 5th, 12th, and 19th, 2026. The RRC also posted notice of the draft permit on its website.
In addition the RRC's rules require notice to each adjoining mineral interest owner, other than the applicant, of the outermost boundary of the proposed geologic storage facility; each leaseholder and interest owner of minerals lying above or below the proposed geologic storage facility; each adjoining leaseholder of minerals offsetting the outermost boundary of the proposed geologic storage facility; each owner or leaseholder of any portion of the surface overlying the proposed geologic storage facility and the adjoining area of the outermost boundary of the proposed geologic storage facility; the clerk of the county or counties where the proposed geologic storage facility is located or is proposed to be located; the city clerk or other appropriate city official where the proposed geologic storage facility is located within city limits; and any other unit of local government having jurisdiction over the area where the geologic storage facility is or is proposed to be located, and each state agency having any authority under state law with respect to the construction or operation of the geologic storage facility.
Artificial Penetrations: This commenter had concerns about unknown wellbores and plugging integrity. The applicant performed an extensive evaluation of all oil and gas wells, water disposal wells, stratigraphic boreholes, dry holes, and plugged and abandoned wells within the AoR using data from proprietary and commercially operated databases. Available records from the RRC were downloaded and reviewed to confirm total depth and penetrated zones. The applicant also submitted a request to the RRC for non-digitized records and reviewed microfilm/microfiche files to confirm that no additional artificial penetrations exist within the AoR. Based on available RRC records, zero (0) wells are known to require corrective action. The applicant specifically positioned the Midland CCS #2 AoR to avoid any wells that penetrate the upper confining zone or Injection Interval.
AoR: Given the negative calculated critical pressure threshold, and the presence of offset saltwater disposal activity contributing to regional overpressure, reliance on analytical methods alone was not considered sufficiently protective. Instead, the AoR was defined using a dual-criteria approach based on (1) the lateral extent of the modeled pressure front exceeding the threshold for potential leakage through a hypothetical borehole, and (2) the extent of supercritical CO_2 saturation exceeding at plume stabilization. These findings confirm that the modeled CO2 plume and associated pressure front provides a protective and site-specific basis for identifying at-risk artificial penetrations and informing corrective action planning.
Ground Water: This commenter had concerns with groundwater contamination for people up to 10 miles away. The applicant performed numerical simulations to evaluate fluid migration and changes in water quality through an unknown abandoned borehole. The results showed that the increase in maximum total dissolved solids (TDS) through an unknown wellbore was negligible near the unknown well.

Surface Release Detection: The commenter had concerns about surface releases and detection. The applicant will install and use continuous measurement devices linked to the Supervisory Control and Data Acquisition (SCADA) system to monitor injection pressure, rate, and volume as well as pressures in the annulus, providing early detection capabilities. The monitoring program provides additional early detection capabilities through fluid sampling in the first permeable zone above the confining zone, sampling below the lowest USDW and in the USDW itself.

Comment 6: Leila Cornelius
Response 6:
Mineral Rights: This property owner is concerned about loss of mineral rights or ability to develop mineral interests. The commenter points out that the mineral estate is the dominant estate and could suffer economic hardship if this project is approved. Please see the response to Comment 4 for the RRC role in mineral rights and estates.

Comment 7: Jason Fitzgerald
Response 7:
Mineral Rights: This commenter also had property rights concerns and loss of ability to recover mineral resources. Please see the response to Comment 4 for the RRC role in mineral rights and estates.
Containment: This commenter also had geologic concerns regarding containment. The Milestone 'South Midland' Class VI UIC permit application proposes CO2 Injection for geologic storage in the Siluro-Devonian and Ellenburger formations, which occur between approximately 12,200 – 14,049 feet below the ground surface true vertical depth/measured depth (TVD/MD). This injection zone is vertically separated from the base of the Dockum Formation Aquifer (the deepest underground source of drinking water) by approximately 10,950 feet of rock, including a more than 270-foot-thick impermeable confining layer consisting of laterally continuous impermeable shales that will act as a barrier to vertical fluid movement. The RRC has reviewed information provided by Milestone Carbon, including maps, well logs, cores, the results of seismic surveys, and results of Milestone's reservoir modeling and simulation, and determined that the regional and local geologic characteristics of the site will allow the Siluro-Devonian and Ellenburger formations to receive the proposed volume of injected carbon dioxide without fracturing either the injection reservoirs or the sealing intervals. The confining layers will provide suitable containment so that the carbon dioxide will remain in place and not endanger underground sources of drinking water.

Comment 8: Erandi Trevino
Response 8:
Seismicity: This commenter had concerns about seismicity and states that models cannot be trusted. Please see the response to Commenter 1. Seismic activity has been properly vetted and risk factors assessed.
Emergency Response: This commenter is also concerned with a lack of risk mitigation training for local state agencies. The Emergency Response and Remediation plan in the application details who will receive training prior to entering the facility and how often a refresher will be required. The applicant intends to provide local first responders with a copy of this plan which has various event scenarios identified and action items to execute for each scenario.
Drinking Water: This commenter also has concerns with the protection of water supplies which have been addressed in multiple responses above.

Comment 9: Melanie Oldham
Response 9:
Drinking Water: This commenter also has concerns with the protection of water supplies which have been addressed in multiple responses above.

Testing and Monitoring: The commenter asked about the testing and monitoring plan. The Testing and Monitoring Plan describes how Milestone will monitor the Injection Well (Midland CCS#2), pursuant to TAC Title 16 Part 1 Chapter 5. In addition to demonstrating that the Injection Well is operating as planned, the carbon dioxide plume and pressure front are moving as predicted, and that there is no endangerment to USDWs, the monitoring data will be used to validate and adjust the geological models used to predict the distribution of the CO2 within the injection unit to support AoR re-evaluations and a non-endangerment demonstration. Additional applicable testing methods may be added to reconcile observed and actual results. The plan includes Quality Assurance Procedures, Reporting Requirements, Testing Reviews and updates, provisions for continuous monitoring of operational parameters, Casing and Tubing inspection tools and logs, Corrosion Monitoring location and frequency, water monitoring above the confining zone, in the injection zone and below the lowest Underground source of drinking water (USDW), Internal and external mechanical integrity testing, Pressure Falloff testing, Pressure Front Tracking, Fiber Optic Monitoring, Passive Seismicity Monitoring, Soil Gas Monitoring, and CO_2 Stream Analysis. Where required, the reporting will be validated, signed and sealed by a Professional Engineer or Geologist as appropriate.

Public Outreach: This commenter cites a lack of outreach by Milestone. The RRC conducted Public Outreach on April 7, 2026, at the Rankin Park Building and an April 8th Virtual Meeting conducted online. Notification was made through publication of "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 Milestone CCS Hub three times over three consecutive weeks (on March 5th, 12th, and 19th, 2026) in *The McCamey News* serving Upton County.

Since 2023, Milestone has engaged with landowners, offset operators, local officials, first responders, industry groups, and other stakeholders interested in the Midland Basin CCS Hub. In addition to the formal events and outreach documented in this log, Milestone staff have had numerous informal conversations, via phone and in person, with community members that are not individually recorded. Milestone remains committed to open communication, transparency about the project, and environmental stewardship. Milestone welcomes the opportunity to discuss the project, its safeguards, and the benefits of permanent CO2 sequestration with anyone who is interested (Milestone-Outreach List).

Conclusion:

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

In April 2026, SIP received seven (7) protests; the application referred to Hearings Division on April 28, 2026. On September 21, 2026, a prehearing conference was held (OG-26-00031321). A hearing on the merits is scheduled for January 20-28, 2027. All protests were withdrawn and the docket was dismissed on October 21, 2026.