



May 8, 2024

B5 Holdings LLC
1232 Park Street
Paso Robles, CA 93446
Delivered via electronic mail:
j301brady@gmail.com

RE: Indemnity Bond Determination to Acquire Marginal Producing Wells and
Associated Facilities

B5 Holdings LLC:

The purpose of this letter is to inform you that the Department of Conservation, Geologic Energy Management Division ("CalGEM") has determined that B5 Holdings LLC must file a bond in the amount of \$848,103.00 to comply with Public Resources Code section 3205.8.

This amount is based upon CalGEM's estimation of the cost to plug and abandon the well and decommissioning of associated facilities listed on Attachment A, and associated site restoration for these well and facility. A breakdown of the cost estimate is provided in Attachment B. A more detailed Excel Spreadsheet is also attached that details Krummrich Engineering Corporation Workbook for Cost Estimates (Attachment C). While it may not change the bonding amount determined by CalGEM, the acquiring operator may submit a cost estimate to plug and abandon the well(s) and decommissioning of applicable associated facilities, compiled by a third-party based on the factors listed in PRC section 3205.3 (b) or the cost estimation criteria described in PRC section 3205.7 (b), for consideration by CalGEM.

If you have any questions related to how you can comply with the bonding requirements applicable to the Wells, please contact CalGEM's Enterprise Risk Unit, via email, at CalGEMEntRiskUnit@conservation.ca.gov.

Sincerely,

Elizabeth Yura

Elizabeth Yura
Deputy Supervisor

Attachments:

- A - Well Listing and Associated Facilities
- B - PRC section 3205.8 Cost Estimate Breakdown
- C - Excel Spreadsheet – Krummrich Engineering Corporation Workbook for Cost Estimates