

# CARBON-DIOXIDE STORAGE AGREEMENT

## La. R.S. 30:209(4)(e) Operating Agreement

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

THIS Operating Agreement (this “**Agreement**”), is entered into on the \_\_\_\_ day of \_\_\_\_\_, 202\_, to be effective on the Effective Date, by and between:

- (1) The State of Louisiana acting through its authorized agent, the Louisiana State Mineral and Energy Board (“**Board**”), represented and undersigned by \_\_\_\_\_ duly authorized and whose mailing address is Post Office Box 2827, Baton Rouge, Louisiana 70821-2827; and
- (2) Venture Global CCS Cameron, LLC, a Delaware limited liability company (“**VG**” or “**Operator**”), represented herein by \_\_\_\_\_, duly authorized by a resolution of Operator’s sole member, a copy of which resolution is attached hereto and made a part hereof as Exhibit “A” and whose address is 1001 19<sup>th</sup> Street North, Suite 1500, Arlington, VA 22209.

In this Agreement, the State and Operator may be referred to collectively as the “**Parties**” and individually as a “**Party**.”

**WHEREAS**, the State is the owner of the Property located in the Parish of Cameron, State of Louisiana; and

**WHEREAS**, pursuant to La. R.S. 30:209, the State has the authority, upon a two-thirds vote of the members of the Board and after a public hearing conducted in the affected parish pursuant to La. R.S. 30:6, to enter into operating agreements whereby the State receives a share of revenues from the storage of Carbon Dioxide in whole or in part, as may be agreed upon by the Parties, in those situations where the Board determines it is in the best interest of the State either in equity or in the promotion of conservation to do so. The Board’s authority expressly extends to, but is not limited to, establishing a contractual agreement on unleased acreage to promote utilization of the State’s resources for Carbon Dioxide Storage. Further, pursuant to La. R.S. 30:209, the Board may do all other things that may appear to be necessary or desirable; and

**WHEREAS**, pursuant to La. R.S. 30:135, the Department of Natural Resources (“**DNR**”), through the Office of Mineral Resources (“**OMR**”), shall provide the necessary staff functions to assist the Board in its leasing, supervisory, and other activities; and

**WHEREAS**, this Agreement is entered into for the purpose of injecting Carbon Dioxide into certain geological strata or formations for permanent storage; and

**WHEREAS**, the Parties now enter into this Agreement to effect its terms and intent for the Injection, Storage, transportation, shipment, and Withdrawal of Carbon Dioxide Stream(s) and for all other purposes necessary or incidental thereto.

**NOW, THEREFORE**, the Parties, in consideration of the premises and the mutual benefits to be derived respectively by the State and Operator, and the covenants and conditions set forth

below, together with good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged and confessed by both Parties hereto, the State and Operator do hereby agree and stipulate as follows:

The property subject to this Agreement is situated in the Parish of Cameron, State of Louisiana, and is more particularly described as follows:

The “**Property**” includes the tract comprised of Eighteen Thousand Twenty-Two and Ninety Five Hundreths (18,022.95) acres on the area of State waters, including the submerged lands of the Gulf of Mexico, located in Cameron Parish as more particularly described in Exhibit “B” to this Agreement. This Agreement grants Operator the right to inject CO2 only into certain geological stratum or formation, underlying the Property occurring from the subsurface storage interval defined as being that stratigraphic equivalent of the zone encountered between the log depths of 2,519 feet and 10,497 feet (electrical log measurements) in the McAlester Fuel Company - SL 8076 No. 1 Well (SN169823) located in West Cameron Area Block 25 (“**Applicable Depths**”). This Agreement does not cover any additional depths above and/or beneath the Applicable Depths, and any depth other than the Applicable Depths are expressly excluded from this Agreement and reserved by the State.

**FURTHERMORE**, the Parties agree and acknowledge that this Agreement allows Operator to inject and store Carbon Dioxide Stream(s) beneath the Property only in the Storage Reservoirs thereof and to utilize the Property for all other purposes necessary or incidental thereto and to create a limited relationship between the Parties whereby the State (i) will receive a share of revenues from the Storage of Carbon Dioxide Stream(s), as reflected in this Agreement, and (ii) will assume a portion of the risk of the cost of such activities and the operation of Facilities as reflected in this Agreement, as the Board has determined that it is in the best interest of the State in equity and in the promotion of conservation to do so.

#### **Article 1 - Definitions**

- 1.1 “**Applicable Law(s)**” means any applicable, valid, final, and non-appealable federal or state statute, law, rule, regulation, or order, or any judicial decision, as may now be in effect or which may be enacted, adopted, or made effective at a future date. Applicable Laws include, without limitation, all statutes, laws, rules, regulations, orders, and judicial decisions that pertain to geologic or geophysical assessment of the Property, or construction, operation, monitoring, reporting, verification or closure of the Facilities, and any future amendments thereof, including, without limiting the generality of the foregoing, all such matters that pertain to protection of the environment, environmental matters, pollutants, minimum water quality standards, dredging, filling, local navigation, and/or health and safety matters.
- 1.2 “**Applicable Procedure(s)**” means the valid, final, and non-appealable standards, public processes, procedures, and rules applicable to the regulation of the Facilities, to the extent applicable, by the U.S. Environmental Protection Agency (“**EPA**”), Louisiana Office of Conservation (“**OC**”), DNR, and the Louisiana Department of Environmental Quality

- (“**DEQ**”), as well as any other State or federal regulatory bodies having jurisdiction over all or a part of any one or all of the Facilities.
- 1.3 “**Associated Substances**” means substances associated with, contained in, or incidental to the capture and/or Storage of Carbon Dioxide.
- 1.4 “**Carbon Dioxide**” means carbon dioxide including its derivatives and all mixtures, combinations, and phases, whether liquid or gaseous, stripped, segregated, or divided from any other stream, or produced from a chemical reaction.
- 1.5 “**Carbon Dioxide Stream(s)**” means a stream of Carbon Dioxide, plus Associated Substances and any substances added to the stream to enable or improve the Injection process. This subpart does not apply to any carbon dioxide stream, the Injection of which would be prohibited under Applicable Law(s).
- 1.6 “**Contract Year**” means the calendar year beginning on the Effective Date of this Agreement and ending on the first anniversary of the Effective Date and for every year thereafter from anniversary date to anniversary date.
- 1.7 “**Drill**” or “**Drilling**” means the act of boring a hole to reach a proposed location under the Property.
- 1.8 The term “**Operator Group**” as used throughout this Agreement, means and includes VG and its directors, members, partners (general and limited), officers, agents, employees, contractors, subcontractors (of any tier), other representatives, and insurers, and each of its subsidiaries and affiliates, successors and assigns and their directors, members, partners (general and limited), officers, agents, employees, contractors, subcontractors, other representatives, and insurers, and each of them.
- 1.9 “**Facility/Facilities**” means the underground storage facility or facilities, including but not limited to, the Storage Reservoirs, and all related surface and subsurface Improvements and Equipment associated with underground Carbon Dioxide Storage in the Storage Reservoirs on or under the Property. When used in the singular it shall refer to one of the facilities located on or under the Property, and when used in the plural it shall refer to all of the facilities located on and under the Property.
- 1.10 “**Improvements and Equipment**” means all wells, pads, fixtures, equipment, machinery, and tools, including all pipelines, pipe, pipe casing, separators, condensers, evaporators, holding tanks, generators, compression equipment, measurement equipment, monitoring or testing devices or equipment, utility lines and facilities and any other surface or subsurface structures or equipment, and all alterations, additions, replacements, materials, parts, and components thereof, made, placed, installed or used, on, in or under the Property by the Operator Group.
- 1.11 “**Injection**” or “**Injected**” means the deposit of a Carbon Dioxide Stream into any of the Facilities.
- 1.12 “**Storage**” means the activity of Injection or subsurface containment and/or Withdrawal of a Carbon Dioxide Stream into or from any of the Facilities, together with related Drilling,

well completion, transportation, and all other operations conducted on or within any of the Facilities, and any other activities necessary or incidental thereto.

1.13 “**Storage Reservoir(s)**” means the geologic formation(s), reservoirs, saline aquifers, and pore space beneath the Property, within the Applicable Depths, that have been approved for Storage prior to Injection by the Louisiana Commissioner of Conservation in accordance with Applicable Law(s) and Applicable Procedure(s).

1.14 “**Withdrawal**” means the removal of any portion of a Carbon Dioxide Stream from any of the Facilities for the purpose of pressure or other maintenance or protection of the environment and public safety, all in accordance with and subject to Applicable Law(s) and Applicable Procedure(s). Withdrawal shall not include the withdrawal of any portion of a Carbon Dioxide Stream for the purpose of selling Carbon Dioxide, using Carbon Dioxide for other commercial purposes, or intentionally releasing the Carbon Dioxide Stream into the atmosphere, except as contemplated in this definition.

## **Article 2 - Approval Process**

2.1 Advertisement and Public Hearing. The Board, through OMR, shall cause this Agreement to be advertised in compliance with Applicable Law(s), and shall conduct a public hearing or hearings pursuant to and in accordance with La. R.S. 30:6, as required by La. R.S. 30:209 (the “**Public Hearing(s)**”).

2.2 Approval or Disapproval. Following the Public Hearing(s), the Board shall render its determination regarding approval or disapproval of this Agreement at a Board meeting. If the Board approves this Agreement by a two-thirds vote of its members, as required by La. R.S. 30:209, this Agreement shall be effective as stated in Section 2.3.

2.3 Effective Date. The “**Effective Date**” of this Agreement shall be the first date on which both of the following have occurred:

a) This Agreement has been signed by the duly authorized representative of Operator;

AND

b) This Agreement has been approved by the Board in accordance with Section 2.2.

## **Article 3 - Term**

3.1 Subject to earlier expiration because of the commencement of the Permit/Construction Term, the first three (3) years following the Effective Date of this Agreement shall be the “**Initial Term**”. This Agreement shall terminate at the end of the Initial Term if Operator has failed to apply for a permit to construct a Class VI injection well on the Property. However, upon a showing of good cause by Operator, this Agreement may be extended by the State in its discretion for up to an additional two (2) years at the end of the Initial Term (“**Initial Discretionary Term**”) if Operator has failed to apply for a permit to construct a Class VI injection well on the Property. In order for Operator to exercise this option, Operator shall notify the State at least ninety (90) days prior to the expiration of the Initial Term that it wishes to exercise this option. If extended by an Initial Discretionary Term, then this Agreement shall terminate at the

end of the Initial Discretionary Term if Operator has failed to apply for a permit to construct a Class VI injection well on the Property.

3.2 If prior to the end of the Initial Term or the Initial Discretionary Term (if applicable), Operator has applied for a permit to construct a Class VI injection well on the Property, then this Agreement shall be maintained for an additional four (4) years from the end of the Contract Year in which the permit application is made (“**Permit/Construction Term**”). This Agreement shall terminate at the end of the Permit/Construction Term if Operator has failed to begin Injection on the Property. However, upon a showing of good cause by Operator, this Agreement may be extended by the State in its discretion for up to four (4) additional one-year periods at the end of the Permit/Construction Term (“**Permit/Construction Discretionary Term(s)**”) if Operator has failed to begin Injection on the Property. In order for Operator to exercise this option, Operator shall notify the State at least ninety (90) days prior to the expiration of the Permit/Construction Term or the Permit/Construction Discretionary Term(s) (if applicable) that it wishes to exercise this option. This Agreement shall terminate at the end of the Permit/Construction Discretionary Term(s) if Operator has failed to begin Injection on the Property.

3.3 If prior to the end of the Permit/Construction Term or the Permit/Construction Discretionary Term(s) (if applicable), Operator begins Injection on the Property, then this Agreement shall be maintained for so long as Injection is occurring without a gap of more than one (1) year (“**Operational Term**”). Except for the rights described in subsection 3.4, this Agreement shall terminate during the Operational Term if there has been a gap of more than one (1) year without Injection on the Property. However, at the end of the Operational Term, this Agreement may be extended by the State in its discretion (“**Operational Discretionary Term(s)**”). In order for Operator to exercise this option, Operator shall notify the State at least ninety (90) days prior to the expiration of the Operational Term or the Operational Discretionary Term(s) (if applicable) that it wishes to exercise this option. This Agreement shall terminate at the end of any Operational Discretionary Term if there has been no Injection for more than one (1) year during the Operational Discretionary Term.

3.4 Following the expiration, termination or release (whichever occurs first) of this Agreement at any point in time, Operator shall remain responsible for, and this Agreement shall remain in effect as to, any and all restoration, closure, monitoring or other obligations and requirements imposed by this Agreement, Applicable Law(s) and Applicable Procedure(s), and Operator shall have all necessary and incidental rights to access the Property and utilize the Facilities to undertake such obligations and requirements. Operator shall further retain all rights necessary or incidental to obtaining a Certificate of Completion (as defined in the Sequestration Act (as hereinafter defined)) or other rights, credits, liability limitations, or releases afforded it under Applicable Law(s) or Applicable Procedure(s).

#### Article 4

As adequate and total consideration for the rights granted to Operator pursuant to this Agreement, Operator shall make the following payments to the State:

4.1 Operator agrees to pay a lump sum payment, in accordance with Section 4.7, to the order of the OMR, on the Effective Date of this Agreement, in the amount of [REDACTED] per acre for the lands comprising the Property.

4.2 For the period commencing on the Effective Date until the end of the Operational Term or Operational Discretionary Term(s) (if applicable), Operator shall pay OMR in arrears an annual acreage rental at the rate of [REDACTED] per year per acre for the lands comprising the Property, as calculated in this Article 4 (“Annual Acreage Rental”). Annual Acreage Rentals may be adjusted if acreage is released by Operator in accordance with this Agreement. Annual Acreage Rentals shall be payable within fifteen (15) business days after the end of each Contract Year. For the avoidance of doubt, Annual Acreage Rentals shall be pro-rated for the number of days within the given Contract Year if the expiration, termination or release of this Agreement associated with such payment, occurs during the given Contract Year rather than co-incident with the end of the Contract Year.

4.3 Upon commencement of the Operational Term, in addition to the payment obligation set forth in Section 4.2 above, Operator shall pay OMR in arrears, due and payable fifteen (15) business days after the end of each Contract Year during the Operational Term (and during any Operational Discretionary Term, if applicable), an amount equal to the greater of (a) the product of the “**Annual Injection Fee Per Ton**”, as adjusted pursuant to Section 4.5, times the number of metric tons (“**ton**” or “**tons**”) of any Carbon Dioxide Stream Injected into a Facility on the Property during the given Contract Year of the Operational Term and/or Operational Discretionary Term, as applicable (such product being the “**Annual Injection Fee**”) in accordance and consistent with the annual Class VI permit monitoring and verification requirements, or (b) a minimum guaranteed annual payment (“**MGAP**”) calculated by multiplying the then current Annual Injection Fee Per Ton times the given applicable minimums stated below, determined as follows:

- (a) the MGAP shall equal the product of the then current Annual Injection Fee Per Ton multiplied by [REDACTED] per year for each year of its Operational Term and/or Operational Discretionary Term, as applicable.

The “**Annual Injection Fee Per Ton**” shall initially be set at [REDACTED] per ton, and thereafter shall be subject to adjustment pursuant to Section 4.5.

The MGAP shall be in lieu of, and not in addition to the Annual Injection Fee, and in no event shall both an Annual Injection Fee and MGAP be due by Operator under this Section 4.3. The payments under this Section 4.3 shall cease if and when an Operational Term (or Operational Discretionary Term, if applicable) terminates. For the avoidance of doubt, the MGAP payments under this Section 4.3 shall be pro-rated for the number of applicable days within the given Contract Year if the Operational Term (or Operational Discretionary Term, if applicable) commencement or termination, or the expiration, termination or release of this Agreement

associated with such payment, occurs during the given Contract Year rather than co-incident with the end of the Contract Year.

4.4 If Operator shall fail to perform any monetary payment obligation under this Agreement, then in such event the State shall cause a written notice to be served on Operator, which notice shall declare it to be the intention of the State to terminate this Agreement if the default is not cured. Operator shall have thirty (30) days after receipt of the aforesaid notice in which to remedy the nonpayment, and, if within such 30-day period, Operator does so remedy by paying the State the applicable monetary payment obligation required herein, then such termination notice shall be withdrawn and this Agreement shall continue in full force and effect. In the event that Operator fails to remedy the nonpayment within such 30-day period, this Agreement shall be terminated and of no further force or effect from and after the expiration of such 30-day period. The State shall be entitled to any penalties and interest authorized by Applicable Laws.

4.5 Operator agrees that the Annual Injection Fee Per Ton shall be adjusted in the event the 45Q tax credit is increased by Congress above the base rate of fifty dollars per ton (\$50/ton), as follows: upon the effective date of any increase by Congress of the 45Q tax credit above the base rate of fifty dollars per ton (\$50/ton), the Annual Injection Fee Per Ton shall be increased by an amount equal to [REDACTED] of any such increase above the base rate of fifty dollars per ton (\$50/ton). If there are additional and subsequent increases in the 45Q tax credit following an initial increase above the base rate of fifty dollars per ton (\$50/ton), then the Annual Injection Fee Per Ton shall be increased by an amount equal to [REDACTED] of any such increase(s) above the rate previously in effect. For the avoidance of doubt, such adjustment shall mean that the MGAP shall also be increased by a proportionate equivalent amount. In no event shall the adjusted Annual Injection Fee Per Ton decrease.

4.6 Operator agrees and acknowledges that by reason of a Withdrawal pursuant to Section 5.4, Operator shall not be entitled to a refund of the Annual Injection Fee paid to the State for the Carbon Dioxide Stream previously Injected and Withdrawn. However, the State agrees that Operator shall not be required to pay an Annual Injection Fee for the Withdrawn Carbon Dioxide Stream reinjected into any Storage Reservoirs on the Property. Furthermore, Operator agrees and acknowledges that it shall not be entitled, by reason of expiration or termination of this Agreement, or voluntary release of acreage by Operator, to any refund of any bonus, rental or other payments previously paid, nor be released from the obligation required by Section 4.3 to pay the MGAP.

4.7 Except as otherwise approved by OMR in writing, Operator shall make each payment owed to the State under this Agreement by electronic fund transfer using the Automated Clearing House (ACH) Network service pursuant to the institution transfer instructions. The electronic-fund transfer shall be from a banking institution in the United States in U.S. Dollars payable to the "Office of Mineral Resources" into the account identified by OMR, or to any other account as OMR may from time to time designate to Operator. In the event Operator is not able to transfer the fund via ACH, it may obtain approval from OMR to use a different method of payment.

4.8 Together with every Annual Injection Fee or MGAP made to the State, Operator shall include information reasonably required by OMR, detailing the amount of any Carbon Dioxide Stream Injected into each Facility that was used to calculate the Annual Injection Fee or MGAP. The information required herein shall be submitted to OMR in accordance with OMR's format specifications and consistent with the Class VI permit monitoring and verification requirements.

4.9 Operator shall also pay to the State an amount consistent with the State Land Office schedule in effect as of the Effective Date for pipeline right of ways for any pipelines installed on State owned land or water-bottoms, located inside the Property. Pipelines as that term is used in this Section shall not include flow-lines which are located on the Property and necessary for Storage under the Property ("**Storage Lines**"). Furthermore, Operator agrees to consult the State Land Office for approval of the placement location of said pipelines (excluding Storage Lines) and Operator agrees to install the pipelines (excluding Storage Lines) in accordance with the requirements of the State Land Office. This Agreement does not provide for nor address pipeline right of ways located outside the Property.

### **Article 5 - Rights**

The State, pursuant to the authority of La. RS. 30:209 and other Applicable Law(s), does herein grant and retain certain rights, subject to the conditions herein set forth and immediately as of the Effective Date the following exclusive rights:

#### **State's Rights**

5.1 **Exploration of Oil and Gas.** The Parties acknowledge and agree that the State shall have the right to carry on, in and upon the Property, such operations necessary for and in connection with the discovery, extraction, preparation, utilization, removal and sale of any and all minerals above and below the Storage Reservoirs subject to any requirements or restrictions imposed by Applicable Law(s) and Applicable Procedure(s). However, the State's rights are to be exercised so as not to unreasonably interfere with, and with due regard for, the operations to be carried on by Operator in accordance with this Agreement.

5.2 **Drill-Through Rights.** Operator agrees and acknowledges that this Agreement does not prohibit a lessee or operator of a state lease or operating agreement granted for the development and production of minerals, oil, or gas on the Property from the right to drill and extract above the Storage Reservoirs or to drill and extract below the Storage Reservoirs, and said lessee or operator shall have the right to drill through the Storage Reservoir. The lessee or operator of a State lease or operating agreement must exercise its rights in accordance with the rules for a Class VI well or other rules and orders issued by the Commissioner of Conservation and this Section 5.2 in order to protect the applicable Facilities and/or the surrounding properties against pollution and/or against the escape or migration of any Carbon Dioxide Stream from the applicable Storage Reservoirs, and in accordance with the requirement of Article 5.5 below, and all Applicable Law(s) and Applicable Procedure(s).

5.3 **Property Access and Retained Rights.** (a) Pursuant to La. R.S. 30:127(G), Operator shall maintain and preserve the public's access to public waterways throughout the Property covered by this Agreement; (b) Subject to the provisions of La. R.S. 30:127(G), Operator is

permitted to enclose (including by way of fencing) and protect the Injection well site portions of the Facilities or other portions of the surface Facilities as may be necessary for safety purposes; (c) Operator shall grant the State, or any other person or entity acting on behalf of the State, access at all reasonable times via any road or waterway to inspect the Property to ensure compliance with all requirements of this Agreement or to exercise any right reserved explicitly or impliedly in this Agreement; and (d) the State retains the right to sell, exchange, utilize, transfer, or otherwise dispose of all or any portion of the Property and all rights in the Property not expressly granted to Operator or necessarily implied by this Agreement. Further, the State shall have the right to use any and all portions of the Property for any purpose or to issue rights-of-ways and servitudes upon the Property, provided doing so does not unreasonably interfere with the rights of Operator.

### **Operator's Rights**

5.4 Permitted Purposes. Operator is hereby granted, for itself and its affiliates (being any entity that controls, is controlled by, or is under common control with Operator) the right to use the Property for all purposes and rights granted in this Agreement, including, without limitation, the sole and exclusive right to use and occupy the Property for the purposes and rights set forth in this Agreement, and the full control of all operations in connection with the construction, preparation, installation, maintenance, operation, expansion, enlargement, modification, replacement, repair, and disposition of the Facilities, Injecting any Carbon Dioxide Stream into the Storage Reservoirs, the installation, maintenance, repair, replacement and removal of Improvements and Equipment, the Injection, Storage, transportation, shipment, handling, transmission, Withdrawal, or other disposition of Carbon Dioxide Stream(s) Stored, or to be Stored from time to time, in each Facility, and monitoring each Facility and/or Storage Reservoirs (collectively, without limitation, the “**Permitted Purposes**”), subject to Applicable Law(s) and Applicable Procedure(s).

Notwithstanding, Operator agrees that the Carbon Dioxide Stream(s) Injected for Storage in the Storage Reservoirs as contemplated by this Agreement is intended to be permanent. As such, any Withdrawal of Carbon Dioxide from any Storage Reservoirs shall, to the extent reasonably practicable, be reinjected into any of the Storage Reservoirs listed in this Agreement or any other Class VI injection well permitted by the State. For the avoidance of doubt, the de minimis incidental release of any portion of a Carbon Dioxide Stream from any of the Facilities (a) shall not constitute a Withdrawal requiring re-injection or (b) otherwise be prohibited by this Agreement.

5.5 Incidental Rights. Without limiting the foregoing, and for the avoidance of doubt, Operator, for itself and its affiliates, also shall have the sole and exclusive right to control, conduct or perform all activities on the Property as may be necessary or incidental to the Permitted Purposes, including, but not limited to: (a) installing, maintaining, replacing, removing, monitoring, inspecting, testing, and/or operating the Improvements and Equipment necessary or incidental to maintaining, operating or testing the Facilities or Storage Reservoirs ; (b) performing mechanical integrity tests or other tests as may be desirable to determine Storage Reservoir's capacity, limits, safety and/or integrity, or to comply with Applicable Law(s); (c) Injecting Carbon

Dioxide Streams for pressure maintenance in operations, mechanical integrity activities or other lawful purposes; (d) transporting of Carbon Dioxide Streams; (e) performing any corrective action required pursuant to Applicable Laws and (f) viewing and performing testing, such as geological and geophysical surveys, seismic tests, and other testing and data relating to the Property and Storage Reservoir to determine the capacity and suitability of the Storage Reservoir and Property for the Permitted Purposes. These rights do not include the right to withdraw water from State owned water bottoms on the Property, except as may be necessary to support the activities of Operator contemplated by this Agreement, and only to the extent allowed by, and in conformity with, Applicable Law(s) and Applicable Procedure(s).

5.6 In exercising its sole operational control and discretion, Operator shall conduct all operations on or under the Property as a reasonably prudent operator, in a good and workmanlike manner, and in compliance with all Applicable Law(s) and Applicable Procedure(s).

5.7 Without limiting the foregoing, Operator shall be responsible for obtaining all necessary permits and satisfying the insurance, bonding, fee and other obligations mandated by Applicable Law(s) and/or Applicable Procedure(s) regarding each Facility. Once obtained, such permits shall be deemed to be Applicable Law(s) with which Operator will be responsible to comply.

5.8 Except subsequent to a transfer of ownership pursuant to La. R.S. 30:1109(A) or such successor statute thereto, wells, compressors pipelines, tank batteries, and Improvements and Equipment placed in or on the Property after the date hereof and used in connection with operations hereunder, shall be owned and controlled by the Operator and the State shall have no interest (ownership, controlling or otherwise) therein whatsoever. However, nothing herein stated shall deprive the State of the right to file a lien for unpaid cost or damages nor any other agency from levying any other costs or damages or enforcing any other rights commensurate with the authority granted by the State.

5.9 Except for any costs and expenses paid from the Carbon Dioxide Geologic Storage Trust Fund (established by La. R.S. 30:1110) in accordance with Applicable Law(s) and Applicable Procedure(s), all costs and expenses incurred in connection with Storage operations in, on or under the Property or associated with the Facilities, including carrying out any Permitted Purposes or exercising any Incidental Rights, shall be borne solely by the Operator. The State shall be held free and harmless from liability or responsibility for any and all costs and expenses so incurred under the terms of this Agreement.

5.10 Nothing in this Section shall prohibit the State, acting in its capacity as a regulatory authority (through the OC, DEQ, or other regulatory authority), from enforcing all Applicable Law(s) and Applicable Procedure(s), specifically including any applicable environmental or underground injection/storage laws and regulations.

**Correlative Rights.**

5.11 The Parties, their successors and assigns, agree to exercise their respective rights granted and reserved herein with reasonable regard for the rights of the other and shall use only so much of the Property, including its surface, as is reasonably necessary to conduct their operations.

The exercise of the rights granted herein shall be subject to the provisions of Applicable Law(s) and Applicable Procedure(s), including, without limitation, Articles 11 and 22 of the Louisiana Mineral Code (La R.S. 31.1, *et seq.*).

**Pooling.**

5.12 Unless otherwise specifically agreed to and authorized by the State in a separate agreement, the Property cannot be pooled or unitized with other lands or waterbottoms for purposes of Injection or Storage of Carbon Dioxide.

**Article 6 - Insurance**

6.1 **Coverage Required.** Within 30 days of the Effective Date, Operator shall pay all costs and/or premiums, for policies of insurance, providing coverage against third party claims relating to the Facilities, including the Property, with a carrier approved in the State of Louisiana and rated by AM Best or a similar agency not lower than “A-” with a surplus size of “VII or higher.” The policies of insurance shall be maintained in full force until the termination or expiration of this Agreement and continuing until all obligations are fulfilled. Such commercial general liability policies shall name the State as an additional insured. Such policies of insurance shall be subject to the terms and conditions of the policies and shall have the following limits:

- A. For bodily injury, One Million (\$1,000,000) Dollars per occurrence, with a Two Million (\$2,000,000) Dollars aggregate.
- B. For property damage which is not considered to be environmental damage, One Million (\$1,000,000) Dollars per occurrence, with a Two Million (\$2,000,000) Dollars aggregate.
- C. For environmental damage, Ten Million Dollars (\$10,000,000) for each occurrence.

6.2 **Proof of Insurance.** Operator shall provide the State with current certificates of insurance demonstrating compliance with the requirements of Article 6.1 above (a) within forty five (45) days of the Effective Date; (b) within fifteen (15) days following annual policy renewals during the term of this Agreement; and (c) within fifteen (15) days of each reasonable request therefor by the State. Such certificates of insurance shall contain the requirements that (i) those insurance companies provide thirty (30) days’ prior written notice of any cancellation or termination of those insurance policies as stated on a standard accord cancellation form or such similar form, and (ii) the insurance companies providing commercial general liability insurance waive any right of subrogation in favor of the State limited to the extent of obligations and liabilities assumed by Operator under this Agreement.

6.3 **Insurance Default Remedies, Notice and Cure Rights.** In the event notice of cancellation of the insurance required by Section 6.2 is given and another certificate of insurance evidencing the issuance of another policy meeting all the terms and conditions of Section 6.2 is not furnished prior to cancellation (and except where such failure to furnish same is excused due to an Incident or any other provision of this Agreement or Applicable Law(s)), the Injection rights of Operator under this Agreement shall automatically and without further notice to Operator, be

suspended (but not terminated) and Operator shall immediately suspend Injection under this Agreement. For avoidance of doubt, rights necessary to maintain the viability of the Storage Reservoirs and the Facility or Facilities for the purposes hereof and as necessary for health, safety, and/or environmental concerns shall be permitted at all times. The reinstatement of the requisite insurance coverage as evidenced by the certificate showing same to the State shall immediately thereon lift the suspension and allow Operator to resume Injection. Should Operator fail to obtain coverage within one hundred twenty (120) days after receiving a written notice and request to obtain insurance from the State, this Agreement may terminate at the option of the State.

#### **Article 7 - Bankruptcy and Security**

7.1 The Operator agrees to acknowledge and verify in any appropriate manner to any bankruptcy court or to any other authority, and hereby also acknowledges and verifies, that the Annual Injection Payments required in Article 4 are not a part of the Operator's estate, and that the estate has no claim or interest therein. Operator further acknowledges that all legal and equitable title to any portion of the payments owed to the State is vested in the State and that Operator relinquishes all dominion, control, and title to the same. Operator and the State agree that so long as this Agreement remains in effect, this Agreement is an executory contract and unexpired within the meaning of Section 365 of the United States Bankruptcy Code.

7.2 The Operator shall furnish any bond or other security, required by Applicable Law(s), to cover the Operator's obligations for closure and post-closure activity.

#### **Article 8 – Indemnification**

8.1 The Operator unconditionally agrees that it will respond to, investigate, provide defense for, protect against, save, indemnify, and hold free and harmless the State, the Board, DNR OMR, the Board members, DNR's, OMR's employees and other representatives of, from, and against any and all demands, claims, causes of action, damages, judgments, costs, fees, expenses and attorney's fees of whatsoever kind or nature, including, but not limited to damages to persons or property, THAT MAY ARISE OUT OF, OR BY REASON OF, THE PERFORMANCE OF ALL SERVICES, ACTIVITIES, OBLIGATIONS, DUTIES AND OPERATIONS UNDER THIS AGREEMENT BY OPERATOR, OR ANY MEMBER OF THE OPERATOR GROUP, whether resulting from an act, omission, fault or negligence of Operator or any member of the Operator Group.

#### **Article 9 – Inspection, Records and Audit Rights**

9.1 Subject to compliance with Operator site safety rules and requirements, and provided that the State treats such information as strictly confidential to the extent allowed by Applicable Law(s) and Applicable Procedure(s), the State, or any person or entity acting as agent, representative or under the authority of the State shall have the right, at all reasonable times and upon reasonable notice, to examine, audit or inspect all books, records, accounts, statements, sales, invoices, maps, plans, seismic or geologic data, diagrams and other such documents pertaining to Operator's Storage, Injection and calculation of payments required under Article 4 from the Effective Date of this Agreement. Except as provided in Section 9.2, Operator shall only be required to maintain the foregoing items for ten (10) years.

9.2 Operator shall preserve all books and records used to calculate the payments required under Article 4 for as long as required by Applicable Law(s). Operator shall reasonably cooperate with the State in any such audit and the State shall conduct said audit as not to unreasonably interfere with Operator's operations.

9.3 Operator shall provide accurate records concerning Operator's payment obligations due under this Agreement with respect to each Facility required by Article 4, including but not limited to all accounts hereunder showing the amounts of Carbon Dioxide that have been Injected, are in Storage or have been Withdrawn from each Facility; provided that the State treats such records as strictly confidential, to the extent allowed by Applicable Law(s) and Applicable Procedure(s). The State may seek penalties in the event such accurate records are not timely provided in accordance with this Agreement and Applicable Law(s). The State and its agents shall, subject to all Operator site safety rules and requirements, have the right, upon reasonable prior notice to Operator and during normal business hours, to review such records as well as all other records created and maintained by Operator concerning the design, construction, maintenance, modification, and physical operation of each Facility. Subject to all Operator site safety rules and requirements, the State and any of its duly authorized representatives shall have access at all times to each Facility, the Property, and to any wells or Improvements and Equipment associated with the Facilities and to all records and reports relating thereto. Operator shall reasonably cooperate with the State in any such review, and any such review shall be at the sole cost of the State and shall be done so as not to unreasonably interfere with Operator's operations. To the extent that such information is received or acquired by the Operator from or in connection with operations hereunder subsequent to the date hereof, the Operator agrees, upon written request by the State, to furnish timely to the State any and all well data associated with the Facilities, provided that, to the extent allowed by Applicable Law(s) or Applicable Procedure(s), the State treats such records as strictly confidential.

9.4 For avoidance of doubt, all information obtained by the State pursuant to this Article 9 shall be treated as strictly confidential by the State to the fullest extent allowed by Applicable Law(s) and Applicable Procedure(s).

#### **Article 10 - Release of Acreage**

Upon its own initiative, Operator may release acreage by notifying the State in writing, at least thirty (30) days prior to the release, of its intent to do so and identifying the specific acreage to be released in the manner and format required by the State. Upon release of the acreage, Operator shall lose any rights for Storage of Carbon Dioxide Stream(s), incidental rights, or undertaking any activities to carry out Permitted Purposes on the portion of the Property released, except for the rights and/or obligations described in Section 3.4 of this Agreement and this Article 10. Additionally, Operator shall be required to undertake restoration, closure and post-closure activities in accordance with this Agreement for that acreage that has been released. Upon completion of any required restoration, closure, post-closure, and monitoring obligations in this Agreement for the portion of the Property being released, the amount required to be paid to the State by Operator under its obligation to make payments for acreage included under this

Agreement pursuant to Section 4.2 shall be reduced by the amount of acreage released from the date of such release going forward.

### **Article 11 – Closure, Post-Closure and Monitoring Activities**

11.1 Upon the termination of this Agreement (for purposes of Injection) or upon release of specific acreage (and then only as to that released acreage), at its sole cost and expense, Operator shall close the Facilities in conformity with any and all Applicable Law(s), Applicable Procedure(s) and this Agreement (including, without limitation, the Restoration Obligations) regarding closure and post-closure. Operator has the continuing right to use the Property under this Agreement to perform its closure and post-closure activities (including any monitoring of the Storage Reservoirs) following termination of this Agreement or a release of acreage.

11.2 Operator shall cause to remain in full force and effect the insurance coverage required by Article 6 and any bond required pursuant to Section 7.2 until such time as the action contemplated by Section 11.1 shall be completed.

### **Article 12 - Surface Use and Restoration**

#### **12.1 Surface Use.**

(1) Operator shall comply with and be subject to all Applicable Law(s) which govern: waste disposal, storage, treatment, transportation, or management; environmental quality (regardless of the environmental media involved), geologic Storage of Carbon Dioxide, navigation, archeological resources, cemeteries, coastal resource management, and wetlands protection and restoration.

(2) Operator shall conduct operations as a prudent operator using standard industry practices and procedures and proper safeguards, including taking necessary preparations and precautions to prevent and remedy pollution, fire, explosion, and environmental damage to the Property. Operator shall be responsible for all damage to the Property caused by Operator's or Operator Group's operations including, but not limited to loss or damage to timber, crops, roads, buildings, fences, bridges, soil, surface and subsurface water, aquifers and vegetation and all environmental damage. This responsibility shall be irrespective of whether such damage is due to Operator's or Operator Group's negligence or to the inherent nature of Operator's or Operator Group's activities or operations. For the avoidance of doubt, this provision applies as to the Parties only and it is not intended to apply to or be for the benefit of any third persons.

(3) Operator shall report all unpermitted and reportable discharges on the Property as required by Applicable Law(s).

(4) Operator shall, at its sole cost and expense, keep and maintain all Improvements and Equipment on the Property utilized, owned, placed and/or caused to be placed by Operator and all Facilities appurtenant to such Improvements and Equipment in good order and repair and in the appropriate condition for the safe conduct of any activities or enterprises conducted on the Property pursuant to the rights granted hereunder, in each case as a prudent operator using standard industry practices and procedures and proper safeguards and in accordance with Applicable Law(s).

## 12.2 Restoration.

(1) Operator shall be obligated to plug and abandon all wells owned, utilized, placed or caused to be placed by Operator on the Property no longer necessary for the Permitted Purposes; to remove from the Property all Improvements and Equipment owned, utilized, placed or caused to be placed by Operator which are no longer utilized for the Permitted Purposes; and to the extent caused by Operator's activities on the Property, restore the Property, as near as practicable, to the condition existing on the Effective Date of this Agreement ("**Restoration Obligations**"), all at Operator's sole risk, cost and expense and subject to compliance with Applicable Law(s) and Applicable Procedure(s). Unless doing so would be in violation of Applicable Law(s), Operator shall complete the Restoration Obligations within a reasonable time (but no later than eighteen (18) months unless extended by the State due to a fortuitous event that is beyond Operator's control preventing Operator access to or restoration of the Property) following: (a) the date said wells, structures, Improvements and Equipment or facilities are no longer necessary for Permitted Purposes; or (b) the date this Agreement has expired, terminated or been released (whichever occurs first) as to all or a portion of the Property. The failure of Operator to timely complete the Restoration Obligations shall subject Operator to and make Operator liable for any and all costs or expenses of any kind incurred by the State for plugging said wells or removing said structures or facilities, but in no instance shall title to or ownership of said facilities automatically vest in or transfer to the State nor shall said wells, structures or facilities be deemed "improvements" to the Property for purposes of vesting title in same to the State.

(2) The State recognizes Operator's right to draw and remove casing from wells and, further, to remove any structures and facilities no longer utilized for Permitted Purposes on the Property.

## **Article 13 - Warranty of Title and Use**

13.1 Warranty of Title. Notwithstanding any provision herein to the contrary, this Agreement is granted and accepted without any warranty of title and without any recourse against the State whatsoever, either express or implied. As such, the Parties acknowledge and agree that the State shall not be required to return any payments received pursuant to this Agreement, even notwithstanding any subsequent litigation or judicial decrees, orders, or rulings regarding title to all or any part of the Property or otherwise be responsible to Operator therefor. Operator represents that it has investigated the title or is satisfied with such title as the State may have. The State hereby disclaims any covenant of quiet enjoyment or peaceful possession of the Property.

13.2 Warranty of Use. The State makes no warranties as to the condition of the Storage Reservoirs and Operator accepts the Storage Reservoirs "AS IS". The State has no obligation to make any repairs, additions or improvements to the Storage Reservoirs, and the State does not warrant the suitability of the Storage Reservoirs for any purposes intended by Operator or contemplated by this Agreement.

13.3 Termination for Lack of Title. Notwithstanding anything stated in this Agreement to the contrary, this Agreement shall terminate, as to the portion of the Property implicated, if it is determined by a court of competent jurisdiction (and any applicable appeal delays have run or have been exhausted) that the State does not have title to the Property.

#### **Article 14 - Force Majeure and Suspending Events**

(A)(1) If, at any time this Agreement is being maintained by Injection, and Operator is prevented from continuing Injection by the occurrence of a Force Majeure or Suspending Event as defined in this Article, (“**Incident**”), and Operator cannot maintain this Agreement under any other operative provision of this Agreement, then and only then shall the date for Operator to recommence Injection in order to maintain this Agreement be postponed on a day-for-day basis for so long as the adverse effects of the Incident continue, providing that Operator provides OMR with notice in accordance with section (B) of this Article and that Operator is diligently, reasonably, and in good faith attempting to mitigate and eliminate the effects of the Incident to the extent such mitigation is within Operator’s control. The occurrence of an Incident shall not maintain this Agreement for more than twelve (12) months from the date of the Incident onset unless extended by the State.

(2) A determination as to whether Operator can utilize this Article and whether Operator has complied with the requirements thereof is at the sole, reasonable discretion of the State. If an Incident has occurred, the Operator is still required to make the MGAP, Annual Injection Fee and Annual Acreage Rental payments required by Article 4 of this Agreement.

(B) Within ninety (90) days of the Incident onset, Operator shall submit a written notice containing the following: (1) the onset date, description and nature of the Incident; (2) the effects preventing continuation of Injection; (3) a description and evidence of Operator’s diligent, reasonable and good faith efforts to mitigate and eliminate the effects of the Incident and to resume Injection; (4) an estimated time for resumption of Injection; and (5) any other information or documentation evidencing the existence of the Incident reasonably requested by the State. Notice given beyond ninety (90) days shall not be considered reasonable notice and the application may be denied by the State barring consequential extenuating circumstances.

(C) Every thirty (30) days following the notice required in section (B) of this Article, Operator shall be required to submit written, detailed reports on a monthly basis to OMR giving therein a description and evidence of Operator’s diligent, reasonable, and good-faith efforts to mitigate and eliminate the effects of the Incident and to resume Injection. If the reports are not timely submitted or if Operator did not attempt in good faith to mitigate the effects of the Incident, the State, after notice and opportunity to be heard, may declare the Incident recognition to be ended and that Operator may not after such failure utilize this provision to excuse any failure to comply with any obligations of this Agreement relating to the particular Incident involved.

(D) A “**Force Majeure**” event is a fortuitous event that is beyond the Operator’s control and is not ultimately determined to be caused by the Operator or due to the Operator’s negligent or intentional commission or omission, or failure to take reasonable and timely foreseeable preventative measures that would have mitigated or negated the effects of the event. An example of a Force Majeure event may include, depending on the specific circumstances involved: (1) a major storm, major flood, or other similar natural disaster; or (2) a major accident such as a blowout, fire, or explosion, which prevents the occurrence of an act or event that would otherwise extend the effectiveness of this Agreement or prevent its termination.



15.5 This Agreement shall be recorded in the conveyance records of all Parishes where the Property is located in order to notify all interested third parties (including, without limitation, any lessees or other users or occupants of the Property) of the exclusive use of the Storage Reservoirs below the surface of the Property for permanent Carbon Dioxide sequestration. The Operator agrees that it shall execute and record, within ninety (90) days after the expiration or termination of this Agreement covering all or any portion of the Property, an appropriate and legally sufficient release evidencing such expiration or termination, and shall also supply State with a copy or copies thereof with recordation information properly certified by the recorder of each Parish in which a Property is located. In the event the Operator fails to comply therewith after thirty (30) days of written notice from the State, it shall be liable for reasonable attorney's fees and court costs incurred in bringing suit for such cancellation and for all damages resulting therefrom. Notwithstanding the foregoing, a disclosure filing in mutually agreeable form shall also be recorded in the conveyance records of all Parishes where the Property is located to notify all interested third parties (including, without limitation, any lessees or other users or occupants of the Property) of the exclusive use of the Storage Reservoirs below the surface of the Property for permanent Carbon Dioxide sequestration.

15.6 This Agreement shall be interpreted and construed under the laws of the State of Louisiana. Should any provision, in whole or in part, of this Agreement be declared, found, or held invalid, illegal, or otherwise unenforceable, such declaration, finding, or holding shall not invalidate or render unenforceable the remaining provisions, which shall be construed and enforced as though the invalidated or unenforceable provision, or portion thereof, was not contained herein, provided that such remaining provisions fulfill the primary purpose of this Agreement.

15.7 The venue for any suit, action, or proceeding instituted, arising out of, or relating to this Agreement, shall only be in the Nineteenth (19<sup>th</sup>) Judicial District Court, East Baton Rouge Parish, State of Louisiana. Each Party irrevocably submits to the exclusive jurisdiction of said courts, waives any objection which it may have now or hereafter to such venue, and waives any other venue to which it may be entitled by virtue of domicile or otherwise.

15.8 This Agreement has been read and understood by each Party. The Parties to this Agreement have freely and voluntarily executed this Agreement for the consideration recited herein. They have not relied on any representation or statement by any Party other than those statements contained herein. They have relied solely and completely upon their own respective judgment and the advice of their own attorneys.

15.9 This Agreement is the result of arms-length negotiations between the Parties and each has had the opportunity to review and revise it prior to execution. As a result, both Parties agree that the rule of construing the terms and provisions of an instrument against the drafting Party is not and shall not be applicable to this Agreement. This Agreement constitutes the entire agreement as between the Parties, and it shall not be modified or amended, nor shall any of its requirements be waived, except in a subsequent writing executed by all Parties.

15.10 Each Party represents and warrants to each and every other Party that the individuals executing this Agreement, and the agreements contemplated by this Agreement, have

been duly authorized by their respective corporate principals and that this Agreement and the other documents contemplated by this Agreement, shall be binding on the Parties hereto in accordance with the provisions of such documents.

15.11 This Agreement may be executed in counterparts and each executed counterpart shall have the same force and effect as the original instrument. If counterparts are executed, the signatures of the Parties to each counterpart may be combined into and used as a single document.

15.12 The article and section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

15.13 The Parties agree to cooperate in good faith in connection with Operator obtaining regulatory approvals and permits.

15.14 Safety Precautions and Other Protocols. Both Parties, and their respective contractors, subcontractors, invitees, and agents shall comply with Occupational Safety and Health Administration rules and regulations applicable to industrial sites when entering any area of the Property on which Operator's surface facilities are located.

**This Part Left Intentionally Blank**

THUS DONE AND SIGNED on the date or dates herein below written, in the presence of the undersigned competent witnesses.

WITNESSES:

**The Louisiana State Mineral and Energy Board**

\_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

WITNESSES:

**Venture Global CCS Cameron, LLC**

\_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_