

APPENDIX D

FINANCIAL ASSURANCE

2024 PLUGGING AND ABANDONMENT COST ESTIMATE ADJUSTMENT





Mid-Way Environmental Services, Inc.

120 North 8th Avenue
Stroud, Oklahoma 74079
Phone: (918) 968-0730

10010 E. 16th Street
Tulsa, Oklahoma 74128-4611
(918) 665-6575

www.Mid-WayEnvironmental.com

July 18, 2024

Ms. Hillary Young, P.E.
Chief Engineer
Land Protection Division
Oklahoma Department of Environmental Quality
P. O. Box 1677
Oklahoma City, Oklahoma 73101-1677

**RE: 2024 Plugging and Abandonment Cost Estimate Adjustment
Mid-Way Environmental Services, Inc. Class I NHIW Injection Well
Lincoln County, Oklahoma
UIC Permit No. IW-NH-41001**

Dear Ms. Young:

Mid-Way Environmental Services, Inc. (MES) is herewith submitting the permit required adjusted Closure cost estimate for the above referenced Class I Non-Hazardous Industrial Waste (NHIW) injection well located in Lincoln County, Oklahoma.

The original cost estimate for the plugging and abandonment (P&A) of the injection well was previously established in the Construction Completion Report and Operating Permit Application, dated April 2012, based on the 2012 market rates for oilfield services. The tasks included mobilization/de-mobilization; rig and crew costs; testing and logging services; well cementing; site cleanup and restoration; and final reporting and certification. Including a 10% contingency, the total cost estimate for the P&A of the injection well in 2012 was \$49,115.00. Subsequent inflationary adjustments resulted in an updated cost of \$63,304.11 in 2023. This cost has been updated using an inflationary adjustment of 3.64% for 2024 based on the published 2024 Implicit Price Deflator, Gross National Product as found on the DEQ website. The estimated total cost for P&A has increased from \$63,304.11 in 2023 to **65,608.38** in 2024.

MES currently maintains a Financial Guarantee Bond (LSF041634) for a total sum of \$70,000.00; an amount sufficient to cover the adjusted Closure Cost. A copy of the bond is attached to this letter. If you have any questions on this matter, or if you require any additional information, please do not hesitate to contact me at 918-665-6575.

Sincerely,
Mid-Way Environmental Services, Inc.

Tolga Ertugrul, P.E.
President, MES

Attachment 1: Financial Guarantee Bond

Cc. Mr. Orphius Mohammad, PhD, P.E., A & M

Attachment 1
Financial Guarantee Bond



BOND RIDER

To be attached to and form a part of :

Bond No.: LSF041634

Cross Ref Bond No.: 3687510

Type of Bond: Financial Guarantee Bond for Plugging and Abandonment Name of Well: Midway Environmental Services, Inc. , Class 1 Injection Well, Davenport, Lincoln County, Oklahoma

Dated effective: July 18, 2024

Executed by: Midway Environmental Services, Inc.

_____, as Principal,

And by: The Ohio Casualty Insurance Company, as Surety,

In favor of: Oklahoma State Department of Environmental Quality

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to:

Changing: Bond Limit

From: \$65,000.00

To: \$70,000.00

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective: July 18, 2024

Signed and Sealed on: July 18, 2024

Principal Name: Midway Environmental Services, Inc.

By: 

Surety Name: The Ohio Casualty Insurance Company

By: 

Susan E. Travis, Attorney-in-Fact

Agency Name: BancFirst Insurance Services, Inc.

Agency Address: 13230 Pawnee Drive Suite 205 Oklahoma City, OK 73114





This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: **8210672-974484**

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Amanda Gunn; Anissa R. DeJarnett; Ashton Block; Bridgett McElmurry; Bryse Martin; Corbin L. Jarvis; Debbie A. Morris; Edward J. McGrath; Heather Odell; Jennifer L. Deatherage; Kyle R. Rosebure; Michelle Pittman; Ronald L. Hammond; Scott Pearson; Susan E. Travis; Tia Ackley; Tiffany Sadler; Wylea J. Sanders

all of the city of Oklahoma City state of OK each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 25th day of August, 2023.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By:

David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 25th day of August, 2023 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My Commission expires March 28, 2025
Commission number 1126044
Member, Pennsylvania Association of Notaries

By:

Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 18th day of July, 2024.



By:

Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com