

**Wood Cache Completion Corp  
Closure and Post Closure Financial Plan  
Huerfano County Carbon Sequestration Project  
Cell 1  
October 6, 2024**

**Overview**

This document describes the obligations of Wood Cache, PBC to the state of Colorado Department of Health and Environment under 6 CCR 1007-2 Part 1, Section 4. These obligations are financial in nature and request a description of the Wood Cache, PBC plan to fulfill them. This document will be organized in alignment with the regulation. In addition, an accompanying spreadsheet describes expected expenses over time. This Facility will be in operation for approximately 5 years and this submission is for Cell 1 only.

**4.1.2 Scope and Applicability**

This facility is located at 4912 County Road 351, La Veta, Co 81055, and has been classified as a mono-fill. These finances are for the initial Cell opening and Closure only, as well as Post Closure care for that cell alone in accordance with the process presented in our EDOP. It is estimated that 2,000 tonnes of woody biomass will be collected and buried in this first tranche.

**4.1.4 Duration of Financial Assurance Coverage**

The Coverage will begin before this first cell is dug, and will continue for 30 years after Cell closure.

**4.2 Closure Cost Estimates**

Cell opening and closing will be conducted by either Reed Excavating or H&H Forestry:

Brandon Reed, Owner  
(719) 688 1679

H&H Forestry  
Tyler & Nathaniel Huff, owners  
(719) 250-1108

Opening and Closing are expected to occur within 7 weeks of each other, and the fulfillment of the Closure requirement is expected in that time frame.

A Quote for cell opening and closing costs from H&H Forestry can be found as an attachment to this document and are incorporated into the accompanying spreadsheet. Specifically, the closure costs, based on the estimate are:

Backfill (with Dirt & Logs) 2,000 tonnes Wood	\$65,013
---	----------

Backfill costs include grading and preparation of the soil for revegetation per the Design Plan.

Revegetation will be performed by the Landowner and Wood Cache PBC utilizing a local Hydroseeding supplier in accordance with NRCS guidance. A conservative estimate of \$3,500 to initially revegetate has been used primarily for seed and mulch as needed.

#### **4.3 Post-Closure Cost Estimates**

Post-Closure care will be provided by Wood Cache, PBC.

Wood Cache Completion Corp has made a good faith effort to describe the ongoing costs of monitoring the facility, which can be viewed in the “post-closure” tab of the accompanying spreadsheet. Elements of post-closure costs include:

**Revegetation** - Based on discussions with local water conservancy and hydrology representatives, we have been informed that full revegetation can take up to 5 years. However, we are extending this to 8 years to ensure success. This post-closure expense is for periodic repair to the final cover until fully self-sustaining as grazing land.

**Onsite Monitoring** - Costs have been estimated for Quarterly site visits per the Operational plan. \$250 has been allocated per visit based on local representatives performing the Inspections and Testing. This is based on experience with the pilot performing and documenting the Inspections. 8 Hrs. at approximately \$30/Hr.

**Remote Monitoring** - As servers and infrastructure have already been built and paid for, only a \$250 annual “subscription” will be required for access to the data. Repair if necessary is included in Infrastructure estimate.

**Infrastructure** - Onsite monitoring and management assets which will require periodic maintenance and repair. This would include above and below ground monitoring equipment as well as storage building and other on-site equipment.

**Insurance** - Insurance represents the right to call upon an external financing source to deal with emergencies that might require excavation. See Section 4.4 below

#### **4.4 Corrective Action Cost Estimates**

Wood Cache, PBC will buy insurance to cover the cost of any necessary Corrective Action. Over time, Wood Cache, PBC will self-insure the unlikely need for corrective action.

#### **4.5 Revising Closure, Post-Closure, and Corrective Action Cost Estimates**

- Our cost projections envision a 3% annual inflation rate. We will adjust these estimates each year in accordance with section 4.5.1, Annual Inflation Revision.
- Funds will be accounted for and released in alignment with 4.5.2 c or d.

- Annual and five-year cost estimates will be conducted and shared with the department as required.

#### **4.6 Financial Assurance Requirements**

The Financial Assurance mechanism described here is intended to fulfill requirements described in this document, as well as those required by governing authorities, including any local governing authorities.

The mechanism is also intended to fulfill market and customer requirements, including those imposed by carbon credit markets, in which we plan to participate.

As such, the financial assurance requirements described here are intended to cover the maximum requirements imposed by a range of authorities, including those of the State of Colorado.

##### **4.6.1.D**

In accordance with the options for a financial instrument described here, Wood Cache, PBC will seek a surety bond. The surety bond will align with the language put forward in Appendix A.

Please contact Serge Bushman or Ray Bongiovanni if additional clarification is required.

Serge Bushman  
913 991 7179  
Woodcache.org

Ray Bongiovanni  
940 231 0333  
raybon02@swbell.net

# Excavation and Closure Estimate

## Excavation Payment Schedule

### Project Overview

- **Project Name:** Woodcache Pit excavation
- **Location:**
- **Start Date:**
- **Completion Date:**

### Payment Schedule

#### 1. Deposit/Initial Payment

- **Amount:** \$8500
- **Due Date:** When equipment is on site for beginning of excavation.
- **Description:** To secure the project and cover initial mobilization costs.

#### 2. Milestone 1: Completion of digging the hole.

- **Amount:** \$14.00 per cubic yard moved
- **Due Date:** Completion of the pit excavation
- **Description:** Payment upon completion of pit excavation. Total cubic yards to be determined by measuring the pit and/or using Stockpile Record Lite app.

#### 3. Milestone 2: Completion of wood being buried

- **Amount:** \$22.00 per cubic yard of dirt and wood buried in pit
- **Due Date:** Due upon final inspection of buried wood.
- **Description:** Payment upon commencement of wood burial and inspection. Total cubic yards to be determined by measuring stockpiles remaining and measurement of finished grade compared to existing grade using Stockpile Record Lite app.

### Terms and Conditions

- **Payment Method:** Check
- **Late Payment Penalties:** %10 after 30 days
- **Change Order Process:** See Attached A1

### Signatures

- **Contractor Signature:** \_\_\_\_\_
- **Client Signature:** \_\_\_\_\_
- **Date:** \_\_\_\_\_

## Woodcache

### **Burial rate** based on 2000 ton of wood

Volume of truck: calculated at  $(8'(\text{width}) \times 8.5'(\text{height}) \times 18.5'(\text{length of log})) / 27 = 46.59$  cubic yards.

Trucks will have two turkey racks per load for a total of  $93.18(\text{truck volume})$  cubic yards total.

Cubic yards per ton will vary with weight of logs.  $(\text{Truck volume}/\text{tonnage}) = \text{cubic yards per ton}$

26 ton = 3.58 cy per ton  
28 ton = 3.33 cy per ton  
30 ton = 3.11 cy per ton

We can average the tonnage of the trucks for a more exact tonnage.

Example:

2000 ton x 3.33 cy per ton = 6660 total cubic yards of wood

Price:

$(\text{Total cubic yards of wood} \times \$8.00) + (\text{cubic yards of dirt} \times \$12.00) = \$65,013.36.$

\$8.00 per yard of wood put into the pit

\$12.00 per yard of dirt including compaction and final grading of cap

Cubic yards of dirt figured by subtracting total after cap is install over wood from total excavated.

Estimated material used:

60 x 80 at 6" = 88.89 cubic yards at 3 lifts = 266.67

60 x 80 at 4' = 711.11 cubic yards for the cap

Total cubic yards of dirt added = 977.78

Example  $(6660 \times 8) + (977.78 \times 12)$   
 $(\text{cubic yards of wood} \times \$8) + (\text{cubic yards of dirt} \times 12)$

53280 + 11733.36 = \$65,013.36

We will continue testing the Stockpile Record Lite App on wood piles to see if it is accurate enough.

**Excavation rate** based on total amount of materiel removed for pit.

4000 cy of material @ \$10.00 per = \$40,000. Measured by Stockpile Record Lite App.