From:	McDonald, Jeffrey
To:	"Gilmore, Tyler J"
Cc:	Lucinda Low Swartz; Greenhagen, Andrew; Bayer, MaryRose
Bcc:	Krueger, Thomas; McAuliffe, Mary; Jaime Rooke; Tiago, Joseph
Subject:	RE: trust fund language corrections
Date:	Wednesday, February 26, 2014 10:52:00 AM

Yes. There are a few questions that were sent to our FR expert in HQ. We'd like to hear his responses on a couple of things before sending them to you. However, I talked to our attorney and we feel that a couple of them are probably ok in sending to you now.

In section 4, in the added language, should be probably be "and/or post-injection site care..." rather than just "and post-injection site care...." Correct?

In Schedule C, should we be more explicit that the $22.345 million to be paid in through installments is "in addition to" the original $2.723 million payment? We're not sure that's totally clear from the language in the highlighted paragraph. Similarly the table makes it look like the ultimate total will be only $22.345 million, but the need for plugging and abandonment funds don't go away (unless it's then subsumed into the PISC cost estimate). Can you help clarify this?

Jeffrey R. McDonald, Geologist
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From: Gilmore, Tyler J [mailto:Tyler.Gilmore@pnnl.gov]
Sent: Wednesday, February 26, 2014 10:02 AM
To: McDonald, Jeffrey
Cc: Lucinda Low Swartz
Subject: RE: trust fund language corrections

Jeff,
We received your note, thank you. The changes you suggest are reasonable, but should we wait for additional comments on the trust agreement before making the revisions?
Thanks
Tyler

From: McDonald, Jeffrey [mcdonald.jeffrey@epa.gov]
Sent: Wednesday, February 26, 2014 7:33 AM
To: Gilmore, Tyler J
Cc: Greenhagen, Andrew; Bayer, MaryRose; Lucy Swartz
Subject: trust fund language corrections

Tyler and Lucy,

Our attorneys caught something that I want to pass along.

In Schedule C. We say,

“Pre-Injection: Once an injection or monitoring well is drilled, plugging costs will eventually need to be incurred. Therefore, the trust account will be funded with the cost of plugging injection and monitoring wells as soon as drilling the well begins. The Alliance’s estimated cost of this activity is $2.723 million.”

A few sentences down and again in Table 1, we make it clear that we are requiring this funding within 7 days after issuance of the final permits, but should the phrase “as soon as” be something else like “prior to” or “within the timeframe set forth below”? I think the 7 days language you have is clear and controls, but if you are tweaking this document, this seemed like an easy thing to revise.

Please consider changing “as soon as” to something like "...will be funded with the cost of plugging injection and monitoring wells **within seven days of any final permit under this project**."

In Section 14, line 7, the model has a typo. It says the Trustee may rely on instructions "with to" the extent permissible. Should "with" be deleted?

We have a few more comments that we are discussing internally and anticipate getting those to you shortly.

Jeff

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