July 3, 2026

Curtis Huge, Agent
Hathaway LLC
4205 Atlas Court
Bakersfield, CA 93308
Delivered via electronic mail:
chuge@hathawayllc.com

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

To Curtis Huge:

The purpose of this letter is to inform you that the Department of Conservation, Geologic Energy Management Division ("CalGEM") has determined that Hathaway LLC must file a bond in the amount of $3,857,835.00 to comply with Public Resources Code ("PRC") section 3205.8.

This amount is based upon CalGEM's estimation of the cost to plug and abandon the well(s) and decommissioning of associated facilities listed on Attachment A, and associated site restoration for these wells and facilities. A breakdown of the cost estimate is provided in Attachment B. Hathaway LLC may elect to submit a cost estimate 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 to plug and abandon the well(s) and decommissioning of associated facilities.

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 3205.8 Cost Estimate Breakdown