



August 12, 2021

VIA CERTIFIED MAIL

Greetings,

We are writing to notify you that Kerr McGee Oil & Gas Onshore, LP, a subsidiary of Oxy USA, Inc., is preparing to submit a Weld County Oil and Gas Location Assessment (WOGLA) for a proposed project near your property. We are committed to being good neighbors by providing frequent and transparent information, seeking the community's feedback, safeguarding the environment, and protecting the health and safety of employees and communities.

Description of the project

The proposed Paul Nelson 25-29HZ project as described on the following pages in more detail consists of seventeen oil and natural gas wells and a production facility. The timeline for development is based on obtaining the required permits and drilling rig availability. At this time, we estimate that drilling will start between March and July 2023. We commit to keeping you updated throughout the permitting process and providing detailed timeline prior to starting construction.

Standard practices and mitigation strategies

Our standard practices are aligned with the guidelines of Weld County, the Colorado Oil and Gas Conservation Commission, and the Colorado Department of Public Health and Environment. The development and mitigation techniques for this location have been carefully planned to ensure impacts are minimized as much as possible. The phases of energy development as well as our best practices and mitigation strategies for this location are described in more detail on the following pages.

Our team members will continue to work diligently to plan construction and operations with you in mind. We welcome your feedback and can be contacted at any time for questions and comments by email, phone, or mail. We will consider all reasonable mitigation measures proposed to minimize adverse impacts of the proposed oil and gas location.

Next steps

This project is required to undergo a comprehensive permitting process at both the local and state level. You will be notified at many steps along the way by us and by the permitting agencies. Please reach out to us, or to Weld County, to discuss this project or to set up a meeting. We look forward to working with you.

Best regards,

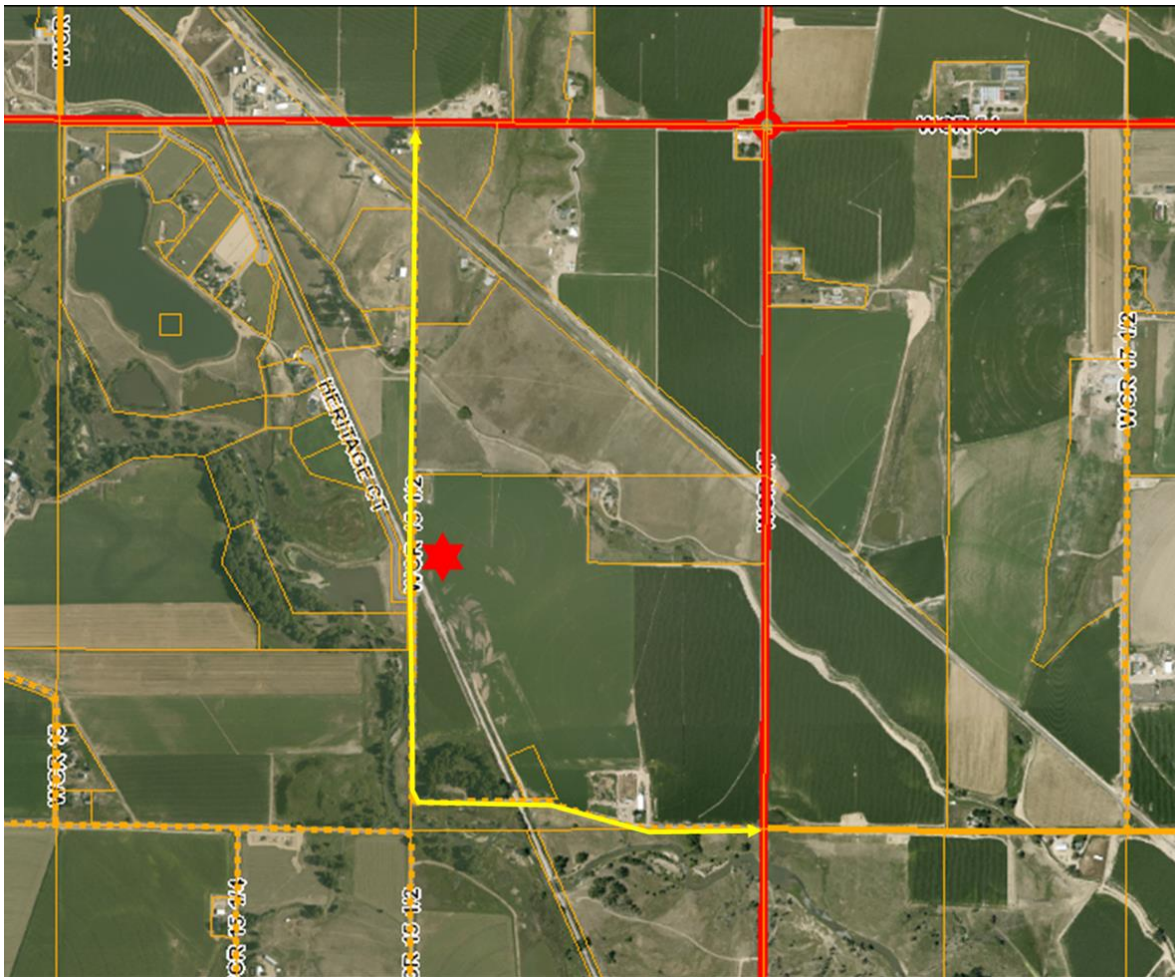
**Stakeholder Relations**

1099 18th Street, Suite 1800  
Denver, Colorado 80202  
ColoradoStakeholder@oxy.com  
866.248.9577

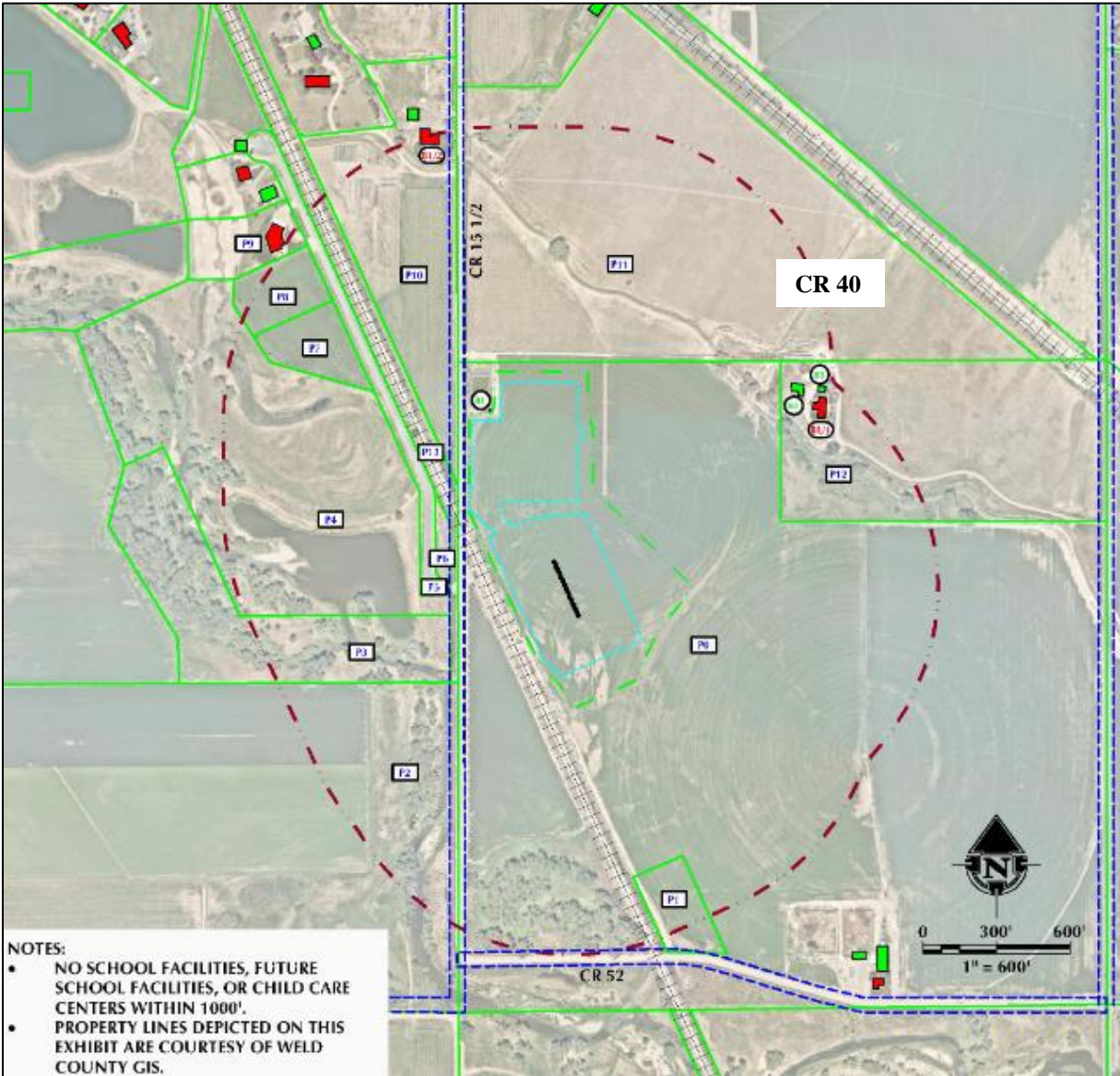
Detailed description of the project:

Project Name and number of wells	Parcel #	Location	Disturbance area
Paul Nelson 25-29HZ 17 wells	095729000012	W/2 SE/4 Section 29, 5N, 67W, 6th P.M.	16.3 acres

General Location and Proposed Haul Routes:



Notification Zone Map



NOTES:

- NO SCHOOL FACILITIES, FUTURE SCHOOL FACILITIES, OR CHILD CARE CENTERS WITHIN 1000'.
- PROPERTY LINES DEPICTED ON THIS EXHIBIT ARE COURTESY OF WELD COUNTY GIS.

LEGEND			
	PROPERTY LINE		EXISTING BUILDING
	DISTURBANCE BOUNDARY		RESIDENTIAL BUILDING UNIT
	WORKING PAD SURFACE		NON-RESIDENTIAL BUILDING UNIT
	1000' BUFFER		BUILDING
	SCHOOL PARCEL		BUILDING UNIT
	COUNTY ROAD RIGHT-OF-WAY		PARCEL
	RAILROAD		



## Our Best Practices and Mitigation Measures

We strive to make our activities compatible with the surrounding community and use various mitigation techniques to reduce the temporary impacts associated with development. Our team designs each location after careful consideration of the area's specific attributes. For each well pad, we deploy the following strategies to mitigate possible impacts including:

- **Noise:** We use upgraded drilling rigs with noise reducing features and quiet hydraulic fracturing technology engineered with pump enclosures. These features reduce the noise from our operations. In addition to mitigating noise at the source, we also install sound walls, as needed, when we operate near communities.
- **Light:** We use light-emitting diode (LED) lights strategically oriented away from homes, making our operations less visible to our neighbors.
- **Odor:** To counteract any potential hydrocarbon odor during our drilling operations, we proactively add an odor neutralizer to the drilling fluid system. The Colorado Department of Public Health and Environment has conducted testing and determined that odors during drilling operations do not pose health risks.
- **Road and Traffic:** We reduce traffic as much as possible through our oil transfer and Water-On-Demand systems. The oil produced from our horizontal locations is transported off-site through a pipeline, eliminating the need for trucks. We transport the water used in hydraulic fracturing through our innovative Water-On-Demand pipeline system, further reducing truck traffic.

Since its inception in 2012, this technology has enabled Oxy to eliminate 60 million miles of truck traffic from the roads in Weld County, reducing emissions, dust, road wear, and inconvenience to our neighbors. This system also reduces our surface footprint by eliminating the need to store water in tanks onsite during well completion.

- **Air Quality:** To ensure the wellbeing of you and your family and those living and working near our operations, we take action to reduce emissions and monitor air quality. We are committed to conducting our business in a manner that protects the health, safety, and welfare of communities, our employees, and the environment.

**Reducing Emissions:** To reduce greenhouse gas emissions and utilize the valuable energy resources we produce, we select equipment and design our locations and procedures to minimize emissions.

1. Occidental is the first U.S. oil and gas company to endorse [The World Bank's Zero Routine Flaring by 2030 initiative](#). In Colorado, we have already achieved zero routine flaring.
2. During drilling, over 90% of the power comes from Tier IV engines. In addition, the hydraulic fracturing pumping equipment is 100% powered by Tier IV engines. Tier IV engines meet the latest and most stringent requirements for off-road diesel engines as designated by the U.S. Environmental Protection Agency (EPA).
2. Our innovative tankless production facility reduces air emissions in several ways. Tankless means we eliminated oil storage tanks, which significantly lowers facility emissions. Transporting oil off-site through a pipeline further reduces emissions associated with truck traffic. The design also uses compressed air to operate pneumatic controllers, which

regulate pressure, flow, temperature, and liquid levels, on over 90% of our production. Using compressed air eliminates emissions that typically come from natural gas-driven pneumatic controllers.

#### Monitoring Emissions

During drilling and completions, independent third-party environmental air quality experts perform continuous air quality monitoring. The Colorado Department of Public Health and Environment (CDPHE) and the Colorado Oil and Gas Conservation Commission (COGCC) approve our air monitoring program and receive monthly reports.

Air monitoring data is collected continuously and is monitored 24/7 by our Integrated Operations Center (IOC). Our monitoring program establishes response and investigation levels designed to protect the health, safety, and welfare of communities, our employees, and the environment. Additionally, our 24/7 IOC ensures responses are both timely and effective.

- **Groundwater Protection:** We conduct baseline water-quality sampling and construct double-walled produced water sumps and secondary containment for operations. Sensors between the walls of the water sumps and additional automation allow us to remotely monitor fluid levels and remotely shut in the wells if we detect an issue.
- **Wildlife Protection:** We protect wildlife and habitats, ensuring future generations have an opportunity to enjoy the beauty of Colorado and the incredible diversity of species that lives here. We contract with environmental engineers and wildlife biologists to create wildlife protection plans during the development planning process. The wildlife protection plans ensure our development and operations protect the habitat and health of migratory birds and raptors, threatened and endangered species, and other sensitive species.
- **Remote Monitoring:** The Integrated Operations Center (IOC) in Platteville, staffed 24 hours per day, seven days per week, 365 days per year, enables real-time monitoring of the majority of our wells, water tanks, and pipeline system pressures. Additionally, the system allows us to monitor personnel locations and surrounding features, including sensitive areas, bodies of water, habitats, and communities. The IOC also serves as a point of contact 24/7 for inquiries from community members.”
- **Community Resources:** Our Stakeholder Relations team is available at 866.248.9577 or [ColoradoStakeholder@oxy.com](mailto:ColoradoStakeholder@oxy.com) Monday through Friday and our 24-hour IOC can be reached at: 970.515.1500.
- **Weld County Contact**
  - Amanda Petzold– Permit & Enforcement Specialist  
Weld County Oil and Gas Energy Department  
1301 N. 17th Ave. Greeley, CO 80631  
970.400.6100  
[apetzold@weldgov.com](mailto:apetzold@weldgov.com)

# Phases of Energy Development



## 1 PAD CONSTRUCTION



- Standard equipment prepares the well site.
- A wall or straw bales may be installed to reduce or minimize noise and light during future operational phases.

**DAYS**  
10 - 20  
Per Pad

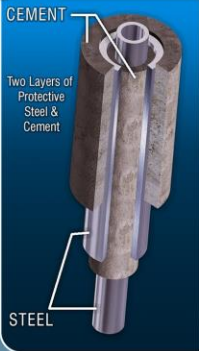
## 4 HYDRAULIC FRACTURING



- Hydraulic pumps send water and sand down the wellbore to cause a hairline fracture in the rock so that oil and natural gas can be produced.
- 95% of wells in the U.S. require fracking to produce oil and natural gas.
- For more information, visit [cred.org](http://cred.org).

**DAYS**  
2 - 4  
Per Well

## 2 SURFACE CASING SET



- A drilling rig begins the underground construction process by installing steel pipe and cement (surface casing) to protect groundwater.
- Surface casing is set below the Fox Hills aquifer, which is ~1,000' below the surface.

**DAYS**  
1 - 2  
Per Well

## 5 PRODUCTION FACILITY CONSTRUCTION



- Production facilities are constructed adjacent to the wells to collect and separate the oil, natural gas and water that are produced.
- A majority of our wells are monitored via remote automation.

**DAYS**  
30 - 45  
Per Pad

## 3 HORIZONTAL DRILLING



- A production rig arrives and drills to a depth of 7,000 to 8,000 feet.
- The horizontal portion of the wellbore can extend more than 2 miles.

**DAYS**  
4 - 10  
Per Well

## 6 RECLAIMED WELL SITE



- Once development phases are complete, the pad is reclaimed to match the existing landscape.
- Each well will produce energy for decades to come.