



August 2024

Dear Neighbor,

We are writing to notify you that Kerr McGee Oil & Gas Onshore, LP, an Oxy USA Inc. subsidiary, is working through the permitting process to obtain approval to develop an oil and natural gas project in your community. In our commitment to being a good neighbor, we provide frequent and transparent information, seek community feedback, safeguard the environment, and protect the health and safety of employees and communities.

Description of the project

The proposed Magnolia HZ OGD, as described in the following pages in more detail, consists of 10 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 operations will start in mid-2027. We commit to keeping you updated throughout the permitting process and providing a detailed timeline before beginning construction. You can find project updates at oxycoloradostakeholder.com/project-updates.

Standard practices and mitigation strategies

Our standard practices align with the guidelines of the Energy and Carbon Management Commission (ECMC) and the Colorado Department of Public Health and Environment (CDPHE). In addition, we have carefully planned the development and mitigation techniques planned for this location to ensure the temporary impacts are minimized as much as possible.

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. In addition, we will consider all reasonable mitigation measures proposed to minimize adverse impacts of the proposed oil and gas location.

Next steps

This project must undergo a comprehensive permitting process at both the local and state level. We will keep our website updated, and you will be notified by mail at many steps throughout the process. Please reach out to us or Weld County to discuss this project or to set up a meeting. We look forward to working with you.

Oxy Stakeholder Relations

1099 18th Street, Suite 700

Denver, CO 80202

866.248.9577

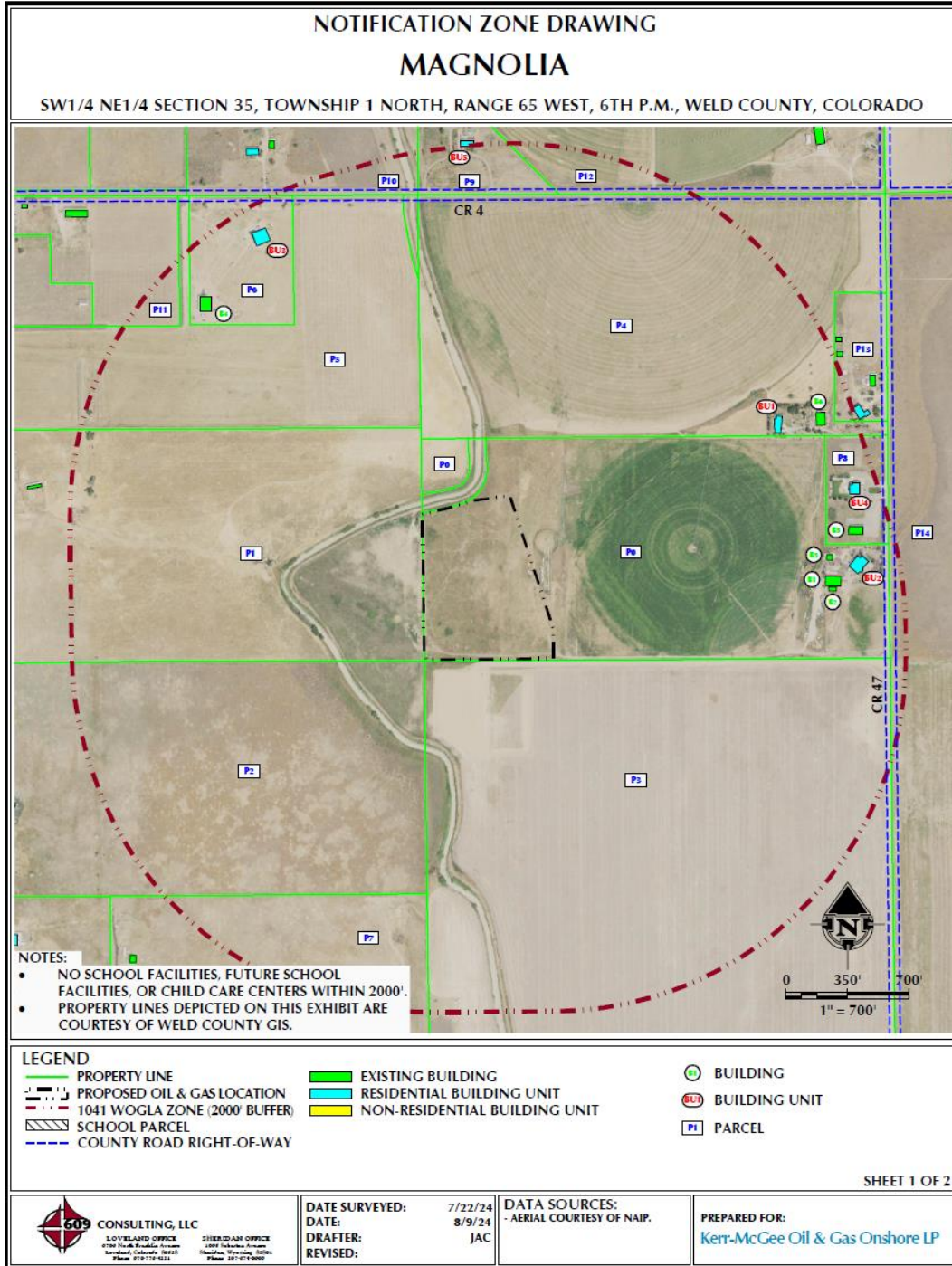
ColoradoStakeholder@oxy.com

www.OxyColoradoStakeholder.com

New Energy Development



Project Location



Pad Name	Parcel #	Location	Disturbed Acreage (During Development)	Operation Acreage (For life of wells)
Magnolia HZ	147335100034	SW ¼ SECTION 35, TOWNSHIP 1N, RANGE 65W RANGE 66 WEST, 6TH P.M.	13.05	4.98

Notification Zone

ID	BUILDING UNIT NUMBER	BUILDING UNIT DISTANCE	BUILDING NUMBER	BUILDING DISTANCE	PARCEL #	OWNER	MAILING ADDRESS	MAIL CITY	MAIL STATE	MAIL ZIP
P0	BU2	±1714' E	B1, B2, B3	±1563' E, ±1577' E, ±1598' E	147335100034	RAFAEL & DELFINA SANCHEZ	505 COUNTY ROAD 47	HUDSON	CO	806428603
P1	-	-	-	-	147335200006	MARGARET & MARIO CHAVEZ, ET AL.	739 COUNTY ROAD 47	HUDSON	CO	806428603
P2	-	-	-	-	147335300007	ANTHONY T. FOOS	464 COUNTY ROAD 45	HUDSON	CO	806426102
P3	-	-	-	-	147335000004	J & J FAMILY TRUST	1929 JEFFREY ST	BRIGHTON	CO	806012685
P4	BU1	±1542' E	B6	±1779' E	147335000031	MELECIO & MARGARET CHAVEZ	739 COUNTY ROAD 47	HUDSON	CO	806428603
P5	-	-	-	-	147335200013	MATLOCK WILLIAM T. TRUST	15000 COUNTY ROAD 8	FORT LUPTON	CO	806218222
P6	BU3	±1777' NW	B4	±1662' NW	147335200012	CESAR H. & GRISELDA M. SOTO	22256 COUNTY ROAD 4	HUDSON	CO	806428710
P7	-	-	-	-	147335300015	DIAZ HECTOR ALONSO FAUDO A	98 COUNTY ROAD 45	HUDSON	CO	806426102
P8	BU4	±1836' E	B5	±1759' E	147335100033	BRADFORD CARL & BRANDI LYNETTE SCHMEH	655 COUNTY ROAD 47	HUDSON	CO	806428603
P9	BU5	±1988' N	-	-	147326400039	DOUGLAS P. & DOROTHY RACHELL CORDES	22605 COUNTY ROAD 4	HUDSON	CO	806428709
P10	-	-	-	-	147326000034	VICKI L. PAVELSEK & GLEN W. DAVIS	22401 COUNTY ROAD 4	HUDSON	CO	806428709
P11	-	-	-	-	147335200011	JOSEPH M. & SARA DENISTON	22048 COUNTY ROAD 4	HUDSON	CO	806428710
P12	-	-	-	-	147326400040	MELECIO & MARGARET CHAVEZ	739 COUNTY ROAD 47	HUDSON	CO	806428603
P13	-	-	-	-	147335000032	JUAN CARLOS & JULIE RUCKMAN RAMIREZ	825 COUNTY ROAD 47	HUDSON	CO	806428603
P14	-	-	-	-	147336000005	STATE OF COLORADO	1127 N SHERMAN ST STE 300	DENVER	CO	802032398

Our Commitment To You

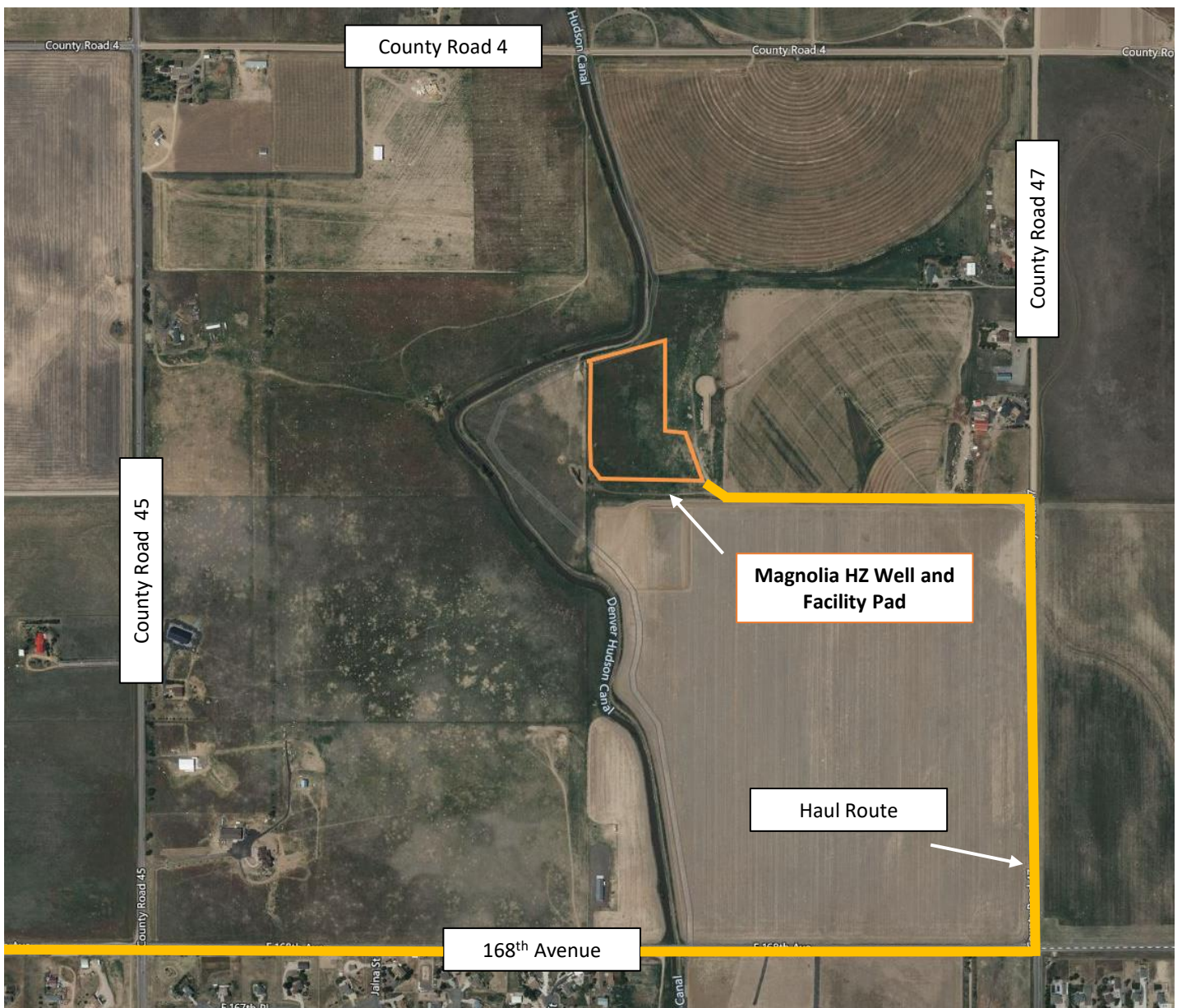
Our Best Practices and Mitigation Measures



Traffic Management Plan

One part of the comprehensive permitting process is developing a traffic management plan. This includes specific routes for all traffic coming to and leaving the proposed project location. To access the location, drivers will utilize 168th Avenue and CR 47 as shown below. Speed limits will be reduced to 10 mph on the access road and five mph once vehicles reach the well pad/facility.

We reduce traffic as much as possible through our oil transfer systems. The oil produced from our horizontal locations is transported off-site through a pipeline, eliminating the need for trucks. Since its inception in 2012, these technologies have enabled us to eliminate 60 million miles of truck traffic from the roads in Weld County, reducing emissions, dust, road wear, and inconvenience to our neighbors. At this location, we estimate that we will eliminate 53,664 truck trips.





Our Commitment To You

Our Best Practices and Mitigation Measures

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.

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. As you can see in the graph, we have been successful in our efforts.

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 natural gas engines. In addition, the hydraulic fracturing pumping equipment is 100% powered by Tier IV diesel 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).
3. 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

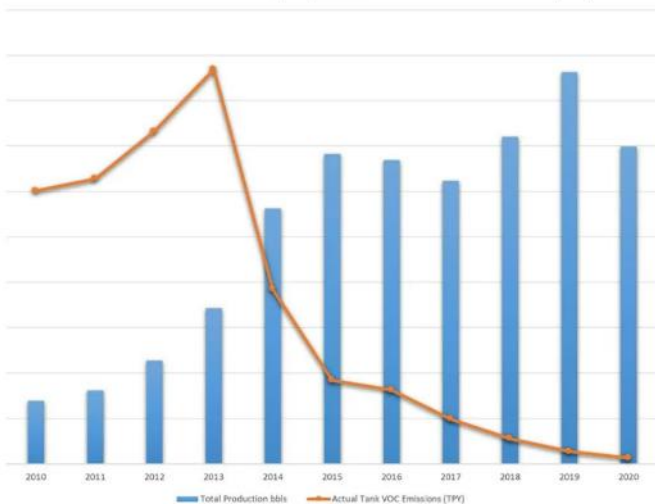
During drilling and completions, independent third-party environmental air quality experts perform continuous air quality monitoring. The Colorado Department of Public Health and Environment (CDPHE) and the Energy and Carbon Management Commission (ECMC) approve our air monitoring program and receive monthly reports. You can find the monthly monitoring reports created by the third-party consultant on our webpage under Project Updates.

Independent third-party air quality experts use traditional and innovative technologies to add context to and validate the data collected. Air monitoring stations include a weather station, a hydrocarbon analyzer, and carbon sorbent tubes. In addition, strategically placed air canisters may supplement data from the air monitoring stations. Air samples are collected and analyzed according to EPA standards. The results are compared to health guideline values set by the CDPHE.

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.

To monitor emissions near our production facilities, we have an in-house emissions team that conducts leak detection and repair inspections. During the production phase, every facility is inspected periodically by trained individuals using a handheld infrared camera. We also use infrared camera-equipped drones and conduct frequent audio/visual/olfactory inspections to detect and control emissions.

Annual Oil Production Volume (bbls) and Actual Tank VOC Emissions (TPY)



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.

Phases of Energy Development



For more information, please visit www.OxyColoradoStakeholder.com/Oil-and-Gas-101

1 Pad Construction (30-45 days per pad)

1

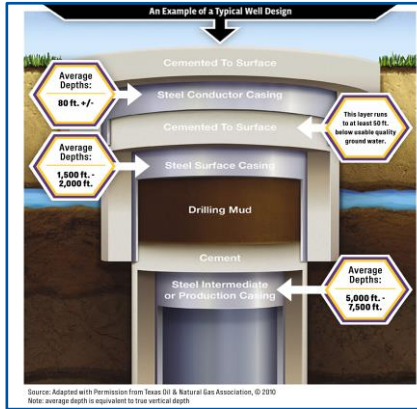
Standard construction equipment prepares the well site. A wall may be installed to reduce or minimize noise and light during development.



2 Surface Casing Set (1-2 days per well)

2

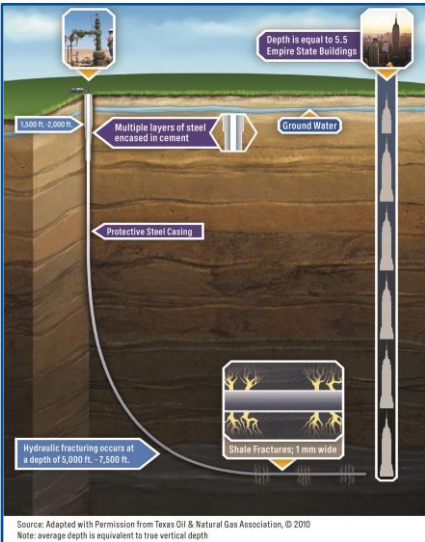
A drilling rig begins the underground construction process by installing steel pipe and cement (surface casing) to protect groundwater. Surface casing is set at least 50' below the aquifer, typically about 1,000' below the surface.



3 Horizontal Drilling (4-6 days per well)

3

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 two miles. Additional layers of protective steel casing and cement are installed.



4 Well Completions (6-9 days per well)

4

Hydraulic Fracturing: A safe, highly engineered technology developed in the 1940s. Fluid is pumped over a mile below the earth's surface under pressure to create hairline fractures in the rocks.



Flowback: After fracturing, the wells are opened, and oil and gas flow into the mobile production facility.

Well clean-out and Tubing: The wells are cleaned out to remove excess sand and install the production tubing.

5 Production Facility Construction (30-45 days per facility)

5

Production facilities are constructed adjacent to the wells to collect and separate the oil, natural gas, and water that are produced. Facility production is 30-45 days of work, completed in stages over about four months.



6 Reclaim Well Site (60 days per pad)

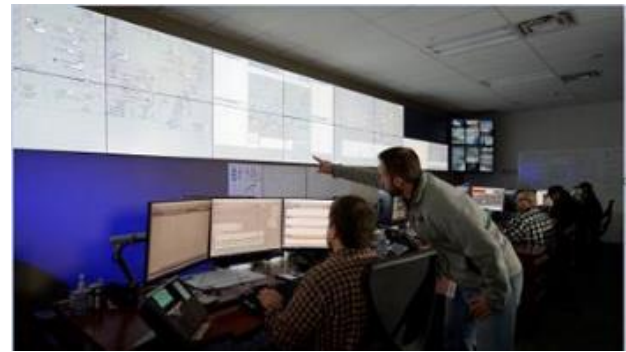
6

Once development phases are complete, the pad is reclaimed to the largest extent possible to match the existing landscape. Each well will produce energy vital to the health and welfare of our communities for decades to come.





MAGNOLIA HZ CONTACTS



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Oxy Integrated Operations Center (IOC)
 970.515.1500
 Real-time monitoring of wells, water tanks,
 and production facilities
 24 hours a day, 365 days a year



Weld County Oil and Gas Energy Department
 970.400.3580 | oged@weldgov.com
www.weldgov.com/Government/Departments/Oil-and-Gas-Energy

For information about this project, please contact us regarding the Magnolia HZ location



Energy & Carbon Management Commission (ECMC)
 303.894.2100
ecmc.state.co.us