



January 4, 2023

Dear Neighbor,

Kerr McGee Oil & Gas Onshore, LP, a subsidiary of Oxy USA Inc, is preparing to submit an application for a Weld County Oil and Gas Location Assessment (WOGLA) for a project in your community. As part of the application process, this WOGLA notice includes many proposed project details along with a map and list of property owners within the notification zone or 2,000 feet. 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 Schmerge 9-4HZ project, as described in the following pages in more detail, consists of fourteen 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 sometime between June and July 2023. However, 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](https://oxycoloradostakeholder.com/project-updates).

#### Standard practices and mitigation strategies

Our standard practices align with the guidelines of the Colorado Oil and Gas Conservation Commission (COGCC) and the Colorado Department of Public Health and Environment. In addition, we carefully planned the development and mitigation techniques for this location to ensure the temporary impacts are minimized as much as possible. Mitigations during development include a robust traffic management plan, and continuous sound and air monitoring.

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](mailto:ColoradoStakeholder@oxy.com)

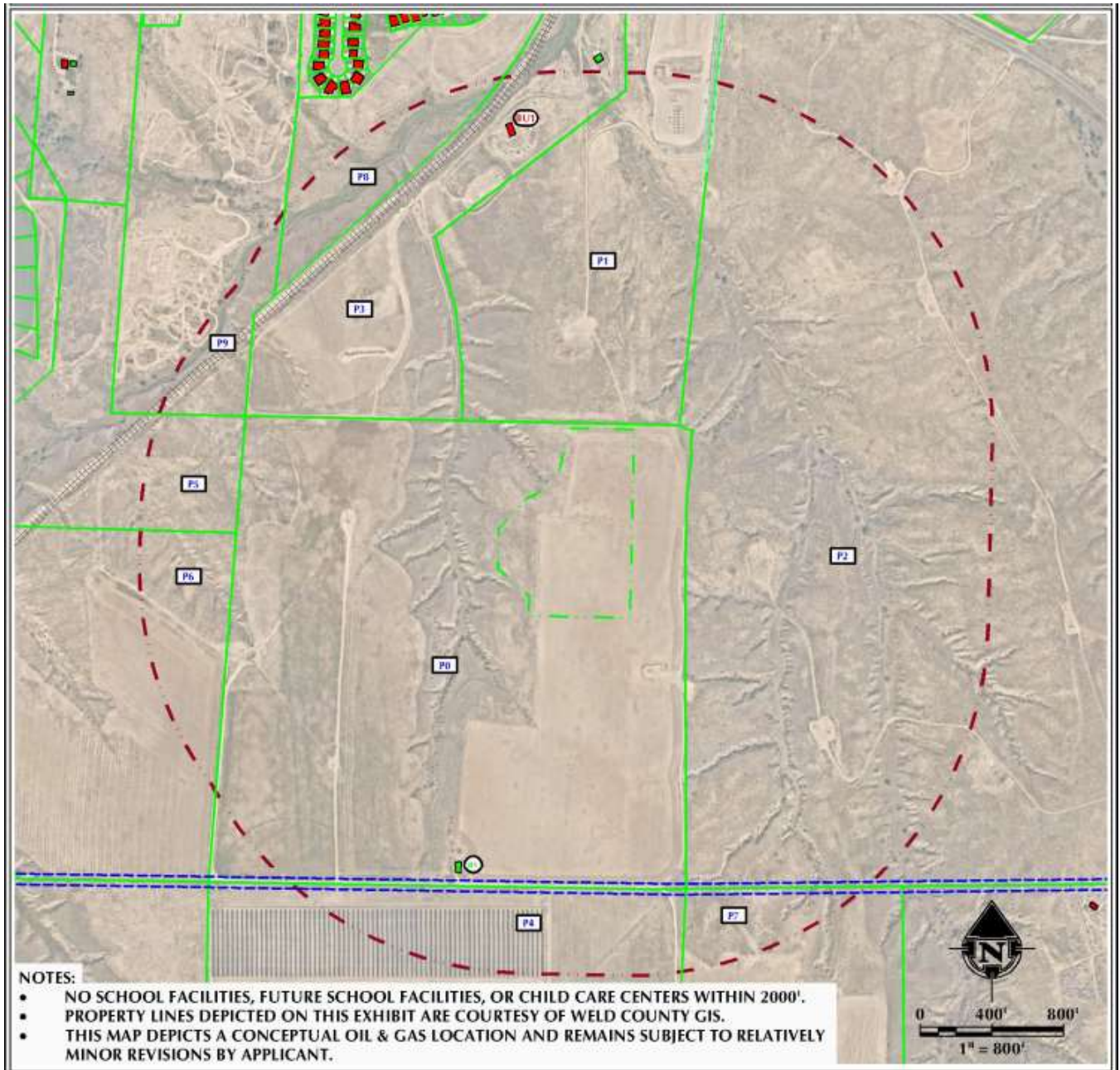
[www.OxyColoradoStakeholder.com](https://www.OxyColoradoStakeholder.com)



# Estimated Project timeline

Phase/activity	(1) Pad construction	(2) Surface Drilling	(3) Horizontal Drilling	(4) Well Completions	(5) Production Facility Construction	(6) Interim Reclamation
Estimated start	06/2023-	07/2023-	07/2023-	01/2024-	11/2023-	06/2024-
Estimated end	07/2023	07/2023	10/2023	04/2024	03/2024	06/2024

# Notification Zone Drawing



## Notification Zone List of owners

ID	BUILDING UNIT NUMBER	BUILDING UNIT DISTANCE	BUILDING NUMBER	BUILDING DISTANCE	PARCEL #	OWNER	MAILING ADDRESS	MAIL CITY	MAIL STATE	MAIL ZIP
P0	-	-	B1	±1420' S	95704000006	TOM SCHMERGE	7754 COUNTY ROAD 60	WINDSOR	CO	805503418
P1	-	-	-	-	95704100010	BRALEXIA LLC	2200 MOUNTAIN LN	GREELEY	CO	806347550
P2	-	-	-	-	95703000018	TRUST FOR PUBLIC LAND	1410 N GRANT ST STE D210	DENVER	CO	802031855
P3	BU1	±1669' N	-	-	95704100011	DANIEL R. & BONITA L FELMBER	33801 COUNTY ROAD 19	WINDSOR	CO	805503112
P4	-	-	-	-	95709101001	SILICON RANCH CORPORATION	222 2ND AVE S STE 1900	NASHVILLE	TN	372012383
P5	-	-	-	-	95704300042	VIMA PARTNERS LLC	1625 PELICAN LAKES PT STE 201	WINDSOR	CO	805506236
P6	-	-	-	-	95704000031	TOM SCHMERGE	7754 COUNTY ROAD 60	WINDSOR	CO	805503418
P7	-	-	-	-	95710000012	HIGH POINTE LLC & HWY 34-257 LLC	5000 BOARDWALK DR UNIT 32	FORT COLLINS	CO	805256220
P8	-	-	-	-	95704101002	TAFT VALLEY LLC	PO BOX 269	WINDSOR	CO	805500269
P9	-	-	-	-	95704200008	LORI A. STALEY	8476 COUNTY ROAD 62	WINDSOR	CO	805503504

## Project location information

Pad Name	Parcel #	Location	Disturbed Acreage	Operation Acreage
Schmerge 9-4HZ 14 wells	095704000006	NE/4 SE/4 Section 4, 5N, 67W, 6th P.M.	13.99 acres (During Development)	7.83 Acres (For life of wells)

# Our Commitment To You

## 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. Although some of our operations are conducted 24/7, we aim to minimize non-essential work during the night. 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. These features reduce the noise from our operations.

### 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 use either water based drilling fluids or add odor neutralizer to the drilling fluid system.

### Dust



We work to mitigate dust by applying dust suppression to the roads as needed. Various techniques to be used include installing tracking pads and sediment traps, hydro mulching and/or hydroseeding topsoil piles, seeding disturbed soils, and placing and compacting a gravel layer on the working pad surfaces and access roads.

# 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 locations. To access the location, drivers will use US Highway 34 and 131<sup>st</sup> Ave. with all traffic exiting westbound on US Highway 34 Speed limits will be reduced to 10 mph on the access road and 5 mph once vehicles reach the well pad/facility.

We reduce traffic as much as possible through oil transfer and Water-On-Demand systems. The oil produced is transported off-site through a pipeline. In addition, we transport the water used in hydraulic fracturing through our innovative Water-On-Demand pipeline system to reduce traffic further. Since its inception in 2012, this system has enabled us to eliminate 60 million miles of truck traffic from Weld County roads. Doing so has reduced emissions, dust, road wear, and inconvenience to our neighbors. This system also reduces our surface footprint by eliminating water storage tanks. At this location, we estimate that the Water-On-Demand system will eliminate over 84,892 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

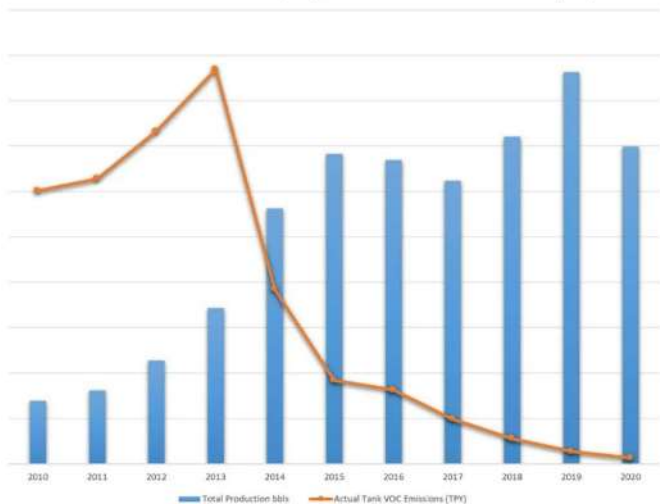
During drilling and completions, independent third-party environmental air quality experts perform continuous air quality monitoring. The Colorado Department of Public Health and Environment (CDPHE) and the Colorado Oil and Gas Conservation Commission (COGCC) approve our air monitoring program and receive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

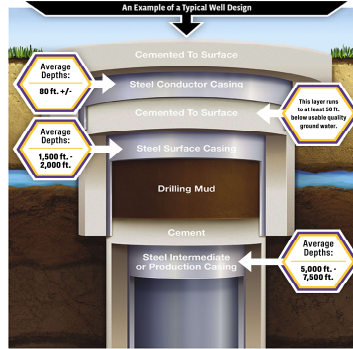
For more information, please see [www.OxyColoradoStakeholder.com/Oil-and-Gas-101](http://www.OxyColoradoStakeholder.com/Oil-and-Gas-101)

## 1 Pad Construction 30-45 days per pad



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

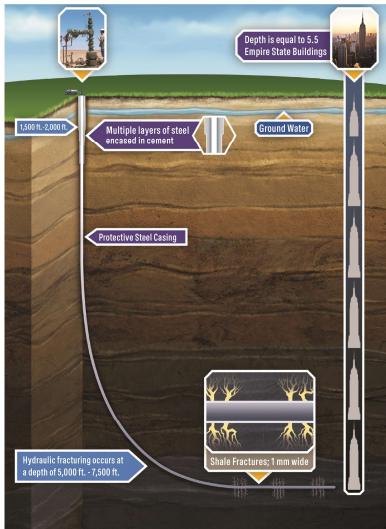
## 2 Surface Casing Set 1-2 days per well



Source: Adapted with Permission from Texas Oil & Natural Gas Association, © 2010

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, which is typically about 1,000' below the surface.

## 3 Horizontal Drilling 4-6 days per well

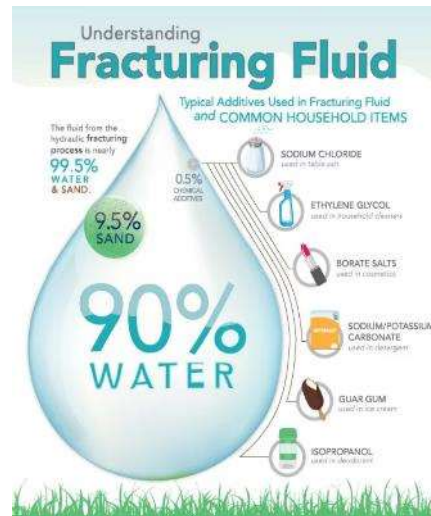


Source: Adapted with Permission from Texas Oil & Natural Gas Association, © 2010  
Note: average depth is equivalent to true vertical depth

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: 3 Components 6-9 days per well



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

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

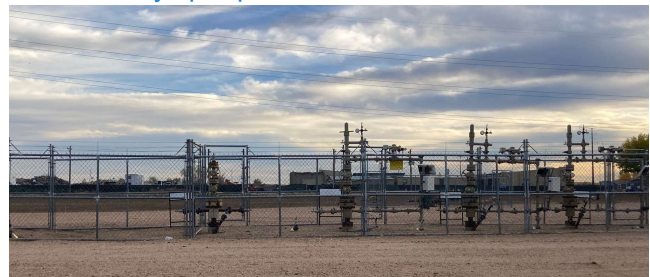
**Well clean-out and Tubing:** We clean-out the wells to remove excess sand and install the production tubing.

## 5 Production Facility Construction 30-45 days per facility



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 done in stages over a period of about four months.

## 6 Reclaim Well Site 30 days per pad



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 or decades to come.

# Contacts



**OXY Occidental**

**Colorado Response Line**

 **1.866.248.9577**  
ColoradoStakeholder@oxy.com



Stakeholder Relations  
1099 18<sup>th</sup> Street, 7<sup>th</sup> Floor, Denver, CO 80202  
[Coloradostakeholder@oxy.com](mailto:Coloradostakeholder@oxy.com)  
[www.OxyColoradoStakeholder.com](http://www.OxyColoradoStakeholder.com)

**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**  
Jason Maxey  
1301 N. 17<sup>th</sup> Ave. Greeley, CO 80631  
970.400.3580 | oged@weldgov.com



**Colorado Oil and Gas Conservation Commission**  
303.894.2100  
[www.cogcc.state.co.us](http://www.cogcc.state.co.us)