BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 7, 2025

CASE NO. 25519

LOST TANK CLGC EXPANSION

EDDY AND LEA COUNTIES, NEW MEXICO

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. TO AMEND AND EXPAND THE PROPOSED CLOSED LOOP GAS CAPTURE INJECTION PILOT PROJECT AREA AND ADD ADDITIONAL INJECTION WELLS, EDDY AND LEA COUNTIES, NEW MEXICO.

CASE NO. 25519

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EXHIBIT A:
SEE FILED APPLICATION

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: OXY USA INC.
Hearing Date: August 7, 2025
Case No. 25519

EXHIBIT B:
ADDITIONAL SLIDES & FIGURES

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: OXY USA INC.
Hearing Date: August 7, 2025
Case No. 25519

OXY CLGC PROJECTS AS OF 7/30/2025

Project Area	Case Number	Order Number	Order Issue Date	First Storage Event Date	Events in Project Summary Report	Largest Storage Event	Project Summary Report Submission Date	Wells Pending Permit	Wells Permitted	Wells Permitted and Active	Comment
Red Tank (Avogato, Taco Cat, Expansion)	22088, 22089, 23427	~~R-22101, R-22102~~, R-22101-A	4/6/2022, 11/1/2024	5/9/2022	185	17,537	4/4/2024, 4/4/2024	2	13	5	2 Taco Cat wells waiting on permit
Mesa Verde	22087	R-22106	4/15/2022	6/27/2022	44	13,807	4/15/2024	0	6	3	pending extension
Cal Mon / Iridium (NC)	22151	R-22207	8/7/2022	8/29/2022	63	22,718	12/4/2024	0	7	4	pending extension
Patton (SC)	22152	R-22208	8/7/2022	8/29/2022	104	18,655	12/4/2024	0	11	6	pending extension
Cedar Canyon 2021	22150	R-22206	8/7/2022	4/30/2023	59	9,961	12/4/2024	0	3	1	pending extension
Corral	23501	R-22911	1/25/2024	7/28/2024				0	12	6	
Lost Tank 2023	*23633*	*pending approval*						8	0	0	
Turkey Track	*23679*	*pending approval*						12	0	0	
Cedar Canyon 2024	24983	*pending approval*						16	0	0	
Total					**455**			**38**	**52**	**25**	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-1
Submitted by: OXY USA INC.
Hearing Date: August 7, 2025
Case No. 25519

Lost Tank 2025 2 Mile AOR Map

T22S R31E

T22S R32E

2025 CLGC Candidate
Offset well
2023 CLGC Candidate
2 Mile AOR buffer
State Minerals
Federal Minerals

EXHIBIT C:
STATEMENTS

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: OXY USA INC.
Hearing Date: August 7, 2025
Case No. 25519

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. TO AMEND AND EXPAND THE PROPOSED CLOSED LOOP GAS CAPTURE INJECTION PILOT PROJECT AREA AND ADD ADDITIONAL INJECTION WELLS, EDDY AND LEA COUNTIES, NEW MEXICO.

CASE NO. 25519

SELF-AFFIRMED STATEMENT OF STEPHEN JANACEK

1. My name is Stephen Janacek, and I am employed by OXY USA Inc. ("OXY") as a petroleum engineer.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering.

3. I am familiar with the application filed by OXY in this case, and the Division guidance and requirements regarding closed loop gas capture injection projects (CLGC Project) such as this one. I also prepared exhibits in support of this application from pages 1 through 166 and 193 through 1197 in ***Exhibit A*** to OXY's application in this case.

4. In this case, OXY seeks an order amending the request under Case No. 23633 to (1) expand the closed loop gas capture injection project area and (2) authorize seventeen additional injection wells for intermittent, temporary produced gas injection within the Bone Spring formation within the requested amended project area. *See* ***Exhibit A*** to the Application, pages 1-4. The proposed project area is part of a larger area referred to as the Lost Tanks area. A locator map identifying the general location of OXY's proposed Lost Tanks CLGC Project is included in ***Exhibit A*** to the Application, page 7.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: OXY USA INC.
Hearing Date: August 7, 2025
Case No. 25519

5. OXY requests an initial project duration of two years. OXY also requests the ability to administratively extend the project without the need for a hearing.

6. Within the proposed project area, OXY seeks authority to utilize the following producing wells to occasionally inject produced gas into the Bone Spring formation in addition to those wells included in Case No. 23633[1], as identified on the project locator map, included at page 7 of ***Exhibit A*** to the Application:

- **Olive Won Unit 4H** well (API No. 30-015-55182) with a surface location 2,445 feet FSL and 1,017 feet FEL (Unit I) in Section 26, Township 22 South, Range 31 East, and a bottom hole location 37 feet FSL and 809 feet FEL (Unit P) in Section 35, Township 22 South, Range 31 East, NMPM, all in Eddy County, New Mexico;
- **Top Spot 12-13 Federal Com 24H** well (API No. 30-015-47954) with a surface location 310 feet FSL and 1,216 feet FEL (Unit P) in Section 13, Township 22 South, Range 31 East, and a bottom hole location 58 feet FNL and 1,772 feet FEL (Unit B) in Section 12, Township 22 South, Range 31 East, NMPM, all in Eddy, New Mexico;
- **Top Spot 12-13 Federal 23H** well (API No. 30-015-47885) with a surface location 425 feet FSL and 2,317 feet FWL (Unit N) in Section 13, Township 22 South, Range 31 East, and a bottom hole location 23 feet FNL and 2,165 feet FWL (Unit C) in Section 12, Township 22 South, Range 31 East, NMPM, all in Eddy, New Mexico;

[1] Case No. 23633 includes eight proposed CLGC wells. *See* **Exhibit A**, page 3.

- **Top Spot 12-13 Federal Com 33H** well (API No. 30-015-47953) with a surface location 310 feet FSL and 1,186 feet FEL (Unit P) in Section 13, Township 22 South, Range 31 East, and a bottom hole location 55 feet FNL and 533 feet FEL (Unit A) in Section 12, Township 22 South, Range 31 East, NMPM, all in Eddy, New Mexico;
- **Dr Pi Unit 173H** well (API No. 30-025-48953) with a surface location 979 feet FSL and 1,405 feet FEL (Unit O) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 76 feet FNL and 1,973 feet FEL (Unit B) in Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Dr Pi Unit 171H** well (API No. 30-025-49150) with a surface location 526 feet FSL and 1,924 feet FWL (Unit N) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 64 feet FNL and 928 feet FWL (Unit D) in Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Dr Pi Unit 174H** well (API No. 30-025-48954) with a surface location 979 feet FSL and 1,375 feet FEL (Unit O) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 62 feet FNL and 528 feet FEL (Unit A) in Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Dr Pi Unit 172H** well (API No. 30-025-49151) with a surface location 526 feet FSL and 1,959 feet FWL (Unit N) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 50 feet FNL and 2,066 feet FWL (Unit C) in

Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;

- **Dr Pi Unit 124H** well (API No. 30-025-48948) with a surface location 979 feet FSL and 1,345 feet FEL (Unit O) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 258 feet FNL and 372 feet FEL (Unit A) in Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Dr Pi Unit 112H** well (API No. 30-025-48945) with a surface location 345 feet FSL and 1,645 feet FWL (Unit N) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 51 feet FNL and 1,891 feet FEL (Unit B) in Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Gold Log 4-9 Federal Com 1H** well (API No. 30-025-53815) with a surface location 397 feet FNL and 1,196 feet FWL (Unit D) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 46 feet FSL and 330 feet FWL (Unit M) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Gold Log 4-9 Federal Com 2H** well (API No. 30-025-53807) with a surface location 398 feet FNL and 1,225 feet FWL (Unit D) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 48 feet FSL and 1,723 feet FWL (Unit N) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;

- **Gold Log 4-9 Federal Com 3H** well (API No. 30-025-53808) with a surface location 395 feet FNL and 1,708 feet FEL (Unit B) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 44 feet FSL and 2,063 feet FEL (Unit O) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Gold Log 4-9 Federal Com 4H** well (API No. 30-025-53816) with a surface location 395 feet FNL and 1,676 feet FEL (Unit B) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 44 feet FSL and 469 feet FEL (Unit P) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Gold Log 4-9 Federal Com 12H** well (API No. 30-025-53809) with a surface location 396 feet FNL and 1,105 feet FWL (Unit D) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 51 feet FSL and 1,180 feet FWL (Unit M) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;
- **Gold Log 4-9 Federal Com 13H** well (API No. 30-025-53817) with a surface location 397 feet FNL and 1,135 feet FWL (Unit D) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 46 feet FSL and 2,594 feet FWL (Unit N) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico; and
- **Gold Log 4-9 Federal Com 16H** well (API No. 30-025-53811) with a surface location 395 feet FNL and 1,766 feet FEL (Unit B) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 39 feet FSL and 1,186 feet

FEL (Unit P) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico; *See* **Exhibit A**, pages 8-41.

7. Injection along the horizontal portion of the wellbores will be within the Bone Spring formation (Livingston Ridge; Bone Spring [Pool Code 39350], Bilbrey Basin; Bone Spring [Pool Code 5695] and Bilbrey Basin; Bone Spring, South [Pool Code 97366]), at the following approximate true vertical depths:

- **Olive Won Unit 4H** between 9,812 feet and 9,882 feet;
- **Top Spot 12-13 Federal Com 24H** between 9,736 feet and 9,903 feet;
- **Top Spot 12-13 Federal 23H** between 9,702 feet and 9,844 feet;
- **Top Spot 12-13 Federal Com 33H** between 9,753 feet and 9,897 feet;
- **Dr Pi Unit 173H** between 9,905 feet and 10,164 feet;
- **Dr Pi Unit 171H** between 10,064 feet and 10,146 feet;
- **Dr Pi Unit 174H** between 9,900 feet and 9,982 feet;
- **Dr Pi Unit 172H** between 9,809 feet and 9,964 feet;
- **Dr Pi Unit 124H** between 9,147 feet and 9,279 feet;
- **Dr Pi Unit 112H** between 9,081 feet and 9,282 feet;
- **Gold Log 4-9 Federal Com 1H** between 10,063 feet and 10,207 feet;
- **Gold Log 4-9 Federal Com 2H** between 10,086 feet and 10,280 feet;
- **Gold Log 4-9 Federal Com 3H** between 10,185 feet and 10,303 feet;
- **Gold Log 4-9 Federal Com 4H** between 10,102 feet and 10,240 feet;
- **Gold Log 4-9 Federal Com 12H** between 9,190 feet and 9,348 feet;
- **Gold Log 4-9 Federal Com 13H** between 9,241 feet and 9,371 feet; and

- **Gold Log 4-9 Federal Com 16H** between 9,273 feet and 9,394 feet; *See* **Exhibit A**, page 42-75.

8. OXY seeks authority to add CLGC wells to the proposed project by administrative approval if the well is within the Area of Review previously completed.

9. A summary overview of the pilot project is in ***Exhibit A*** to the Application, at pages 1-4.

10. A process flow diagram of the closed loop gas capture system is in ***Exhibit A*** to the Application, at page 6. This diagram reflects the current system to be used for gas storage. OXY will utilize the existing gas lift infrastructure so no changes are shown. During normal operations, produced fluids flow from the wells down the green flowline to the Central Tank Batteries (CTBs). The source wells, which consist of all wells connected to the CTBs, produce from the Delaware, Bone Spring and Wolfcamp formations. Oil, water, and gas are separated out and leave the CTBs. Oil is sold through the Lease Automatic Custody Transfer (LACT) at each CTB, water is sent to a disposal well, and gas enters the red, Low Pressure Gas Pipeline. Gas can then be sold to one of 2 Gas Takeaways—Markwest or Targa. It can also be flared or delivered to the Centralized Gas Lift (CGL) Stations for compression and re-injected as gas lift gas. After the gas goes through the CGL Stations, the pressure increases to a maximum of 1,300 psig in the orange CGL Pipeline. Then it flows back to the wells with gas lift systems. The flow of fluids is similar yet different during a gas storage event. A gas storage event is initiated when gas cannot be sold to a Gas Takeaway and the source wells are not shut-in. The major changes are to the Gas Takeaways (which cease taking gas) and the CLGC wells (which cease producing and become CLGC wells). Since gas cannot be sold, it will begin to build up in the Low-Pressure Gas Pipeline as wells continue to produce oil, water, and gas. Once the pressure in the Low-Pressure Gas Pipeline increases to a certain point,

the CLGC wells will be activated in a cascade fashion. CLGC wells are activated by closing the Shutdown Valve (SDV) at the wellhead. If the pressure in the Low-Pressure Gas Pipeline does not decrease, an additional CLGC well will be activated. Additional CLGC wells will be activated in this cascade system. When the interruption ends and gas can once again be sold to a Gas Takeaway, the gas storage event ends. The Shutdown Valves open and the CLGC wells produce down the flowline to a test separator at the CTB for measurement. Normal production operations resume.

11. A map depicting the pipeline that ties the CLGC wells for the pilot project into the gathering system and the affected compressor stations is included in ***Exhibit A*** to the Application, at page 7. The colors and components of the system are the same as the process flow diagram in ***Exhibit A*** to the Application, page 6, with some additional items. The red lines represent the wellbore trajectories of the additional CLGC wells, and the green lines represent the wellbore trajectories of the CLGC wells from Case No. 23633. Not all of the gas source wells are on this map.

12. Data for each CLGC well, including well diagrams and well construction, casing, tubing, packers, cement, perforations, and other details for each proposed injection well are included in ***Exhibit A*** to the Application, at pages 58-75. All wells will have gas lift systems which inject down the casing and produce up the tubing with a packer in the hole during CLGC operations. Pertinent geologic depths of the overlying producing zone, the top of the injection zone, and the underlying producing zone are located at the bottom of the second page of each injection data sheet.

13. OXY will follow the CLGC Guidance issued by the Division on March 13, 2024 regarding all requirements for monitoring and reporting, well testing, and MITs.

14. Due to the location and curvature of the kickoff point for each of the additional wells, OXY requests an exception for the 100-foot packer setting depth requirement applied to vertical injection wells that packers be set within one hundred feet of the uppermost perforations or casing shoe.

15. Cement bond logs[2] for each of the injection wells demonstrate the placement of cement in the additional wells proposed and that there is a good and sufficient cement bond with the production casing and the tie-in of the production casing with the next prior casing in each well.

16. The current average surface pressures under normal operations for the CLGC wells range from approximately 750 psi to 1,185 psi. *See* ***Exhibit A*** to the Application, page 77. The maximum allowable surface pressure (MASP) for the wells in the pilot project will be 1,300 psi. *Id*.

17. Assuming a full fluid column of reservoir brine water, the proposed maximum allowable surface pressure will not exert pressure at the top perforation in the wellbore of any injection well with a full fluid column of reservoir brine water in excess of 90% of the burst pressure for the production casing or production liner. *See* ***Exhibit A*** to the Application, page 77. In addition, the proposed maximum allowable surface pressure will not exert pressure at the topmost perforation in excess of 90% of the formation parting pressure. *Id*.

18. OXY plans to monitor injection and operational parameters for the pilot project using an automated supervisory control and data acquisition (SCADA) system with pre-set alarms and automatic shut-in safety valves that will prevent injection pressures from exceeding the MASP. *See* ***Exhibit A*** to the Application, pages 114-116. The wellhead diagram for all CLGC

[2] Electronic versions of the cement bond logs will be submitted to the Division through each well file.

wells is found in ***Exhibit A*** to the Application, at page 79. Injection starts at the flowmeter where the injection rate is measured and moves through the following components: first, the injection flow control valve which controls the injection pressure, the casing safety shutdown valve (SSV), which can open and close automatically, the casing-tubing annulus, the tubing, the tubing SSV, which can open and close automatically and is also closed when a CLGC well is activated, and finally another flow control valve (FCV), which controls flowline pressure. Pressure Indicating Transmitters (PITs) are located on the casing valve and tubing valves. PITs capture pressure data that is stored in the SCADA system and then used to automatically control the SSVs and FCVs.

19. The proposed average injection rate for each CLGC well is 3 MMSCFD with a maximum injection rate of 4 MMSCFD during injection. *See* ***Exhibit A*** to the Application, page 77. Based on the operating pressure and gas availability, this can be highly variable.

20. The wells proposed for the CLGC project have previously demonstrated mechanical integrity. *See* ***Exhibit A*** to the Application, page 78. OXY will undertake new tests to demonstrate mechanical integrity for each of the wells proposed for this pilot project as a condition of approval prior to commencing injection operations.

21. The source of gas for injection will be from OXY's Lost Tanks wells producing in the Delaware, Bone Spring and Wolfcamp formations that are identified in the list of wells in ***Exhibit A*** to the Application, at pages 96-106. Each of OXY's proposed injection wells are operated by OXY. The gas surface commingling permit is PLC-844-F.

22. OXY has prepared an analysis of the composition of the source gas for injection and a corrosion prevention plan. *See* ***Exhibit A*** to the Application, pages 107-113. ***Exhibit A*** to the Application, at page 107, is a summary of the gas analyses included in the application and the components in the system. Source wells flow to multiple CTBs. From there gas flows to the CGL

Stations. Gas analyses have been provided for the CGL Stations and the formation for gas injection. The gas analyses for the CGL Stations are similar to the gas analyses for the zones for gas injection. H2S is not found in any of the gas analyses. CO2 is found in all the analyses at various amounts.

23. OXY intends to continue with its existing Corrosion Prevention Plan in these CLGC wells outlined at page 113 of ***Exhibit A*** to the Application. In the existing Corrosion Prevention Plan, produced gas is processed through a gas dehydration unit to remove water. Then corrosion inhibitor is added to the system of each well downstream of the gas dehydration unit. Fluid samples are taken regularly and checked for iron, manganese, and residual corrosion inhibitor in the produced fluids. The process allows OXY to continuously monitor and adjust the chemical treatment over the life of the well to minimize corrosion. Additionally, fluid samples will be taken prior to gas injection to establish a baseline for analysis. After a CLGC event, fluid samples will be taken to check for iron, manganese, and residual corrosion inhibitor in the produced fluids in the CLGC wells. OXY will continue to monitor and adjust the chemical treatment over the life of the project.

24. Using an automated supervisory control and data acquisition (SCADA) system, OXY will monitor a multitude of rates and pressures to allow for efficient and safe operation, proper allocation and reporting of volumes, and immediate response to unexpected events. *See* ***Exhibit A*** to the Application, at pages 115-116. Each CLGC well will also include automated safety devices, including automatic shut-in valves among other operational safety measures. OXY will also monitor and track various operational parameters at the pilot project's central tank battery and central gas lift compressor.

25. I also conducted an analysis of the half-mile area of review. A map depicting wells and their trajectories within the half-mile area of review and two-mile radius around the injection wells is located at pages 120 and 119, respectively of ***Exhibit A*** to the Application. A revised two-mile AOR map of the mineral estate is included in ***Exhibit B-1***, at page 2. A map identifying each surface tract by ownership type within the half-mile area of review and two-mile area surrounding each of the proposed injection wells is located at page 117 of ***Exhibit A*** to the Application.[3] Finally, a map depicting all wells identified with completed laterals all or partially within the half-mile area of review is located at page 120 of ***Exhibit A*** to the Application. It assigns a well identification number to each well within the area of review that may be cross referenced in the following well data tabulation chart on pages 121-126 of ***Exhibit A*** to the Application. The well data tabulation chart provides detailed information for identification, location, drilling, casing, cement, current completion, and current producing pool of each well.

26. Wellbore schematics for the wells that penetrate the top of the proposed injection interval and have been plugged and abandoned are included at pages 127-150 in ***Exhibit A*** to the Application. Review of the wellbore diagrams indicate adequate casing, cement, and cement plug placement to sufficiently contain gas within the injection interval.

27. Working with OXY's in-house land department, I also prepared a list of affected parties required to receive notice of this application. The map on page 117 of ***Exhibit A*** to the Application reflects that the Bureau of Land Management is the surface owner for the surface locations of the CLGC wells. The map on page 120 of ***Exhibit A*** to the Application depicts the area of review and identifies the designated operator for each tract that falls within the half-mile area of review for each of the wells within the Bone Spring formation.

[3] OXY plans to file a revised two-mile surface ownership map to show the surface ownership in Section 28, T21S-R32E.

28. Pages 178-181 of ***Exhibit A*** to the Application identify all leasehold operators and other affected persons within any tract wholly or partially contained within one-half mile of the completed interval of the wellbore for each of the proposed injection wells entitled to notice in accordance with Division regulations, including the Bureau of Land Management and State Land Office.

29. Parties entitled to notice were identified based on a determination of the title of lands and interests as recorded in the records of Eddy and Lea Counties or from a review of New Mexico Oil Conservation Division and Bureau of Land Management operator records as of the time the application was filed or from OXY's internal records (division orders).

30. It is my opinion that OXY undertook a good faith effort to locate and identify the correct parties and valid addresses required for notice within the half-mile area of review. To the best of my knowledge the addresses used for notice purposes are valid and correct. There were no unlocatable parties for whom we were unable to locate a valid address.

31. I provided the law firm of Holland & Hart LLP a list of names and addresses of the affected parties identified on pages 178-181 of ***Exhibit A*** to the Application for purposes of providing notice.

32. As reflected in this hearing packet, notice of this application was provided in accordance with 19.15.26.8(B)(2) NMAC. Notice was also published in the Carlsbad Current-Argus and Hobbs Daily News.

33. OXY plans to draft an "OCD Exhibit A" and "OCD Exhibit B" and file as a Supplemental Exhibit.

34. Gunbarrel views will be submitted for each section with a CLGC well as a Supplemental Exhibit.

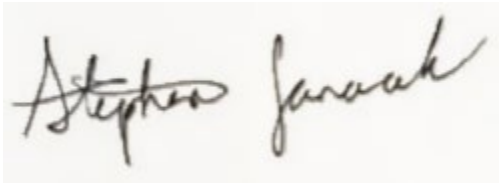
35. OXY has 10 CLGC projects and 77 wells at various stages. *See* page 1 of ***Exhibit B-1***. The first project, Avogato, became active on May 9, 2022. Since then, OXY has placed 25 CLGC wells into service. Six (6) Project Summary Reports have been submitted for 21 CLGC wells. These reports show data for over 455 gas storage events with various durations and storage volumes. These reports also show OXY complied with MITs, well testing, and monitoring requirements per the injection orders and OCD guidance. The data showed no indication of mechanical integrity issues, out-of-zone injection, or an impact on oil or gas production.

36. A few issues were identified and resolved during the Pilot Projects. The first was inaccurate test data associated with a tester. This was resolved by repairing the tester. The second was wells not being tested at the frequency per the injection orders and OCD guidance. This was resolved by communicating requirements with operations. The final issue was the complexity of applying the GOR Gas Allocation Method. This was very intricate due to the number of storage events. As a solution, Oxy took a more conservative approach to paying royalties and revenues of CLGC wells. During storage events, Oxy decided to become purchaser of the storage gas. This ensures that all owners of the source gas wells are paid for their share of the gas as it is produced (instead of as it is sold later on). After storage events, Oxy pays royalties and taxes on all gas produced less gas lift gas. This ensures that each owner that produces stored gas is paid 100% of their share, regardless of the calculated GOR recovery of the stored gas. I believe this is a fair and reasonable method for paying royalties and revenues during and after a gas storage event.

37. **OXY Exhibit B-1** was either prepared by me or compiled under my direction and supervision.

38. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be

used as written testimony in this case. This statement is made on the date next to my signature below.



7/31/25

Stephen Janacek Date

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. TO AMEND AND EXPAND THE PROPOSED CLOSED LOOP GAS CAPTURE INJECTION PILOT PROJECT AREA AND ADD ADDITIONAL INJECTION WELLS, EDDY AND LEA COUNTIES, NEW MEXICO.

CASE NO. 25519

SELF-AFFIRMED STATEMENT OF JARED ROUNTREE

1. My name is Jared Rountree. I work for OXY USA, Inc. ("OXY"), as a petroleum geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness.

3. I am familiar with the application filed by OXY in this case, and I have conducted a geologic study of the lands in the subject area that is included in ***Exhibit A*** to OXY's application. My analysis and conclusions are summarized at pages 152-161 of the Exhibit.

4. A general characterization of the geology of the Bone Spring formation and its suitability for the proposed injection, including identification of confining layers and their ability to prevent vertical movement of the injected gas is included in my analysis. *See* ***Exhibit A*** to the Application, pages 152-161.

5. Page 152 of ***Exhibit A*** to the Application depicts a type log for the project expansion area, showing the proposed injection zone, adjacent oil and gas zones, and confining layers. The proposed injection zone for the additional wells is the Avalon Shale and First Bone Spring, which are sub-units of the larger Bone Spring Formation. Adjacent oil and gas zones for the Avalon are the overlying Brushy Canyon and underlying First Bone Spring, and for the First

Bone Spring Shale are the overlying Avalon and underlying Second Bone Spring. Confining layers that will prevent migration of injected gas into adjacent oil and gas zones for the Avalon injection wells are the overlying Upper Avalon and underlying First Bone Spring Lime, and for the First Bone Spring injection wells are the overlying First Bone Spring Lime and underlying Second Bone Spring Lime.

6. Page 154 of ***Exhibit A*** to the Application is a cross-section map depicting the location of representative wells used to construct a cross-section across the pilot project expansion area.

7. Page 155 of ***Exhibit A*** to the Application is the Avalon cross-section, which illustrates a consistent thickness across this zone for the project expansion area. Page 156 of ***Exhibit A*** to the Application is the First Bone Spring cross-section, which also illustrates a consistent thickness across the project expansion area for this target zone.

8. Page 157 of ***Exhibit A*** to the Application is a structure map on the top of the Avalon that shows the structure gently dipping to the east. There is no evidence of faults, pinch-outs, or other potential pathways for out-of-zone migration indicated by the structure map. This is followed by an isopach map for the Avalon on page 158 of ***Exhibit A*** to the Application. This thickness map reflects that the Avalon maintains a thickness across the pilot project expansion area between about 500-400 feet. There is no evidence of faults, pinch-outs, or other potential pathways for out-of-zone migration indicated by the thickness map.

9. Page 158 of ***Exhibit A*** to the Application is a structure map on the top of the First Bone Spring Sand that shows the structure gently dipping to the east. There is no evidence of faults, pinch-outs, or other potential pathways for out-of-zone migration indicated by the structure map. This is followed by an isopach map for the First Bone Spring on page 160 of ***Exhibit A*** to

the Application. This thickness map reflects that the Avalon maintains a thickness across the pilot project expansion area of between about 700-600 feet. There is no evidence of faults, pinch-outs, or other potential pathways for out-of-zone migration indicated by the thickness map.

10. In this proposed CLGC Expansion Project, the proposed Avalon wells will inject into the Avalon at an average true vertical depth of approximately 8,900 feet across the length of the well's horizontal wellbore. The proposed injection interval is composed of siliceous mudstone reservoir with natural permeability in the nano-darcy range. *See* ***Exhibit A*** to the Application, page 152. Low-permeability barriers to fluid flow exist within the Bone Spring Formation above and below the target zone in the Avalon. Below the Avalon injection zone is the First Bone Spring Limestone, a low permeability limestone and shale, approximately ~300-foot-thick, which provides isolation from the underlying productive First Bone Spring Sand. Above the Avalon injection zone, the Upper Avalon consists of limestone that has very low permeabilities and an average thickness of ~250-300-foot-thick and provides isolation from the overlying productive Brushy Canyon Formation.

11. The proposed First Bone Spring wells will inject into the First Bone Spring at an average true vertical depth of approximately 9,600 feet across the length of the well's horizontal wellbore. The proposed injection interval is composed of low porosity and permeability sands and shales. *See* ***Exhibit A*** to the Application, page 152. Low-permeability barriers to fluid flow exist within the Bone Spring Formation above and below the target zone in the First Bone Spring. Below the First Bone Spring injection zone is the Second Bone Spring Lime, a low permeability limestone, approximately ~200-foot-thick, which provides isolation from the underlying productive Second Bone Spring Sand. Above the First Bone Spring injection zone, the Upper

Avalon consists of interbedded low permeability limestone with an average thickness of ~250-350-foot-thick and provides isolation from the overlying productive Avalon.

12. Above the Bone Spring Formation is the Delaware Mountain Group and impermeable anhydrite, gypsum, and salt layers of the Castile, Salado, and Rustler Formations. Due to the thickness of multiple impermeable rock layers above the injection reservoir there is little possibility for migration upward into freshwater aquifers where they exist. *See* ***Exhibit A*** to the Application, page 153.

13. Laterally, the injection will be contained in the reservoir volume that has been previously and partially depleted by the CLGC wells. The low-permeability reservoir will be the primary constraint on movement of the injection gas and is expected to contain the injected gas within the pilot project area. *See* ***Exhibit A*** to the Application, page 152.

14. My analysis concludes that the Avalon Shale and First Bone Spring in this area is suitable for the proposed CLGC Project and that there are geologic barriers that will contain the proposed injection within these target zones. *See* ***Exhibit A*** to the Application, page 152.

15. I have examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the injection zone and any underground source of drinking water. *See* ***Exhibit A*** to the Application, page 161.

16. In my opinion, the granting of OXY's application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

17. **OXY Exhibit B-X** was either prepared by me or compiled under my direction and supervision.

18. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be

used as written testimony in this case. This statement is made on the date next to my signature below.

Jared Rountree

Jared Rountree

7/24/2025

Date

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. TO AMEND AND EXPAND THE PROPOSED CLOSED LOOP GAS CAPTURE INJECTION PILOT PROJECT AREA AND ADD ADDITIONAL INJECTION WELLS, EDDY AND LEA COUNTIES, NEW MEXICO.

CASE NO. 25519

SELF-AFFIRMED STATEMENT OF RAHUL JOSHI

1. My name is Rahul Joshi and I am employed by Oxy USA Inc. ("OXY") as a reservoir engineer.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness.

3. I am familiar with the application filed by OXY in this case and the Division guidance regarding CLGC projects such as this one. I have conducted an engineering study of the reservoir to evaluate the potential effects of the proposed temporary injection on the reservoir and future production. The conclusions I have drawn from my analysis are summarized in pages 162-192 in ***Exhibit A*** attached to OXY's application.

4. I have examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the injection zone and any underground source of drinking water. *See* ***Exhibit A*** to the Application, page 175.

5. The CLGC project will inject produced gas into horizontal wells with 7,500 feet and 10,000 feet laterals and into the productive zone of the Avalon and First Bone Spring Shale formation. We applied simulation modeling techniques to investigate gas movement in the injection zone and any potential impacts on production performance of the CLGC wells and direct

offset wells. The model utilized data from our Cedar Canyon Section 16 Gas EOR Project ("CC 16 EOR Project") for verification. The CC 16 EOR Project began in 2017. It is located 20 miles away from the Lost Tanks CLGC project area. The primary differences between these two areas and these benches are depth and reservoir pressure. *See* ***Exhibit A*** to the Application, page 174. The section, location, and well layout for the CC 16 EOR Project is shown on page 165 of ***Exhibit A*** to the Application. The bottom left box of page 166 of ***Exhibit A*** to the Application shows the reservoir properties and conditions of the Bone Spring formation at the CC 16 EOR Project. In general, the Second Bone Spring reservoir in the EOR project and the CLGC project in the Lost Tanks area have very similar reservoir properties. In this EOR project, Cedar Canyon 16-7H injected produced gas for five months in 2017 at a rate of 7 mmscf/d. After the five months of EOR gas injection, the final surface tubing head pressure was 4,100 psi and bottom hole pressure was about 5,000 psi. The simulation model incorporated both the primary production history of wells in the CC 16 EOR Project area and the EOR gas injection history with gas communication occurring between the EOR injection well and offset producing wells. During the first three months of EOR gas injection, there was no observed gas communication. However, after three months of EOR gas injection, there was gas communication in offset producers and the model was able to predict it. This gives us confidence in the ability of the model to predict impacts on offset wells resulting from CLGC operations.

6. The reservoir model is a full section with five wells. The top right of page 166 of ***Exhibit A*** to the Application shows the 3D model grid. It has 56 layers and over a million cells. The four plots in the bottom right show history match results of all five wells in the CC 16 EOR Project area. The dots represent historical field data, and the curves are modeling results. The first three plots show the primary production match from 2013 to 2017 for all five wells in the section.

The green plot shows oil rate match, the blue plot shows water rate match, and the red plot shows gas rate match. The bottom right plot shows gas injection bottom hole pressure match of EOR gas injection in 2017. The model shows a good match for all rates and pressure.

7. With the high EOR gas injection rates and injection pressures in the CC 16 EOR Project, the reservoir simulation model was created to capture the gas communication between injection wells and the offset producers. This modeling improved our understanding of the complexity of connected fractures based on actual field response. The model was used to simulate the effects of CLGC operations in the Lost Tanks areas, since the reservoirs have similar properties. We believe the model should be able to predict communication caused by CLGC operations because it was "tuned" based on actual gas communication between wells. First, we created a base case for normal production without any gas injection. Then we ran numerous gas injection cases to simulate CLGC operations and compared those with the base case to determine the impact on well production rate and recovery in both CLGC wells and offset wells. The results of these simulation cases and discussed more fully below.

8. Reservoir modeling indicates the horizontal movement of injected gas is anticipated to be approximately 100 feet or less from each CLGC wellbore within the Bone Spring formation. *See* ***Exhibit A*** to the Application, page 169. This is illustrated by comparing gas saturation pre-injection and post-injection. The top left plot on page 169 of ***Exhibit A*** to the Application shows pre-injection gas saturation. The wellbores are depicted as east-west lines, and the numerous hydraulic fractures created in each wellbore are shown as NE-SW angled lines. The blue color shows no gas while the cyan color shows gas exists in the fractures. A warmer color indicates a higher gas saturation. The plot on the top right shows gas saturation after one week of injection. The gas injected into the middle well and the fractures near the wellbore show a warmer color.

The bottom plots have a magnified view of the CLGC well gas saturation for a clearer comparison. We can clearly see that the fractures near the wellbore in the injection case have a warmer color than those of the pre-injection case. Additionally, further away from the CLGC wellbore, there is no gas saturation change in the factures even though there are connected fractures between wells. This is because the injected gas volume during CLGC operations is too small to move very far away from the CLGC wellbore. And even when we have fracture communication between wells, there is not very high conductivity for immediate gas communication as was observed in our CC 16 EOR project which had a much higher injection rate and pressure. The gas storage injection in Lost Tanks will occur at a much lower rate (< 4mmscf/d) for a shorter period of time with much lower tubing head pressure (1,300psi) compared with CC 16 EOR Project in 2017, so it is not unexpected that the model shows no gas communication.

9. The pressure map plots of page 170 of ***Exhibit A*** to the Application tell the same story as the gas saturation map plots. With gas injection, the pressure increases only in the fractures nearest the wellbore within 100 feet of the CLGC well.

10. We modeled many CLGC scenarios including different well spacing (from 4-8 Wells Per Section, or "WPS"), single well injection, multi-well injection, and a worst case with a higher injection rate and a longer injection period than historical upsets. In each case, there was no impact. Lost Tanks wells have well spacing of 4-6 WPS, and the model scenarios even tested narrower spacing of 8 WPS which still shows no impact. For the injection parameters, all possible scenarios, including the worst-case gas storage scenario—have much lower injection volumes and injection pressures compared to CC 16 EOR Project. In conclusion, the analysis indicates that there will be no change in the oil recovery from each of its proposed injection wells or from any of the offsetting wells because of CLGC operations.

11. As a cross-check of the model results, I prepared an analysis of the expected gas storage capacity in the fracture network of the CLGC wells relative to the gas injection volumes for the worst-case injection scenario lasting twenty days. *See* ***Exhibit A*** to the Application, page 171. My analysis confirms that whether the capacity is estimated based on the fracture volume gas equivalent, or the total gas equivalent volumes produced from the proposed injection zone, the anticipated gas injection volumes will be considerably less than the estimated volume capacity for gas storage within the project area.

12. Fracture dimensions are predicted by a fracture model software package called GOHFER, which is based on reservoir geo-mechanical properties and actual well hydraulic fracturing procedure history matching. The approximate fracture dimensions for a CLGC wells are shown on page 172 of ***Exhibit A*** to the Application. The right side of the table shows Stimulated Reservoir Volume (SRV) for each individual CLGC well, which is approximately 5.4 billion cubic feet.

13. In my analysis, examining the available geologic and engineering data, I have determined that the total recoverable volume of hydrocarbons from the reservoir will not be adversely affected by the pilot project and that the gas composition of the injected gas will not damage the reservoir. *See* ***Exhibit A*** to the Application, page 173.

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Rahul Joshi

July 28, 2025

Date

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. TO AMEND AND EXPAND THE PROPOSED CLOSED LOOP GAS CAPTURE INJECTION PILOT PROJECT AREA AND ADD ADDITIONAL INJECTION WELLS, EDDY AND LEA COUNTIES, NEW MEXICO.

CASE NO. 25519

SELF-AFFIRMED STATEMENT OF PAULA M. VANCE

1. I am attorney in fact and authorized representative of OXY USA Inc. ("Oxy"), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of July 28, 2025.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication's legal clerk with a copy of the notice of publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: OXY USA INC.
Hearing Date: August 7, 2025
Case No. 25519

Paula M. Vance

July 30, 2025
Date

Holland & Hart

Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505)819-5579
pmvance@hollandhart.com

July 18, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of OXY USA Inc. to Amend and Expand the Proposed Closed Loop Gas Capture Injection Pilot Project Area and Add Additional Injection Wells, Eddy and Lea Counties, New Mexico.

Ladies & Gentlemen:

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 7, 2025, and the status of the hearing can be monitored through the Division's website at https://www.emnrd.nm.gov/ocd/.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Stephen Janacek at 972-404-3722 or Stephen_Janacek@oxy.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR OXY USA INC.

Oxy - Lost Tank CLGC Expansion - Case no. 25519
Postal Delivery Report

9402811898765441943601	128 Holdings LLC	PO Box 54584	Oklahoma City	OK	73154-1584	Your item was picked up at the post office at 1:12 pm on July 21, 2025 in OKLAHOMA CITY, OK 73118.
9402811898765441943694	2023 Permian Basin JV, 2024 Permian Basin JV	PO Box 10	Folsom	LA	70437-0010	Your item has been delivered and is available at a PO Box at 10:54 am on July 22, 2025 in FOLSOM, LA 70437.
9402811898765441943687	Billy Glenn Spradlin	29 Rim Rd	Kilgore	TX	75662-2228	Your item was delivered to an individual at the address at 1:36 pm on July 22, 2025 in KILGORE, TX 75662.
9402811898765441943632	Bp America Production Co	501 Westlake Park Blvd	Houston	TX	77079-2604	Your item was delivered to the front desk, reception area, or mail room at 10:14 am on July 21, 2025 in HOUSTON, TX 77079.
9402811898765441943670	Bureau of Land Mangment	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to the front desk, reception area, or mail room at 12:21 pm on July 21, 2025 in SANTA FE, NM 87508.
9402811898765441943113	Charles Andrew Spradlin	304 Summit Ridge Dr	Glen Rose	TX	76043-5331	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9402811898765441943151	Chevron U S A Inc	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to an individual at the address at 3:05 pm on July 21, 2025 in MIDLAND, TX 79706.
9402811898765441943168	Chisos Ltd	3355 W Alabama St Ste 1200B	Houston	TX	77098-1796	Your item was delivered to the front desk, reception area, or mail room at 4:36 pm on July 21, 2025 in HOUSTON, TX 77098.
9402811898765441943120	Cibolo Brigham Oil And Gas LLC & Cibolo Oil & Gas LLC, Curlew Investments I LLC, LMB, Properties I LLC, White Horse Investments LLC	3600 Bee Caves Rd Ste 216	West Lake Hills	TX	78746-5375	Your item was delivered to an individual at the address at 12:01 pm on July 21, 2025 in AUSTIN, TX 78746.
9402811898765441943106	COG Operating LlC	700 Plaza Building	Bartlesville	OK	74004-0001	Your item was picked up at the post office at 8:33 am on July 21, 2025 in BARTLESVILLE, OK 74003.
9402811898765441943199	COG Production LlC	PO Box 7500	Bartlesville	OK	74005-7500	Your item was picked up at the post office at 8:33 am on July 21, 2025 in BARTLESVILLE, OK 74003.
9402811898765441943182	Conoco Phillips Company, COG Operating LLC, Concho Oil & Gas LlC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:25 am on July 22, 2025 in MIDLAND, TX 79701.

Oxy - Lost Tank CLGC Expansion - Case no. 25519
Postal Delivery Report

9402811898765441943137	Devon Energy Production Company, Lp	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was picked up at the post office at 6:12 am on July 21, 2025 in OKLAHOMA CITY, OK 73102.
9402811898765441943175	Echo Production Inc	PO Box 1210	Graham	TX	76450-1210	Your item was picked up at the post office at 2:09 pm on July 23, 2025 in GRAHAM, TX 76450.
9402811898765441943311	EOG Resources Inc	5509 Champions Dr	Midland	TX	79706-2843	Your item has been delivered to an agent. The item was picked up at USPS at 8:10 am on July 22, 2025 in MIDLAND, TX 79706.
9402811898765441943359	EOGResources Inc	1111 Bagby St Lbby 2	Houston	TX	77002-2589	Your item was picked up at the post office at 12:44 pm on July 22, 2025 in HOUSTON, TX 77002.
9402811898765441943366	Excalibur Energy Co	PO Box 25045	Albuquerque	NM	87125-0045	Your item has been delivered and is available at a PO Box at 8:32 am on July 21, 2025 in ALBUQUERQUE, NM 87101.
9402811898765441943328	Extex Operating Company	1616 S Voss Rd Ste 400	Houston	TX	77057-2633	Your item was delivered to an individual at the address at 4:50 pm on July 22, 2025 in HOUSTON, TX 77057.
9402811898765441943397	Fasken Acquisitions 02 Ltd	6101 Holiday Hill Rd	Midland	TX	79707-1631	Your item was delivered to the front desk, reception area, or mail room at 9:16 am on July 22, 2025 in MIDLAND, TX 79707.
9402811898765441943342	JKM Energy Llc	26 E Compress Rd	Artesia	NM	88210-9215	Your item was delivered to an individual at the address at 10:38 am on July 22, 2025 in ARTESIA, NM 88210.
9402811898765441943373	Judah Oil Llc	PO Box 568	Artesia	NM	88211-0568	Your item was picked up at the post office at 10:13 am on July 22, 2025 in ARTESIA, NM 88210.
9402811898765441943052	Long Trusts	PO Box 3096	Kilgore	TX	75663-3096	Your item was picked up at the post office at 10:45 am on July 22, 2025 in KILGORE, TX 75662.
9402811898765441943021	LRF Jr LLC	PO Box 11327	Midland	TX	79702-8327	Your item was picked up at a postal facility at 9:54 am on July 24, 2025 in MIDLAND, TX 79701.
9402811898765441943045	Magnum Hunter Production	840 Gessner Rd Ste 1400	Houston	TX	77024-4152	Your item was delivered to an individual at the address at 4:55 pm on July 21, 2025 in HOUSTON, TX 77024.

Oxy - Lost Tank CLGC Expansion - Case no. 25519
Postal Delivery Report

9402811898765441943083	Marathon Oil Permian Llc	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 1:28 pm on July 21, 2025 in HOUSTON, TX 77024.
9402811898765441943038	Marathon Oil Permian Llc	5555 San Felipe St	Houston	TX	77056-2701	Your item was returned to the sender at 4:08 pm on July 21, 2025 in HOUSTON, TX 77056 because the forwarding order for this address is no longer valid.
9402811898765441943076	Marshall & Winston Inc	PO Box 50880	Midland	TX	79710-0880	Your item was picked up at a postal facility at 10:32 am on July 23, 2025 in MIDLAND, TX 79705.
9402811898765441943410	Marshall S Baker	2711 Weslayan St	Houston	TX	77027-5123	Your item was delivered to an individual at the address at 12:35 pm on July 21, 2025 in HOUSTON, TX 77027.
9402811898765441943458	Matador Production Company, MRC Permian Company, MRC Permian Lke Co LLC	5400 Lbj Fwy Ste 1500 One Lincoln Centre	Dallas	TX	75240-1017	Your item was delivered to an individual at the address at 7:15 pm on July 21, 2025 in DALLAS, TX 75240.
9402811898765441943465	Mewbourne Oil Co	PO Box 5270	Hobbs	NM	88241-5270	Your item was delivered to an individual at the address at 3:30 pm on July 21, 2025 in HOBBS, NM 88240.
9402811898765441943427	Mewbourne Oil Company	500 W Texas Ave Ste 1020	Midland	TX	79701-4279	Your item was delivered to an individual at the address at 2:19 pm on July 21, 2025 in MIDLAND, TX 79701.
9402811898765441943441	Northern Oil And Gas Inc	4350 Baker Rd Ste 400	Minnetonka	MN	55343-8628	Your item was delivered to an individual at the address at 1:20 pm on July 21, 2025 in HOPKINS, MN 55343.
9402811898765441943489	Owl Swd Operating, Llc	20 Greenway Plz Ste 500	Houston	TX	77046-2019	Your item was delivered to the front desk, reception area, or mail room at 10:58 am on July 21, 2025 in HOUSTON, TX 77046.
9402811898765441943434	Penroc Oil Corp	PO Box 2769	Hobbs	NM	88241-2769	Your item has been delivered and is available at a PO Box at 10:06 am on July 21, 2025 in HOBBS, NM 88240.
9402811898765441943519	Permian Resources Operating LlC	1400 Woodloch Forest Dr Ste 300	The Woodlands	TX	77380-1197	Your item was delivered to an individual at the address at 2:18 pm on July 21, 2025 in SPRING, TX 77380.

Oxy - Lost Tank CLGC Expansion - Case no. 25519
Postal Delivery Report

9402811898765441943564	Permian Resources Operating LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	Your item was delivered to an individual at the address at 11:32 am on July 22, 2025 in MIDLAND, TX 79701.
9402811898765441943502	RKC Inc	7500 E Arapahoe Rd Ste 380	Centennial	CO	80112-6116	Your item was delivered to the front desk, reception area, or mail room at 12:26 pm on July 19, 2025 in ENGLEWOOD, CO 80112.
9402811898765441943588	Rockport Oil And Gas Llc	PO Box 19567	Houston	TX	77224-9567	Your item has been delivered and is available at a PO Box at 2:09 pm on July 25, 2025 in HOUSTON, TX 77279.
9402811898765441943571	Sbi West Texas I Llc	PO Box 17017	Galveston	TX	77552-7017	Your item has been delivered and is available at a PO Box at 9:57 am on July 21, 2025 in GALVESTON, TX 77552.
9402811898765441944257	Southwest Royalties Inc	PO Box 53570	Midland	TX	79710-3570	Your item was picked up at a postal facility at 12:28 pm on July 24, 2025 in MIDLAND, TX 79705.
9402811898765441944226	State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at the post office at 7:47 am on July 22, 2025 in SANTA FE, NM 87501.
9402811898765441944295	Strata Production Co	PO Box 1030	Roswell	NM	88202-1030	Your item was picked up at the post office at 10:56 am on July 22, 2025 in ROSWELL, NM 88201.
9402811898765441944288	Texas Independent Exploration	6760 Portwest Dr	Houston	TX	77024-8005	Your item was delivered to an individual at the address at 3:52 pm on July 21, 2025 in HOUSTON, TX 77024.
9402811898765441944271	Veritas Permian Resources III LLC	PO Box 10850	Fort Worth	TX	76114-0850	Your item has been delivered and is available at a PO Box at 2:50 pm on July 21, 2025 in FORT WORTH, TX 76114.
9402811898765441944868	William Fuller Kirkpatrick French	1010 W Wall St	Midland	TX	79701-6638	Your item was delivered to an individual at the address at 9:52 am on July 21, 2025 in MIDLAND, TX 79701.
9402811898765441944806	XTO Holdings Llc	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your item was delivered to an individual at the address at 11:41 am on July 21, 2025 in SPRING, TX 77389.

Oxy - Lost Tank CLGC Expansion - Case no. 25519
Postal Delivery Report

9402811898765441944844	Yates Industries LLC	105 S 4th St	Artesia	NM	88210-2177	Your item arrived at our USPS facility in OKLAHOMA CITY OK DISTRIBUTION CENTER on July 26, 2025 at 3:19 pm. The item is currently in transit to the destination.
9402811898765441944875	Yates Industries LLC	PO Box 1091	Artesia	NM	88211-1091	Your item was picked up at the post office at 2:06 pm on July 24, 2025 in ARTESIA, NM 88210.
9402811898765441944769	ZPZ Delaware I LLC	2000 Post Oak Blvd Ste 100	Houston	TX	77056-4497	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 83
Ad Number: 55800
Description: Oxy - Lost Tank GLGC 25519
Ad Cost: $435.60

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

July 19, 2025

That said newspaper was regularly issued and circulated on those dates.
SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 19th day of July 2025.

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

LEANNE JOY KAUFENBERG
Notary Public
State of Minnesota
My Commission Expires
January 31, 2030

Holland And Hart
HOLLAND AND HART
110 N Guadalupe ST # 1
Santa Fe, NM 87501-1849
kethaggard@hollandhart.com

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: OXY USA INC.
Hearing Date: August 7, 2025
Case No. 25519

Case No. 25519: Application of OXY USA Inc. to Amend and Expand the Proposed Closed Loop Gas Capture Injection Pilot Project Area and Add Additional Injection Wells, Eddy and Lea Counties, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: 128 Holdings LLC; 2023 Permian Basin JV, 2024 Permian Basin JV; Billy Glenn Spradlin; Bp America Production Co.; Bureau of Land Management; Charles Andrew Spradlin; Chevron U S A Inc.; Chisos Ltd.; Cibolo Brigham Oil And Gas LLC & Cibolo Oil & Gas LLC, Curlew Investments I LLC; MB Properties I LLC, White Horse Investments LLC; COG Operating LLC; COG Production LLC; Conoco Phillips Company, COG Operating LLC, Concho Oil & Gas LLC; Devon Energy Production Company, LP; Echo Production Inc.; EOG Resources Inc.; Excalibur Energy Co.; Extex Operating Company; Fasken Acquisitions 02 Ltd.; JKM Energy LLC; Judah Oil LLC; Long Trusts; LRF Jr. LLC; Magnum Hunter Production; Marathon Oil Permian LLC; Marshall & Winston Inc.; Marshall S. Baker; Matador Production Company; MRC Permian Company; MRC Permian Lke Co. LLC; Mewbourne Oil Company; Northern Oil And Gas Inc.; Owl Swd Operating, LLC; Penroc Oil Corp.; Permian Resources Operating LLC; RKC Inc.; Rockport Oil And Gas LLC; SBI West Texas I LLC; Southwest Royalties Inc.; State Land Office; Strata Production Co.; Texas Independent Exploration; Veritas Permian Resources III LLC; William Fuller Kirkpatrick French; XTO Holdings LLC; Yates Industries LLC; ZPZ Delaware I LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on Augusts 7, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/ or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov Applicant in the above-styled cause seeks an order amending the request under Case No. 23633 to (1) expand the closed loop gas capture injection project area; and (2) authorize seventeen additional injection wells for intermittent, temporary produced gas injection within the Bone Spring formation within the requested amended project area. The amendment will create a 5,158.08-acre, more or less, project area for this Pilot Project consisting of the following acreage identified below in Eddy and Lea Counties, New Mexico (the "Project Area"):

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Section 19: W/2 W/2
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Applicants proposes to occasionally inject produced gas from the Delaware, Bone Spring and Wolfcamp formations into the following additional producing wells to avoid temporary flaring of gas or the shut-in of producing wells during pipeline capacity constraints, mechanical difficulties, plant shutdowns, or other events impacting the ability to deliver gas into a pipeline:

Olive Won Unit 4H well (API No. 30-015-55182) with a surface location 2,445 feet FSL and 1,017 feet FEL (Unit I) in Section 26, Township 22 South, Range 31 East, and a bottom hole location 37 feet FSL and 809 feet FEL (Unit P) in Section 35, Township 22 South, Range 31 East, NMPM, all in Eddy County, New Mexico;

Top Spot 12-13 Federal Com 24H well (API No. 30-015-47954) with a surface location 310 feet FSL and 1,216 feet FEL (Unit P) in Section 13, Township 22 South, Range 31 East, and a bottom hole location 58 feet FNL and 1,772 feet FEL (Unit B) in Section 12, Township 22 South, Range 31 East, NMPM, all in Eddy, New Mexico;

Top Spot 12-13 Federal 23H well (API No. 30-015-47885) with a surface location 425 feet FSL and 2,317 feet FWL (Unit N) in Section 13, Township 22 South, Range 31 East, and a bottom hole location 23 feet FNL and 2,165 feet FWL (Unit C) in Section 12, Township 22 South, Range 31 East, NMPM, all in Eddy, New Mexico;

Top Spot 12-13 Federal Com 33H well (API No. 30-015-47953) with a surface location 310 feet FSL and 1,186 feet FEL (Unit P) in Section 13, Township 22 South, Range 31 East, and a bottom hole location 55 feet FNL and 533 feet FEL (Unit A) in Section 12, Township 22 South, Range 31 East, NMPM, all in Eddy, New Mexico;

Dr Pi Unit 173H well (API No. 30-025-48953) with a surface location 979 feet FSL and 1,405 feet FEL (Unit O) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 76 feet FNL and 1,973 feet FEL (Unit B) in Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;

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Dr Pi Unit 124H well (API No. 30-025-48948) with a surface location 979 feet FSL and 1,345 feet FEL (Unit O) in Section 17, Township 22 South, Range 32 East, and a bottom hole location 258 feet FNL and 372 feet FEL (Unit A) in Section 8, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;

Dr Pi Unit 112H well (API No. 30-025-48945) with a surface location 345 feet FSL and 1,645

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Gold Log 4-9 Federal Com 1H well (API No. 30-025-53815) with a surface location 397 feet FNL and 1,196 feet FWL (Unit D) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 46 feet FSL and 330 feet FWL (Unit M) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;

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Gold Log 4-9 Federal Com 4H well (API No. 30-025-53816) with a surface location 395 feet FNL and 1,676 feet FEL (Unit B) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 44 feet FSL and 469 feet FEL (Unit P) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico;

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Gold Log 4-9 Federal Com 13H well (API No. 30-025-53817) with a surface location 397 feet FNL and 1,135 feet FWL (Unit D) in Section 4, Township 22 South, Range 32 East, and a bottom hole location 46 feet FSL and 2,594 feet FWL (Unit N) in Section 9, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico; and

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OXY seeks authority to utilize these producing wells to occasionally inject produced gas into the Bone Spring formation at total vertical depths of between approximately 9,081 feet to 10,303 feet along the horizontal portion of each wellbore at surface injection pressures of no more than 1,300 psi. at an average injection rate of 3 MMSCF per day and a maximum injection rate of 4 MMSCF per day. The source of the produced gas will be from the Bone Spring and Wolfcamp formations. The subject acreage is located approximately 41 miles southwest of Lovington, New Mexico.

Published in the Carlsbad Current-Argus July 19, 2025.
#55800

Affidavit of Publicatio

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was publishe in the regular and entire issue of said newspaper, and not a supplement thereo for a period of 1 issue(s).

Beginning with the issue dated
July 20, 2025
and ending with the issue dated
July 20, 2025.

Publisher

Sworn and subscribed to before me this 20th day of July 2025.

Business Manager

My commission expires
January 29, 2027
(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws 1937 and payment of fees for said publica has been made.

LEGAL NOTICE
July 20, 2025

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