

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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF INJECTION AUTHORITY
FOR THE MESA VERDE BONE SPRING
RESOURCE DEVELOPMENT UNIT FOR
ENHANCED OIL RECOVERY, EDDY AND
LEA COUNTY, NEW MEXICO.**

CASE NO. 25222

NOTICE OF SUPPLEMENTAL EXHIBITS

OXY USA Inc. ("OXY"), applicant in the above-referenced case, gives notice that it is filing the attached supplemental exhibit for acceptance into the record.

Supplemental Exhibit H includes responses to questions that the Division technical examiner asked during the August 8, 2025 hearing, along with supporting information for review.

Respectfully submitted,

HOLLAND & HART LLP



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ATTORNEYS FOR OXY U.S.A. INC.

CERTIFICATE OF SERVICE

I hereby certify that on September 4, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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*Attorney for Burlington Resources Oil &
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Paula M. Vance

SUPPLEMENTAL EXHIBIT H

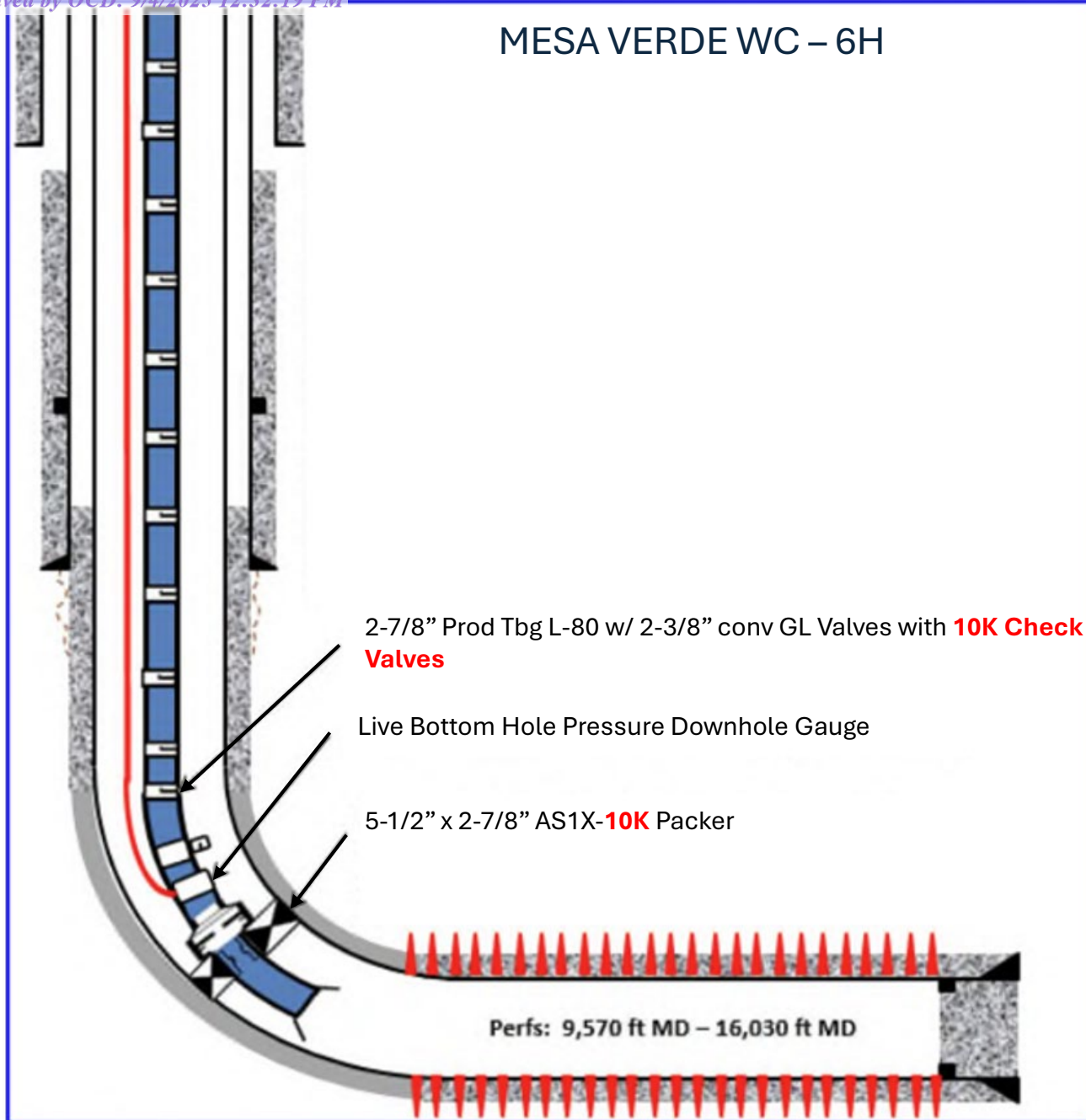
NMOCD Questions from Mesa Verde Hearing

1. Can a Mechanical Integrity Test (MIT) be performed with the gas lift equipment in the hole? (pg. 82)
 - a. Answer- Yes, it can be performed after placing a blanking plug in the seat nipple. See more details below about the gas lift system, tubular integrity, and the wireline procedure.
 - b. Gas Lift System
 - i. Each gas lift valve will be equipped with a 10,000 psi-rated check valve. This component functions as a pressure and flow isolation device during the Huff cycle and is integrated into conventional gas lift mandrels. It's important to note that the 10K check valve only activates when pressure is applied from the tubing side, ensuring controlled injection and isolation.
 - c. Casing and Tubing Strings Integrity
 - i. In addition to the blanking plug, a dual ceramic disc will be installed beneath the packer and RN seat nipple. This disc serves as the primary barrier for pressure testing both the tubing and casing strings. If the disc fails prematurely, contingency measures include deploying an R-Lock and PR plug into the RN nipple to maintain integrity.
 - ii. Technical drawings for the R-Lock and PR plug are included, along with a wellbore diagram that provides a clear explanation of their placement and function.
 - d. Example of Wireline Procedure: R-Lock Retrieval from RN Nipple. Once wellhead work is complete, a wireline unit (WL) must be deployed to retrieve the R-Lock from the RN nipple downhole. Follow the steps below:
 - i. Rig up WL unit
 - ii. Open the SDV valve in between the casing valves and the gas lift header
 - iii. Open the motor choke on the casing wing and inject gas into the annulus until we start circling gas back to the surface and to the battery.
 - iv. Turn off injection gas by closing the motor choke and the SDV.
 - v. Ensure the tubing head is dead. Bleed off pressure and MIRU WL lubricator over the wellhead.
 - vi. RIH with R-lock fishing tool on braided line.
 - vii. Make note of depth if we tag fluid level above the R-lock.
 - viii. If no fluid level above R-lock, pump 20-25 bbl. brine before trying to pull R-lock to ensure we are not underbalanced.
 - ix. Attempt to pull R-lock. POOH with R-lock if it unseats.
 - x. Rig down WL and put well online to production.

2. Clarify the existing wellhead components and the components that will be upgraded before injection commences. (pg. 83)
 - a. Does this include spools, pack offs, seals, and the Christmas tree?
 - i. Answer- Yes, any area that is subject to 10K pressure will need to be upgraded.
 - b. Provide pressure ratings of components
 - i. Answer- 10,000 psi (10K)
 - c. If helpful- Provide diagram
 - i. Answer-See attached Mesa Verde 10K Upgraded Production Tree
3. Is there an H2S contingency plan in place for Mesa Verde or the project? If not, file later when H2S becomes present in the area. (pg. 85)
 - a. No, there is not an H2S contingency plan in place for Mesa Verde now. Once needed, it will be filed by Oxy.
4. Share BLM and SLO approval once received. Check on POD approval status with BLM. (pg. 91)
 - a. Answer- POD Approvals received from BLM and SLO.
5. Clarify information on relief valves not connected to the SCADA system (pg. 85)
 - a. Answer- All pressure trends, alarms, and shutdowns are monitored in SCADA. One of these SCADA components would have to operate incorrectly to lead to the use of the pressure relief valve. The Pressure relief valve is not in SCADA since it is a mechanical device. Relief valves vent to atmosphere and are the last safety protocol for protection of piping and devices.

Detailed Proposed Wellbore Diagram

MESA VERDE WC – 6H



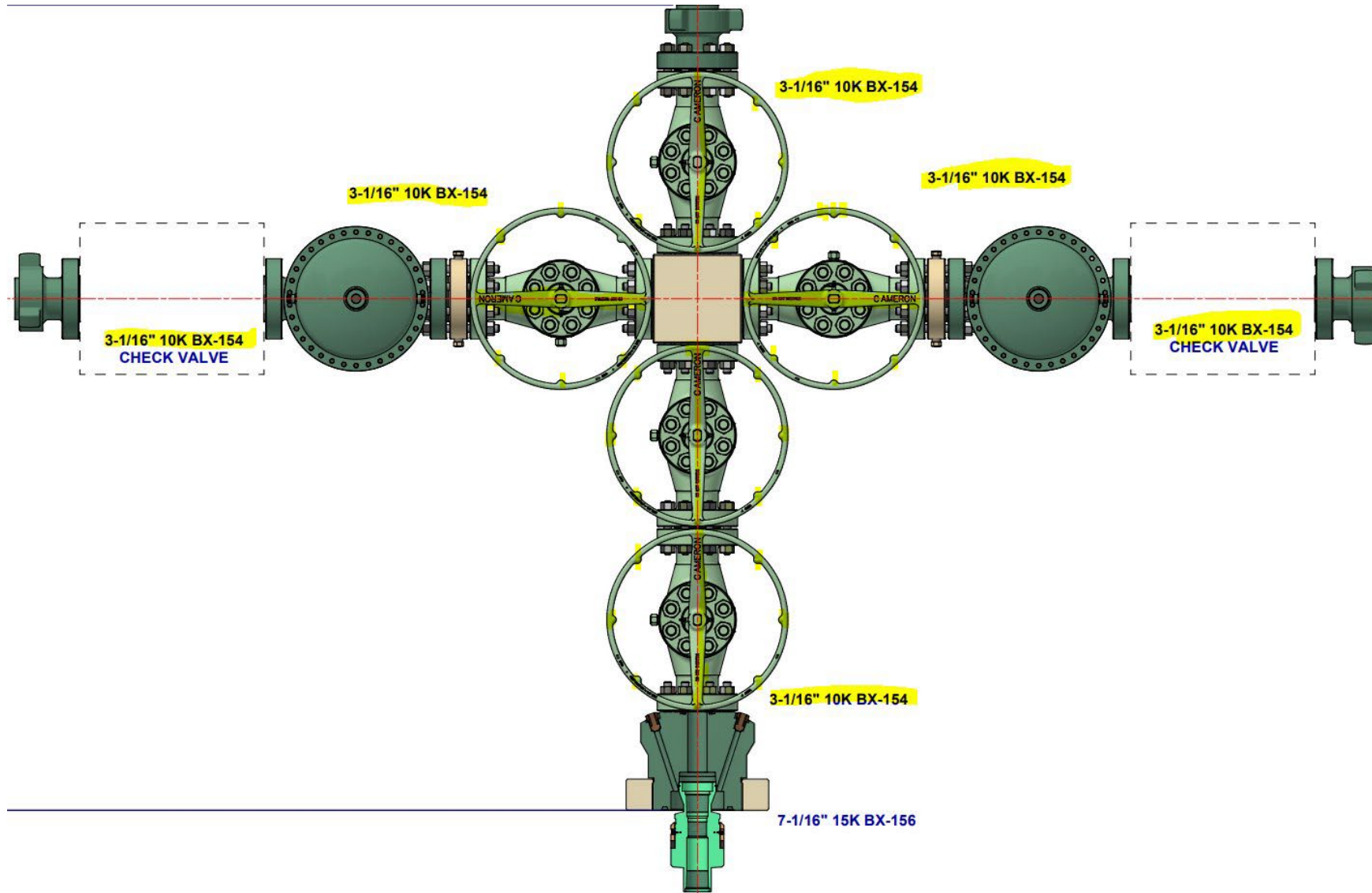
Detailed Tubing Assembly

	Description	Length	Top	Bottom	ANGLE	ID (inches)
	KB	26.5		26.5		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	1920	26.5	1946		1.995
14	PRIORITY EC SPM #11 with 2-3/8" L-80 EUE B x P (dummy valve)	6.0	1946	1952		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	1588	1952.0	3540		1.995
13	PRIORITY EC SPM #10 with 2-3/8" L-80 EUE B x P (dummy valve)	6.0	3540	3546		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	1334	3546.0	4880		1.995
12	PRIORITY EC SPM #9 with 2-3/8" L-80 EUE B x P (12 port IPOR-1)	6.0	4880	4886		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	1141	4886.0	6027		1.995
11	PRIORITY EC SPM #9 with 2-3/8" L-80 EUE B x P (12 port IPOR-1)	6.0	6027	6033		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	1010	6033.0	7043		1.995
10	PRIORITY EC SPM #9 with 2-3/8" L-80 EUE B x P (12 port IPOR-1)	6.0	7043	7049		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	782	7049.0	7831		1.995
9	PRIORITY EC SPM #9 with 2-3/8" L-80 EUE B x P (12 port IPOR-1)	6.0	7831	7837		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	717	7837.0	8554		1.995
8	PRIORITY EC SPM #5 with 2-3/8" L-80 EUE B x P (16 port IPOR-1)	6.0	8554	8560		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	717	8560.0	9277		1.995
7	PRIORITY EC SPM #5 with 2-3/8" L-80 EUE B x P (16 port IPOR-1)	6.0	9277	9283		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	717	9283.0	10000		1.995
6	PRIORITY EC SPM #5 with 2-3/8" L-80 EUE B x P (16 port IPOR-1)	6.0	10000	10006		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	718	10006.0	10724		1.995
5	PRIORITY EC SPM #5 with 2-3/8" L-80 EUE B x P (16 port IPOR-1)	6.0	10724	10730		
	2-3/8" tubing L-80 4.7#/ft EUE B&P	715	10730.0	11445		1.995
4	PRIORITY EC SPM #1 with 2-3/8" L-80 EUE B x P (24 port orifice)	6.0	11445	11451		
	1 jt x 2-3/8" tubing L-80 4.7#/ft EUE B&P	33	11451	11484		1.995
3	Watson 1.87" XN nipple profile with 2-3/8" EUE BxP (blanking plug installed)	1.0	11484	11485		1.875
	1 jt x 2-3/8" tubing L-80 4.7#/ft EUE B&P	33	11485	11517		1.995
2	2-3/8" DOWNHOLE GAUGE CTS (SEE NOTE BELOW)	4.0	11517	11521		1.995
	1 jt x 2-3/8" tubing L-80 4.7#/ft EUE B&P	33	11521	11554		1.995
1	Watson Wireline Entry Guide	1.0	11554	11555		1.995

Detailed Tubing Assembly- Bottom Mandrel to the end of tubing

PROPOSED TUBING DETAIL											
Schematic	JTS	LENGTH	DEPTH	ID	OD	TRO	PSO	PSC	PT/CK	VALVE TYPE	DESCRIPTION
		25.00									Elevation
		1.00	25.00								Hanger
	316	10,112.00	26.00								2-7/8" 7.9# BTS-6 L-80 Tubing
		1.00	10,138.00								2-7/8" 7.9# BTS-6 x 2-3/8" 5.95# BTS-6 X-Over
		10.00	10,139.00								2-3/8" 5.95# BTS-6 L-80 Pup Joint
		7.00	10,149.00	1.805	4.125	Orifice			1/4"	AT1-O-BK-HPC	2-3/8" AT1-SBRO Gas Lift Mandrel
		10.00	10,156.00								2-3/8" 5.95# BTS-6 L-80 Pup Joint
		4.00	10,166.00								BHP Gauge
		10.00	10,170.00								2-3/8" 5.95# BTS-6 L-80 Pup Joint
		4.00	10,180.00								Chemical Injection Sub
		10.00	10,184.00								2-3/8" 5.95# BTS-6 L-80 Pup Joint
		1.00	10,194.00								On/Off Tool Nickel Coated
		8.00	10,195.00								ASIX Packer Nickel Coated
		4.00	10,203.00								2-3/8" 5.95# BTS-6 L-80 Pup Joint
		1.00	10,207.00								2-3/8" RN-Nipple with PR Plug
		4.00	10,208.00								2-3/8" 5.95# BTS-6 L-80 Pup Joint
		1.00	10,212.00								WLG
			10,213.00								EOT

10K Upgraded Production Tree



*Instead of 2 wings for each cycle (Huff/Puff). Only one wing/cycle



Stephanie Garcia Richard
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

March 12, 2025

OXY USA Inc.
ATTN: Mr. Walt Prudhomme
5 Greenway Plaza, Suite 110
Houston, TX 77046

RE: 2025 Plan of Development
Mesa Verde Bone Spring Unit
Eddy and Lea Counties, NM

Dear Mr. Prudhomme,

The New Mexico State Land Office has this date approved the referenced Plan of Development.

We may contact you at a later date regarding the following:

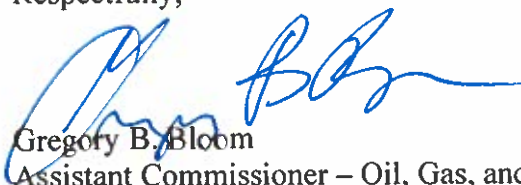
- The possibility of drainage by wells outside the unit area, and
- A need for further development of the unit.

Please note the following about your 2026 Plan of Development, which is due March 1, 2026. The submission should include:

1. New drilling, recompletions, workovers and P&As performed in 2025 and planned development in 2026, and any other activities planned in 2026 that may impact production;
2. Production graph(s) for the producing formation(s);
3. An aerial photo (preferred) or map that illustrates both current and planned infrastructure, such as well locations, tank batteries, gathering systems, and other facilities that may impact State Trust lands;
4. A list of active wells in the unit with their API numbers;
5. Map of unit that includes lease boundaries, lease numbers, wellbore and paths;
6. A gun barrel/wine rack diagram of wellbores in the unit boundary (this can be broken down by section, development block, or other spacing that makes sense);
7. Any updates to exhibits due to changes in interest; and
8. Current and planned water uses, such as volume of produced water and disposal locations, fracturing water use, including volumes of fresh water, produced water, and storage ponds and methods of water transfer.

If you have any questions or if we may be of further assistance, please contact Baylen Lamkin at 505.827.6628 or blamkin@nmslo.gov

Respectfully,



Gregory B. Bloom
Assistant Commissioner – Oil, Gas, and Minerals

GB/bl

cc: BLM – Mr. Kyle Paradis, Mr. Benjamin Barton
NMOCD – Mr. Leonard Lowe
Units Reader Files



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office

301 Dinosaur Trail

Santa Fe, New Mexico 87508

<https://www.blm.gov/new-mexico>



In Reply Refer To:

3180 (NM92500)

Reference:

Mesa Verde Bone Spring Unit, NMNM105482093

Legacy: NMNM137096X

2025 Plan of Development

Eddy & Lea Counties, New Mexico

Oxy USA Inc.

Attn: Walt Prudhomme

5 Greenway Plaza, Suite 110

Houston, TX 77227-7570

To whom it may concern:

The 2025 annual Plan of Development/Operations, dated 1/6/2025, for the Mesa Verde Bone Spring Unit, is hereby approved. It was reviewed on February 14, 2025, and is approved as of the date of this letter. The Carlsbad Field Office will be notified of this approval. Approval of the Plan of Development does not replace any further operational approvals which may be required through the appropriate field office.

If you have any questions, contact Ben Barton, Petroleum Engineer, at bcbarton@blm.gov.

Sincerely,

Kyle Paradis

Branch Chief - Reservoir Management

Division of Minerals

1 Enclosure

1 – Mesa Verde Bone Spring Unit 2025 POD (13 pp.)

cc:

NMSLO, Baylen Lamkin (email: blamkin@nmslo.gov)

CFO, Chris Walls

Unit File (NM925000, File)