



5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 27570, Houston, Texas 77227-7570

Phone 713.215.7000

May 22, 2026

Dear Mr. Sunalei Stewart,

Oxy USA, Inc. (“Oxy”) is an international energy company with assets primarily in the United States, the Middle East, and North Africa. Oxy is one of the largest oil and gas producers in the U.S., including a leading producer in the Permian Basin. Oxy’s New Mexico oil and gas assets, which include conventional and enhanced oil recovery production methods, are concentrated in Eddy and Lea Counties. We actively support community organizations and first responders in the state and have a strong track record of collaborating with environmental groups and New Mexico’s regulatory agencies. Headquartered in Houston, Oxy employs approximately 9,000 people in the U.S.

Oxy welcomes the opportunity to provide public comments on the New Mexico State Land Office (“SLO”) draft rules regarding bonding amounts and reporting. We also very much appreciate the discussions and reach out SLO has made to Oxy regarding the matter.

Oxy supports New Mexico’s efforts to obtain reasonable bonding and we appreciate SLO’s draft adjustments to add a bonding cap for large operators such as Oxy. As a member company, we have reviewed NMOGA’s position regarding bonding and believe the legal arguments it is making should be considered in order to prevent legal uncertainty for both SLO and lessees. Bonding aside, Oxy submits the following comments regarding the reporting requirements for your consideration. These comments are organized by section of the proposed rule for your convenience:

19.2.100.23.D Reporting and Notification

19.2.100.23.D1 “Each operator or lessee shall file an annual report on or before July 1 of each year, certified by a representative designated by the operator under penalty of perjury by a person with authority to bind the lessee. The report shall cover activities for the previous calendar year (January 1 – December 31) and include the following for each lease held by that lessee:”



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“Penalty of perjury” creates the potential for individual employee criminal prosecution or liability which is extremely problematic. We appreciate the need for accuracy, but subjecting individual employees to potential individual liability for inadvertent mistakes is not acceptable. We understand from discussions with the State Land Office, that this was not the intent. We suggest the following adjustments to the language to ensure accuracy but avoid unnecessary unintended legal liability or concerns. This language mirrors language used in similar rules with other state agencies trying to achieve the same goal.

Similarly, section **19.2.100.23.D.3** should be adjusted to the following:

The commissioner may prescribe a form and submission format (e.g., web portal and template) for the annual report. To the extent there is no change from a prior year’s report in any particular category or overall and the lessee has performed reasonable due diligence, the **representative designated by the operator or lessee** may so certify in writing, **under penalty of perjury**, in lieu of filing a full report.

19.2.100.23.D1.b

inventory of other fixed, **permanent** infrastructure on the lease acreage that is related to oil and gas lease operations, including but not limited to tank batteries, ponds, separators, but **not including transient equipment such as vehicles or equipment that is routinely moved from one location to another;**

We suggest adding the above inserted language to further clarify that this is not meant to capture equipment that is routinely moved from location to location

19.2.100.23.D1.c

~~list of any hydrocarbon or produced water releases on lease premises, whether or not reported to the oil conservation division~~ **any releases reported to the NMOCD**, by reference to location (latitude/longitude coordinates), substance released, estimated quantity, responsible party, and status of remediation, **if required**, to the extent known by the lessee;



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The proposed SLO language establishes unnecessary, overreaching, and burdensome reporting criteria for which NMOCD has well established, comprehensive regulatory requirements and jurisdiction. This language would unreasonably require a single drop of produced water or hydrocarbon to be reported to the SLO. We suggest requiring all spills required for reporting by the OCD to also be reported to SLO. This alleviates overlap or conflict with other agency rules for produced water or hydrocarbon releases. Without special circumstances, OCD requires reporting for 5 bbls of liquids released and 50mcf of gas. Rather than creating a separate reporting requirement, SLO should require copies of reported spills to be shared with SLO.

19.2.100.23.D1.d

~~“identification of any wells plugged in the previous twelve months and a summary and cost of remediation and reclamation performed for associated areas of operations;”~~

We propose a strike out of the reporting requirement as shown above. Remediation and reclamation costs vary significantly and are often imbedded in confidential contract provisions; disclosure could create competitive risks. Discussions with the agency indicate the requirement was intended to inform bonding decisions; the rule already includes adequate mechanisms to adjust bonds as needed. Requiring this level of publicly available detail may introduce unnecessary confusion and disrupt projects with extended timelines.

19.2.100.23.D1.e

~~“identification of any warning letters, notices of violation, fines, penalties, civil actions, criminal actions, or judgments issued or initiated~~ **considered final and fully adjudicated issued** ~~by any governmental entity with respect to oil and gas operations on the lease premises, by reference to date, nature of the alleged violation or action, and issuing or initiating entity;~~

The SLO draft language includes notices and items that are subject to investigation, under negotiation, and may be protected by confidentiality while under investigation. As



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proposed, the language will not give an accurate representation of the activities on the lease as the Land Office proposes. Oxy's language remedies the issue and mirrors language used in other agency rulemakings.

19.2.100.23.D4

~~In the event that any errors or omissions are identified the lessee shall have days from notification to amend and resubmit the annual report.~~ Absent fraud or gross negligence, reporting errors or omissions that are corrected within the day period shall not provide a basis for lease cancellation.

Oxy recognizes the importance of accurate reporting but strongly opposes lease cancellation absent extraordinary circumstances. Lease cancellation for inadvertent or accidental reporting errors is unjustified and creates significant uncertainty for the State, lessees, and operators.

Oxy appreciates the opportunity to provide comments on State Land Office draft rules and looks forward to ongoing collaboration and open discussions with you and the State Land Office team.

Sincerely,

DocuSigned by:
A handwritten signature in black ink that reads "Kimberly Mendoza-Cooke".
E3E897E1C7804C0...

Kimberly Mendoza-Cooke

Director , Policy & External Affairs