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JOINT REPORT AND APPLICATION §
OF ONCOR ELECTRIC DELIVERY §
COMPANY LLC, AEP TEXAS INC., AND §
LCRA TRANSMISSION SERVICES §
CORPORATION TO AMEND THEIR §
CERTIFICATES OF CONVENIENCE §
AND NECESSITY FOR 345-KV §
TRANSMISSION LINES IN PECOS, §
REEVES, AND WARD COUNTIES, §
TEXAS (SAND LAKE TO SOLSTICE §
AND BAKERSFIELD TO SOLSTICE) §

BEFORE THE
STATE OFFICE OF
ADMINISTRATIVE HEARINGS

SAND LAKE TO SOLSTICE PORTION
(ROUTING PHASE)

CROSS-REBUTTAL TESTIMONY OF ALBERT MENDOZA

ON BEHALF OF
OCCIDENTAL PERMIAN LTD.,
OXY DELAWARE BASIN, LLC,
OXY USA INC, OXY USA WTP LP,
HOUNDSTOOTH RESOURCES, LLC,
AND OCCIDENTAL WEST TEXAS
OVERTHRUST, INC.

February 4, 2019

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Exhibit AM-4: .KMZ File Showing Proposed Modifications to Links C2, E1/F1, F3/G4/G51/I2, J1/J7, and K11 [CD Attached]

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Albert Mendoza. My business address is 5 Greenway Plaza, Suite 110,
4 Houston, Texas 77046.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

6 A. I am testifying on behalf of Occidental Permian Ltd., Oxy Delaware Basin, LLC, Oxy
7 USA, Inc., Oxy USA WTP LP, Houndstooth Resources, LLC, and Occidental West Texas
8 Overthrust, Inc. (collectively “Oxy”).

9 **Q. ARE YOU THE SAME ALBERT MENDOZA WHO SUBMITTED DIRECT**
10 **TESTIMONY IN THIS PROCEEDING ON JANUARY 10, 2019?**

11 A. Yes, I am.

12 **Q. WHAT IS THE PURPOSE OF YOUR CROSS-REBUTTAL TESTIMONY?**

13 A. I am submitting cross-rebuttal testimony to describe the route modification proposals that
14 Oxy has developed in collaboration with Oncor Electric Delivery Company, LLC
15 (“Oncor”), AEP Texas, Inc. (“AEP”), and COG Operating, LLC (“Concho”). Oxy and
16 Concho have agreed to jointly support these modifications and seek modification consent
17 agreements from affected surface owners. I also discuss Oxy’s routing preferences in light
18 of the updated modification proposals.

19 **Q. WHY IS OXY UPDATING THE ROUTE MODIFICATION PROPOSALS YOU**
20 **PRESENTED IN YOUR JANUARY 10, 2019 DIRECT TESTIMONY?**

21 A. There are three reasons that Oxy is presenting updated modification proposals:

- 22 • First, in direct testimony, Oxy and Concho proposed conflicting modifications
23 for links F3 and J7. Since that testimony was filed, Oxy and Concho have
24 worked together to develop the mutually agreeable modification proposals
25 described below.

- 1 • Second, after direct testimony was filed, it became apparent that both Oxy and
2 Concho had been working off of outdated aerial imaging that did not accurately
3 reflect the oil and gas development in the study area. As a result, it was
4 necessary to make changes to Oxy’s proposed modifications to links C2, D1,
5 F3/G4/G51/I2, and J1/J7 to avoid routing the line within an unsafe distance of
6 existing oil and gas infrastructure.¹
- 7 • Finally, during their discussions, Oxy and Concho were able to identify a
8 mutually agreeable alternative route that would avoid the bulk of the oil and gas
9 development in the study area. That alternative follows a modified version of
10 route 325² down the western corridor. As described below, Oxy and Concho’s
11 mutually agreeable route 325 Modified includes modifications along links C2,
12 E1/F1, and K11.

13 **Q. DOES OXY INTEND FOR ITS UPDATED MODIFICATION PROPOSALS TO**
14 **REPLACE THE ONES PRESENTED IN YOUR JANUARY 10, 2019 DIRECT**
15 **TESTIMONY?**

16 A. Yes. To the extent that Oxy’s updated proposals conflict with the modifications discussed
17 in my direct testimony, Oxy is only supporting the updated proposals. No changes have
18 been made to Oxy’s proposed modification to links E1/F1, and Oxy continues to support
19 the modification to those links that it proposed in direct testimony.³ However, Oxy is
20 presenting updated modifications to links C2, F3/G4/G51/I2, and J1/J7 that supersede its
21 prior recommendations. Additionally, as discussed below, Oxy has not yet been able to
22 develop a workable alternative modification to link D1 that would resolve the constraints
23 that are visible on updated aerial imaging. Nevertheless, Oxy is willing to accept link D1

¹ Changes were also necessary for Concho’s proposed modification to Link D31, which I am not addressing in this testimony.

² As described below, Oxy and Concho’s mutually agreeable route 325 Modified includes modifications along links C2, E1/F1, and K11.

³ See Direct Testimony of Albert Mendoza (Sand Lake to Solstice- Routing Phase) (“Mendoza Sand Lake to Solstice Dir.”) at 20-22 (Jan. 10, 2019).

1 as proposed and deal with its negative impacts in order to shift this line away from the
2 densely packed and rapidly expanding oil and gas development along the central corridor.

3 **Q. PLEASE SUMMARIZE OXY'S ROUTING PREFERENCES IN LIGHT OF THE**
4 **UPDATED MODIFICATION PROPOSALS.**

5 A. Oxy would prefer that the transmission line follow route 325 Modified⁴ because that route
6 will avoid the bulk of Oxy's oil and gas development in the study area and minimize the
7 negative impact of this line on Oxy's ongoing operations. Additionally, based on the
8 testimony and statements of position filed in this docket, as well as Oxy's discussions with
9 Concho, it appears that route 325 Modified would be agreeable to every intervenor, and
10 would best resolve the concerns that Oxy and Concho expressed in their direct testimony.

11 Route 325 Modified follows the western corridor, where Oxy and Concho's oil and gas
12 operations are not as densely packed or rapidly expanding as they are along the central
13 corridor used by the utilities' suggested route 320 or Commission Staff's recommended
14 route 41. The issues that could arise if the Commission routes this line down the central
15 corridor are illustrated by Oxy and Concho's struggles to develop mutually agreeable
16 modification proposals over the weeks since direct testimony was filed. Multiple
17 modification proposals were considered and then rejected after either Oxy, Concho, or the
18 utilities identified recently constructed oil and gas infrastructure that would be directly
19 impacted by the transmission line, including newly-developed sites that did not appear on
20 earlier aerial imaging. Simply put, the extent and pace of development along the central
21 corridor makes it a poor choice for routing a transmission line, especially when route 325
22 Modified offers a less disruptive, mutually-agreeable alternative path.

23 Oxy continues to strongly oppose any of the "central corridor" routes—including the
24 utilities' preferred route 320 and Commission Staff's preferred route 41—as proposed.
25 That said, if the Commission approves a route along the central corridor, it should adopt
26 Oxy's updated modifications to links C2, F3/G4/G51/I2, and J1/J7, which would enable
27 Oxy to mitigate the harm of those routes on its operations. If the Commission were to

⁴ Route 325 Modified would use the following links: A-B2-B3-C2 Modified-D1 -E1/F1 Modified-I1-K11 Modified-K12-L2-Z.

1 adopt Oxy's updated proposed modifications to links C2, F3/G4/G51/I2 (for any
2 combination of links between F3 and J1), and J1/J7, Oxy could agree to any of routes 18,
3 41, 297, or 320.

4 II. UPDATED ROUTE MODIFICATIONS⁵

5 A. OXY'S PROPOSED MODIFICATION TO LINK C2

6 **Q. PLEASE DESCRIBE OXY'S PROPOSED MODIFICATION TO LINK C2 AND**
7 **EXPLAIN ANY CHANGES THAT WERE MADE SINCE YOUR PRIOR**
8 **TESTIMONY.**

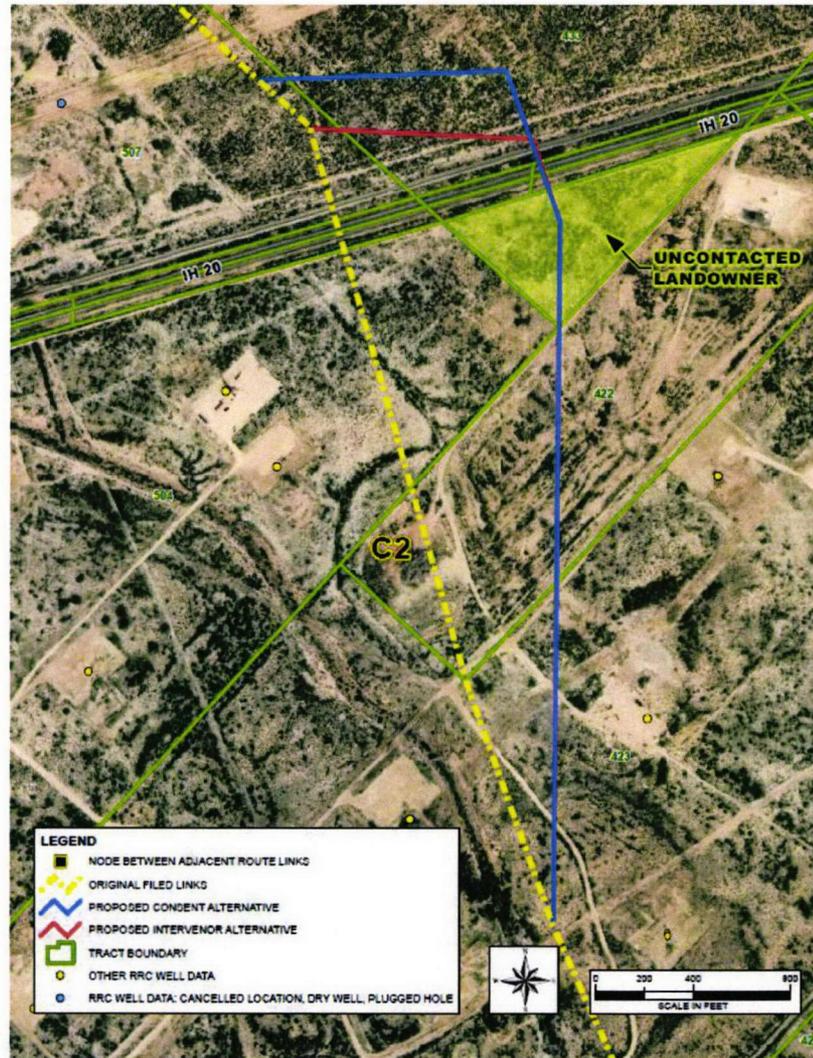
9 A. Oxy slightly changed the angle at which link C2 Modified approaches Highway I-20BL
10 ("I-20 Business") to allow sufficient space for a transmission tower to be placed in the
11 vicinity of that highway and an adjacent railroad track. Figure AM-11 shows proposed
12 link C2 in yellow, Oxy's prior modification in red, and Oxy's updated modification in blue:

13

⁵ Exhibit AM-4 to my testimony is a .KMZ file that shows Oxy's updated proposed modifications to links C2, E1/F1, F3/G4/G51/I2, and J1/J7, as well as Concho's proposed modification to link K11.

1

Figure AM-11: Oxy’s Updated Modification to Link C2



2

3 **Q. WHAT IS THE SIGNIFICANCE OF THE GREEN AREA MARKED**
4 **“UNCONTACTED LANDOWNER” ON FIGURE AM-11?**

5 **A.** The green area marked “Uncontacted Landowner” indicates a parcel that did not receive
6 notice of the CCN application. Oxy has the contact information for the owner of that parcel
7 and is in the process of working to obtain a route modification consent agreement.

8

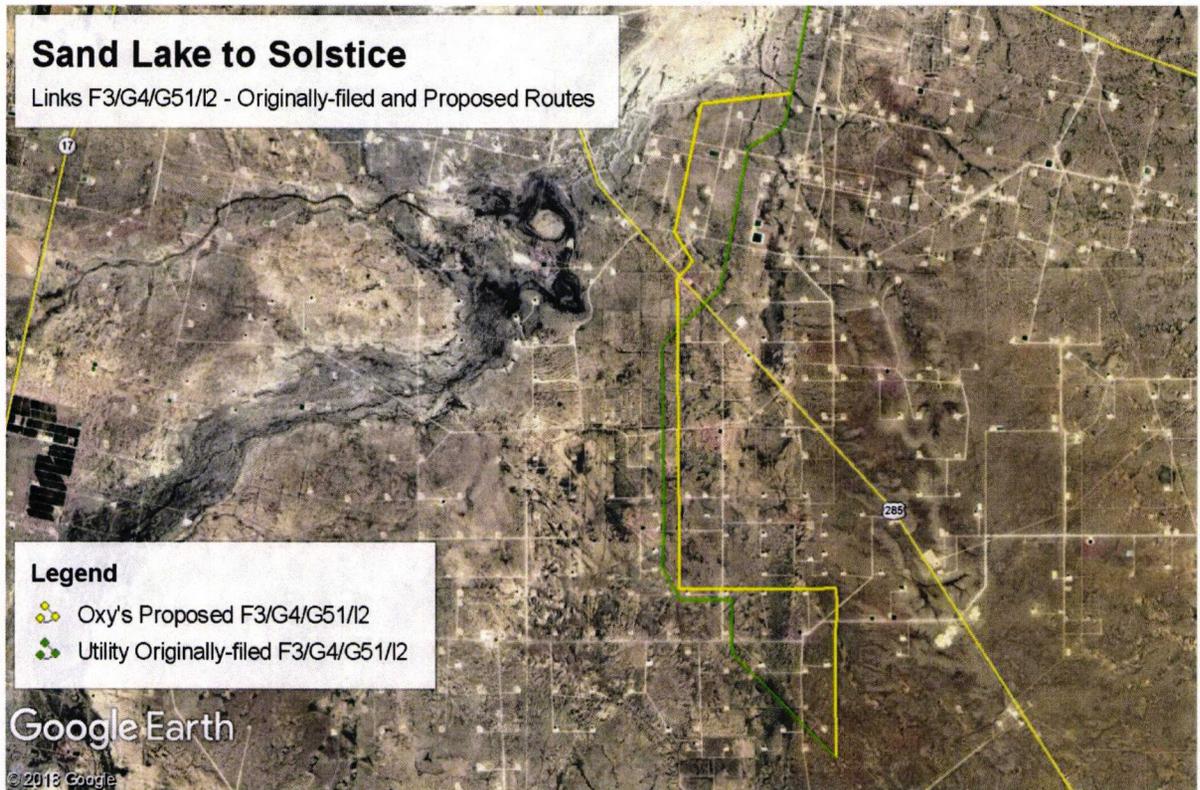
9

1 **B. OXY'S PROPOSED MODIFICATION TO LINKS F3/G4/G51/I2**

2 **Q. PLEASE DESCRIBE OXY'S PROPOSED MODIFICATION TO LINKS**
3 **F3/G4/G51/I2 AND EXPLAIN ANY CHANGES THAT WERE MADE SINCE**
4 **YOUR PRIOR TESTIMONY.**

5 A. Oxy and Concho developed mutually agreeable modifications to links F3/G4/G51/I2 that
6 resolve their respective operational concerns while also maintaining safe clearances from
7 existing oil and gas infrastructure that did not appear on earlier aerial imaging. Figure AM-
8 12 shows the as-filed versions of links F3/G4/G51/I2 in green and Oxy's updated links
9 F3/G4/G51/I2 Modified in yellow:

10 **Figure AM-12: Oxy's Updated Modification to Links F3/G4/G51/I2**

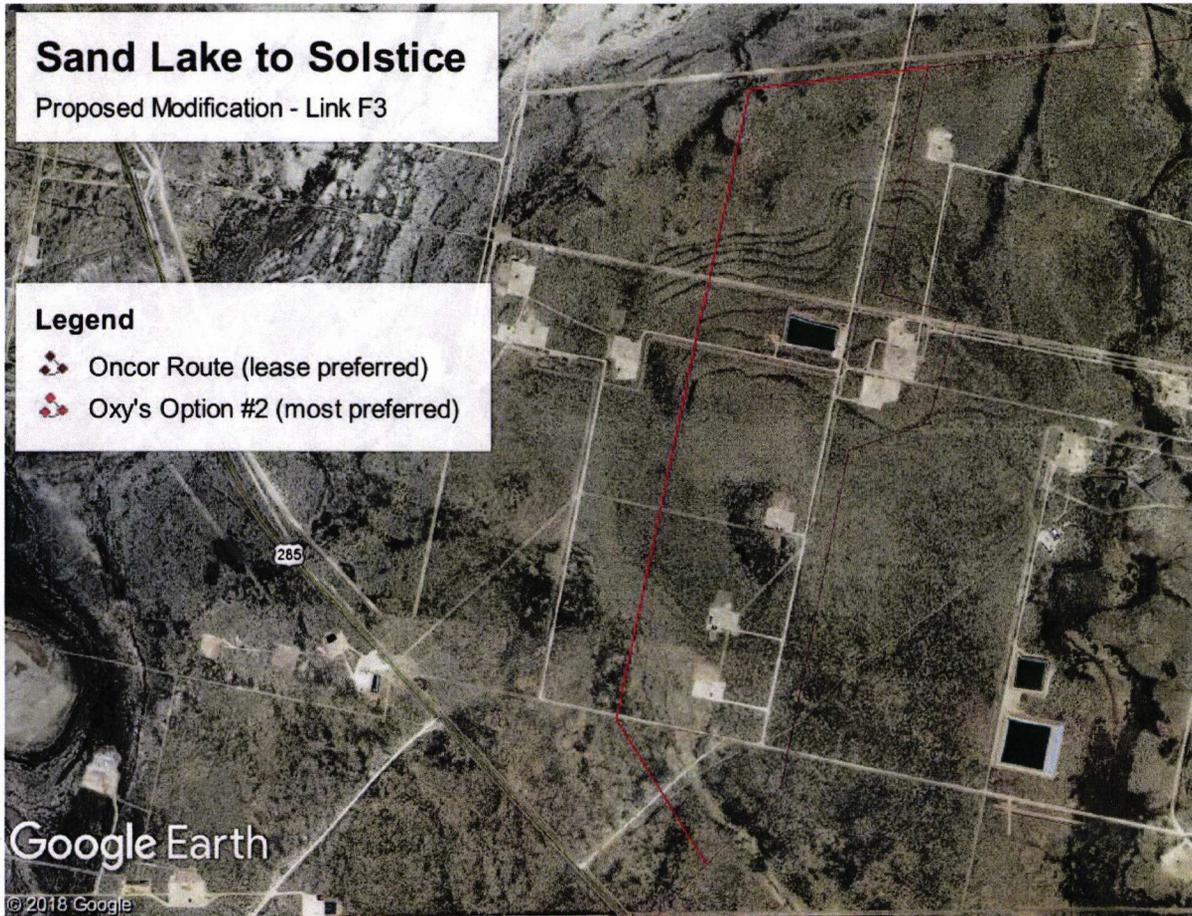


11
12 **Q. HAVE THE UTILITIES HAD AN OPPORTUNITY TO REVIEW AND**
13 **COMMENT ON OXY AND CONCHO'S AGREED MODIFICATION TO LINKS**
14 **F3/G4/G51/I2?**

15 A. Not all of it. Due to the difficulties associated with routing this line down the central
16 corridor, Oxy and Concho continued to negotiate a mutually agreeable modification on link

1 F3 throughout the weekend before cross-rebuttal testimony was due. There was not
2 sufficient time before the testimony deadline for the utilities to comment on that change.
3 Figure AM-13 shows Oxy and Concho's agreed modification to link F3 in bright red,⁶
4 compared to the last version that the utilities were able to review in dark red.⁷

5 **FIGURE AM-13: OXY AND CONCHO'S AGREED MODIFICATION TO LINK F3**



6
7
8

⁶ The bright red “Oxy’s Option #2” modification in Figure AM-13 is incorporated into the agreed links F3/G4/G51/I2 modification shown in Figure AM-12.

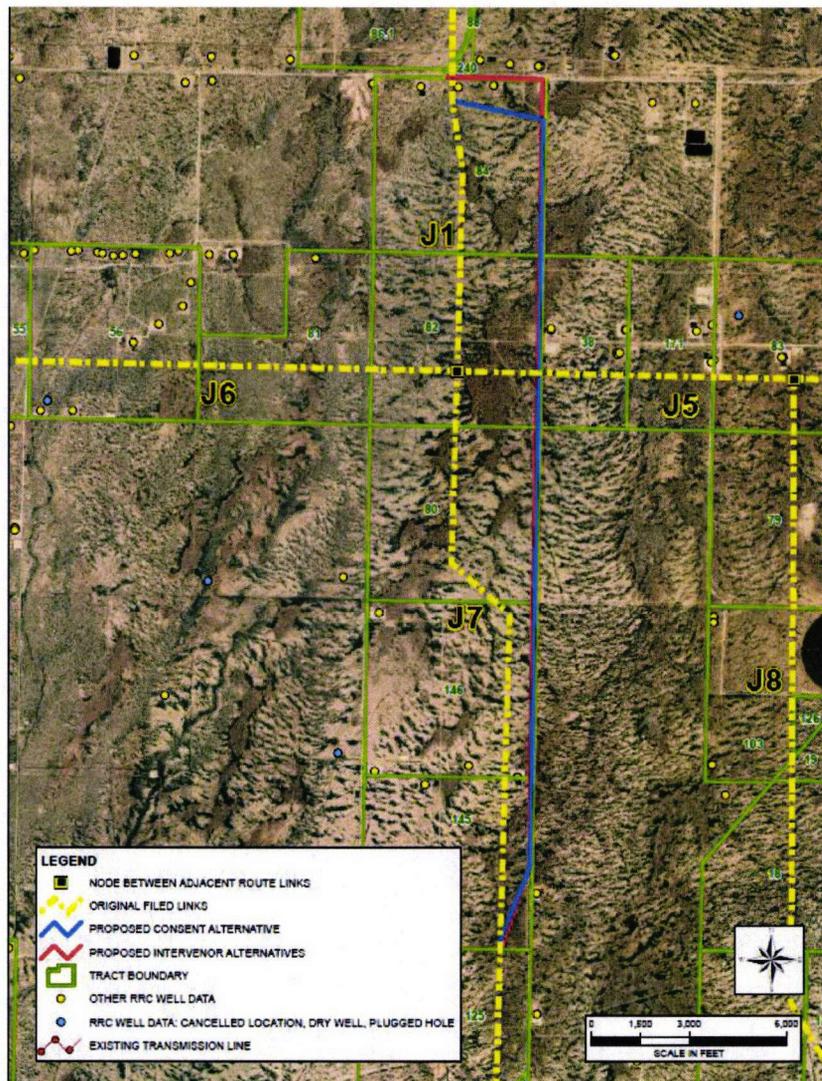
⁷ For clarity, Oxy prefers the bright red “Oxy’s Option #2” modification to link F3 over the dark red “Oncor Route,” and prefers either of those modifications over link F3 as filed.

1 C. OXY'S PROPOSED MODIFICATION TO LINKS J1/J7

2 Q. PLEASE DESCRIBE OXY'S PROPOSED MODIFICATION TO LINKS J1/J7 AND
3 EXPLAIN ANY CHANGES THAT WERE MADE SINCE YOUR PRIOR
4 TESTIMONY.

5 A. Oxy and Concho developed mutually agreeable modifications to links J1/J7 that resolve
6 their respective operational concerns while also maintaining safe clearances from existing
7 oil and gas infrastructure which did not appear on earlier aerial imaging. Figure AM-14
8 shows the proposed links in yellow, Oxy's prior modification in red, and Oxy's updated
9 modification in blue:

10 **Figure AM-14: Oxy's Updated Modification to Links J1/J7**



11

1 **D. OXY’S PROPOSED MODIFICATION TO LINK D1**

2 **Q. HAS OXY DEVELOPED AN UPDATED MODIFICATION FOR LINK D1?**

3 A. Oxy has not yet been able to develop an updated modification for link D1. Updated aerial
4 imaging revealed that Oxy’s earlier proposed modification to link D1 passed within an
5 unsafe distance of now-existing oil and gas infrastructure. Oxy attempted to develop an
6 alternative modification proposal, but was unable to identify a workable modification that
7 was less impactful to Oxy’s operations than the proposed link before the deadline for cross-
8 rebuttal testimony.

9 **Q. ABSENT A WORKABLE MODIFICATION PROPOSAL FOR LINK D1, WHAT**
10 **IS OXY’S POSITION WITH RESPECT TO THAT LINK?**

11 A. Oxy is willing to accept link D1 as proposed if the Commission adopts route 325 Modified.
12 Even though proposed link D1 would interfere with Oxy’s operations in its Birds of Prey
13 production area,⁸ Oxy is willing to accept those impacts if doing so is necessary to shift
14 this line away from its more extensive and densely-packed operations in the Barilla Draw
15 production area, which would be bisected by any of the routes that use the central
16 corridor—including routes 41 and 320.⁹

17 **E. OXY’S PROPOSED MODIFICATION TO LINKS E1/F1**

18 **Q. HAS OXY MADE ANY CHANGES TO ITS PROPOSED MODIFICATION TO**
19 **LINKS E1/F1?**

20 A. No. Oxy continues to support the proposed modification to links E1/F1 that I discussed in
21 my direct testimony.

22 **F. CONCHO’S PROPOSED MODIFICATIONS TO LINKS D31 AND K11**

23 **Q. WHAT IS OXY’S POSITION WITH RESPECT TO CONCHO’S PROPOSED**
24 **MODIFICATION TO LINK K11?**

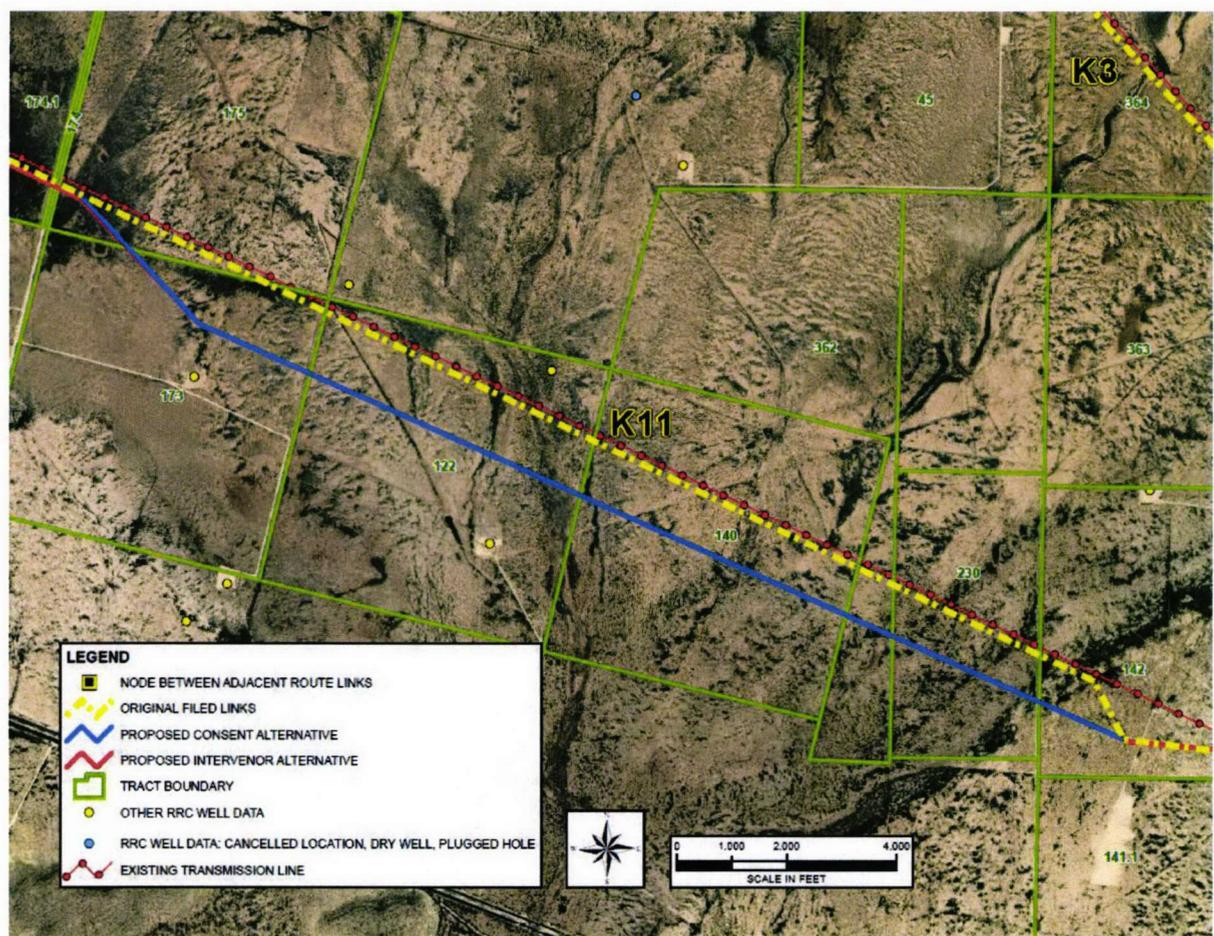
25 Oxy supports Concho’s proposed modification to link K11, which is described in detail in
26 Concho’s cross-rebuttal testimony and shown below as the blue line on Figure AM-15. It

⁸ See Mendoza Sand Lake to Solstice Dir. at 17-18.

⁹ See *id.* at 10-12.

1 is my understanding that that modification is necessary to ensure that Route 325 Modified
2 does not interfere with Concho's existing oil and gas infrastructure and ongoing
3 development activities.

4 **Figure AM-15: Concho's Proposed Modification to Link K11**



5
6 **Q. WHAT IS OXY'S POSITION WITH RESPECT TO CONCHO'S PROPOSED**
7 **MODIFICATION TO LINK D31?**

8 **A.** Oxy does not take a position with respect to Concho's proposed modification to link D31.

9

1 **III. SUMMARY OF OXY’S ROUTING PREFERENCES**

2 **Q. PLEASE DESCRIBE OXY’S PREFERENCES FOR ROUTING THE PROPOSED**
3 **TRANSMISSION LINE.**

4 A. Oxy would prefer that the Commission select route 325 Modified.¹⁰ That route, which is
5 supported by both Oxy and Concho, avoids the bulk of the oil and gas development in the
6 study area by following the less-developed western corridor. Oxy believes that it could
7 effectively mitigate most of the impacts of route 325 Modified on its operations if the
8 Commission were to adopt relatively minor modifications along link C2 and links E1/F1.
9 Additionally, it is my understanding that Concho will be able to mitigate the impact of
10 route 325 Modified on its operations if the Commission modifies link K11. Even with
11 those modifications, route 325 Modified would still affect Oxy’s operations along four
12 different links,¹¹ and most significantly, would impede Oxy’s operations in its Birds of
13 Prey production area along link D1. However, even without a modification on link D1,
14 Oxy supports route 325 Modified because it would avoid the central corridor, where
15 construction and operation of a transmission line would have the most severe impact on
16 Oxy’s oil and gas operations and development.

17 Oxy would prefer that the Commission avoid the central corridor that is used by the
18 utilities’ recommended route 320 and Commission Staff’s preferred route 41. Oxy could
19 only agree to a transmission line along routes 41 or 320 if the Commission adopts Oxy’s
20 updated proposed modifications along link C2, links F3/G4/G51/I2, and links J1/J7.¹²
21 While those routes would still snake through the middle of Oxy’s densely packed
22 operations in the center of the study area, Oxy has determined that the updated

¹⁰ Route 325 Modified would use the following links: A-B2-B3-C2 Modified-D1 -E1/F1 Modified-I1-K11 Modified-K12-L2-Z.

¹¹ Regardless of whether Oxy’s proposed modifications are adopted, Route 325 would affect Oxy along links C2, D1, E1, and F1.

¹² If the Commission were to adopt Oxy’s updated proposed modifications to links C2, F3/G4/G51/I2 (in place of any combination of links between F3 and I2/I3), and J1/J7, Oxy could agree to any of routes 18, 41, 297, or 320.

1 modifications discussed above will allow it to mitigate the impact of this line on its
2 operations.

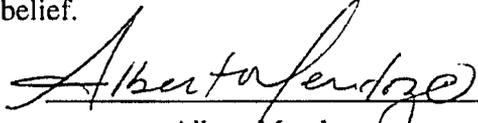
3 **IV. CONCLUSION**

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

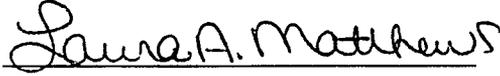
5 A. Yes, it does.

3. I make this Affidavit in support of my testimony on behalf of Occidental Permian Ltd., Oxy Delaware Basin, LLC, Oxy USA, Inc., Oxy USA WTP LP, Houndstooth Resources, LLC, and Occidental West Texas Overthrust, Inc. Attached hereto and made a part hereof for all purposes is my Cross-Rebuttal Testimony and Exhibits, which have been prepared in written form for introduction into evidence in Consolidated PUC Docket No. 48785.

4. I hereby swear and affirm that my answers contained in the testimony are true and correct to the best of my knowledge, information and belief.


Albert Mendoza

SUBSCRIBED AND SWORN TO before me by Albert Mendoza, Manager, Energy for Occidental Energy Ventures LLC ("OEV"), an affiliate of Occidental Permian Ltd., Oxy Delaware Basin, LLC, Oxy USA, Inc., Oxy USA WTP LP, Houndstooth Resources, LLC, and Occidental West Texas Overthrust, Inc., this 4th day of February, 2019.


Notary Public

My commission expires: October 28, 2020

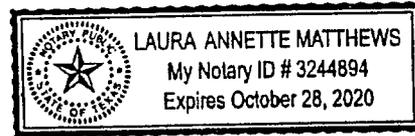


EXHIBIT AM-4

.KMZ File Showing Proposed Modifications to Links C2, E1/F1, F3/G4/G51/I2, J1/J7, and K11 [CD Attached]

