Receiving Operator Water Reuse Plan

WXP Energy Rocky Mountain, LLC and Caerus Piceance, LLC

April 30, 2016

surface line, Caerus will assume all regulatory responsibility, custody and control of the water. (See Exhibit A attached maps for additional detail on the Custody Transfer Point). . Caerus will indemnify, defend and hold harmless WPX from any demand, loss, liability, judgment, damage, cost and expense resulting from claims, causes of action related to the connection of the Caerus temporary surface line and the delivery and transfer of water at the Custody Transfer Point upon the water entering the Caerus surface line.

From the Custody Transfer Point, Caerus will pump water via a temporary surface line to the Caerus Mesa P2 797 Pad (Facility ID 335017, located in Sec 2, T7S-R97W, Garfield County, Colorado) where the water will be beneficially reused for well completions at the site listed below.

a. Mesa P2 797 Pad (Facility ID 335017 Sec 2, T7S-R97W, Garfield County, CO)

Receipt

Caerus' receiving activities will consist of the following:

Receipt of water from Starkey Production Pit (Facility Name 14-28-696, Facility ID 414554, located in Sec 28, T6S-R96W, Garfield County, Colorado) via an existing 12" line to the Custody Transfer Point. Caerus will assume responsibility of the water once it enters the riser connecting WPX's buried water line to Caerus' surface water line.

The volumes of fluid to be received will be up to 44,000 bbls/day; actual received volumes will be metered at the Custody Transfer Point at coordinates 39.476128, -108.179479.

Caerus will maintain records with the following information:

- Changes to the approved plan;
- Applicable training requirements for Caerus and its contractors (lock out/ tag out, job hazard analysis at the transfer location, etc.);
- Types and results of internal and contractor audits conducted;
- Tabulated water generator records, if required by Rule 907.b.(2) including:
    - Date of transport
    - Identity of water generator
    - Identity of water transporter
    - Location of the produced water pick up site
    - Type and Volume of water transported
    - Name and Location of receiving point
      (Transport tickets will be maintained for each load)
- Summary of spills, incidents or upsets;

Such records shall be signed by the transporter, made available for inspection by the Director of the COGCC during normal business hours, and copies thereof shall be furnished to the Director of the COGCC upon request.

Records relating to BLM leasehold (including copies of each invoice, bill, or ticket and such other records as necessary to document the requirements A through F in Rule

907.b.(2)) will be maintained for not less than six (6) years or as otherwise required by the BLM. Records relating to non-BLM leasehold (including copies of each invoice, bill, or ticket and such other records as necessary to document the requirements A through F in Rule 907.b.(2)) will be maintained for not less than five (5) years or as otherwise required by the COGCC.

Spill Response and Cleanup Measures

WPX's collection facilities are covered under a Spill Prevention Control and Countermeasure Plan (SPCC).

Caerus' receiving points are also covered under a SPCC plan.

Analytical Data

An analysis representative of the water to be transferred to Caerus will be included as Attachment A following preliminary approval by COGCC.

Operator Contact Information

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Summary

Origination of water – WPX's Garfield county drilling and completion activities

Destination of water – Caerus Mesa P2 797 Pad (Facility ID 335017 Sec 2, T7S-R97W, Garfield County, CO)

Water Transportation – All water transported to Caerus will be piped via existing WPX pipeline used by WPX to the Custody Transfer Point upon which Caerus will pump water via Caerus surface line.

Estimated volume of water transferred – up to 44,000 bbls/day, for up to 90 days, with the possibility for extension via sundry notice.

The transporting operator shall implement the following:

- APPROVAL OF THIS PLAN IS CONTINGENT UPON ANALYTICAL LABORATORY RESULTS FOR REPRESENTATIVE SAMPLES OF WPX WATER FROM LOCATION ID: 414554. RESULTS SHALL BE SUBMITTED TO THE COGCC WITHIN 45 DAYS OF APPROVAL OF THIS PLAN. STANDARD EPA ANALYTICAL LABORATORY ANALYSIS SHALL INCLUDE:
    - VOLATILE ORGANIC COMPOUNDS EPA METHOD 624 (GC/MS)
    - SEMI-VOLATILE ORGANIC COMPOUNDS EPA METHOD 625 (GC/MS)
    - DISSOLVED METALS EPA METHOD 200.7 (ICP)
    - DISSOLVED INORGANICS (NON-METALS) EPA METHOD 300.0 (IC)
        - Br,Cl,F,Nitrate/Nitrite, Sulfate
    - GENERAL WATER QUALITY PARAMETERS
        - SPECIFIC CONDUCTANCE EPA METHOD 300.0 (IC)
        - HARDNESS EPA METHOD 130.1
        - TOTAL DISSOLVED SOLIDS EPA METHOD 160.1
        - pH EPA METHOD 150.2
- OPERATOR MUST IMPLEMENT BEST MANAGEMENT PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS, INCLUDING ANY FLUIDS CONVEYED VIA TEMPORARY SURFACE PIPELINES.
- TERMINATION OF ACITIVITES: BOTH CAERUS AND WPX SHALL NOTIFY THE COGCC VIA SUNDRY 30 DAYS PRIOR TO THE EFFECTIVE DATE OF THE TERMINATION OF ACTIVITIES.
- CAERUS AND WPX WILL EACH SEPERATELY SUBMIT AN ANNUAL REPORT TO THE COGCC SUMMARIZING THE TRANSFER OF PRODUCTION WATER (BOTH AS TRANSFER AND RECEIVING OPERATOR) DURING THE CALENDAR YEAR. THE ANNUAL REPORT SHALL BE SUBMITTED ON OR BEFORE THE ANNIVERSAY OF THE FIRST DATE OF TRANSFER. IN ADDITION, FOR PRODUCTION WATER ORIGINATING FROM WELLS COMPLETED ON FEDERAL OIL AND GAS LEASES, THE SUPPLIER/SHIPPER WILL PREPARE AND SUBMIT AN ANNUAL REPORT AS REQUIRED BY THE BLM FOR THE PREVIOUS YEAR'S TRANSFERS.

END OF DOCUMENT