



Crestone Peak Resources Operating LLC

Water Plan – Shelton CPR-25 Pad

The following information is intended to summarize water usage during operations on the Operator's Shelton CPR-25 Pad. The information presented herein have been forecast using the best available information and may be subject to change prior to or during operations as a result of variables beyond Operator's control.

Water Sourcing

- Water will be sourced and withdrawn from a canal below Milton Reservoir.
- Location of Withdrawal
 - Latitude: 40.275597 / Longitude: -104.623437°
 - Legal Description: NENE of Sec 35, T4N R65W

Transportation of Water

- Operator will utilize lay-flat waterline from the source to the Shelton CPR-25 Pad
- Lay-flat waterline is temporary and laid across the land surface; the line is secured via staking or similar methods at fixed distances throughout its traverse.

Water Usage – Estimated

- Total Volume of Water Needed – 3.63 million bbls
 - Surface Water – 3.63 million bbls
 - Groundwater - none
- Water Used by Operational Phase
 - Drilling – 32,000 bbls (2,000 bbls/well x 16 wells)
 - Completions – 3.6 million bbls (225k bbls/well x 16 wells)

Contract to Purchase Water

- Operator has a contract to purchase water at the above-captioned location from the following water provider:
 - Farmers Reservoir and Irrigation Company (FRICO)
 - 80 S 27th Ave,
Brighton, CO 80601
 - Attn: Scott Edgar, General Manager
 - (303)659-7373

Potential Use of Recycled or Reused Water ("Graywater")

Although contemplated, the use of Graywater is not feasible at the Shelton CPR-25 Pad. There are a number of variables precluding the use of Graywater at this location including but not limited to the following:

- Lack of a reliable Graywater source(s) proximal to the Oil & Gas Location for in the quantities and intervals needed to sustain operations
- Transportation of Graywater will require a significant amount of truck traffic that has been eliminated through the use of freshwater and lay-flat waterline. Transport of water via truck with a carrying capacity of 150 bbls results in more than 47,000 one-way trips (i.e., source to location) to meet the operation demand for water.
- On-site storage and treatment of Graywater will require additional disturbance area dedicated for Graywater handling. Relative to the proposed location, an increase in the disturbance footprint (e.g., bigger Oil & Gas Location) would be required.