



WATER PLAN

CPX Piceance Holdings, LLC (CPX) owns and operates Tepee Park Ranch (TPR) in Garfield County, Colorado. CPX has prepared this Water Plan for its proposed Temporary Water Support Pad 25B on TPR. The sections below correspond to Colorado Oil & Gas Conservation Commission (COGCC) Rule 304.c.(18) to prepare a Water Plan consistent with Rule 437, Rule 905.a.(3), and Hydraulic Fracturing Chemical Additives guidance (May 11, 2021).

1.0 Site Description

CPX owns and operates TPR, predominantly for the exploration and production of natural gas. An existing Well Pad 25A is located in the SW ¼ SE ¼ Section 25, Township 7 South, Range 94 West. CPX submitted a permit application to COGCC for the continued development of Well Pad 25A with an additional 34 natural gas wells and conversion of an existing drilled but uncompleted well for use as a Class II Underground Injection Control (UIC) well.

Pad 25B will provide a location for temporary water storage during well development on TPR. The pad will not contain wells. The location for Pad 25B is listed in Table 1.

Table 1. Pad 25B Location

Legal Description	Location Coordinates	County
SW ¼ SE ¼, Section 25, Township 7 South, Range 94 West	Latitude: 39.404901 Longitude: -107.831352	Garfield

Two types of water are planned for storage:

- (1) recycled produced water to use during well completions; and
- (2) water from well completions to be used for subsequent well completions or stored for disposal in the proposed UIC well on Well Pad 25A.

2.0 Freshwater Volume and Source

2.1 Volume

The estimated fresh water use is 1,500 bbls. Freshwater will be used for dust suppression during construction of Pad 25B and the portions of the access road that will be rerouted immediately north and south of Pad 25B.

2.2 Source

CPX will purchase fresh water from Loesch and Crann Ditch Company under a private contract. The water is surface water from a diversion point on Last Chance Ditch. The source is listed in Table 2. Water will be hauled by truck from a third-party transport company.

Table 2. Fresh Water Source

Source	Owner	Diversion		County	Water Source	Method
		Latitude/ Longitude	Name			
Last Chance Ditch	Loesch and Crann Ditch Company	39.530896 -107.713397	Mamm Creek Takeout	Garfield	Irrigation Ditch Surface Water	Third-party Truck

In accordance with COGCC Rule 304.c.(18).B., the seller’s name and address are listed below.

Loesch and Crann Ditch Company
 PO Box 365
 Rifle, 81650 CO

Trucks will use the following haul route:

- West on 7th St. and south on Garden Lane in Rifle
- West on County Road (CR) 320 (Rifle-Rulison Road) for approximately 3 miles
- South on CR 317 for approximately 5.5 miles
- South on Forest Service Road 824 (FS 824) for approximately 2.75 miles.
- South on private Tepee Park Ranch Road for approximately 0.60 miles

3.0 Recycled Produced Water Volume and Source

3.1 Volume

During completions, approximately 75 percent of the water will be recycled produced water from a third-party operator (1,275,000 bbls). Approximately 25 percent of the water will be water from completions on Well Pad 25A to be used for subsequent completions (425,000 bbls). Volumes are shown in Table 3.

Table 3. Estimated Recycled Produced Water (bbls)

	Per Well	Total ¹
Recycled Produced Water	50,000	1,275,000
Water from Well Completions		425,000
Total		1,700,000
Storage capacity on Pad 25B		150,000 ²

¹Volume calculations are based on a representative 34 wells.

²Storage volumes are controlled by SIMOPs and UIC injection on Well Pad 25A.

3.2 Source

Recycled produced water will be sourced from Terra Energy Partner’s (TEP’s) Beaver Creek Pit at the location in Table 4.

Table 4. Recycled Produced Water Source

Source Name	Location ID	Owner	Latitude/ Longitude
Beaver Creek Pit	432702	TEP Rocky Mountain LLC (Operator #96850)	39.4593 / -107.82296

CPX will submit a produced water sharing agreement for COGCC approval at least 60 days in advance of implementing the water sharing plan, in accordance with Rule 905.c.(5).

Recycled produced water from the Beaver Creek Pit will be treated with biocides, a 10-micron filter, and with residence time in the TEP storage pond to reduce volatile organic compounds. In conformance with Rule 437.a, CPX will not add additives listed in Table 437-1 to recycled produced water.

Recycled produced water will be transported from the Beaver Creek Pit to CPX’s existing Pad 2 Tanks. The Pad 2 Tanks (Location ID 455779) are in the SW ¼ SE ¼ Section 13, Township 7 South, Range 94 West, near the intersection of CR 317 and FS 824. Water will be transported using an 8-inch diameter polyethylene surface line. CPX will evaluate the option to use a buried 5-inch flexpipe flowline if possible and feasible.

At Pad 2, water will be transported to Pad 25B using CPX’s existing buried 8-inch-diameter flexsteel water pipeline.

Recycled produced water will be stored on Pad 25B using modular large volume tanks (MLVTs) inside of a lined, synthetic, 4-foot-high muscle wall secondary containment area. An estimated 10 to 15 10,000-bbl or

15,000-bbl tanks are proposed. Water will be transferred from the tanks for well completions using a 4-inch steel surface line.

Water from well completions will pass through a 4-phase separator, low pressure vessel, and produced water tanks with vapor controls. After flowing through a 10-micron filter, water will be pumped to Pad 25B using a 4-inch steel surface line. Water will be stored on Pad 25B in MLVTs at atmospheric pressure.

Operations are shown on the Process Flow Diagram, Related Location and Flowline Map, and Other Location and Flowlines figure submitted with the Form 2A application.

A representative sample of background concentrations from existing Well Pad 25A produced water is shown in Table 5. CPX commits to providing background concentrations of chemicals listed in Table 437-1 via Form 4 Sundry.

Table 5. Background Concentrations from Well Pad 25A Produced Water

Analyte	Background Concentrations (mg/L)
TPH High Fraction	559
TPH Low Fraction	396
Benzene	35.3
Toluene	400
Ethylbenzene	74.0
Xylene	684
Naphthalene	ND
1,3,5-Trimethylbenzene	261
1,2,4-Trimethylbenzene	332

Sample collected January 25, 2022.

4.0 E&P Waste Management

CPX management of E&P waste under Rule 905.a is listed in Table 6.

Table 6. Compliance with Rule 905.a.(3)

Rule 905.a.(3).A.	Flowback and produced water will be recycled and reused during well completions.
Rule 905.a.(3).B.	Volumes and uses are described above.
Rule 905.a.(3).C.	Recycled produced water will be treated with biocides, a 10-micron filter, and residence time. Water from well completions will be processed in a 4-phase separator, tanks with vapor control, and a 10-micron filter.
Rule 905.a.(3).D.	CPX will not add additives listed in Table 437-1 to produced water. CPX will test for chemicals listed in Table 437-1, which have a standard in Table 915-1, to determine background concentrations of produced water.
Rule 905.a.(3).E.	Any excess recycled produced water and water from well completions will be disposed of at CPX's proposed UIC Well on Well Pad 25A. As a contingency, CPX may use a third-party disposal facility, such as Greenleaf Environmental Services or Nexo Merchant Plant I.
Rule 905.a.(3).G.	CPX will use recycled produced water and water from well completions during well drilling.
Rule 905.a.(3).I.	Water will be transported as described in Sections 2.0 and 3.0.