

Water Plan – Wade 8-59 17 Pad

The following information is intended to summarize water usage during operations on the Operator's Wade 8-59 17 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 from a series of groundwater wells that are collected in a small storage pond.
- Location of Withdrawal
 - Latitude: 40.68661 / Longitude: -104.17516
 - Legal Description: E2SW4 of Sec 2, T8N R61W

Transportation of Water

- Operator will utilize lay-flat waterline from the source to the Wade 8-59 17 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 – 5.98 million bbls
 - Surface Water – none
 - Groundwater – 5.98 million bbls
- Water Used by Operational Phase
 - Drilling – 14,000 bbls (2,000 bbls/well x 7 wells)
 - Completions – 5.98 million bbls (855k bbls/well x 7 wells)

Contract to Purchase Water

- Operator has a contract to purchase water at the above-captioned location from the following water provider:
- Taproot Energy Partners
555 17th Street, Suite 800
Denver, CO 80202
- Dale Hunt, VP of Engineering
903.736.8592
dhunt@taprootep.com

Potential Use of Recycled or Reused Water (“Graywater”)

Although contemplated, the use of Graywater is not feasible at the Wade 8-59 17 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 40,000 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.