



WATER PLAN

Denali State 5N67W13 1-23 (DJ Basin / Evans, CO)

The purpose of this Water Plan is to provide the specific information regarding the water source and volume of water that will be used during drilling and completion operations on the Denali State 5N67W13 1-23 pad. The Water Plan is described in detail below in accordance with COGCC Rule 304.c.(18) and Rule 223.a.

Water Volume (Estimated)

PDC intends to source approximately 4,140,000 bbls of surface water for Completions and approximately 31,000 bbls of surface water for Drilling.

Water Source Location

The planned water source is located in the [REDACTED]

PDC has a contract to purchase water from [REDACTED].

Per the Colorado Division of Water Resources requirements, all surface and ground water coordinates, contact information, approximate amount of water, weekly reports, etc. will be provided to and inspected by the State Water Commissioner in the presiding Water District prior to PDC operations.

Use of Recycled or Reused Water

PDC does not anticipate to use recycled or reused water in the drilling or completions process.

PDC currently transfers fresh water via temporary aboveground waterlines or existing permanent freshwater pipeline infrastructures for completions. Recycled water facilities require larger or additional surface areas for specific equipment on the facility location site and a separate site in order to conduct operations in a safe manner which will increase the disturbance footprint. These facilities can create a potential source of odors and emissions. Furthermore, recycled water from an off-site facility cannot be transferred to location via temporary aboveground waterlines or permanent pipeline infrastructures and requires either installation of poly pipeline that increases the disturbance footprint and extends the timeframe of operations for installation and proper removal or significant amount of trucking operations.

Due to the proximity of the Denali State 5N67W13 1-23 pad to surrounding residential buildings, use of public county roads, populated area, nearby midstream facilities, etc., PDC does not find this location viable to use recycled or reused water at this time.