

Water Plan

Red Rocks Oil and Gas Development Plan Amendment 2

This Water Plan has been prepared by Desert Eagle Operating, LLC (DEO) for Red Rocks Oil and Gas Development Plan (OGDP) – Amendment 2 in Las Animas County, Colorado. Amendment 2 consists of five proposed conventional vertical helium gas wells. The Plan addresses the Energy & Carbon Management Commission (ECMC) requirement at Rule 304.c.(18) to prepare a Water Plan and the water sourcing criteria in the rules. The five proposed locations are listed in Table 1.

Table 1. Locations

Location	Qtr Qtr	Section/Township/Range	Lat/Lon
Red Rocks 1-09	SE¼NE¼	Section 1, T30S R55W	37.460372, -103.517227
Red Rocks 1-15	NW¼NE¼	Section 1, T30S R55W	37.465009, -103.522500
Red Rocks 35-01	SE¼SE¼	Section 35, T29S R55W	37.467959, -103.537764
Red Rocks 35-08A	NE¼SE¼	Section 35, T29S R55W	37.473477, -103.536136
Red Rocks 35-10	SW¼NE¼	Section 35, T29S R55W	37.475925, -103.541431

1.0 Planned Source, Volume, and Coordinates

The single well at each location will be a conventional vertical helium gas well, approximately 1,900 feet deep. The well will be drilled using air. Water for cementing and dust suppression will be sourced from groundwater. The estimated volume will be 250 bbl of water per well, or 1,250 bbl total. The coordinates for the planned source of water are:

37.474157
-103.536369

Lat 37° 28' 26.9646" / Lon -103° 32' 10.9278"

2.0 Seller's Name and Address

Water will be sourced from the landowners listed below.

Tom and Kimberly Dahlberg
11805 Prestwick Rd.
Belvidere, Illinois 61008

3.0 Recycled or Reused Water

The Oil and Gas Locations are in a remote area in Las Animas County. Recycled or reused water will not be available for this location. There are no industrial facilities or oil and gas operations available to provide recycled or reused water.

4.0 Fresh Water

Fresh water will be sourced from the landowners' groundwater well via a stock tank. Water will be loaded as it is needed into a water truck with a 100-bbl tank. The water truck will transport the water to the location. The water truck will remain available at the location for the approximately 10 days needed for well drilling and completion. The water truck will be monitored for leakage during that time. Then, the water truck will be removed from the location and returned to its base.