LAREDO PETROLEUM

Recycling and Conservation

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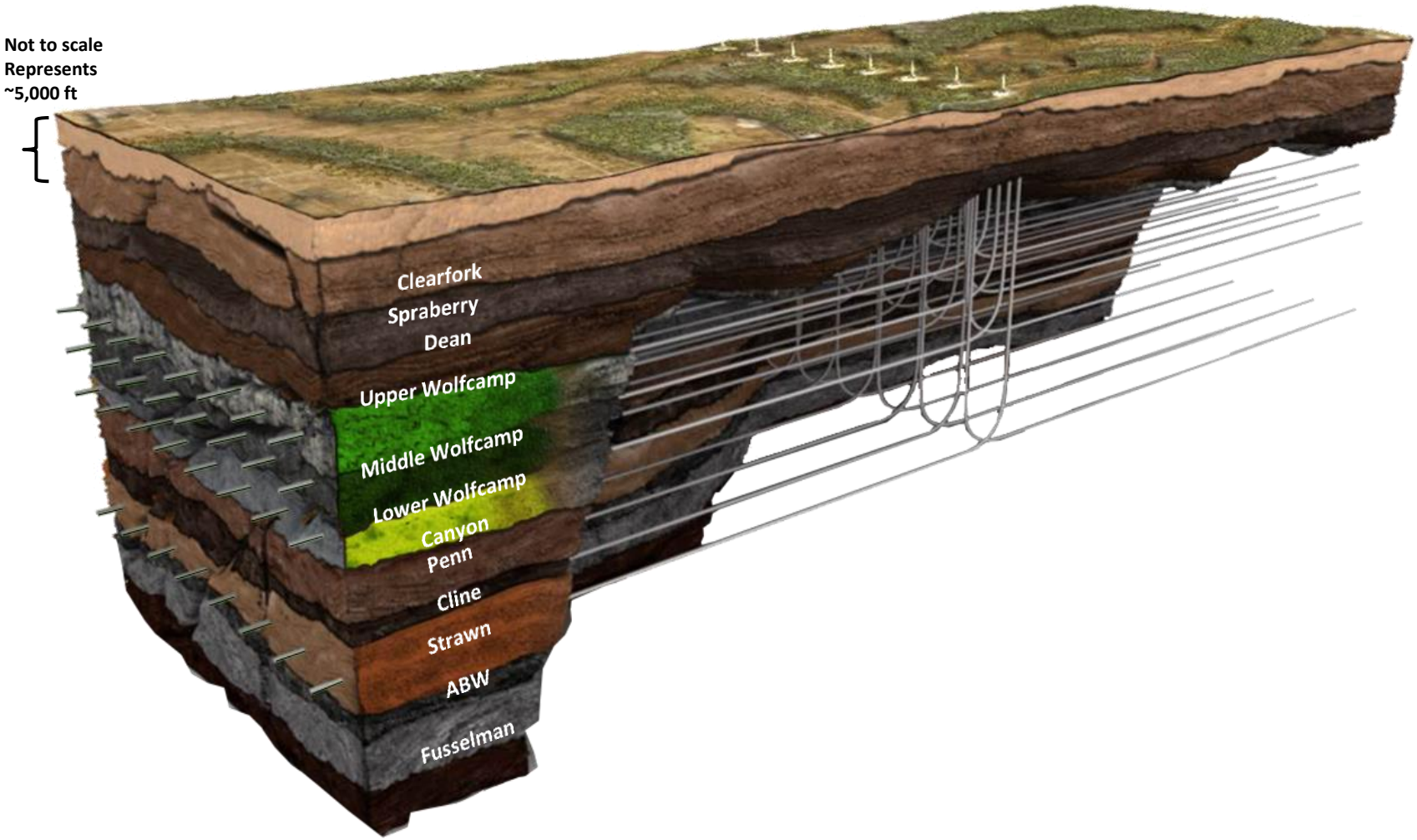
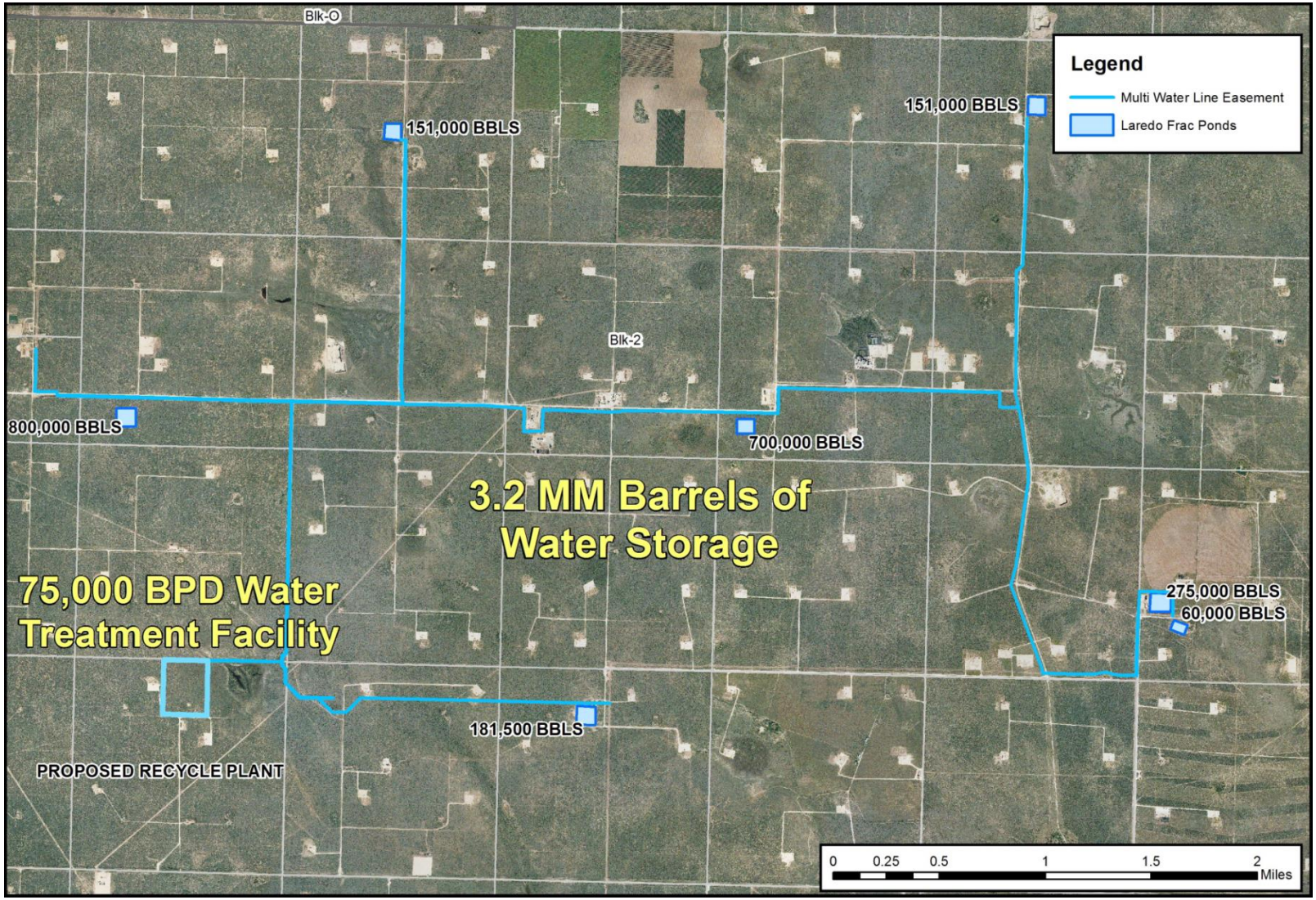
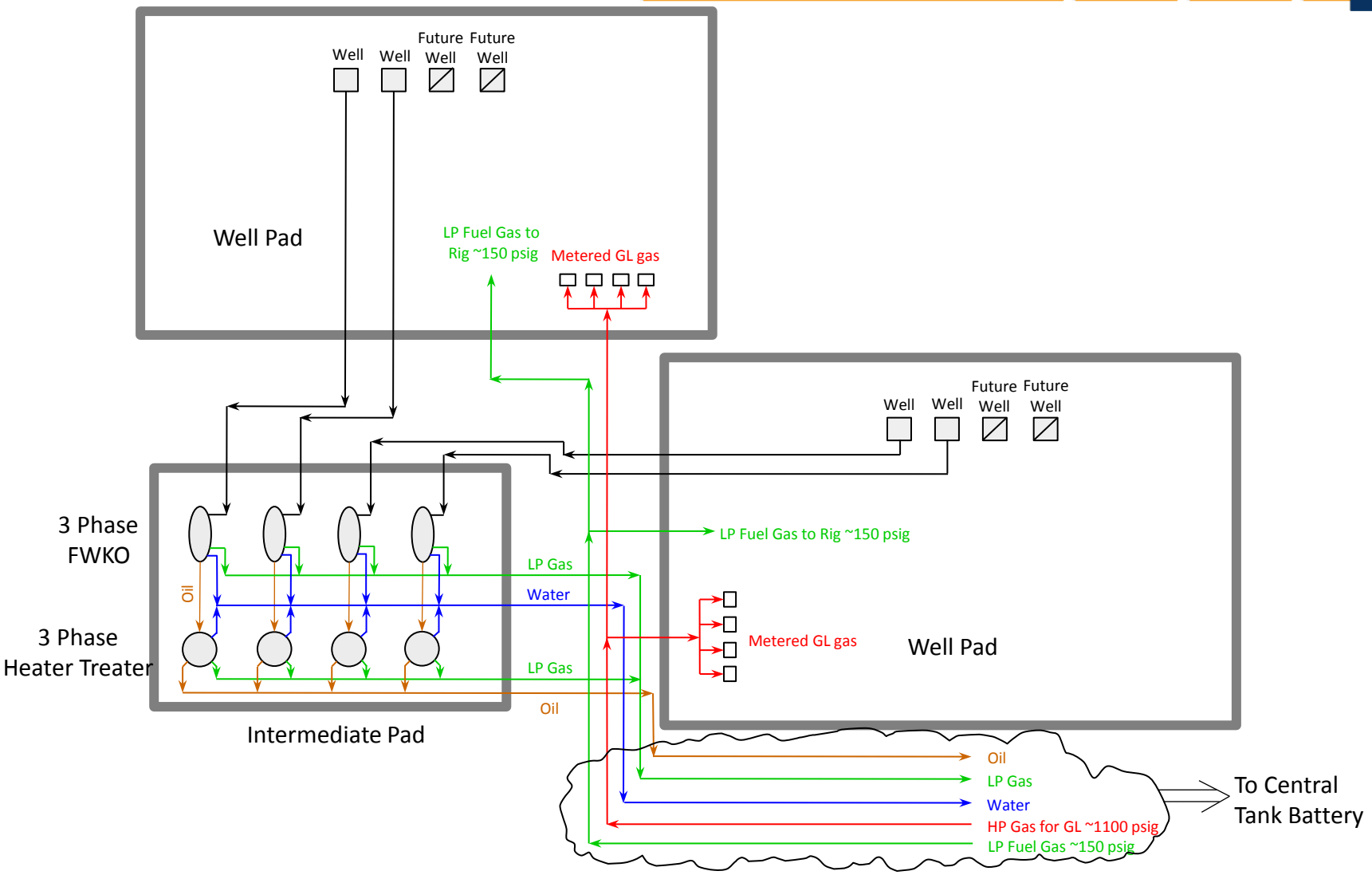
Stratigraphic Display of 4 Stack Development



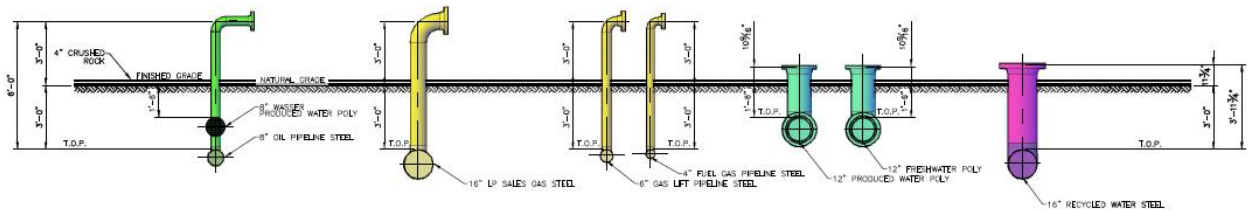
Integrated Water Resources/Facility



4 Stack Pad and Facility Layout



Typical Production Corridor



Low Pressure Gas Sales

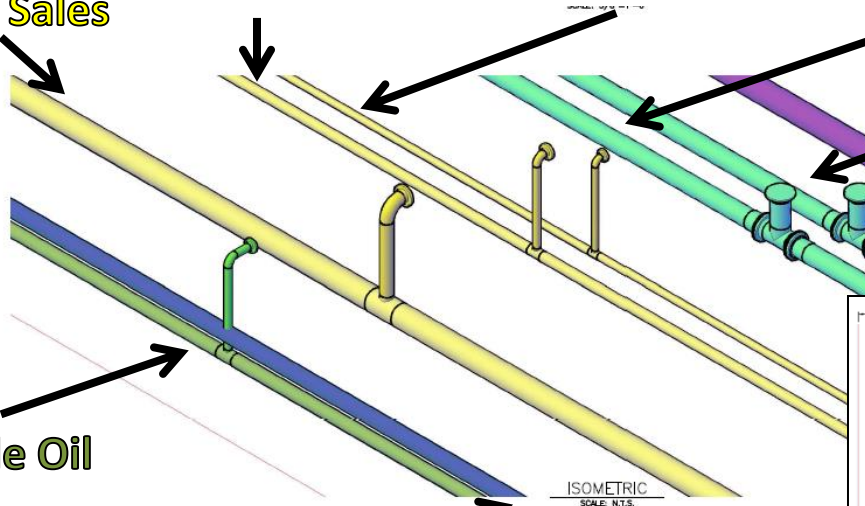
Gas Lift

Rig Fuel Gas

Flowback Water

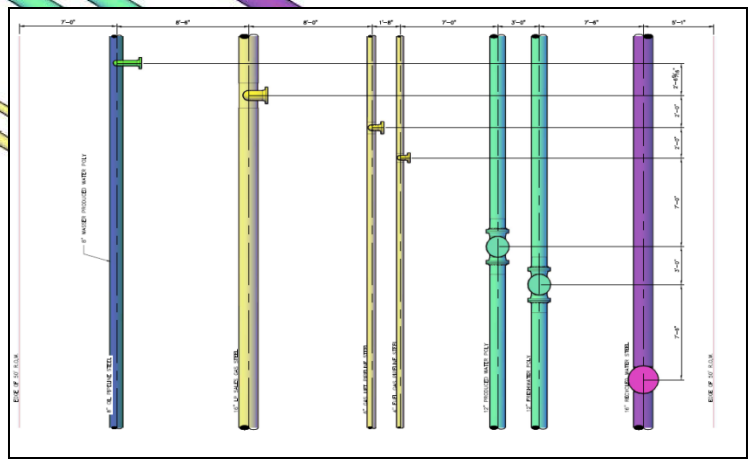
Fresh Water

Recycled Water



Crude Oil

Produced Water

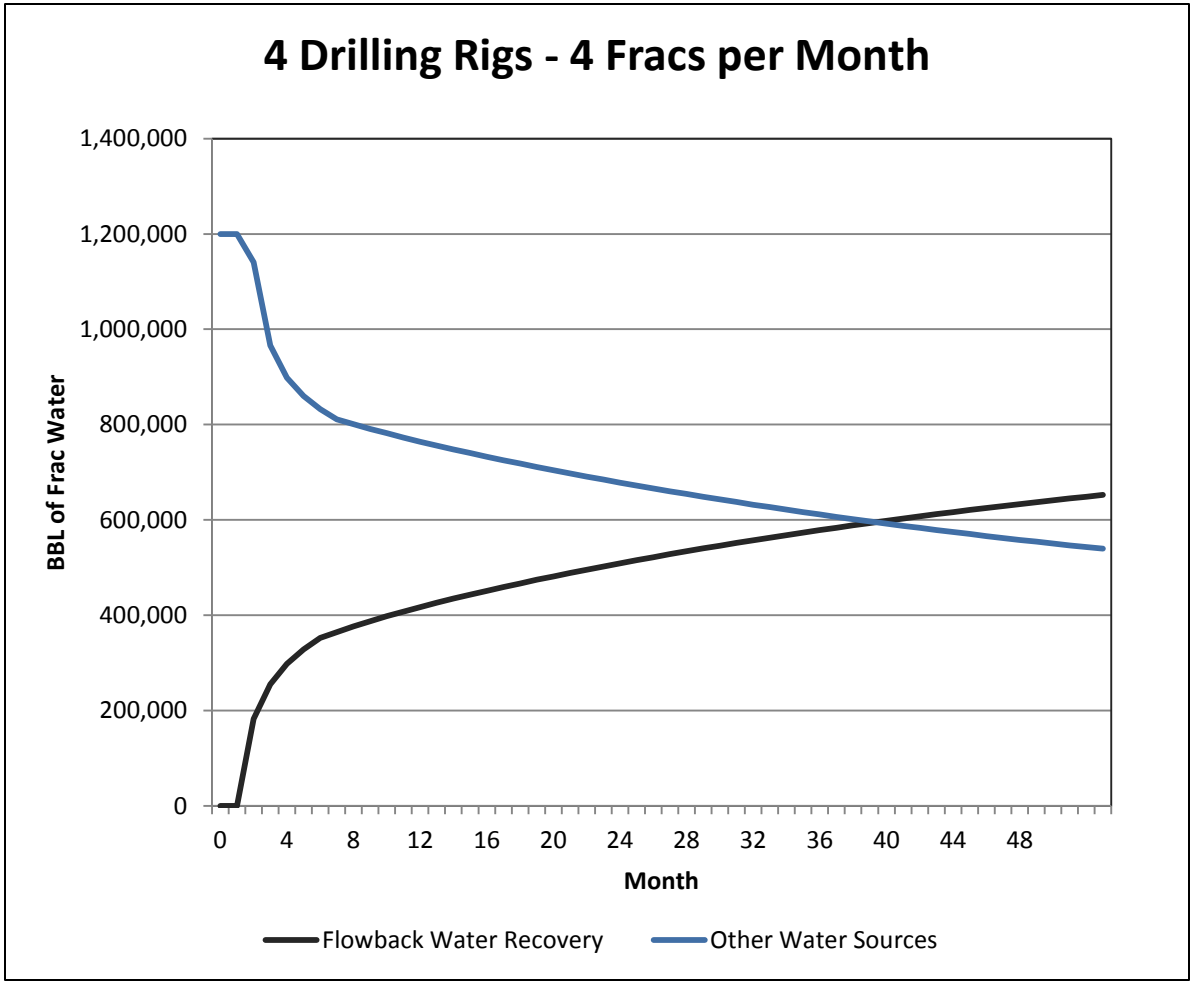


Water Resource Requirements for 4 Stack, 4 Rig Development Corridor

- **Average Frac Rate (per well): 100 bbl/min**
- **Total Water Used (per well): 300,000 bbl**
- **Average Drill Time (per well): 25-30 days**
  - **7500’ Laterals**
- **1 Rig for 4 Stack Lateral Water Usage:**

  1.2 MM bbl/month/pad

Recycle Water Availability



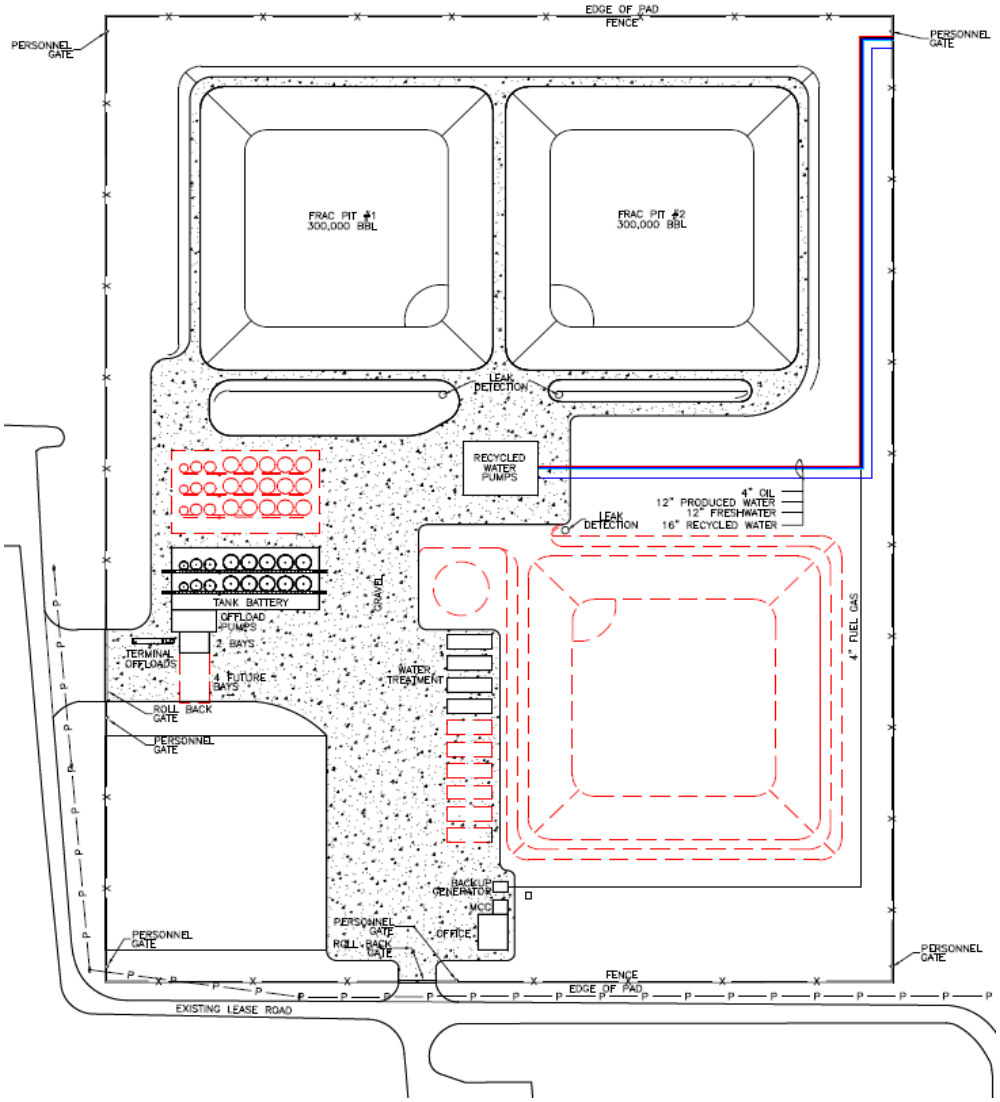
Water Sources:

- Brackish Waters
- Flowback water
- Produced Water
- Fresh Water

GOAL:

A 50% reduction of fresh water usage by 4Q 2016.

Recycle Plant Treatment Facility



75,000 BPD at Capacity

- 34 Acres
- 75,000 BPD via 12” pipeline and truck unloading
- 825 HP pumping capability
- Qty. 3 – 300,000 bbl double lined pits with leak detection
- SCADA connected
- Water treating to slick water frac standards

Closing Thoughts

Laredo is striving towards the goal of 100% use of flowback and produced water for drilling and completing operations.

To achieve a sustainable water supply system to support exploration and production efforts, water resources must be viewed in an integrated fashion, including

- Development of water pipelines in production corridors
- Connection of multiple high volume frac pits across large production areas
- Recycle facility connectivity to production corridors
- Development of non-potable water resources