



## NEWSLETTER

SEPTEMBER 2018

### SERVICES WE OFFER

#### PRODUCED WATER RECYCLE

Integrated solutions for your fixed based operations (FBO) or take it mobile with our small footprint recycle trailers.

#### FRAC-ON-THE-FLY

Mobile Trailer  
Remote & Real-Time Monitoring  
Small Footprint  
Safe Chemicals

#### REAL-TIME MONITORING

We offer our client monitoring technologies in real-time, precise & scalable.

#### DEWATERING SERVICES

Avoid paying for water transportation & disposal, by having one of our units installed at your facility.

#### WATER TRANSFER

Our experienced team leaders design a plan to efficiently position the hose, manifolds, pumps & road crossings.

#### SALT WATER DISPOSAL

Agua Recycling is developing SWD facilities with recycling located strategically throughout the Permian Basin.

## AGUA RECYCLING INITIATES NEW MASTER SERVICE AGREEMENTS!

Agua Recycling Solutions (ARS) has completed agreements with four significant oil companies as of August of 2018. The following Master Service Agreements (MSAs) are all with operators that have active drilling schedules in the Permian's Delaware Basin:

**WPXENERGY.** WPX Energy (<http://www.wpxenergy.com/>)

WPX is a \$10 billion energy producer based in Tulsa, Oklahoma, that employs approximately 600 people. WPX's core positions are in the Permian and Williston basins. Total production is approximately 80% oil/liquids and 20% natural gas. WPX also has an emerging infrastructure portfolio in the Permian Basin.

**LUXE ENERGY** LUXE Energy LLC (<https://www.luxeenergy.com/>)

LUXE Energy LLC is an oil and gas company based in Austin, Texas. The company was formed on April 30, 2015 and its strategy is to acquire unconventional oil properties in liquid rich basins throughout the United States. As of January 2018, the Austin-based company has successfully closed an upsize in total combined available capital commitment to \$820 million, with the funds coming from co-investors and the existing commitment from Natural Gas Partners through its NGP Natural Resources XI LP. The additional capital means Luxe is back in the Permian Basin, buying mineral and royalty interests through Luxe Minerals LLC and buying E&P properties through Luxe Energy LLC.



BlueStone Natural Resources, LLC (<http://bluestone-nr.com/>)

BlueStone is a private, upstream oil and natural gas acquisition and development company headquartered in Tulsa Oklahoma. BlueStone’s 160 employees and more than 500 industry partners contribute to a business with more than 2,000 operations, plus active wells in the Permian Basin.

*In July, Agua Recycling Solutions Mobile Unit completed a successful 325,000 bbl Disinfection Treatment using Peroxymax for BlueStone.*



**Figure 1. ARS Mobile Unit at BlueStone’s 325,000 bbl July water treatment job.**



Admiral Permian Resources, LLC (<https://www.admiralpermian.com/>)

APR Operating LLC ("APR") is a privately held exploration and production company focused on the acquisition and development of oil and gas properties in the Permian Basin. Their strategy is to use leading edge technologies to identify and develop oil rich resource properties. APR’s experienced management team has a proven track record in the oil and gas industry, predominantly in the Permian Basin, and is focused on maximizing value. Admiral is headquartered in Midland, Texas with offices in Austin, Texas. Admiral Permian Resources is majority owned by funds managed by the Private Equity Group of Ares Management, L.P. (NYSE: ARES) and is also backed by Pine Brook and members of management.

## ANNOUNCEMENT:



Centennial Resource Development, Inc. (<http://www.cdevinc.com/>)

Centennial Resource Development, Inc., agrees in principal to drill three oil wells on Agua 4’s property in early 2019. Three wells have already been drilled by Centennial on our partner’s adjacent property.

Centennial Resource Development is an independent oil producer with assets in the core of the Delaware Basin, a sub-basin of the Permian Basin in West Texas. With approximately 80,100 net acres and 2,400 drilling locations. They are pursuing a growth strategy grounded in technical leadership, strong well results, attractive investment returns and a conservative balance sheet. Centennial is headquartered in Denver, Colorado.

*By Centennial: Three Wells Already Drilled on Our Partner’s Adjacent Property.*

[https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas\\_aguarecycling\\_com/EWTcx7XuXC5CqN5sf1woPkABNtq8ty2ptH8fRfJ1GY9i-g?e=YjAeg8](https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas_aguarecycling_com/EWTcx7XuXC5CqN5sf1woPkABNtq8ty2ptH8fRfJ1GY9i-g?e=YjAeg8)

AGUA RECYCLING SOLUTIONS

## AGUA SERVICES

An ideal SWR/SWD location should be able to serve several dozen oil wells and generate revenue from several of the service offerings including sale of freshwater, mobile water treatment, and truck washouts.



### SALE OF FRESHWATER

Freshwater in the oil and gas industry is a term used to describe water without hydrocarbons or high amounts of chemicals. Freshwater is used in the drilling and fracking processes of new oil/ gas wells. This water is typically collected from shallow underground wells or generated from the recycling process and stored in large above ground tanks for sale to oil and gas fields.

### MOBILE TREATMENT

Agua has developed the use of skids to be used onsite for both disinfection and recycling/reuse of produced water.



### TRUCK WASHOUTS

Washouts are cleaning services provided to clean the inside and outside of the large trucks used in the transportation of Produced Water. Trucks hauling Produced Water must be cleaned before hauling fresh or brine water to eliminate any contamination. The wastewater from this operation is collected and will be recycled.



A major oil company has recently drilled 3 active horizontal oil wells (2 one-mile laterals and 1 two-mile lateral well) on the adjacent/connecting 200 acres, due west of Agua's 112.57 acres. The same company has plans to drill 3 more wells (scheduled for January-February 2019) on the combined 312.57 acres).

**Agua has received a letter of interest expressing the oil companies desire to dispose of the produced water at our facility** (the first 3 wells are generating approximately 10,000 bbls./day of produced water).

## CLICK ON LINKS BELOW TO VIEW DRONE FOOTAGE AT VARIOUS JOB SITES

**NOTE: CLICK ON LINK AND THEN CLICK ON "DOWNLOAD" AT THE TOP**

### 1) AGUA Mobile Unit Disinfection Treatment at BlueStone's Freshwater Pit.

[https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas\\_aguarecycling\\_com/Edi8tQB4d3pDrS4QSmlbf-YBOwr3pYQ49nhm0qzBctEWDg?e=1Uagqz](https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas_aguarecycling_com/Edi8tQB4d3pDrS4QSmlbf-YBOwr3pYQ49nhm0qzBctEWDg?e=1Uagqz)

### 2) Chemical Pods, Freshwater Tanks, Pumps at Beginning of 3 Mile Lay Flat Line to Frac Site.

[https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas\\_aguarecycling\\_com/EXmWcbBeifJEnFk5EtmxfWUBAE586avKiDtUc\\_NPNdOxxw?e=8EGBGa](https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas_aguarecycling_com/EXmWcbBeifJEnFk5EtmxfWUBAE586avKiDtUc_NPNdOxxw?e=8EGBGa)

### 3) BlueStone Frac Site with Incoming Lay Fright Line.

[https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas\\_aguarecycling\\_com/Efu8KCvO8A5LoL49HUyG98wBC7QYY4V3CpMkZ2TYu3NeA?e=IOZRuw](https://netorgft3606560-my.sharepoint.com/:v:/g/personal/dallas_aguarecycling_com/Efu8KCvO8A5LoL49HUyG98wBC7QYY4V3CpMkZ2TYu3NeA?e=IOZRuw)

## ***THE PERMIAN BASIN – WORLD’S MOST PROLIFIC OIL PLAY***

### ***LINKS TO RECENT ARTICLES OF INTEREST:***

<http://money.cnn.com/2018/06/28/investing/permian-basin-oil-texas/index.html>

<https://www.marketplace.org/2018/04/24/world/midland-texas-booming-oil-prices-rise>

<https://www.businesswire.com/news/home/20180710005260/en/Clean-Chemistry-Announces-Partnership-Black-Bay-Energy>

<https://www.bloomberg.com/news/articles/2018-08-29/drowning-in-dirty-water-permian-seeks-a-22-billion-lifeline>

<http://news-edition.com/the-next-big-bet-in-fracking-water/>