



**WHEREAS:** Climate change is expected to exacerbate water shortages nationwide. According to a report by the Department of Energy, [“there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season.”](#)

Diamondback’s acquisition, development, exploration, and production of oil and natural gas reserves occurs exclusively within the Permian Basin. According to Barclays, “Oil and gas operators in the Permian depend on the High Plains aquifer (an underground rock formation that contains and enables the flow of groundwater) for its freshwater withdrawals. This aquifer is one of the [most important yet highly depleted aquifers](#) in the United States, which presents a challenge for operators.”

Sourcewater, a geospatial water data service, estimates that, by 2023, water use by the Permian energy industry will have grown [40x from a 2011 baseline](#). According to a November, 2019, Reuters analysis of Permian producers’ data, the average fracking job requires [40 percent more water than it did two years earlier](#).

Diamondback’s business may be disrupted if climate change further reduces water availability in areas where it operates. In its 2019 Corporate Responsibility Report, Diamondback Energy, Inc. states, “Diamondback considers water to be an essential resource and strives to use it responsibly.” Yet, the Company offers no substantive reporting on its own water practices or water risk management strategy, nor does it disclose policies related to water efficiency or targets related to water use reduction.

To reduce water risk and reduce costs, most large companies have developed water planning measures, water conservation programs, and recycling activities, and regularly identify water stress in areas of operations, among other practices. Companies like Anadarko Petroleum, ARC Resources, Devon Energy, Occidental, Total, and Enbridge, provide investors with significantly more information about their water resource management through voluntary reporting initiatives such as the CDP Water questionnaire or their own sustainability reports.

Diamondback has yet to provide adequate information to shareholders on its policies to address water risk caused by climate change.

**BE IT RESOLVED:** Shareholders request that Diamondback report to shareholders, using quantitative indicators where appropriate, any policies and practices to reduce climate-related water risk and prepare for water supply uncertainties associated with climate change.



**SUPPORTING STATEMENT:** Proponents request the report disclose, at management discretion:

- Any water scarcity planning and tools used
- Any comprehensive risk assessments conducted
- Any setting of targets to reduce water withdrawals
- Any monitoring of water resources
- Any integration of water and governance mechanisms
- Any engagement of suppliers within its water value chains
- Any compensation incentives related to water withdrawal reduction or pollution avoidance