Extract from BUSINESS Section of

Annual Report to Holders of 5.625% Senior Notes due 2025
For the Fiscal Year Ended December 31, 2018

CrownRock, L.P.
18 Desta Drive
Midland, Texas 79705
(432) 818-0300

The attached unaudited information should be read in conjunction with CrownRock, L.P.'s annual report for the fiscal year ended December 31, 2018.

CrownRock, L.P's annual report can be accessed in the Investor Information section on its website:

www.crownrocklp.com

BUSINESS

General

CrownRock, L.P., a Delaware limited partnership formed in February 2007 ("CrownRock," the "Partnership," "we," "us" and "our"), is an independent oil and natural gas partnership engaged in the acquisition, development, and exploration of oil and natural gas properties. Our assets are located in Texas, New Mexico and Utah, and our operations are primarily focused on the development of our core Permian Basin assets. We intend to grow our reserves and production through development drilling and exploration activities on our multi-year project inventory and through acquisitions or exchanges that meet our strategic and financial objectives.

Our core properties include 91,855 net acres in what we consider to be some of the best acreage in the Permian Basin of West Texas, specifically, the Midland Basin, of which 82,199 net acres are in the core Northern Midland Basin. Our other properties include acreage in different parts of the Permian Basin of West Texas and New Mexico, such as 106,611 net acres in Mitchell County in the Permian Basin's Eastern Shelf and 4,884 net acres in Andrews and Gaines Counties in the Permian Basin's Central Basin Platform, as well as acreage in the San Juan Basin of New Mexico and the Paradox Basin of Utah.

Our current, predominately blocked, acreage position in the Northern Midland Basin horizontal shale play is in the heart of what has become a highly economical world class play. We consider blocked acreage to be acreage held in contiguous leases where we can drill at least 1.5 – mile horizontal wells. Offset operators and our own early drilling have provided the information necessary to define our acreage as some of the most productive in the play. Spacing tests from other operators and our own early results have provided, and are expected to continue to provide, understanding as to how closely horizontal wells can be spaced without substantially interfering with one another. We expect that our understanding will continue to improve, new benches will continue to be defined and innovations will continue to improve well economics. The play is quickly moving toward full development in acreage surrounding us. We believe the risk of drilling dry holes in this extensive shale play is relatively low. We also believe economic risk is relatively low given continued advancements in technology and the economies of scale associated with full development.

We currently expect our capital expenditures for drilling and completion activities for 2019 to range from approximately $700 million to $850 million. Based on this expected capital expenditure program, which will be used principally for horizontal drilling, we estimate that our average total production net to our interest in 2019 will range from 55,000 Boe per day to 70,000 Boe per day. In addition to our drilling and completion capital expenditures, we estimate that we will need to spend approximately $53 million on infrastructure (such as tank batteries, gathering pipelines, water sources, salt water disposal and frac pits) during 2019 in order to support this increase in drilling activity and the resulting increase in production. Our production estimates are based on, among other things, our current planned capital expenditures and drilling program, our ability to drill and complete wells in a manner consistent with prior performance, certain drilling, completion and equipping cost assumptions and certain well performance assumptions. In addition, achieving these production estimates and maintaining the required capital expenditures and drilling activity to achieve these estimates will depend on the availability of capital, regulatory approval and the existing regulatory environment, realized commodity prices, rig and service availability, actual drilling results as well as other factors. For more detail on these risks and assumptions, see "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

We are party to an administrative support agreement with CrownQuest Operating, LLC ("CrownQuest"), an entity that is wholly owned by a member of our ultimate general partner. We have no employees, and employees of CrownQuest manage us pursuant to the administrative support agreement. Substantially all of the CrownQuest's employees' time is allocated to the operation of our properties and the provision of general and administrative services to us. CrownQuest operates approximately 98% of our net total wells in the Permian Basin, 98% of our net total wells in the San Juan Basin, and 100% of our net total wells in the Paradox Basin. CrownQuest operates 98% of our total net wells, and the wells CrownQuest operated for us provided approximately 98% of our average daily production in 2018.

Our Organizational Structure

We were organized as a Delaware limited partnership in February 2007 by affiliates of our management team and Lime Rock Partners IV, L.P., a private equity fund focused on the oil and natural gas industry ("Fund IV"). In June 2018, Lime Rock Partners IV AF, L.P., a newly-formed private equity fund focused on the oil and natural gas industry ("Lime Rock"), acquired the remaining assets formerly owned by Fund IV, including its interest in us.

On December 21, 2017, affiliates of our management team and Lime Rock formed CrownRock Holdings, L.P., a Delaware limited partnership ("Holdings"). Effective January 1, 2018, we merged with a subsidiary of Holdings, and, as a result, Holdings is now our sole limited partner and holder of 100% of our limited partnership interests. As of December 31, 2018, LR-CrownRock Holdings, L.P. (which is wholly owned by Lime Rock) owned 64.0% of the limited partnership interests in Holdings and members of our management and certain members of their families and our employees owned the remaining 36.0% limited partnership interest.

As a limited partnership, we are managed by our general partner, CrownRock GP, LLC (our "general partner"). The sole member of our general partner is Holdings, which is managed in turn by CrownRock Holdings GP, LLC (which we refer to as our "ultimate general partner"). The members of our ultimate general partner are EnerQuest Property Management, LLC ("EnerQuest") and LR-CrownRock Holdings, L.P., each of which owns a 50% interest. EnerQuest is owned by members of our management and certain members of their families.

We currently have three 100% owned subsidiaries, CrownRock Finance, Inc., Roddy Production Company, LLC ("Roddy") and Canvasback Properties, LLC ("Canvasback"). CrownRock Finance, Inc., a Delaware corporation, serves as co-issuer of the 2025 Senior Notes. CrownRock Finance, Inc. currently has, and will have, no operations, assets or liabilities other than with respect to the 2025 Senior Notes or other debt securities we may issue in the future. Roddy, a New Mexico limited liability company, owns all of our properties in the San Juan Basin in New Mexico and guarantees the 2025 Senior Notes. Canvasback is a Texas corporation organized for the purpose of constructing and owning an office building in Midland, Texas, which is the Partnership's headquarters, and two field operations offices in Martin County, Texas. Canvasback also guarantees the 2025 Senior Notes. In addition, we hold 50.7% of the equity interests in and serve as the managing member of Abajo Gas Transmission Company, LLC, a Utah limited liability company that holds a gathering system in the Paradox Basin in Utah that services our properties. We also own a 31% non-controlling interest in Silvertip Completion Services, LLC ("Silvertip"), a Delaware limited liability company engaged in completion services.

Acquisitions, Divestitures and Exchanges

Acquisitions. During 2018, 2017 and 2016, we invested $14.1 million, $15.4 million and $31.9 million, respectively, of acquisition capital to purchase proved oil and natural gas properties and undeveloped leasehold acreage in West Texas for future exploration and development activities. Included in the 2017 acquisitions, we acquired the remaining 50% working interest in a 104,408 acre lease located in the Spade Ranch area on the eastern shelf portion of the Permian Basin for $2.1 million. With the exception of the Spade Ranch acquisition in 2017, we did not acquire any acreage outside the Midland Basin during 2018, 2017 and 2016. The completed acquisitions during 2018, 2017 and 2016 have added 9,639, 2,153 and 5,318 net acres, respectively, to our Midland Basin acreage, and 1,143, 53,654 and zero net acres, respectively, to our other Permian Basin acreage.

The acquisitions during 2016 through 2018 were comprised of several separate purchases of undeveloped leasehold acreage in West Texas.

Divestitures. We regularly review our asset base to assess the market value versus holding value of existing assets, with a view to optimizing deployed capital. While we generally do not dispose of assets solely for the purpose of reducing debt or increasing cash on-hand, such dispositions can have the result of furthering our objective of increasing financial flexibility through reduced debt levels or increased cash on-hand. Our proceeds from the sale of oil and natural gas properties totaled approximately $10.1 million, $0.6 million and $1.7 million for the years ended December 31, 2018, 2017 and 2016, respectively. Our divestitures decreased our acreage by approximately 305 net acres in 2018, approximately 82 net acres in 2017, and approximately 4,063 net acres in 2016.

The divestitures during 2017 and 2016 were comprised of several separate sales of undeveloped leasehold acreage in West Texas. The single divestiture transaction during 2018 is described below.

On October 31, 2018, we sold approximately 455 gross (305 net) acres of developed and undeveloped leasehold acreage and 20 gross (4.1 net) vertical wells in Howard and Martin counties, Texas to a third party for $10.1 million. The transaction included both proved and unproved oil and natural gas properties. We recorded a gain of $7.2 million related to the unproved leasehold included in the sale.

Exchanges. If it is deemed value-adding, we enter into exchange agreements with third parties to exchange proved and unproved oil and natural gas properties as part of our strategy to consistently pursue financially viable deals to further block up our acreage and thereby enhance our horizontal well drilling inventory in the Permian Basin. We completed multiple exchange transactions during 2016 through 2018. The significant transactions during 2018 are described below. Each of these exchanges blocked up our acreage position and thereby enhanced our horizontal well inventory in the Midland Basin.

On December 20, 2018, we exchanged approximately 760 gross (705 net) acres of undeveloped leasehold acreage in Glasscock and Midland counties, Texas to a third party for approximately 1,760 gross (775 net) acres of undeveloped leasehold acreage also located in Glasscock and Midland counties, Texas. The transaction included the exchange of both proved and unproved oil and natural gas properties.

On December 14, 2018, we exchanged approximately 2,060 gross (1,820 net) acres of undeveloped leasehold acreage in Martin and Midland counties, Texas to a third party for approximately 1,600 gross (1,438 net) of undeveloped leasehold acreage in Glasscock and Midland counties, Texas. The transaction included the exchange of both proved and unproved oil and natural gas properties.

On October 9, 2018, we exchanged approximately 2,278 gross (1,838 net) acres of undeveloped leasehold acreage in Midland County, Texas to a third party for approximately 1,933 gross (1,386 net) acres of undeveloped leasehold acreage in Glasscock and Midland counties, Texas. The transaction included the exchange of unproved oil and natural gas properties.

On August 22, 2018, we exchanged approximately 2,184 gross (1,849 net) acres of undeveloped leasehold acreage in Glasscock, Martin, and Midland counties, Texas to a third party in exchange for 842 gross (806 net) acres of undeveloped leasehold acreage in Glasscock, Howard, Martin and Midland counties, Texas. The transaction included the exchange of both proved and unproved oil and natural gas properties.

On May 15, 2018, we exchanged approximately 576 gross (221 net) acres of undeveloped leasehold acreage in Midland and Reagan counties, Texas and $0.5 million in cash to a third party in exchange for 1,025 gross (221 net) acres of developed and undeveloped leasehold acreage and working interests in 6 gross (3.6 net) producing vertical wells in Martin and Howard counties, Texas. The exchange increased our working interest in existing CrownQuest-operated wells. The transaction included the exchange of both proved and unproved oil and natural gas properties.

On May 14, 2018, we exchanged approximately 668 gross (539 net) acres of developed and undeveloped leasehold acreage and working interests in 2 gross (2 net) PDP vertical wells located in Howard, Martin, Dawson and Borden counties, Texas to a third party in exchange for 564 (460 net) acres of undeveloped leasehold acreage located in Howard County, Texas. This transaction included the exchange of both proved and unproved oil and natural gas.

On May 1, 2018, we exchanged 2,156 gross (1,458 net) acres of developed and undeveloped leasehold acreage and working interests in 1 gross (0.5 net) PDP vertical well and 1 gross (0.7 net) proved non-producing vertical well located in Midland and Martin counties, Texas to a third party in exchange for 3,274 gross (1,377 net) acres of undeveloped leasehold acreage located in Martin, Howard, Glasscock, and Midland counties, Texas. This transaction included the exchange of both proved and unproved oil and natural gas properties.

Business and Properties

Our core properties are in the Northern Midland Basin of the Permian Basin of West Texas, where we intend to focus primarily on drilling horizontal targets on multiple benches. The Permian Basin of West Texas is characterized by an extensive production history, predominately oil-focused drilling targets, extensive infrastructure, wells with long reserve lives and multiple producing horizons. The Wolfberry play is a modification and extension of the Spraberry play, while the Wolfcamp and Spraberry shale play utilizes horizontal drilling in the historic Spraberry play, the majority of which is designated in the Spraberry Trend Area Field. According to the latest information available from the Energy Information Administration of the U.S. Department of Energy (the "EIA"), the Spraberry Trend Area ranks as the second largest oilfield in the United States by proved reserves and by estimated oil production. Based on the returns we have generated through our drilling to date, the number of undrilled locations in our drilling plan and our observation of the activity and results of other operators in this area, we believe the Midland Basin represents one of the premier oil and natural gas development opportunities in North America.

We have implemented and continue to refine an ongoing optimization program with the goal of maximizing value from development of our acreage position. We collect, and broadly distribute among our technical staff, data on well and completion design, well spacing, and well performance. We encourage active and cross-disciplinary communication and strive to consistently adjust our operations based on observed data.

We believe that this process is a significant reason the 2018 horizontal wells substantially outperformed 2017 horizontal wells. The average 90-day cumulative oil production for the 52 horizontal wells completed during 2018 was approximately 47% higher than the same measure for the 39 horizontal wells completed during 2017. This resulted in average daily production for the year ended December 31, 2018 of 42,148 Boe per day compared to our 2018 production guidance range of 35,000 to 42,000 Boe per day. The low end of this range was established giving more weight to 2017 well results. The high end of the range was based on improved production results that we hoped to see from operational improvements planned for 2018 wells, particularly in adjustments we intended to make in artificial lift. We have exceeded the range at the end of 2018 because the 2018 wells outperformed our expectation for improved results.

We estimate our total net production in 2019 will range from 55,000 Boe per day to 70,000 Boe per day. We are currently running two fracture stimulation fleets and expect to add a third in June. Our target is to average approximately four to six drilled uncompleted wells ("DUC's") per drilling rig. This allows for an adequate DUC inventory to efficiently utilize our dedicated frac fleets while reducing the time from drilling to first production. In anticipation of adding a third frac fleet, we are building our DUC inventory from the lower end of the target range in the last half of 2018 to the higher end of the range in 2019. Accordingly, we expect production to be closer to the bottom end of the guidance range for the first half of 2019 and then trend toward the top end of the range in the second half of 2019.

Although the locations represented in both the 2017 and 2018 drilling program have limited geographic spread and, in each case, represent a small sample size of our total location count, we believe that each program is reasonably representative of our location inventory.

In addition to these optimization efforts, we are attempting to manage the optimal spacing for each bench in each area. Our focus is on discovering the approach that causes what we call the "last well in" – that is, the last incremental well in a spacing design – to meet a minimum return threshold. For example, if we move from seven wells across a section to eight in a given bench, we want to estimate the per-well economic impact of adding the eighth well and ensure that the incremental economics of the eighth well meets our economic minimum.

We try to continually assess the degradation of bounded wells (horizontal wells with direct offsets on both sides) compared to unbounded wells. Well performance of locations within a pad varies considerably with well spacing. As we accumulate well data through our own drilling as well as through trading data with other companies, we assess the "last well in" economics, seeking to optimize the total value of our inventory of locations.

We currently target as an economic minimum for the "last well in" to meet a threshold of a 1.2 to 1.3 discounted return on investment (DROI). We compute the numerator of this ratio by estimating the future present value of the expected revenues and expenses from producing the incremental reserves added by the "last well in," discounted to the present at a rate of ten percent. We apply a price deck within a range of consensus price estimates, including the NYMEX strip price, analyst pricing and input from economists and industry experts. For the denominator, we use the estimated well drilling and completion cost. We look at other measures as well, but we use this measure as a threshold, believing that it reflects both the time value of money as well as the total well profit over time. We believe that projects that meet this return threshold provide excellent economic returns and are additive to our stated objective to create asset value.

From October 2007 through December 2014, we primarily focused on drilling vertical wells in the Midland Basin. In January 2015, we initiated our horizontal program, with our first horizontal well coming on line in March 2015. We spent much of 2016 and the beginning of 2017 preparing to accelerate our horizontal activity. This included identifying potential horizontal drilling locations plus identifying optimum spacing between wells, including interval spacing between zones or benches. In 2017, we drilled spacing tests, with wells drilled on interwell spacing ranging from 306 feet to 783 feet (average of 472 feet) and vertical bench separation as tight as 130 feet. We believe our horizontal well inventory will be developed most efficiently through full section development, which is the practice of drilling multiple wellbores in a section and completing the wellbores after the multiple wellbores have been drilled.

During 2017, we increased horizontal drilling, and drilled approximately 60% more horizontal wells as compared to 2016. Also during 2017, we continued to engineer our optimal spacing development program, which resulted in a build-up of an inventory of drilled but uncompleted wells in order to concurrently complete wells in each spacing unit block. During 2018, we continued our acceleration of our horizontal drilling, mainly drilling multi-well pads with interwell spacing ranging from 312 feet to 690 feet (average of 493 feet). We drilled approximately 27% more horizontal wells as compared to 2017. From January 2015 through December 31, 2018, we have drilled or were drilling 153 gross horizontal wells in the Midland Basin, eight of which were drilled in 2015, 27 of which were drilled in 2016, 52 of which were drilled in 2017 and 66 of which were drilled in 2018. Also, during the same period, we have drilled four gross horizontal wells in the area targeting zones other than the Wolfcamp and Spraberry shale play.

Our horizontal drilling results and the drilling results by operators offset to our acreage have led us to further assess our horizontal drilling inventory and expand our horizontal development plan. Our total production of oil and natural gas in 2018 of 15.4 MMBoe has increased significantly compared to our production during 2017 of 9.2 MMBoe. We believe we will continue to experience significant production growth as we implement our horizontal drilling plan through 2019 and in coming years, increase the number of horizontal rigs we are running and increase the percentage of our horizontal wells that are completed and producing.

As of December 31, 2018, on our Permian Basin, acreage we have drilled or are drilling 157 gross horizontal wells, excluding wells in which we sold our interest. We are currently running six horizontal rigs, the seventh of which will be added in April 2019. We plan to run an average of approximately 6.75 horizontal drilling rigs and spend approximately $668 million to drill approximately 107 gross (97 net) and complete approximately 102 gross (91 net) horizontal wells during 2019. We plan to add two additional horizontal drilling rigs in 2019, one each in April and December. By December 2019, we expect to be running eight horizontal drilling rigs. This increase in drilling and completion activity will require increased capital expenditures for drilling and completion but is also expected to lead to significant production growth. See "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

Summary of Core Operating Areas and Other Plays

The following table represents a summary of our net producing wells, our proved developed reserves and total proved reserves, and our net acreage, each as of December 31, 2018.

	Net Producing Wells		Estimated		Estimated Proved	Net Acreage		2018 Average
		Natural	Proved Reserves		Developed Reserves	Developed	Undeveloped	Daily Production
	Oil	Gas	(Mboe)	% Oil	(Mboe)	Acres	Acres	(Boe per Day)
Midland Basin	673.3	82.4	436,613.2	61.4	134,032.8	64,092	27,764	41,705.9
Other Permian	20.1	-	245.5	48.5	245.5	5,921	110,456	201.8
San Juan	7.0	33.6	1,822.5	6.7	1,822.5	268	-	220.4
Paradox	-	1.2	82.5	0.5	82.5	202	1,490	19.9
Total	700.4	117.2	438,763.7	61.2	136,183.3	70,483	139,710	42,148.0