



FOR IMMEDIATE RELEASE

Stakeholder Midstream Announces FID on a Second Treating and Processing Train at its Campo Viejo Facility in the Northwest Shelf of the Permian

- *Project will double the capacity of the Campo Viejo facility, including modifications that will enhance the capabilities of its carbon capture equipment*
- *The expanded facility will further increase support for the growing volumes of natural gas from operators drilling horizontal oil wells targeting the San Andres formation of Yoakum County, Texas and Lea County, New Mexico (the "Horizontal San Andres")*
- *Project will provide significant environmental benefits by reducing methane flaring and increasing the amount of CO₂ that is captured and sequestered*

SAN ANTONIO – November 1, 2022 – [Stakeholder Midstream, LLC](#) ("Stakeholder") announced today a final investment decision ("FID") on the installation of a second treating and processing train ("Train II") at its Campo Viejo facility. The installation of Train II will double the current inlet gas capacity from approximately 80 million cubic feet per day (80MMcfd) to approximately 160MMcfd.

Stakeholder's Campo Viejo Train II will support the continued development of the Horizontal San Andres in Yoakum County, Texas, Lea County, New Mexico, and other surrounding counties. Train II will include front-end liquid handling, an amine treater, a cryogenic processing plant, a nitrogen rejection unit and additional sequestration compression. In anticipation of reaching FID, Stakeholder began ordering long-lead equipment items in late summer 2022 and plans to commission Train II by January of 2024.

In addition to adding incremental treating and processing capacity, the installation and commissioning of Train II will also provide immediate, tangible environmental benefits. The additional capacity and redundancies created by Train II will further reduce methane emissions and result in additional volumes of CO₂ being captured and permanently sequestered in Stakeholder's Pozo Acido well, which recently received approval from the U.S. Environmental Protection Agency for its MRV (Monitoring, Reporting and Verification) Plan.

The San Andres is one of the oldest and most prolific formations in the United States. Producers began to breathe new life into the play through horizontal drilling and modern completion

techniques in 2014 and 2015, buoyed by compelling economics that compare favorably to all other North American basins. Since then, well results in the San Andres have continued to improve, and oil and gas volumes have significantly increased as producers refine the way that they drill, complete and operate these wells. Stakeholder originally partnered with its producer customers in 2017 by implementing a crude oil gathering system that has reduced crude oil truck traffic by removing over 200,000 truckloads from local roads and highways, replacing them with a safer and environmentally conscious solution to transport crude oil to market. In order to mitigate growing methane and carbon emissions in the region, Stakeholder further collaborated with its producer customers to commission the original natural gas treating and processing train at its Campo Viejo facility in 2019. Train II was necessitated by the strong results and continued development of the Horizontal San Andres.

Customer Perspective

“Our priority is to be good stewards of the resources and opportunities that we manage by delivering our produced gas to downstream markets. We are excited about our continued partnership with Stakeholder and the additional capacity and redundancy that will be afforded by Train II,” said Lance Taylor, CEO of Steward Energy, a private exploration and production company with more than 100,000 acres in the Permian Basin in Texas and New Mexico. “We continue to deliver improved well results across the Horizontal San Andres that leads to this further partnership between Steward and Stakeholder. Our teams have worked tirelessly together to maximize returns while minimizing our collective environmental impact, so we’re excited to continue to grow together.”

CEO Perspective

“The thing that has been the most rewarding is working with like-minded producers who are focused on the environment and continue to drive ever improving well results,” said Gaylon Gray, Co-CEO of Stakeholder Midstream. “We are excited to be able to expand our system capabilities to better meet their needs and to further our efforts towards reducing our carbon intensity.”

About Stakeholder Midstream, LLC

Based in San Antonio and founded in 2015, Stakeholder Midstream is an independent midstream company serving oil and gas producers operating throughout North America. Stakeholder’s vision of success is built on fostering strong, long-term relationships with all constituents. Stakeholder cultivates these relationships based on trust, accountability and fairness to ensure that all stakeholders are heard, valued and served. Capabilities include in-field natural gas gathering, compression, treating and processing services; innovative NGL solutions; crude oil gathering, transportation, and storage; and carbon capture and sequestration services. Stakeholder is backed by growth capital commitments from EnCap Flatrock Midstream. Please visit www.stakeholdermidstream.com for additional information.

About EnCap Flatrock Midstream

EnCap Flatrock Midstream provides value-added growth capital to proven management teams focused on midstream infrastructure opportunities across North America. The firm was formed in 2008 by a partnership between EnCap Investments L.P. and Flatrock Energy Advisors, LLC. Based in San Antonio with offices in Oklahoma City and Houston, the firm manages investment commitments of nearly \$9 billion from a broad group of prestigious institutional investors. EnCap Flatrock Midstream is currently making commitments to new management teams from EFM Fund IV, a \$3.25 billion fund. For more information, please visit www.efmidstream.com.

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