



FOR IMMEDIATE RELEASE

## **Piñon Midstream Increases Delaware Basin Sour Gas Treating Capacity by ~50% and Obtains Critical NSR Permit to Continue Expansions**

HOUSTON – May 22, 2024 – **Piñon Midstream, LLC** (“**Piñon**”) is pleased to announce the commissioning of its third 450-GPM amine treating unit (“**Amine Train III**”), which is now in service at its sour natural gas treating and carbon capture facility, the Dark Horse Treating Facility (“**Dark Horse**”), located in Lea County, New Mexico. In addition, Piñon has received a critical New Source Review (“**NSR**”) air permit, which enables the execution of additional capital expansion projects at Dark Horse, including construction of Amine Trains IV, V and VI, as well as two cryogenic processing plants.

### **Dark Horse Treating Facility and Carbon Capture Update**

On May 8, 2024, Piñon successfully placed Amine Train III in-service at the Dark Horse Treating Facility, increasing the sour natural gas treating capacity of the facility by 50% to ~270 MMcf/d. The Dark Horse Treating Facility includes a total of 1,350 GPM of amine treating and two (2) operational Devonian acid gas injection wells, each with depths of ~18,000 feet, permitted for 20 million standard cubic feet per day (MMscfd) of acid gas injection. Since initiating operations in August 2021, Piñon has reduced the environmental impact of oil and natural gas production in the Delaware Basin through the capture and permanent geologic sequestration of more than 225,000 MT of carbon dioxide (CO<sub>2</sub>) and hydrogen sulfide (H<sub>2</sub>S).

### **Receipt of Critical NSR Permit Enables Continued Infrastructure Expansion at Dark Horse**

In February 2024, Piñon received a critical NSR air permit, opening the way for future growth projects at the Dark Horse Treating Facility. Incremental infrastructure and expansions that are included in the newly approved NSR air permit include:

- Three (3) additional 900 GPM amine treating units (Amine Trains IV, V, and VI), each with capacity up to 220 MMscfd;
- Two (2) cryogenic processing plants with total permitted processing capacity of 460 MMscfd;
- Three (3) TEG dehydrators for Amine Trains IV, V, and VI;
- One (1) 10,000 BBL/d condensate stabilizer; and
- 4,400 barrels of storage capacity.

## **Comments from Piñon Founding Partner and CEO Steven Green**

Piñon's Founding Partner and Chief Executive Officer, Steven Green, extends his gratitude to the entire Piñon team and essential contractors for their diligent efforts in successfully completing recent system expansions. These expansions include the commissioning of Amine Train III, new sour gas gathering and gas lift pipelines, a 15,000-horsepower compression station, and additional interconnects for downstream processors.

"With the recent receipt of the NSR permit, Piñon is well-positioned to significantly expand our sour gas treating and carbon capture operations within the Delaware Basin," said Piñon CEO Steven Green. "This important milestone underscores our mission to unlock substantial acreage across the Delaware Basin while improving the environmental impact of oil & gas production."

### **Sour Gathering System and Compression Additions**

In April 2024, Piñon completed the expansion of its sour natural gas gathering system through the addition of ~5 miles of fully NACE-compliant 16" high pressure steel pipeline. Piñon also completed installation of its fifth fully NACE compliant compressor station, the Comanche Peak Compressor Station. Piñon now owns and operates over 15 miles of fully NACE compliant 16" high pressure steel pipeline and five compressor stations with ~270 MMcf/d of total sour gas compression capacity.

### **Sweet Gas Redelivery System Update and Additional Downstream Interconnect**

Piñon's Grande sweet gas pipeline system, consisting of ~22 miles of 20" high-pressure steel pipe, connects the Dark Horse Treating Facility with multiple downstream processors, providing customers with processing optionality for treated natural gas. Piñon recently executed a sixth interconnect agreement with a new downstream processor, which will increase downstream takeaway and processing capacity to more than 500 MMcf/d. Additionally, Piñon has expanded its gas redelivery capabilities with reliable and cost-effective treated natural gas for gas lift and power generation operations.

### **About Piñon Midstream**

Piñon Midstream was formed in 2020 through an initial equity commitment from Black Bay Energy Capital ("Black Bay"), to offer sustainable and cost-effective solutions for sour natural gas production in the Delaware Basin. Piñon provides a comprehensive suite of services, including fully NACE compliant field gathering and compression, amine treating, permanent sequestration of CO<sub>2</sub> and H<sub>2</sub>S, sour condensate stabilization and marketing, and high-pressure redelivery of treated natural gas to multiple regional processing facilities and producers. For more information, please visit [pinonmidstream.com](https://pinonmidstream.com).

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