



FOR IMMEDIATE RELEASE

## **Piñon Midstream Secures MRV Approval from the EPA for Carbon Capture and Sequestration Operations at its Dark Horse Treating Facility**

- Milestone MRV approval represents only the second EPA-approved facility for non-EOR permanent geologic sequestration of CO<sub>2</sub> in the state of New Mexico
- EPA approval of MRV plan satisfies a major requirement for 45Q tax credit eligibility
- Piñon Midstream sequestered ~100,000 metric tons of CO<sub>2</sub> in 2023 and expects to sequester over 190,000 metric tons of CO<sub>2</sub> over the next twelve months

**Houston – June 18, 2024** – **Piñon Midstream, LLC** (“Piñon”) is pleased to announce that it has received approval from the United States Environmental Protection Agency (“EPA”) for its monitoring, reporting and verification (“MRV”) plan for the permanent sequestration of carbon dioxide (“CO<sub>2</sub>”), a greenhouse gas, in its two acid gas injection (“AGI”) wells located at Piñon’s Dark Horse Treating Facility in Lea County, New Mexico.

Piñon’s Dark Horse Treating Facility is the largest AGI system that is currently permitted and operating in the state of New Mexico. Both of Piñon’s AGI wells—Independence AGI #1 and Independence AGI #2—are Devonian wells, reaching depths of approximately 18,000 feet (3.4 miles) below the surface into rock formations located several thousand feet below water aquifers and existing Delaware Basin oil and natural gas producing formations.

The two AGI wells are permitted for a combined 20 million cubic feet per day (20 MMcf/d) of CO<sub>2</sub> and hydrogen sulfide (“H<sub>2</sub>S”) injection, which equates to ~250,000 metric tons (“MT”) of CO<sub>2</sub> and ~110,000 MT of H<sub>2</sub>S annually based on current gas compositions. These two wells provide sequestration redundancy for Delaware Basin operators who use Piñon’s scalable and centralized treatment and sequestration facility to mitigate flaring and unlock valuable drilling inventory in the area.

Piñon’s approved MRV plan, which became effective June 15, 2024, provides a full description of technical procedures for sequestration, monitoring, and verification that have been put in place at the Dark Horse Treating Facility to ensure permanent sequestration. The approved MRV plan also satisfies a major requirement for Piñon’s eligibility to receive 45Q and enhanced tax credits in accordance with the Inflation Reduction Act of 2022.

“Piñon was founded to create sustainable and scalable sour gas infrastructure solutions,” said Piñon’s Chief Executive Officer Steven Green. “Having now received both the MRV plan approval from the EPA and an NSR air permit from the State of New Mexico, and with our most recent capacity expansions up and running, we believe we are in position to become the Delaware Basin’s leading sour gas treating and carbon management provider,” Green said.

From inception in August 2021 through 2023, Piñon has reduced the environmental impact of oil and natural gas production through the capture and permanent geologic sequestration of ~160,000 MT of CO<sub>2</sub> and ~65,000 MT of H<sub>2</sub>S, which is the annual emissions equivalent of approximately 35,000 vehicles or 21,000 households. At its current operational rate, Piñon’s Dark Horse Treating Facility is projected to capture and sequester more than 190,000 MT of CO<sub>2</sub> and 90,000 MT of H<sub>2</sub>S over the next twelve months.

### **About Piñon Midstream**

Piñon Midstream was formed in 2020 through an initial equity commitment from Black Bay Energy Capital, 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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