



FOR IMMEDIATE RELEASE

Piñon Midstream Launches Unique Sour Gas Treating and Carbon Capture Infrastructure Solution in the Delaware Basin

- ***New infrastructure fully unlocks the region's resource potential:*** Piñon's Dark Horse Sour Gas Treating and Carbon Capture Facility unlocks previously challenged resource development in Lea County, New Mexico, and Winkler and Loving counties in Texas.
- ***Facility introduces extensive Carbon Capture Solution (CCS) services to the basin:*** The Dark Horse Facility removes and permanently sequesters both carbon dioxide (CO₂) and hydrogen sulfide (H₂S) from the incoming natural gas stream, reducing emissions of greenhouse gases.
- ***Assets include:*** Centralized amine treating facility, CO₂/H₂S sequestration well, associated sour gas gathering infrastructure, NACE field compression and a sweet gas header to efficiently deliver treated gas from the Dark Horse Facility tailgate to multiple area gas processors.

HOUSTON – April 27, 2021 – [Piñon Midstream, LLC](#) ("Piñon"), today announced its greenfield Dark Horse Sour Gas Treating and Carbon Capture Facility ("Dark Horse Facility") and associated pipeline infrastructure are under construction in Lea County, New Mexico.

Piñon was founded in December 2020 by Steven Green and Justin Bennett in partnership with Black Bay Energy Capital ("Black Bay"), to provide a long-term, economic and environmentally responsible solution to the pervasive sour gas problem that has constrained development in the northeastern Delaware Basin.

The project includes a centralized amine treating facility, an 18,000-foot-deep acid gas sequestration well (Independence AGI #1) and 30,000 horsepower of full NACE field compression and is expandable to treat up to 400 million cubic feet of sour gas per day. The Piñon assets are designed to gather and treat natural gas containing any concentration of H₂S and CO₂, with the ability to deliver treated sweet gas to multiple third-party gas processing plants.

"Our goal is to provide the most creative and cost-effective sour gas solution for the Delaware Basin," said Piñon Midstream co-founder and President Steven Green. "Not only does our project provide a comprehensive solution for sequestering CO₂ and H₂S, it also substantially reduces flaring and greenhouse gas emissions in southeast New Mexico."

The Dark Horse Facility and its associated pipelines are the first purpose-built sour gas infrastructure solution of its kind in the Delaware Basin. The Piñon facilities are underwritten by a substantial long-term dedication from anchor producer [Ameredev II, LLC](#) ("Ameredev"), an independent exploration and production company with operations focused in the northern Delaware Basin.

“The Piñon team is providing a mission-critical solution to sustain development of the northeastern portion of the Delaware Basin,” said Ameredev Chief Operating Officer Floyd Hammond. “Piñon’s facilities support some of the most prolific wells in the basin.”

Piñon expects the Dark Horse Facility will begin operations in July 2021 at full capacity, treating approximately 85 million cubic feet of sour gas per day. The company purchased a second amine treating plant that is scheduled to be installed and operational in the fourth quarter of 2021, increasing Piñon’s total sour gas treating capacity to approximately 170 million cubic feet per day.

“We are proud to say that our Independence AGI #1 sequestration well is New Mexico’s deepest and largest acid gas injection well,” said Piñon co-founder and Chief Commercial Officer Justin Bennett. “It has the ability to permanently sequester up to 175,000 tons of CO₂ and 75,000 tons of H₂S annually. That capacity will double next year when we drill Independence AGI #2. The Piñon H₂S and carbon capture solution opens the way for our customers to make meaningful enhancements to their ESG programs, which is a fundamental component of our business.”

“Black Bay is thrilled to be partnered with the Piñon team,” said Black Bay Energy Capital Managing Partner Michael LeBourgeois. “Piñon is led by a team of professionals with deep technical and commercial experience that have safely developed and operated numerous gas treatment plants. We are very familiar with the growing sour gas issues in the Permian Basin and believe that Piñon is well-positioned to provide an economical and environmentally friendly solution to the region.”

About Piñon Midstream, LLC

Piñon Midstream, LLC was formed in 2020 by midstream veterans Steven Green and Justin Bennett to provide a viable solution to the sour gas problem in the northeastern Delaware Basin. Formed with financial backing from Black Bay Energy Capital and supported by underwriting commitments from Ameredev II, Piñon delivers a full menu of sour gas services that include field gathering and compression, sour condensate stabilization and marketing, amine treating for removal of H₂S and CO₂, H₂S and CO₂ geologic sequestration, and high-pressure delivery of treated sweet gas to multiple area third-party processing plants. For more information, please visit www.pinonmidstream.com.

About Black Bay Energy Capital

Black Bay Energy Capital (“Black Bay”) is an energy private equity firm focused on the North American energy sector. Black Bay invests equity capital in businesses managed by talented entrepreneurs that provide a differentiated product or service to their clients to help reduce costs, improve operations, and achieve ESG initiatives. The firm’s investment strategy and success stem from the more than 75 years its investment professionals have been working day-to-day with great teams and building high-growth companies. For more information, please visit www.blackbayenergy.com.

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