



FOR RELEASE 9/13/2022

Stakeholder Midstream Receives Milestone MRV Plan Approval from the EPA for Carbon Capture and Sequestration Operations, the First of its Kind in Texas

- Stakeholder Midstream achieves first MRV approval from EPA for non-EOR permanent geologic sequestration of CO₂ within the state of Texas
- EPA MRV approval applies to Stakeholder's Pozo Acido well, which is currently injecting over 70,000 metric tons per year of carbon dioxide with total annual permitted capacity of over 375,000 metric tons
- MRV approval provides a pathway for Stakeholder and third parties, who contract for CO₂ sequestration services in the Pozo Acido well, to qualify for 45Q tax credits
- Pozo Acido's proximity to the most prolific interstate CO₂ pipelines in the United States allows Stakeholder to provide carbon sequestration to third parties in the Permian Basin and beyond

SAN ANTONIO—September 13, 2022 – [Stakeholder Midstream](#) ("Stakeholder"), has received approval from the U.S. Environmental Protection Agency ("EPA") for its monitoring, reporting and verification ("MRV") plan for the permanent sequestration of carbon dioxide ("CO₂") at its Pozo Acido injection well located in the Permian Basin near the Texas-New Mexico border. This is the first MRV plan approved by the EPA for permanent geologic sequestration of CO₂ within the state of Texas that is not associated with enhanced oil recovery operations.

Stakeholder's MRV plan documents how the company will ensure permanent carbon capture and storage ("CCS") of CO₂ in the Pozo Acido well from natural gas that is processed and treated at Stakeholder's Campo Viejo gas plant. The MRV approval, in conjunction with meeting other statutory requirements, will allow Stakeholder and other parties who contract to permanently sequester CO₂ in the Pozo Acido injection well, to qualify for 45Q tax credits, further facilitating the growing movement toward more responsible energy production. Stakeholder is currently developing the final phases of its carbon capture equipment buildout with plans to install additional facilities in 2023.

Stakeholder's Pozo Acido well is a state-of-the-art injection well designed to permanently sequester CO₂ by injecting the greenhouse gas into the Devonian formation more than two miles below surface and 10,000 feet below the water table. Stakeholder operates two permanent sequestration wells responsible for the secure geologic storage of more than 85,000 metric tons per year of carbon dioxide. This effort is equivalent to eliminating the carbon emissions of 11,000 U.S. households or removing 18,000 internal combustion vehicles from the road.

Stakeholder's CCS Assets Are Uniquely Positioned to Assist Others in Managing Their Carbon Intensity

The company's Pozo Acido well is located adjacent to the Kinder Morgan Cortez pipeline, which spans three states and is capable of transporting 1.5 billion cubic feet of CO₂ per day. Other major CO₂ transport lines in immediate proximity include the Occidental Petroleum Bravo and Sheep Mountain pipelines, Kinder Morgan Central Basin pipeline and Trinity CO₂ pipelines. The very close proximity of these pre-existing CO₂ transportation options to Stakeholder's CCS infrastructure creates opportunity for Stakeholder to service third-party carbon sequestration customers in and beyond the Permian Basin. [See regional CO₂ system map [here](#).]

"Carbon and emissions management is an integral focus and business segment for our company," said Stakeholder Midstream Chief Commercial Officer Brett Baker. "We believe that by offering these services to third parties, including other gas processing plants in the Permian region and beyond, we can provide an environmentally responsible solution for CO₂ emitters to reduce the carbon intensity of their oil and gas operations and to meet their ESG goals. Our vision is to become one of the leading carbon solutions providers in the United States by helping producers and like-minded midstream companies across multiple basins decarbonize their operations."

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. www.stakeholdermidstream.com

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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