



# MERITAGE MIDSTREAM

**FOR IMMEDIATE RELEASE**

## **MERITAGE MIDSTREAM COMMISSIONS STEAMBOAT NATURAL GAS PROCESSING PLANT IN WYOMING'S POWDER RIVER BASIN**

- New state-of-the-art cryogenic processing plant in Converse County, Wyoming, more than doubles Meritage Midstream's natural gas processing capacity in the Powder River Basin.
- The addition of the Steamboat plant brings Meritage's total processing capacity in the basin to 380 million cubic feet of natural gas per day (MMcf/d).
- Meritage has entered into a multiyear gathering and processing agreement with a large producer in the basin.
- The Meritage Midstream supersystem in the Powder River Basin is known as the Thunder Creek system and includes multiple processing plants and an extensive network of natural gas gathering and natural gas liquids (NGL) pipelines spanning the entirety of the basin.
- 47 percent of the rigs operating in the Powder River Basin are operating on acreage committed to Meritage.
- Meritage expects to become cash flow positive in 2020.

**DENVER** – March 5, 2020 – [Meritage Midstream Services II, LLC](#) (“Meritage Midstream” or “Meritage”) today announced that its subsidiary, Thunder Creek Gas Services, LLC (“Thunder Creek”), has completed commissioning of the Steamboat I processing plant in Converse County, Wyoming, west of the town of Douglas. The Steamboat plant more than doubles Meritage's natural gas processing capacity in the Powder River Basin.

Meritage is one of the preeminent midstream providers in the Powder River Basin with 380 MMcf/d of processing capacity, 1,600 miles of gas gathering pipeline, 120 miles of NGL pipeline and 168,000 of compression horsepower ([map here](#)), all underpinned by acreage dedications from its existing customers in excess of 1 million acres. Currently, 47 percent of the rigs operating in the Powder River Basin are operating on acreage committed to Meritage Midstream's Thunder Creek system.

### **Steamboat Plant Details**

The new state-of-the-art cryogenic processing plant has a nameplate capacity of 200 MMcf/d. Additionally, the Steamboat I plant is located on a site large enough to accommodate two additional 200 MMcf/d cryogenic processing plants as future demand warrants expansion.

Strategically located in the southern portion of the basin, the Steamboat I plant complements Meritage Midstream's existing 50 Buttes plant complex located approximately 100 miles to the north in Campbell County near Gillette, Wyoming. A new 60-mile, 20-inch trunk line connects the Steamboat I plant to the Thunder Creek gas gathering system. Both the Steamboat and 50 Buttes processing facilities connect to Wyoming Interstate Company's (WIC) Medicine Bow Lateral for residue gas, and NGLs currently flow from both facilities through Meritage's Thunder Creek NGL Pipeline (“TCNGL”) to ONEOK's Niobrara Lateral and Elk Basin System.

### **Multiyear Gathering and Processing Agreement**

Meritage also announced it has entered into a significant, multiyear gathering and processing arrangement with a large independent oil and natural gas producer in the Powder River Basin. This contract provides Meritage with a minimum volume commitment from a high-quality, investment-grade counterparty supporting a substantial portion of the company's gas gathering and processing capacity.

### **Meritage Midstream's Growth**

Meritage subsidiary Thunder Creek Gas Services connected a total of 119 wells to its system in 2019. System volumes averaged more than 170 MMcf/d in 2019. NGL volumes transported on the Thunder Creek NGL pipeline in 2019 averaged over 10,000 barrels per day (BPD). In 2019, 42 percent of all rigs operating in the Powder River Basin were operating on acreage committed to the Meritage's Thunder Creek system. Currently, 47 percent of the rigs operating in the Powder River Basin are operating on acreage committed to the Thunder Creek system.

In 2020, Meritage expects to connect approximately 100 wells to its system and grow system volumes by over 30%. The company projects Q4 2020 system volumes to average between 250 MMcf/d and 270 MMcf/d, with NGL volumes transported on TCNGL to average approximately 18,000 to 20,000 BPD.

### **From the Meritage Midstream Leadership Team**

"With the completion of the Steamboat plant, Meritage is building on Thunder Creek's successful 16-year history of owning and operating strategic gathering, treating and processing assets in the Powder River Basin," said Meritage Midstream President Nick Thomas. "The Steamboat plant will improve overall product recoveries, optimize system runtimes and maintain attractive system pressures. This additional processing plant will further Meritage's goal of providing Wyoming's premier oil and gas producers with access to the largest and most technologically advanced natural gas and NGL midstream footprints in this prolific basin.

"Meritage has completed an unprecedented growth phase with the addition of the Steamboat plant and its related pipeline and compression infrastructure. In 2020, the company will focus on continuing to optimize this basin-leading asset and growing gathering and processing volumes, while achieving our cash-flow-positive target," Thomas said.

Meritage also announced that CEO Steve Huckaby has decided to leave the company to pursue new opportunities. Meritage President Nick Thomas will become CEO of Meritage Midstream effective April 1, 2020. "I am so proud of the Meritage team and the company Nick and I built together," said outgoing CEO Steve Huckaby. "We've gone from a handful of employees in a small office in Golden, Colorado, working without an asset, to a company with over 100 employees based in Denver, Colorado, and Gillette, Wyoming, with pipelines spanning the entire the Powder River Basin. It's time for me to turn the reins over to Nick and the next generation of leadership. Nick is not just a colleague. He's a close friend and a person with unshakable values, vision and an unparalleled skill set. I am certain that Nick and the entire team will continue to accomplish great things."

### **About Meritage Midstream Services II, LLC**

Based in Denver, Meritage Midstream provides oil and gas producers with a full complement of midstream services through affiliated companies that operate in the U.S. Meritage is currently focused on Wyoming's Powder River Basin. Capabilities include natural gas gathering, compression, treating and processing; NGL transportation and fractionation; crude oil gathering, blending and storage; and rail hub services for outbound crude oil and condensate. The company's senior management team has more than 250 years of collective experience in the midstream business. Meritage Midstream is backed by

equity commitments from Riverstone Holdings LLC. Visit [www.meritagemidstream.com](http://www.meritagemidstream.com) for more information.

**About Riverstone Holdings LLC**

Riverstone is an energy and power-focused private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre, Jr. with approximately \$39 billion of capital raised to date. Riverstone conducts buyout and growth capital investments in the exploration & production, midstream, oilfield services, power and renewable sectors of the global energy industry. With offices in New York, London, Houston, Mexico City, and Amsterdam, the firm has committed nearly \$39 billion to 180 investments in North America, South America, Europe, Africa, Asia and Australia. Visit [www.riverstonellc.com](http://www.riverstonellc.com) for more information.

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**Media contact:**

Bevo Beaven

TEN|10 Group, LLC

303.433.4397, x114 o

720.666.5064 m

[bevo.beaven@ten10group.com](mailto:bevo.beaven@ten10group.com)