

WaterBridge Resources LLC Acquires Southern Delaware Produced Water Assets of Concho Resources Inc. and Commences Long-Term Produced Water Handling Contract

HOUSTON, Jan. 3, 2019 /PRNewswire/ -- WaterBridge Resources LLC (together with its subsidiaries, "WaterBridge") announced today that it has entered into a long-term produced water management services agreement with and has acquired the produced water assets of COG Operating LLC, a subsidiary of Concho Resources Inc. ("Concho") in the southern Delaware basin.



WaterBridge produced water handling facility.

Under the terms of the agreements, WaterBridge will manage all of Concho's produced water transportation and disposal subject to the dedication of operated acres and any future acreage operated by Concho within an 800,000-acre area of mutual interest ("AMI") in Reeves, Pecos and Ward counties, Texas. The acquired assets include three disposal wells with 45,000 bpd of permitted capacity and approximately 44 miles of pipeline.

"We have been very fortunate to grow our relationship with Concho through the evolution of our company from Pelagic Water Systems and EnWater into WaterBridge," says Jason Long, Chief Commercial Officer of WaterBridge. "Concho is a top-tier operator and a leader in the Permian Basin. We are excited to strengthen our relationship with Concho and to further expand our operations to support Concho's growth in the region."

The closing of the Concho transaction follows several critical accomplishments in WaterBridge's path to developing the largest integrated water management network in North America.

- Designed and constructed ten water disposal facilities and 121 miles of pipeline in 2018 as part of WaterBridge's southern Delaware network expansion efforts to service existing and future customers
- Acquired all water infrastructure assets from Halcón Resources Corporation, including ~60 miles of water gathering pipelines, ten water disposal facilities

with total permitted capacity of 120,000 bpd, freshwater wells and water recycling facilities

- Secured 15-year produced and supply water dedications for Halcón's existing 75,000 gross acre position and any additional acreage within a 209,000-acre AMI
- Entered into a definitive agreement to acquire the southern Delaware water infrastructure of NGL Energy Partners LP, including nine water disposal facilities and ~10 miles of pipeline in southern Reeves and Ward counties
- Closed \$800 million of debt facilities, consisting of a \$600 million Term Loan A and \$200 million revolving credit facility, to fund acquisitions as well as ongoing organic development of water disposal facilities, pipelines and other infrastructure projects that provide further redundancy and flow assurance for producers

WaterBridge currently owns and operates over 1.2 million bpd of produced water disposal capacity throughout the southern Delaware Basin that is connected via 300 miles of pipeline. The Delaware platform has approximately 285,000 dedicated acres under long-term contracts from nineteen producers.

"The Concho transaction represents another key milestone for the WaterBridge and Five Point teams," said David Capobianco, CEO and Managing Partner of Five Point Energy LLC. "Concho's decision to expand their relationship with WaterBridge further validates our approach in developing a large, integrated produced water handling network that offers producers the capacity and flow assurance needed to scale their development programs."

Advisors

White & Case LLP represented WaterBridge in connection with the Concho transaction.

About WaterBridge Resources LLC

WaterBridge Resources LLC is a portfolio company of Five Point Energy that develops, owns and operates permanent, integrated water infrastructure networks to address the long-term produced water management requirements of E&P companies. For further information, visit our website at www.h2obridge.com.

About Five Point Energy LLC

Five Point Energy is a leading private equity firm focused on the midstream energy sector. The firm was founded by industry veterans who have had successful careers investing in, building

and running midstream companies. Five Point's strategy is to acquire and develop in-basin assets, provide value-added growth capital, and build world-class midstream companies with premier management teams and industry-leading E&P partners. The firm is focused on providing in-basin crude oil, natural gas, liquids and water management midstream solutions to E&P companies in the Permian Basin, Eagle Ford, Mid-Continent and Rockies. Based in Houston, Five Point Energy manages more than \$2.0 billion of capital across multiple investment funds.

For further information, please visit <https://www.fivepointenergy.com/>.

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