



FOR IMMEDIATE RELEASE

Solaris Water Midstream Provides Update on its Pecos Star System

- Recycling operations begin
- Large acreage dedication and minimum volume commitment contracts support major expansion

HOUSTON – February 12, 2019 – [Solaris Water Midstream, LLC](#) (“Solaris Water”), a leading provider of water-related infrastructure to the oil and gas industry, announced today that its flagship Pecos Star System has begun recycling operations and has added new acreage and volume commitments that support a major expansion of the system. Located in the heart of the Permian Basin in Eddy and Lea counties in New Mexico and Culberson and Loving counties in Texas, the system serves numerous oil and gas producers working in the Delaware Basin. The system delivers integrated water management services including produced water gathering, transportation, disposal and treating, as well as the delivery of treated produced water and non-potable brackish water for use during drilling and hydraulic fracturing.

Recycling Operations

In the fourth quarter of 2018, following its successful recycling operations in Midland County, Texas, Solaris Water commenced recycling operations on the Pecos Star System and delivered treated produced water to a long-term customer in Eddy County, New Mexico. Solaris Water has additional reuse contracts in place and will continue to recycle significant volumes across its system.

The Pecos Star System’s recycling infrastructure aggregates produced water from multiple oil and gas operators, cleans and treats the produced water to meet a range of operator specifications, and returns the treated water to Solaris Water customers for use during hydraulic fracturing.

“Our large-diameter produced water pipeline system provides reliable, low-cost water disposal capacity to our customers while enabling Solaris Water to aggregate significant produced water volumes for recycling. We provide significant cost savings to our customers and reduce their reliance on brackish and fresh water,” said Solaris Water Chief Operating and Commercial Officer Amanda Brock. “Our customers understand the benefits of having shared infrastructure in place to provide redundancy and lower costs.”

New Agreements

Solaris Water also announced two new agreements. The company has signed long-term contracts with a subsidiary of Marathon Oil Company (NYSE:MRO) (“Marathon”) to provide full-cycle water solutions from the Pecos Star System. Under the terms of the contracts, Solaris Water will manage all produced water transportation, disposal, fresh water and recycled water needs within a 369,000-acre area of

interest in Lea County, New Mexico. The contracts will provide Marathon with significant operating and capital cost savings by providing reliable and environmentally conscious water solutions.

The agreements with Marathon underpin a 125-mile expansion of the Pecos Star pipeline network into Lea County. The expansion is currently under construction. Upon completion of this expansion, the Pecos Star System will include more than 300 miles of large diameter permanent pipelines and more than 200 miles of temporary pipelines.

Solaris Water also has executed a long-term agreement for minimum volume commitments of disposed produced water into the Pecos Star System from one of the largest producers in the Permian Basin. These commitments bring the total minimum volume this operator has committed to the Pecos Star System to 90,000 barrels of produced water per day. The Pecos Star System complements the producer's extensive operations in the area by facilitating reliable takeaway and disposal of produced water and access to treated produced water for use during well completions. The agreement also provides the option for additional disposal capacity as the producer's operations continue to expand.

CEO Perspective

"Solaris Water systems are large-scale, built-for-purpose infrastructure networks that add tremendous value to our customers as they increase their activity levels in the Delaware Basin," said Solaris Water Midstream CEO Bill Zartler. "We believe our unique growing footprint in prime acreage in the Delaware, with an extensive pipeline system connected to multiple SWDs, ponds and recycling facilities, provides the redundancy, flexibility and value our customers want. We have a proven track record with seasoned drilling, water and hydraulic experts on our team. They are best-in-class at designing and operating an automated, state-of-the-art water infrastructure system."

With 16 current customers already either connected or in the process of connecting to the Pecos Star System, Solaris Water continues its rapid expansion by adding both disposal and pipeline capacity across Lea and Eddy counties. "Solaris Water's goal is to build systems that can provide our customers with reliable and efficient handling of their water needs, including takeaway, disposal and supply," Zartler said.

About Solaris Water Midstream, LLC

A wholly owned subsidiary of Solaris Midstream Holdings, LLC, Solaris Water is an independent, growth-oriented company based in Houston with operations offices in Midland, Texas, and Carlsbad, New Mexico. Solaris Water owns, operates and designs crucial water midstream assets across the Permian Basin. Solaris Water currently operates cost-effective, efficient and reliable produced water gathering, transportation, disposal, recycling and storage infrastructure and frac water sourcing and infrastructure in the Midland and Delaware basins. For more information on Solaris Water please visit www.solarismidstream.com.

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