

Concho Resources Inc. and Solaris Water Midstream Form Joint Venture for Produced Water Management in the Northern Delaware Basin

- Concho is contributing water infrastructure assets to Solaris Water in exchange for cash and equity.
- Solaris Water will manage Concho's produced water gathering, transportation, disposal and recycling for an approximately 1.6 million-acre area located primarily in Eddy County, New Mexico.

Midland, Texas – July 31, 2019 – Concho Resources Inc. (NYSE: CXO) (“Concho”) and **Solaris Water Midstream, LLC** (“Solaris Water”) announced today the formation of a strategic joint venture focused on optimizing produced water logistics at scale in the Northern Delaware Basin. The joint venture includes a long-term produced water management agreement between Concho and Solaris Water.

Under the terms of the agreement, Solaris Water will manage Concho's produced water gathering, transportation, disposal and recycling for an area covering approximately 1.6 million acres located primarily in Eddy County, New Mexico. Concho will contribute 13 salt water disposal wells and approximately 40 miles of large-diameter produced water gathering pipelines in exchange for cash and an equity ownership in Solaris Midstream Holdings, LLC, the parent of Solaris Water.

The assets contributed by Concho will be incorporated into Solaris Water's growing integrated Pecos Star System, which currently includes more than 300 miles of large-diameter gathering pipelines, more than 500,000 barrels per day of disposal capacity, storage and recycling facilities and water supply pipelines that serve nearly 20 oil and gas operators. This high-capacity water infrastructure network brings significant scale to producers that lowers operating and well completion costs while providing environmental benefits such as reduced truck traffic and less reliance on brackish or fresh water supplies. Solaris Water will deliver to Concho blended reuse source water, enabling a significant increase in the use of recycled water in Concho's operations.

“Our joint venture with Solaris will provide effective and responsible water management and recycling solutions across our core position in Eddy County, New Mexico,” said Concho President Jack Harper. “Solaris is well positioned to deliver a reliable produced water takeaway solution and an innovative and efficient produced water recycling platform.”

“We are committed to providing dependable, low cost produced water handling and water supply solutions to operators across the Permian Basin,” said Solaris Water Chief Executive Officer Bill Zartler. “This joint venture accelerates the expansion of our Pecos Star System, which is the premier integrated water infrastructure system serving the prolific Northern Delaware Basin. Concho is a leading operator with top-tier assets, an impressive organization, and a stellar reputation, and we could not be more pleased to be Concho's water infrastructure provider over such a large position in the Northern Delaware Basin.”

About Concho Resources

Concho Resources (NYSE: CXO) is one of the largest unconventional shale producers in the Permian Basin, with operations focused on acquiring, exploring, developing and producing oil and natural gas resources. Concho is at the forefront of applying advanced technology and large-scale development to safely and efficiently maximize resource recovery while delivering attractive, long-term economic returns. We are working today to deliver a better tomorrow for our shareholders, people and communities. For more information about Concho, visit www.concho.com.

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 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.

CONCHO CONTACTS

INVESTOR RELATIONS

Megan P. Hays

Vice President of Investor Relations & Public Affairs
432.685.2533

MEDIA

Mary T. Starnes

Manager of Public Affairs & Corporate Responsibility Strategy
432.221.0477

SOLARIS WATER CONTACT

Casey Nikoloric

Managing Principal, TEN|10 Group
303.433.4397 x 101 o
303.507.0510 m
casey.nikoloric@ten10group.com

