



Lucid Energy Group Receives Milestone Approval from EPA, Plans to Develop the Largest Carbon Capture and Secure Storage Project in the Permian Basin

DALLAS – January 11, 2022 – Lucid Energy Group (“Lucid”), the largest privately held natural gas processor in the Permian Basin, today announced the U.S. Environmental Protection Agency (“EPA”) has approved the company’s previously submitted monitoring, reporting and verification (“MRV”) plan to sequester carbon dioxide (“CO₂”) from its Red Hills gas processing complex in Lea County, New Mexico. The plan, following subsequent approval by the Internal Revenue Service, will provide section 45Q tax credits for the sequestration and permanent storage of CO₂ in Lucid’s existing and permitted disposal wells.

The MRV plan documents Lucid’s means of safely ensuring permanent carbon capture and storage (“CCS”) of CO₂ removed from the natural gas stream during the processing and treating of natural gas from its customers. The plan is scalable and provides growth capacity, enabling Lucid to offer a lower-carbon-intensity service to its customers and reduced carbon footprint to its stakeholders.

“Since our entry to the Delaware Basin five years ago, Lucid has targeted investments in large-scale gas treating assets, which empower our customers to develop highly economic drilling locations with associated off-spec gas,” said Lucid CEO Mike Latchem. “This strategy has proven beneficial for all stakeholders, as Lucid currently removes more CO₂ from Permian Basin shale production than any other midstream operator. In turn, Lucid is the perfect candidate to develop the largest CCS project in the Permian Basin by simply modifying and expanding our existing operations. We are committed to finding safe, creative and effective ways to serve the growing needs of our customers while reducing our environmental footprint.”

About Lucid Energy Group

Lucid Energy Group is the largest privately held natural gas processor in the Permian Basin, providing the full range of gas midstream services to more than 50 customers in New Mexico and West Texas. Lucid is supported by growth capital commitments from a joint venture formed by Riverstone Global Energy and Power Fund VI, L.P., an investment fund managed by Riverstone Holdings LLC, and investment funds managed by Goldman Sachs Asset Management. Please visit www.lucid-energy.com for more information.

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