



Lucid Energy Group
Business Overview August 2020

Summary

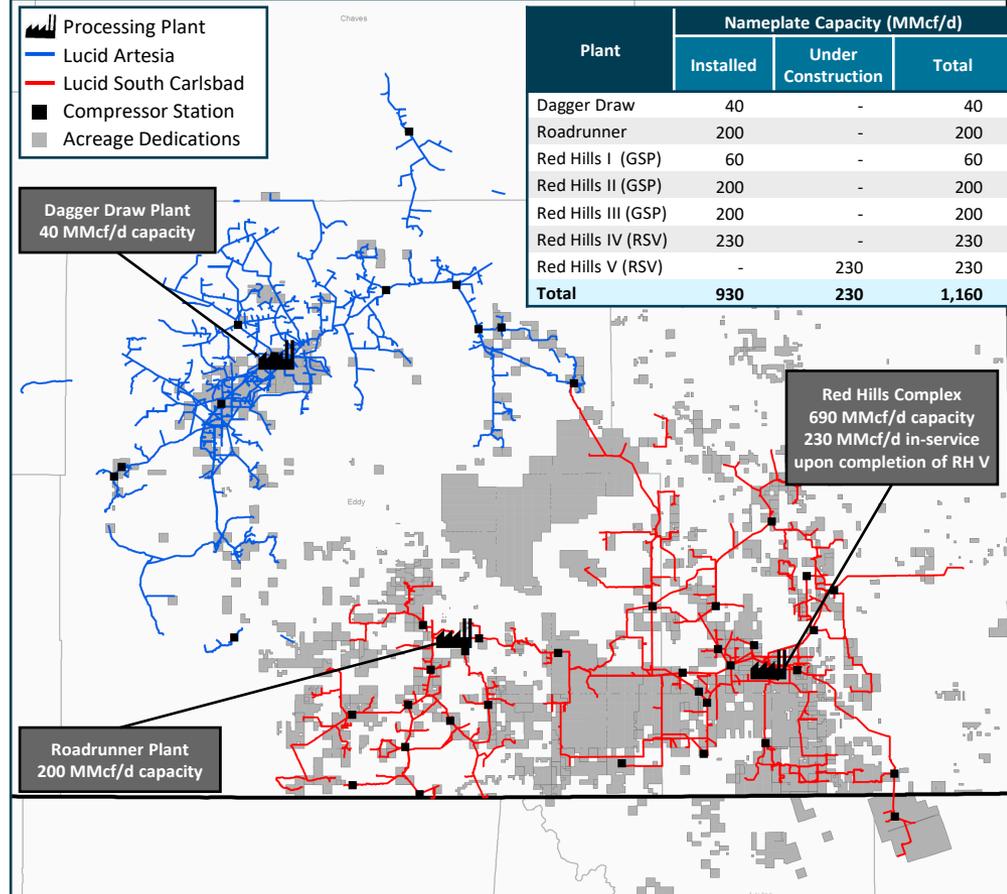
- Lucid is the leading pure-play and fastest growing natural gas gathering & processing midstream company in the Delaware Basin serving the most active and well-capitalized upstream companies in the lower 48
- With 930 MMcf/d in current processing capacity, Lucid operates the largest processing system in the New Mexico and will soon be the largest gas processor in the Delaware Basin
- Since Q1 2018, Lucid has grown throughput on the system from ~320 MMcf/d to ~880 MMcf/d (~49% CAGR)
- Upon the commissioning of the Red Hills V processing plant, the Red Hills supercomplex will represent the single largest gas processing facility in the Permian Basin

Asset Highlights

HQ / Employees	Dallas, TX / 149 employees
Counties	Eddy, Lea, Loving, Chaves (NM), Culberson, Winkler (TX)
Miles of Pipeline	~2,150 miles of gathering pipeline
Compressor Stations	33 compressor stations
Compression HP	163,675 horsepower of compression
Gross Acreage	582,407 dedicated (973,087 including MVC acres)
Processing Capacity (MMcf/d)	1,160 (1,120 – South Carlsbad; 40 – Artesia)
CO2 Treating (GPM)	7,610 (7,580 – South Carlsbad; 30 – Artesia)
Current Volumes (MMcf/d)	~880 (~852 – South Carlsbad; ~28 – Artesia) ⁽¹⁾
% Volumes: MVC	~22%
% Volumes: Majors & Large Caps	~76%

(1) Current Volumes as of August 7, 2020.

Lucid Asset Map



Select Lucid Customers



Capacity Expansions

Volumes

May 2017

Commissioned Red Hills II (200 MMcf/d)

~200 MMcf/d

December 2017

Commissioned Roadrunner Plant (200 MMcf/d)

~315 MMcf/d

August 2018

Commissioned Red Hills III (200 MMcf/d)

~400 MMcf/d

November 2019

Red Hills IV Commissioned at 230 MMcf/d

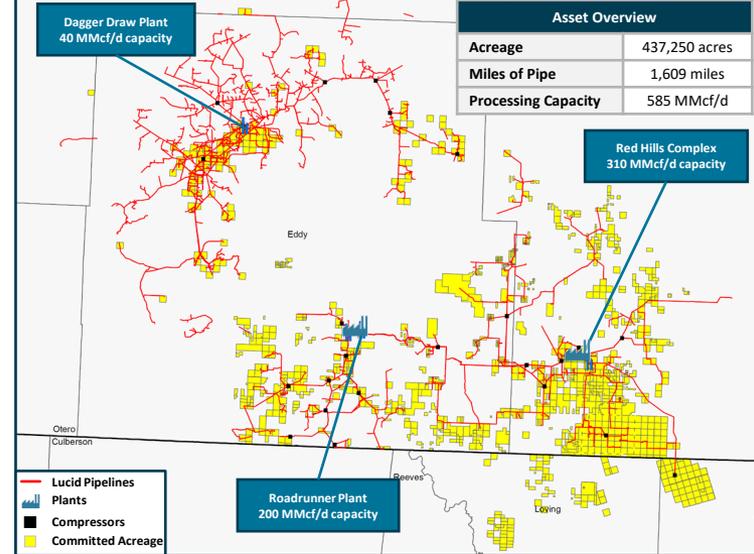
~880 MMcf/d⁽¹⁾

By Year-End 2020, Lucid Will Have Installed 1,160 MMcf/d in Processing Capacity⁽²⁾

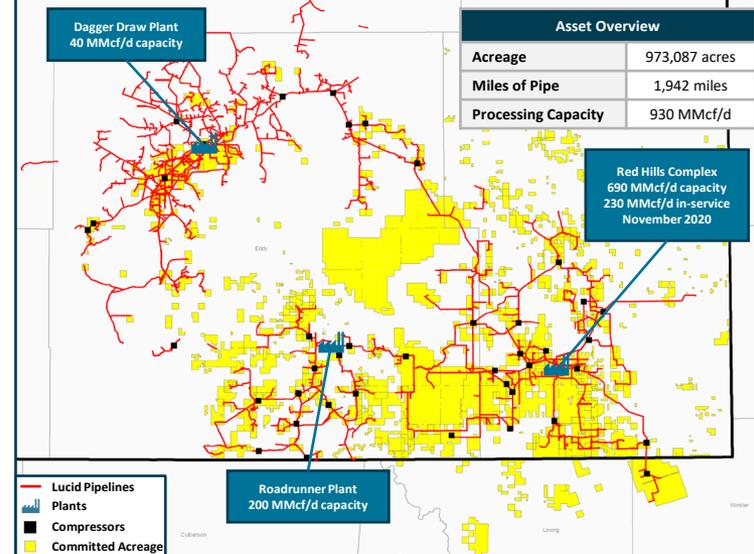
(1) As of August 7, 2020.

(2) Red Hills V (230 MMcf/d) is expected to be commissioned in November 2020.

Lucid System – January 2018

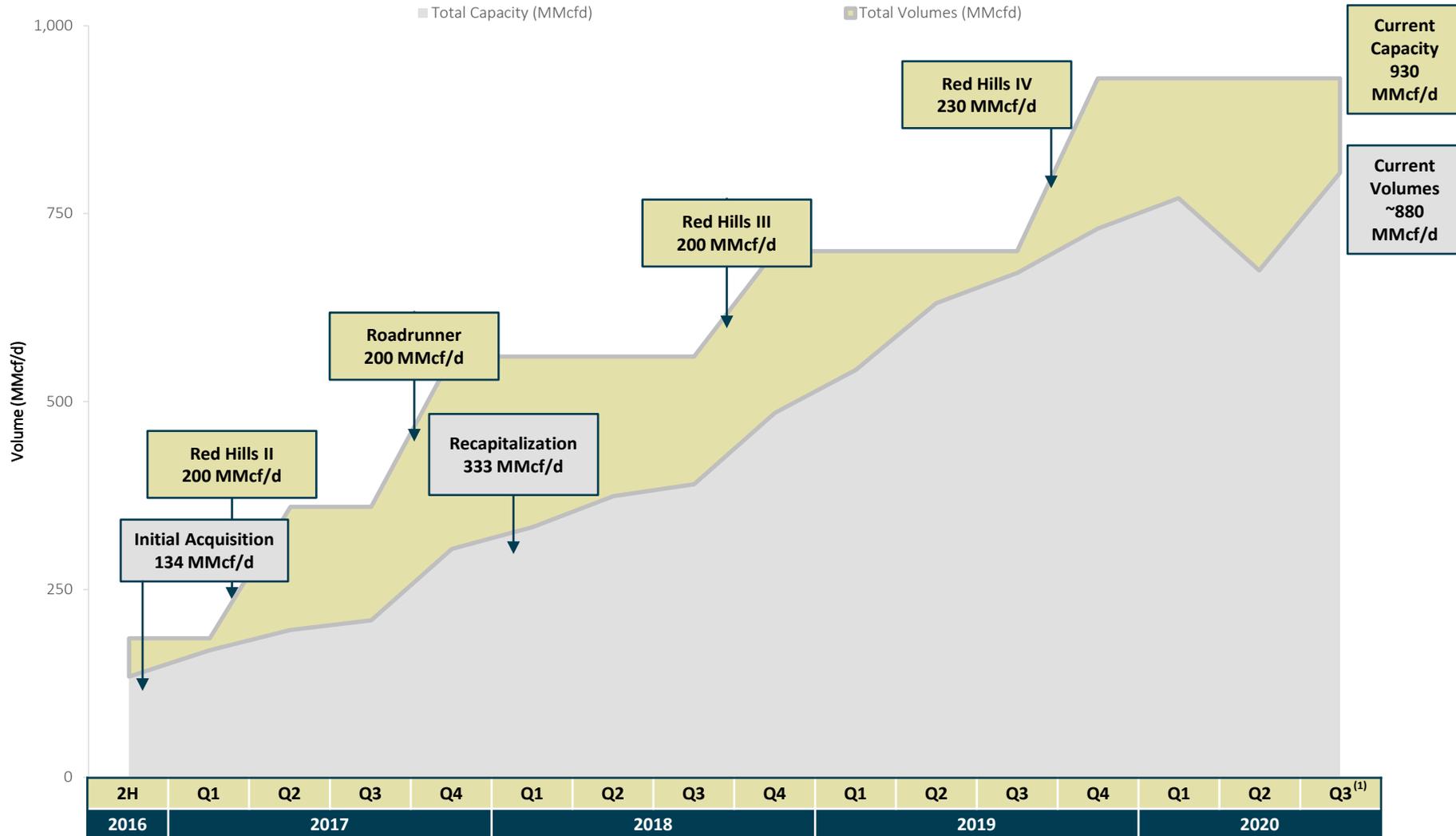


Lucid System – Today



Demonstrated Rapid Growth in Volumes Generation Since Initial Acquisition

Processing Capacity and Volume Growth Over Time



(1) Quarter to date volumes, as of August 7, 2020.

Upon Completion of Red Hills V and VI, Lucid's Red Hills Complex will be the Largest Gas Processing Complex in the Permian Basin

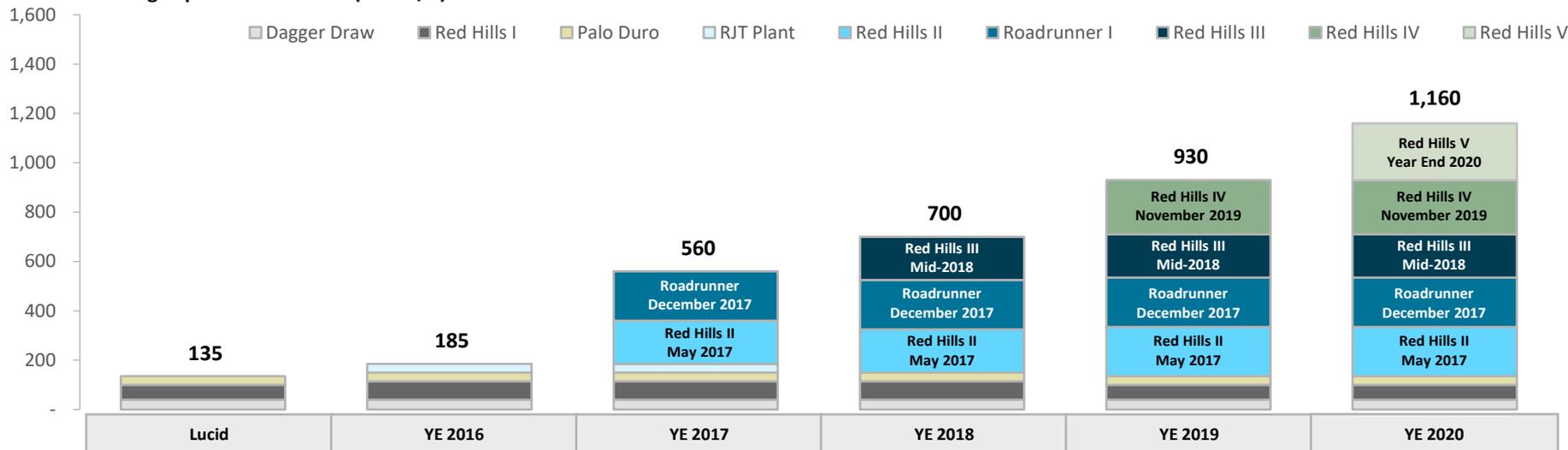
Plant	Nameplate Capacity (MMcf/d)		
	Installed	Under Construction	Total
Dagger Draw	40	-	40
Roadrunner	200	-	200
Red Hills I	60	-	60
Red Hills II	200	-	200
Red Hills III	200	-	200
Red Hills IV	230	-	230
Red Hills V	-	230	230
Total	930	230	1,160



Overview of Processing Plants & Expansion Timeline



Lucid Processing Expansion Timeline (MMcf/d)



Cryogenic Plant Complex & Capacity

Plant	South Carlsbad					Artesia	
	Red Hills I	Red Hills II	Red Hills III	Red Hills IV	Red Hills V	Roadrunner I	Dagger Draw
Location	Red Hills Complex (300 acres) Lea County					Roadrunner (117 acres) Eddy County	Artesia (43 acres) Eddy County
Processing Capacity	60 MMcf/d	200 MMcf/d	200 MMcf/d	230 MMcf/d	230 MMcf/d	200 MMcf/d	40 MMcf/d
In-Service	September 2013	May 2017	October 2018	November 2019	<i>Est. YE 2020</i>	December 2017	June 1982
GPM Installed ⁽¹⁾	5,350					800	-
Design / Engineering	BCKK Engineering	UOP Russell				UOP Russell	Chapman Engineering
Residue Market	El Paso, Transwestern and NGPL					El Paso and Transwestern	Transwestern
NGL Pipeline	Oneok, Enterprise Leveret/Shin Oak Pipeline, Lone Star NGL, EPIC					Enterprise /Shin Oak Pipeline, EPIC	Oneok

(1) Additional 1,080 of field treating GPM not shown.

Summary

- Lucid currently operates an acid gas treating and disposal facility at its Red Hills gas processing plant complex in Lea County, New Mexico
- The facility is currently running at close to design capacity due to increased levels of H₂S and CO₂ concentrations in the raw sour gas it receives into the Red Hills facility
- In 2019, Lucid was approved for an air permit allowing for the expansion of Red Hills gas processing trains 5, 6 and 7 as well as expansion of its acid gas treatment facilities at the same location
- The original facility at Red Hills included a design basis for H₂S and CO₂ concentrations lower than what we are currently experiencing.
- The original design and actuals are described below:

Acid Gas Treater #1	Design Basis	Actual Stats
Plant Capacity (Mcf/d)	60,000	47,000 (93% loaded)
Amine Circulation (GPM)	350	350
Inlet CO ₂ (mol %)	3%	4.5%
Inlet H ₂ S (PPM)	5,400	8,000

- The proposed expansion details for the second facility and the second well are described below:

Proposed Expansion	Acid Gas Treater #2 & Well #2
Design Throughput (Mcf/d)	60,000
Inlet CO ₂ (mol %)	15%
Inlet H ₂ S (PPM)	10,000

- AGI #1 is currently taking ~2.491 MMSCFD of ~ 85% CO₂ and 15% H₂S
- AGI #2 is projected to take ~ 9.600 MMSCFD of ~ 94% CO₂ and 6% H₂S

Red Hills Acid Gas Facility



Expansion Justification

- Lucid is currently limited in the sour gas treating capacity and injection capacity it can provide its currently contracted customers
- The new facility will provide approximately 300% of the amine circulation capacity and be capable of handling much higher H₂S and CO₂ concentrations that are representative of what we see today
- The new acid gas well permit will be utilized to dispose of the increased levels of acid gas in a safe and secure manner and minimize future flaring in the production fields