



## Summit Midstream Partners, LP Announces Agreements to Resolve 2015 Discovery of Produced Water Release

August 5, 2021

HOUSTON, Aug. 5, 2021 /PRNewswire/ -- Summit Midstream Partners, LP (NYSE: SMLP) ("Summit", "SMLP" or the "Partnership") today announced that it has entered into criminal and civil agreements to resolve previously disclosed government investigations into the discovery, in January 2015 of a discharge of produced water into Blacktail Creek, near Marmon, North Dakota ("2015 Blacktail Release") and failure to report the spill on a timely basis. The discharge emanated from a ruptured pipeline owned by a Summit operating subsidiary, Meadowlark Midstream Company, LLC ("Meadowlark"), which at the time, was a subsidiary of, and operated by, Summit Midstream Partners, LLC, the parent entity of SMLP ("Summit Investments," together with Meadowlark, the "Companies"). The Companies are now subsidiaries of SMLP, since SMLP's acquisition of all the outstanding membership interests in Meadowlark on March 4, 2016, and SMLP's acquisition of Summit Investments on May 28, 2020.



The Companies have entered into multiple agreements with the federal and state governments that would resolve environmental claims from the U.S. and North Dakota (the "Global Settlement"), with respect to the 2015 Blacktail Release, and are responsible for fulfilling certain future requirements and the payment of an aggregate \$36.3 million in penalties, consisting of the following:

- \$20.0 million for a total penalty payable pursuant to a civil consent decree over a period of up to 5 years for the \$10.0 million federal portion and over a period of up to 6 years for the \$10.0 million state portion, with interest accruing on the outstanding amount at a fixed rate of 3.25%;
- \$1.25 million in natural resource damages to the federal and state governments payable within 30 days after the consent decree becomes effective; and
- \$15.0 million for a total penalty payable pursuant to a criminal plea agreement with the United States over a period of up to 5 years, with interest accruing on the outstanding amount at the federal statutory interest rate (currently 0.07%)

Illustrative Annual Payment Schedule (\$ in millions):

Oct-21	Sep-22	Sep-23	Sep-24	Sep-25	Sep-26	Sep-27
\$ 3.1	\$ 5.4	\$ 7.2	\$ 7.1	\$ 7.0	\$ 6.8	\$ 1.7

The Global Settlement is subject to court approval before becoming effective and also includes injunctive relief regarding pipeline operations management practices, many of which have already been implemented into our routine operations, and continuation of Summit's remediation work at the Blacktail Creek site.

Heath Deneke, President, Chief Executive Officer and Chairman, commented, "As a company, we have accepted responsibility for the produced water spill at the Blacktail Creek site from the beginning and have been working diligently over the past seven years on efforts to fully remediate the environmental impacts to the area, while also investing heavily in preventative system improvements, including state-of-the-art leak detection technology, centralized control room monitoring and alarm systems, and significant changes to our company-wide operating practices and procedures. Since discovering the spill in 2015, we have invested approximately \$75 million on these overall system improvements and environmental remediation measures at the Blacktail Creek site. The Global Settlement is an important final step to fully resolve the ongoing government investigations and legal matters. While we consider the overall monetary settlement penalties as severe under the circumstances, particularly given our substantial remediation and mitigation efforts to date, we believe that putting this matter behind us with manageable payment terms over the next six years is in the best interest of all of Summit's stakeholders and employees. We look forward to completing the remaining steps to making this settlement effective, implementing our remaining obligations efficiently and transparently, and bringing closure to the unfortunate incident."

### About Summit Midstream Partners, LP

SMLP is a value-oriented limited partnership focused on developing, owning and operating midstream energy infrastructure assets that are strategically located in the core producing areas of unconventional resource basins, primarily shale formations, in the continental United States. SMLP provides natural gas, crude oil and produced water gathering, processing and transportation services pursuant to primarily long-term, fee-based agreements with customers and counterparties in six unconventional resource basins: (i) the Appalachian Basin, which includes the Utica and Marcellus shale formations in Ohio and West Virginia; (ii) the Williston Basin, which includes the Bakken and Three Forks shale formations in North Dakota; (iii) the Denver-Julesburg Basin, which includes the Niobrara and Codell shale formations in Colorado and Wyoming; (iv) the Permian Basin,

which includes the Bone Spring and Wolfcamp formations in New Mexico; (v) the Fort Worth Basin, which includes the Barnett Shale formation in Texas; and (vi) the Piceance Basin, which includes the Mesaverde formation as well as the Mancos and Niobrara shale formations in Colorado. SMLP has an equity investment in Double E Pipeline, LLC, which is developing natural gas transmission infrastructure that will provide transportation service from multiple receipt points in the Delaware Basin to various delivery points in and around the Waha Hub in Texas. SMLP also has an equity investment in Ohio Gathering, which operates extensive natural gas gathering and condensate stabilization infrastructure in the Utica Shale in Ohio. SMLP is headquartered in Houston, Texas.

### **Forward-Looking Statements**

This press release includes certain statements concerning expectations for the future that are forward-looking within the meaning of the federal securities laws. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements and may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "will be," "will continue," "will likely result," and similar expressions, or future conditional verbs such as "may," "will," "should," "would," and "could." In addition, any statement concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies and possible actions taken by us or our subsidiaries are also forward-looking statements. Forward-looking statements also contain known and unknown risks and uncertainties (many of which are difficult to predict and beyond management's control) that may cause SMLP's actual results in future periods to differ materially from anticipated or projected results. An extensive list of specific material risks and uncertainties affecting SMLP is contained in its 2020 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 4, 2021, as amended and updated from time to time. Any forward-looking statements in this press release are made as of the date of this press release and SMLP undertakes no obligation to update or revise any forward-looking statements to reflect new information or events.

SOURCE: Summit Midstream Partners, LP

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