



NOTICE OF BINDING OPEN SEASON

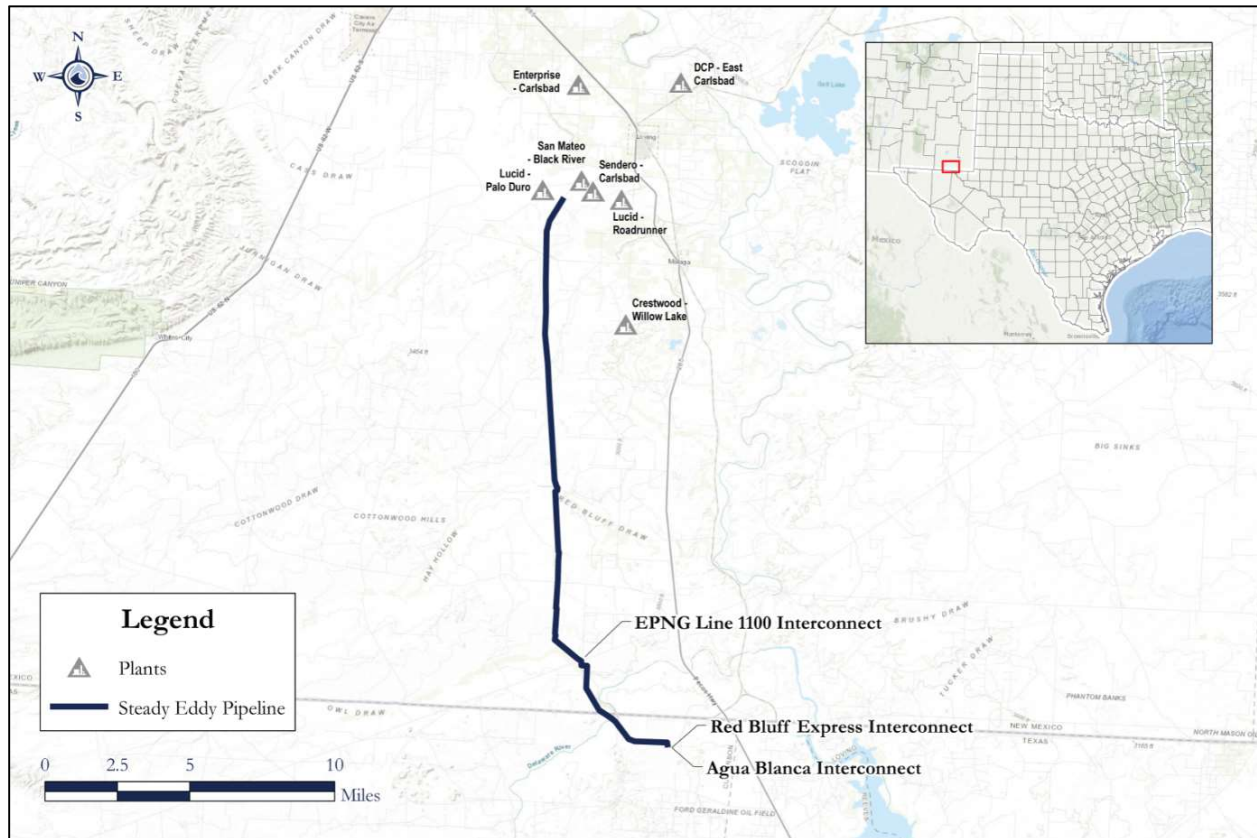
WhiteWater Midstream, LLC (“WWM”), today announced that it is holding a binding Open Season to solicit commitments for firm natural gas transportation service to develop and construct a new interstate pipeline connecting multiple receipt points in Eddy County, New Mexico to delivery points in Northern Culberson County, Texas (Figure 1). The proposed pipeline (the “Steady Eddy Pipeline”) would provide approximately 500,000 MMBtu/d of interstate gas transportation service to New Mexico gas processors, allowing them access to multiple delivery point options in New Mexico and Texas.

WWM is conducting this binding open season to determine customer needs for firm natural gas transportation service between receipt points located in and from Eddy County to multiple delivery points in and to New Mexico and Texas.

This Notice of Binding Open Season is to solicit bids for firm transportation service on Steady Eddy Pipeline from shippers that are willing to commit to such firm transportation service in accordance with all applicable rules and regulations of the Federal Energy Regulatory Commission (“FERC”).

WWM invites parties interested in obtaining firm transportation service on Steady Eddy to submit binding bids for such capacity during this Open Season.

Figure 1: Steady Eddy Pipeline Map



Open Season Procedure and Duration:

The Open Season will commence on Wednesday, January 9, 2019 and conclude at 5:00 PM CST on Friday February 15, 2019. WWM may, in its sole discretion, extend the duration of the Open Season at any time during the Open Season.

Any shipper desiring firm transportation service under the Steady Eddy Pipeline must complete the Open Season – Steady Eddy Pipeline Precedent Agreement (the “Precedent Agreement”) found at <http://whitewatermidstream.com/operations>, which must be signed by a duly authorized representative of the requesting shipper, together with requesting shipper’s completed Mutual Nondisclosure Agreement (Exhibit I). All submittals should be sent via email to steadyeddy@wwm-llc.com.

Precedent Agreements and Mutual Nondisclosure Agreements may also be sent by mail or delivery service to WWM’s offices located at 106 E. 6th Street, Suite 750, Austin, TX 78701.



Prior to close of the Open Season, Parties may submit questions concerning the Open Season to steadyeddy@wwm-llc.com. WWM will post any clarifications provided in response to submitted inquiries at www.whitewatermidstream.com.

Subsequent Schedule:

Upon conclusion of the Open Season, WWM will evaluate the submitted Precedent Agreements and respond to each party that submitted a bid during the Open Season. If WWM determines that acceptable Precedent Agreements have been submitted, then WWM will proceed to finalize such agreements based upon the conforming bids received and subsequent transportation service contract negotiations. WWM also reserves the right, to be exercised on a not unduly discriminatory basis, to continue to market Steady Eddy Pipeline after the close of the Open Season with interested parties whether or not the party has submitted a bid during this binding Open Season.

Commencement of Service:

The target in-service date for Steady Eddy Pipeline is the first half of 2021. The target in-service date is an estimate and may change depending upon the necessary facilities and regulatory requirements.

Description of the Project:

The project includes the construction of a 24” diameter natural gas pipeline and associated metering stations in Eddy County, New Mexico connecting multiple receipt points to one or more delivery points in Northern Culberson County, Texas. No compression is included in the initial scope of Steady Eddy Pipeline and receipt points should be capable of providing gas at up to 1350 PSIG.

Potential Receipt Points:

- Sendero Midstream Carlsbad Processing Plant
- Lucid Energy Palo Duro Plant
- Lucid Energy Roadrunner Plant
- San Mateo Midstream Black River Plant

Potential Delivery Points:

- El Paso Natural Gas – Line 1100
- Red Bluff Express Pipeline
- Agua Blanca Pipeline

Transportation Rates:

- A cost of service-based, daily reservation recourse rate will be available for transportation service under the Project, which will be established once the final scope defining Steady

Eddy Pipeline has been determined, and which may change from time to time. The estimated initial recourse rate will be calculated using WWM's estimated cost of the Steady Eddy facilities, estimates for operation and maintenance expenses based on costs for similar facilities, the billing determinants under the project, and other cost factors. The final scope will be based on shipper commitments and Steady Eddy Pipeline's determination of the economic viability of providing firm transportation service from the desired Receipt Points to the Delivery Point(s). For purposes of this Open Season, the maximum recourse reservation rates are currently expected to be as follows: \$0.04/MMBtu – \$0.06/MMBtu.

- Negotiated Rates will be considered and evaluated on a net present value basis as outlined below.
- All Rates will be reservation charge-based (\$/MMBtu/day). In addition to reservation charges, actual invoiced rates will include commodity charges (if applicable), electric power charges (if applicable), the addition of Annual Charge Adjustment (“ACA”), and any additional surcharges that are in effect pursuant to Steady Eddy Pipeline's FERC NGA Gas Tariff, which may be revised from time to time. In addition to transportation charges, shippers shall be responsible for fuel/retention, which shall be collected on an actual basis.

Term:

Bids should assume a minimum term of 10 years (longer terms may be submitted).

Credit Requirements:

Any requirement that a shipper provide credit support will be governed by, and determined in accordance with, the terms of the shipper's Precedent Agreement.

Submission of Bids:

To respond to this Open Season, parties should complete and submit the Mutual Nondisclosure Agreement and Precedent Agreement. Bids should assume a minimum term of 10 years.

Any interested party must notify WWM, in writing, of the contract quantity, term, receipt point(s), delivery point(s), and any other information relevant to such request for service. All bids will be accepted through 5:00 PM CCT on Friday, February 15, 2019. Each interested party, by submitting a bid in response to this Open Season, waives any conflicts that may arise from Sidley Austin LLP's representation of WWM in connection with the Open Season and all transactions resulting from it.

WWM will award firm capacity based on the highest net present value of the stream of incremental revenue produced by an acceptable bid, or combination of acceptable bids, received in this Open Season, up to the total quantity that results from the facilities that WWM determines, in its sole discretion, to construct. WWM reserves the right to reject and remove from consideration non-conforming bids, bids that have a delayed in-service requirement or other contingencies. WWM also reserves the right to reject any bid it deems, in its sole discretion, to be uneconomic. Bids that include a Precedent Agreement with any changes to, or that leave provisions blank in the applicable



form, will be deemed “non-conforming” bids. WWM may reject non-conforming bids, or, if the non-conforming provisions are otherwise acceptable, WWM may, in its sole discretion, deem a non-conforming bid “acceptable” and include the bid as part of the firm capacity allocation process. WWM will exercise its discretion in this regard in a not unduly discriminatory manner.

WWM reserves the right to agree to discounted or negotiated rates on a point, volume, term, and condition specific basis (on a not unduly discriminatory basis). WWM also reserves the right to award capacity for a quantity less than the bid quantity subject to any minimum acceptable quantity specified in the bid, if sufficient capacity is not available to award the entire bid quantity.

WWM reserves the right, upon notice and in its sole discretion, at any time during this Open Season to terminate, modify, or extend the Open Season.

EXHIBIT I: MUTUAL NONDISCLOSURE AGREEMENT

THIS MUTUAL NONDISCLOSURE AGREEMENT (this “*Agreement*”) is entered into as of _____, 2019, between _____ (“*Customer*”) and WhiteWater Midstream, LLC (“*WWM*”). Customer and WWM sometimes are collectively referred to as the “*Parties*” and individually as a “*Party*.”

The Parties and their respective Representatives (as defined below) may disclose confidential and proprietary information to each other in connection with discussions relating WWM’s binding Open Season to gauge interest in firm natural gas transportation service between receipt points located in and from the Eddy County to delivery points in Northern Culberson County and multiple delivery points options in New Mexico and Texas (the “*Potential Project*”).

The Parties agree as follows:

1. Definitions. As used in this Agreement:

(a) “*Confidential Information*” means all information and data, including, without limitation, engineering, financial, legal, operational, commercial and customer information regardless of the form of information or manner of transmission, including, without limitation, oral, written and electronic communications, disclosed to the Receiving Party by the Disclosing Party or its Representatives in connection with the Potential Project. Confidential Information also includes all analyses, compilations, data, studies or other documents prepared by the Receiving Party containing or based upon, in whole or in part, any of the foregoing information. This Agreement, the fact that discussions or negotiations are taking place as well as any terms of such discussions or negotiations will be considered Confidential Information.

(b) “*Disclosing Party*” means the Party disclosing Confidential Information hereunder.

(c) “*Receiving Party*” means the Party receiving Confidential Information hereunder.

2. Exceptions. Confidential Information does not include any information that:

(a) is in the possession or knowledge of the Receiving Party or its Representatives before disclosure under this Agreement;

(b) is disclosed at any time to the Receiving Party or its Representatives by a third party who, to the knowledge of the Receiving Party after reasonable inquiry, is not under a duty of confidentiality to the Disclosing Party with respect to the Confidential Information;

(c) is, at the time of the disclosure, in the public domain or available to the public or enters the public domain at a later date by becoming available to the public through no fault of the Receiving Party or its Representatives in violation of this Agreement; or

(d) is developed by or for the Receiving Party or its Representatives independent of, and without reference to, the Confidential Information being disclosed under this Agreement.

3. **Confidentiality Obligation.** The Receiving Party, except as expressly provided in this Agreement, shall not disclose the Confidential Information to anyone without the Disclosing Party's prior written consent; *provided, however,* that the Receiving Party may disclose Confidential Information to its affiliates, and its and their respective employees, agents, attorneys, financial and tax advisors, consultants, auditors and other representatives (collectively, "***Representatives***") who have a need to know the Confidential Information; provided, any Representatives to whom the Confidential Information is disclosed shall be apprised of the obligations of confidentiality set forth hereunder. The Receiving Party shall use the Confidential Information solely for the purpose of evaluating the Potential Project. Each Party shall be liable for any breach of this Agreement by its Representatives. With respect to any Confidential Information jointly generated by the Parties, each Party shall be deemed to be a Receiving Party of such Confidential Information for purposes of this Section 3.

4. **Legal Disclosures.** Notwithstanding anything set forth herein to the contrary, the Receiving Party may disclose the Confidential Information if required by law, regulation, or legal process without liability to Disclosing Party; provided that the Receiving Party will (a) promptly notify, if permitted by law, the Disclosing Party so that the Disclosing Party may seek a protective order, (b) cooperate with the Disclosing Party, at the Disclosing Party's cost, in obtaining such a protective order, and (c) in the event the Disclosing Party is unable to obtain such a protective order or other appropriate remedy, furnish only that portion of the Confidential Information which it is advised is legally required to be disclosed.

5. **Ownership of Confidential Information.** All Confidential Information disclosed under this Agreement shall remain the exclusive property of the Disclosing Party. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise conveyed by this Agreement with respect to Confidential Information.

6. **Independent Development.** The Disclosing Party acknowledges that the Receiving Party or its Representatives may currently or in the future be developing information internally, or receiving information from other parties, that is similar to the Confidential Information. Accordingly, nothing in this Agreement shall be construed as a representation or agreement that the Receiving Party or its Representatives shall not develop, or have developed for it, products, concepts, systems or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in the Confidential Information, provided that the Receiving Party or its Representatives does not violate any of its obligations under this Agreement in connection with such development.

7. **No Representations or Warranties.** The Parties understand and agree that neither Party makes any representations or warranties of any kind under or in connection with this Agreement with respect to the accuracy, appropriateness or completeness of Confidential Information provided to the other, and neither Party nor its officers, directors or Representatives shall have any liability or responsibility to the other Party (except as set forth in this Agreement) or to any other person or entity.

8. **Return or Destruction of Confidential Information.** Upon receipt of a written request, the Receiving Party, at the Receiving Party's sole option, shall promptly (a) return all originals and copies of the Confidential Information, or (b) destroy all originals and copies of the Confidential Information and certify in writing to such destruction. Notwithstanding the above, the Receiving Party may retain (a) copies of materials provided to the Receiving Party's board of directors that includes Confidential Information, and (b) electronic copies of the Confidential Information that are automatically created pursuant to electronic backup and archival procedures; provided, that in each case, such copies shall remain subject to this Agreement.

9. **Specific Performance; Remedies.** The Receiving Party acknowledges that Confidential Information is unique and valuable, and that any violation of this Agreement could cause irreparable harm to the Disclosing Party for which monetary damages may be difficult to ascertain or be an inadequate remedy. Therefore, the Parties agree that in the event of a breach or threatened breach of confidentiality, the Disclosing Party may be entitled to seek specific performance and injunctive relief as a remedy for any such breach or anticipated breach.

10. **No Partnership or Other Agreement.** This Agreement does not create a joint venture, partnership or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity. Each Party shall act as an independent contractor and not as an agent of the other Party for any purpose, and neither shall have the authority to bind the other. Unless and until a definitive agreement is executed and delivered by the Parties, neither Party will have any obligation of any kind whatsoever with respect to a Potential Project by virtue of this Agreement or any other written or oral expression with respect to such relationship or a Potential Project except for the matters specifically addressed in this Agreement. For purposes of this Agreement, "definitive agreement" does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral acceptance of an offer or bid.

11. **Entire Agreement; Amendment; Assignment.** This Agreement constitutes the entire agreement between the Parties relating to the matters discussed herein and may be amended only with the mutual written consent of the Parties. This Agreement or any rights or obligations hereunder shall not be assigned without the express written consent of the other Party (such consent not to be unreasonably withheld). This Agreement is binding upon and inures to the benefit of each Party's permitted successors and assigns.

12. **Term.** This Agreement shall commence on the date first written above and all obligations hereunder shall cease two (2) years from such date.

13. **Non-waiver; Invalidity.** Any failure by either Party to enforce the other Party's strict performance of any provision of this Agreement shall not constitute a waiver of its right to subsequently enforce such provision or any other provision of this Agreement. If a provision of this Agreement is held invalid under any applicable law, such invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision.



14. **Governing Law.** This Agreement shall be governed by the laws of Texas without regard to its conflicts of law provisions.

15. **Counterparts.** This Agreement may be executed and sent in counterparts, including by electronic mail (pdf), each of which when so executed shall be an original, but such counterparts shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

CUSTOMER

WHITEWATER MIDSTREAM, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____