

OIL REPORT

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Brazos Midstream expands operations

Company is adding natural gas facility, new processing complex to its lineup

By Mella McEwen
OIL EDITOR

Brazos Midstream is continuing to expand the Midland Basin operations it began in 2021.

The company has commissioned Sundance II, a 300-million-cubic-foot-per-day cryogenic natural gas processing facility in Martin County and the largest cryogenic plant constructed by the company to date. It combines with Sundance I, a 200 MMcf per day facility that entered service in mid-2024.

Brazos has also begun construction of a new processing complex in Glasscock County

that will initially include Cassidy I, a 300 MMcf per day cryogenic natural gas processing facility. Once completed by the end of the year, Cassidy I will increase Brazos' total natural gas processing capacity in the Midland Basin to 800 MMcf per day. Brazos has already secured grid power and other related infrastructure to execute expansion opportunities at the Cassidy complex.

"The Midland Basin is experiencing meaningful growth. Several producers have recently announced plans to target deeper formations, including the Barnett, with higher gas to oil ratios,

which is increasing associated natural gas production. As a result, there is a growing need from producers for additional midstream infrastructure, including processing plants, gathering and transmission pipelines, and field compression," Brad Iles, chief executive officer, told the Reporter-Telegram.

"Since entering the Midland Basin in 2021, we have strategically executed on our growth plans in this region," he said. "Most recently, we secured multiple long-term contracts from top-tier Permian producers already in full-scale development. These customers require additional gas gathering and processing services to support both their existing production and

Brazos continues on C2



Courtesy Brazos Midstream
Brazos Midstream has announced plans to expand its Midland Basin gathering system.



Photos courtesy Esentia Energy

Esentia Energy is carrying Permian Basin natural gas from the Waha Hub into central Mexico.

Esentia links Permian gas to Mexico

Firm has launched a three-phase expansion program

By Mella McEwen
OIL EDITOR

Permian Basin natural gas is being called on to power more than data centers in West Texas.

Esentia Energy is carrying natural gas from the Waha hub to central Mexico, a unique story tying the Permian Basin and its southern neighbor.

"We had the foresight to ensure the connection," Daniel Bustos, Esentia's chief executive officer, told the Reporter-Telegram.

Esentia can use three different pipelines near the border to bring Texas natural gas, which it procures from the Waha hub, into Mexico.

The central Mexico corridor is very important because of its growth, he said.

As U.S. manufacturers near-shore supply chains, Mexico is entering a period of rapid industrial growth, driving sustained demand for reliable, affordable energy.

"We look at the needs the coun-



Esentia Energy CEO Daniel Bustos said Mexico "needs secure, reliable energy supplies."

try has: reliable, long-term supplies of natural gas," Bustos said. "Mexico has enormous capacity for wind and solar, but at the same time needs secure, reliable energy supplies."

Esentia owns and operates the

largest privately held interconnected gas system in Mexico, delivering low-cost Permian gas directly into the country's highest-demand industrial regions, which account for about 32% of national gross domes-

Esentia continues on C2

Operators turn to surfactants as test lifts output

By Mella McEwen
OIL EDITOR

In the search for efficiency gains, Permian Basin oil and gas operators are hoping for better production through chemistry.

"We've seen an uptick in interest in surfactants," Martin Shumway, senior vice president at Locus Bio-Energy, told the Reporter-Telegram.

There is growing interest in surfactants, agreed Megan Pearl, vice president of Global Technology. She told the Reporter-Telegram clients "desire something different than what's been tried before historically. It could be natural surfactants, it could be nano surfactants, something more sophisticated in chemistry."

The company offers bio-based materials it produces itself that are



Locus Bio-Energy

Dr. Megan Pearl is vice president of technology at Locus Bio-Energy.

incorporated into all its products. Nano-sized surfactants offer similar benefits, she said.

The surfactant selected should offer a combination of improved cost and improved performance, said Shumway.

Asked about ongoing development of new, deeper formations and locations further from the top core, he said operators, particularly in

Locus continues on C2

Managers mull a water plan for rangelands

By Mella McEwen
OIL EDITOR

Agriculture and rangeland managers are closely watching efforts to use treated produced water outside oil and natural gas operations.

The subject was a topic at the Produced Water Society's recent conference in Houston, with a panel of speakers with agriculture and rangeland interests discussing how to sustain biodiversity when using treated produced water.

"I am supportive of any water that benefits Texas and agriculture,"

said Charles Maley, advocacy director at the South Texas Property Rights Association and a sixth-generation rancher and a panelist at the conference.

The topic is intriguing, Samantha Borgstedt, project director for the Texas Alliance for Water Conservation and also a panelist, told the Reporter-Telegram.

"I'm willing to learn and be innovative in our operations," said Borgstedt, a fifth-generation land manager on her family's farm and ranch.

"I appreciate the oil

Water continues on C2

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OIL REPORT

BRAZOS MIDSTREAM CONTINUES TO EXPAND ITS FOOTPRINT AS MIDLAND BASIN OIL AND GAS PRODUCTION SHOWS MEANINGFUL GROWTH.....



BRAZOS

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planned volume growth.” Today, the company is the largest privately held midstream operator in the Permian Basin, Iles noted. “We will continue to optimize our systems both operationally and commer-

cially, while working closely with our customers to increase capacity where needed — particularly in the Midland Basin, where processing capacity remains tight.”

In addition to expanding its Sundance facility and initiating development of the Cassidy complex, Brazos is extending its gather-

ing system with more than 70 miles of high-pressure 20-inch and 24-inch natural gas gathering pipeline currently under construction, providing incremental capacity to constrained areas in Reagan, Glasscock, Midland and Upton counties.

Upon completion in mid-2026, Brazos’ Midland

footprint will include approximately 525 miles of natural gas gathering pipelines and 16 compressor stations. The Midland business is underpinned by long-term acreage dedications covering more than 375,000 acres from top-tier Permian producer customers already in full-scale development.

ESENTIA

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tic product. Esentia supplies about 15% of Mexico’s daily natural gas demand.

With six pipelines and 5.8 billion cubic feet per day of permitted capacity already in place, Esentia’s Wahalajara System is supplying customers ranging from data centers and mining operations to industrial parks, with longer-term plans tied to behind-the-meter power generation and Pacific LNG exports — creating an alternative export route that bypasses Panama Canal constraints.

Esentia has launched a three-phase expansion program. The first phase, construction of the new Aguascalientes compression station, has begun, providing 146 million cubic feet per day of incremental physical capacity. The expected budget of \$91.5 million is fully capitalized and 100% of capacity contracted. Completion is set for early 2027.

A final investment decision is expected by the end of the first quarter for the second phase, which would add 295 Mmcf per



Esentia Energy

Esentia moves Permian Waha gas to central Mexico, supplies 15% of demand, and plans growth to 850 MMcf/d plus Pacific LNG exports.

day of capacity. Cost is projected to be \$205.5 million and completion expected by mid-2028.

Esentia expects to make a final investment decision on the third phase in early 2028. This phase would add 219 Mmcf per day with a capital expenditure of \$383 million. Completion would be expected by the end of 2030.

The completed expansion would allow Esentia to reach 850 Mmcf per day in gas sales

Long-term — over the next five years — the company plans to develop a 1.5 billion cubic feet per day large-scale pipeline expansion to increase access to cost-competitive Waha gas to Mexico and the Pacific. Esentia has identified 6 billion cubic feet of market demand, including LNG, CFE extra needs, fertilizers, large power projects and organic growth. Esentia Power would offer integrated gas-to-power solutions

targeting underserved mid-range customers facing transmission access challenges.

The company has an office in Houston that he said consistently helps with any issues regarding Texas natural gas.

“We’ve created a great collaboration” with Texas producers, Bustos said.

Permian Basin producers constantly need natural gas dispatch and Esentia offers that takeaway capacity, he noted.

LOCUS

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the Midland Basin, have a number of shallow well locations. Where the surfactants could work would be in parent-child wells.

Said Pearl, “Surfactants for unconventional wells should be the same. Unconventional shale has changed everything — completion construction, stages — except chemistry.



Locus Bio-Energy

Locus Bio-Energy is already researching new applications.

We will need new chemicals.”

The company is already researching new applications, including in completions and enhanced oil recovery applications in older wells, Pearl said. “Hot on our list is to innovate in surfactants — not just surfactants but biosurfactants version 2.0 and above. There’s also new spaces to work in — scale treatment, completions — to touch more of a

well’s life.”

In a test last year of its Sustain SF101 biosurfactant-based technology in a Wolfcamp A program, wells treated with the technology saw a 20% increase in oil production, 15% increase in gas production and 23% lower water-oil ratio. The test was conducted using three treated wells and three control wells completed under identical parameters.

and a half acres of the Permian Basin green every year. It won’t be in one block. It could be one or two counties or scattered over eight to 10 million acres.”

The key is to restart the natural water cycle in the Permian Basin, he said. Rather than discharge treated water into streams or the Pecos River, use it to regrow grass. “Get the ground healthy again, catch those rains and have them naturally flow into streams and the Pecos, naturally improve river quality.”

“This is a once in a millennium opportunity,” Maley said.

PERMIAN BASIN DEVELOPMENT WELL PERMITS FOR FEB. 20-27

Texas RRCD 7C

Crockett County

PETX Operating LLC

- University 66 67 68 #225, Midway Lane (Permian); 2585 fsl, 1050 fwl, Sec 30, Blk 46, Abst. 464U, ULS, 15.4 nw Ozona; TD 2000; API #42-105-42571.

- University 66 67 68 #325, Midway Lane (Permian); 2526 fsl, 1205 fwl, Sec 26, Blk 45, ULS, 15.4 nw Ozona; TD 2000; API #42-105-42572.

- University 66 67 68 #350, Midway Lane (Permian); 1357 fsl, 1150 fwl, Sec 26, Blk 45, ULS, 15.4 nw Ozona; TD 2000; API #42-105-42573.

Reagan County

DE Central Operating LLC

- Lightning East K 13-8 #6211H, Spraberry (Trend Area)-Horizontal; 305 fsl, 5516 fwl, Sec 13, Blk 2, Abst. 460, T&P RR, 15.4 nw Big Lake; TD 10605; API #42-383-42288.

- Lightning East N 13-8 #6214H, Spraberry (Trend Area)-Horizontal; 305 fsl, 5379 fwl, Sec 13, Blk 3, Abst. 460, T&P RR, 15.4 nw Big Lake; TD 10605; API #42-383-42289.

- Hunt East I 15-7 #6209H, Spraberry (Trend Area)-Horizontal; 356 fsl, 1164 fwl, Sec 15, Blk L, Abst. 112, D&P RR, 15.4 nw Big Lake; TD 10605; API #42-383-42290.

- Hunt East M 15-7 #6213H, Spraberry (Trend Area)-Horizontal; 392 fsl, 1024 fwl, Sec 15, Blk L, Abst. 112, D&P RR, 15.4 nw Big Lake; TD 10605; API #42-383-42291.

- Hunt West A 15-7 #6201H, Spraberry (Trend Area)-Horizontal; 409 fsl, 1343 fwl, Sec 15, Blk L, Abst. 112, D&P RR, 15.4 nw Big Lake; TD 10605; API #42-383-42292.

- Hunt West E 15-7 #6205H, Spraberry (Trend Area)-Horizontal; 409 fsl, 1183 fwl, Sec 15, Blk L, Abst. 112, D&P RR, 15.4 nw Big Lake; TD 10605; API #42-383-42293.

Tom Green County

Hibernia Resources IV LLC

- Wardlaw #1H, June Ann (Pennsylvanian)-Horizontal; 1731 fwl, 375 fwl, Sec 1803, Abst. 1790, R. Rodriguez, 17 nw San Angelo; TD 9000; API #42-451-32927.

Upton County

Pioneer Natural Resources USA Inc.

- Benedum 3G #7H, Spraberry (Trend Area)-Horizontal; 718 fsl, 1692 fwl, Sec 3, Abst. 142, EL&RR, 16.3 s Midkiff; TD 10119; API #42-461-43447.

- Benedum 3H #8H, Spraberry (Trend Area)-Horizontal; 698 fsl, 1691 fwl, Sec 3, Abst. 142, EL&RR, 16.3 s Midkiff; TD 10119; API #42-461-43448.

- Benedum 3I #9H, Spraberry (Trend Area)-Horizontal; 678 fsl, 1691 fwl, Sec 3, Abst. 142, EL&RR, 16.3 s Midkiff; TD 10119; API #42-461-43449.

- Benedum 3J #10H, Spraberry (Trend Area)-Horizontal; 658 fsl, 1691 fwl, Sec 3, Abst. 142, EL&RR, 16.3 s Midkiff; TD 10119; API #42-461-43450.

- Benedum 3K #11H, Spraberry (Trend Area)-Horizontal; 638 fsl, 1690 fwl, Sec 3, Abst. 142, EL&RR, 16.3 s Midkiff; TD 10119; API #42-461-43451.

- Benedum 3L #12H, Spraberry (Trend Area)-Horizontal; 618 fsl, 1690 fwl, Sec 3, Abst. 142, EL&RR, 16.3 s Midkiff; TD 10119; API #42-461-43452.

- Benedum 3M #13H, Spraberry (Trend Area)-Horizontal; 598 fsl, 1690 fwl, Sec 3, Abst. 142, EL&RR, 16.3 s Midkiff; TD 10119; API #42-461-43453.

Texas RRCD 8

Crane County

Blackbeard Operating LLC

- Waddell 13-12 7WF #5332H, Peart (Barnett)-Horizontal; 243 fsl, 648 fwl, Sec 13, Blk B-23, Abst. 1158, PSL, 16.01 nw Crane; TD 14000; API #42-103-37751.

- Waddell 13-12 8BN #5330H, Peart (Barnett)-Horizontal; 243 fsl, 618 fwl, Sec 13, Blk B-23, Abst. 1158, PSL, 16.01 nw Crane; TD 14000; API #42-103-37744.

- Waddell 13-12 8UD #5731H, University Waddell (Devonian)-Horizontal; 243 fsl, 588 fwl, Sec 13, Blk B-23, Abst. 1158, PSL, 16.01 nw Crane; TD 14000; API #42-103-37745.

- Waddell TR A #4079H, Sand Hills (McKnight)-Horizontal; 118 fsl, 2628 fwl, Sec 10, Blk B-21, Abst. 1114, PSL, 14.65 se Monahans; TD 7999; API #42-103-37746.

- Waddell TR A #4860H, Sand Hills (Judkins)-Horizontal; 118 fsl, 2546 fwl, Sec 10, Blk B-21, Abst. 1114, PSL, 14.65 se Monahans; TD 7999; API #42-103-37748.

BTA Oil Producers LLC

- UL Cyclops 22507 C 8-9-44 #03H, Peart (Barnett)-Horizontal; 1350 fsl, 2000 fwl, Sec 8, Blk X, Abst. 1028, CCSD&RGNG, 1.66 nw Crane; TD 10200; API #42-103-37754.

- UL Cyclops 22507 D 8-9-44 #04H, Peart (Barnett)-Horizontal; 1350 fsl, 2030 fwl, Sec 8, Blk X, Abst. 1028, CCSD&RGNG, 1.66 nw Crane; TD 10200; API #42-103-37753.

Ring Energy Inc.

- H Connell #1H, Sand Hills

- (Wolfcamp)-Horizontal; 2638 fwl, 2020 fwl, Sec 27, Blk B-22, Abst. 262, PSL, 20 nw Crane; TD 7000; API #42-103-37752.

Ector County

Diamondback E&P LLC

- Sallie B 12-48 C #3H, Peart (Barnett)-Horizontal; 2378 fwl, 1275 fwl, Sec 13, Blk 42, T-3-S, Abst. 138, T&P RR, 6.1 se Odessa; TD 12500; API #42-135-44257.

Howard County

Apache Corporation

- Blaggrave A #1DN, Spraberry (Trend Area)-Horizontal; 263 fwl, 833 fwl, Sec 20, Blk 33, T-3-N, Abst. 1245, T&P RR, 3 se Ackerly; TD 9000; API #42-227-42835.

- Blaggrave B #2DN, Spraberry (Trend Area)-Horizontal; 293 fwl, 862 fwl, Sec 20, Blk 33, T-3-N, Abst. 1245, T&P RR, 3 se Ackerly; TD 9000; API #42-227-42836.

- Blaggrave C #3AH, Spraberry (Trend Area)-Horizontal; 263 fwl, 863 fwl, Sec 20, Blk 33, T-3-N, Abst. 1245, T&P RR, 3 se Ackerly; TD 12000; API #42-227-42833.

- Blaggrave D #5H, Spraberry (Trend Area)-Horizontal; 293 fwl, 832 fwl, Sec 20, Blk 33, T-3-N, Abst. 1245, T&P RR, 3 se Ackerly; TD 12000; API #42-227-42834.

Loving County

Anadarko E&P Onshore LLC

- KEG 1-0-39-38 A #501H, Sandbar (Bone Spring)-Horizontal; 806 fwl, 1489 fwl, Sec 39, Blk 1, Abst. 174, W&NW RR, 8.3 se Mentone; TD 12000; API #42-301-37765.

- KEG 1-0-39-38 B #61H, Sandbar (Bone Spring)-Horizontal; 806 fwl, 1517 fwl, Sec 39, Blk 1, Abst. 174, W&NW RR, 8.3 se Mentone; TD 12000; API #42-301-37766.

- KEG 1-0-39-38 C #503H, Sandbar (Bone Spring)-Horizontal; 806 fwl, 1545 fwl, Sec 39, Blk 1, Abst. 174, W&NW RR, 8.3 se Mentone; TD 12000; API #42-301-37767.

- KEG 1-0-39-38 D #62H, Sandbar (Bone Spring)-Horizontal; 806 fwl, 1573 fwl, Sec 39, Blk 1, Abst. 174, W&NW RR, 8.3 se Mentone; TD 12000; API #42-301-37768.

- KEG 1-0-39-38 E #505H, Sandbar (Bone Spring)-Horizontal; 806 fwl, 1601 fwl, Sec 39, Blk 1, Abst. 174, W&NW RR, 8.3 se Mentone; TD 12000; API #42-301-37769.

- KEG 1-0-39-38 F #63H, Sandbar (Bone Spring)-Horizontal; 806 fwl, 1629 fwl, Sec 39, Blk 1, Abst. 174, W&NW RR, 19 se Mentone; TD 12000; API #42-301-37770.

- Silvertip Unit Y #11H, Phantom (Wolfcamp)-Horizontal; 608 fsl, 668 fwl, Sec 12, Blk 76, Abst. 1229, PSL, 19 n Mentone; TD 13000; API #42-301-37774.

- Silvertip Unit Y #12H, Phantom (Wolfcamp)-Horizontal; 9702 fsl, 793 fwl, Abst. 1336, J.E. Whiteside, 19 n Mentone; TD 13000; API #42-301-37776.

- Silvertip Unit Y #21H, Phantom (Wolfcamp)-Horizontal; 9702 fsl, 763 fwl, Abst. 1336, J.E. Whiteside, 19 n Mentone; TD 13000; API #42-301-37775.

- Silvertip Unit Y #22H, Phantom (Wolfcamp)-Horizontal; 9703 fsl, 823 fwl, Abst. 1336, J.E. Whiteside, 19 n Mentone; TD 13000; API #42-301-37777.

- Silvertip Unit Y #23H, Phantom (Wolfcamp)-Horizontal; 9703 fsl, 853 fwl, Abst. 1336, J.E. Whiteside, 19 n Mentone; TD 13000; API #42-301-37778.

- Silvertip Unit Y #24H, Phantom (Wolfcamp)-Horizontal; 9704 fsl, 852 fwl, Abst. 1336, J.E. Whiteside, 19 n Mentone; TD 13000; API #42-301-37779.

EOG Resources Inc.

- Wrangler C Unit #402H, Sandbar (Bone Spring)-Horizontal; 1344 fsl, 630 fwl, Sec 35, Blk 76, Abst. 881, PSL, 14.9 ne Mentone; TD 14000; API #42-301-37750.

- Wrangler C Unit #403H, Sandbar (Bone Spring)-Horizontal; 675 fsl, 1739 fwl, Sec 35, Blk 76, Abst. 881, PSL, 14.9 ne Mentone; TD 14000; API #42-301-37772.

- Wrangler C Unit #552H, Sandbar (Bone Spring)-Horizontal; 1344 fsl, 650 fwl, Sec 35, Blk 76, Abst. 881, PSL, 14.9 ne Mentone; TD 14000; API #42-301-37771.

- Wrangler C Unit #553H, Sandbar (Bone Spring)-Horizontal; 675 fsl, 1759 fwl, Sec 35, Blk 76, Abst. 881, PSL, 14.9 ne Mentone; TD 14000; API #42-301-37773.

- Link VJ Ranch 30-31 E #591H, Sandbar (Bone Spring)-Horizontal; 469 fsl, 1593 fwl, Sec 19, Blk 54, T-2, Abst. 77, T&P RR, 9.4 nw Mentone; TD 14000; API #42-301-37756.

- Link VJ Ranch 30-31 F #551H, Sandbar (Bone Spring)-Horizontal; 470 fsl, 1613 fwl, Sec 19, Blk 54, T-2, Abst. 77, T&P RR, 9.4 nw Mentone; TD 14000; API #42-301-37757.

- Link VJ Ranch 30-31 G #581H, Sandbar (Bone Spring)-Horizontal; 469 fsl, 1633 fwl, Sec 19, Blk 54, T-2, Abst. 77, T&P RR, 9.4 nw Mentone; TD 14000; API #42-301-37758.

Wells continues on C3