



**FOR IMMEDIATE RELEASE**

## **LM Energy Announces Sale of its Crude Oil Gathering Business**

*Company to Continue to Focus on Growing its Natural Gas Gathering Systems  
in the Northern Delaware Basin*

**DALLAS, TEXAS** – September 26, 2023 - [LM Energy Holdings, LLC](#) (“LM” or “the Company”) today announced that it has entered into definitive agreements to sell certain subsidiaries and assets related to its Touchdown Crude Oil Gathering System in Eddy and Lea counties, New Mexico. The transaction is expected to close during the fourth quarter of 2023.

### **Key Transaction Highlights**

LM began the development of its crude oil gathering business in 2019 and has constructed over 130 miles of pipelines, two terminals with 136,000 barrels of combined storage capacity, and grew volumes from zero to approximately 75,000 barrels per day on a 100 percent greenfield basis.

“I want to start by thanking our customers for trusting in us to provide critical crude oil gathering services, which we never take lightly. I also want to thank the entire LM team for their hard work and dedication safely developing and operating our crude oil gathering business over the last four years,” said Elliot Gerson, Chief Executive Officer at LM. “This transaction positions LM as a stronger and even better capitalized company that is focused on our gas business.”

### **Gas Gathering Business Update**

LM has continued expanding its gas gathering systems in Eddy and Lea counties, New Mexico, which currently provide low pressure gathering, dehydration, compression, liquids handling, and high pressure gathering services. The Company has constructed over 70 miles of pipelines to-date and will commission its sixth compressor station during the fourth quarter of 2023.

“Gas volumes in the Northern Delaware Basin continue to outperform expectations, and meanwhile operators and regulators are increasing their focus on eliminating flaring. That combination creates a massive need for additional gas gathering and processing infrastructure,” said Elliot Gerson. “With our existing team, assets, and relationships, we are extremely well positioned to continue growing our gas business.”

Piper Sandler & Co. served as exclusive financial advisor and Kirkland & Ellis LLP served as legal counsel to LM related to the sale of its crude oil gathering business.

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### **About LM**

LM Energy Holdings, LLC is a midstream oil and gas company based in Dallas, Texas. LM is focused on operational excellence and creative solutions for its producer partners. For more information visit [www.LMEnergyPartners.com](http://www.LMEnergyPartners.com).

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