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Cardinal Midstream Partners and EnCap Flatrock announce sale of Delaware Basin Assets to San Mateo Midstream for \$752 Million

Cardinal Midstream Partners, LLC has entered into a definitive agreement to sell its wholly owned subsidiaries, Cardinal Delaware Basin, LLC and Cardinal New Mexico, LLC, to San Mateo Midstream, LLC in a transaction valued at \$752 million.

The acquisition is expected to close during the third quarter of 2026, subject to regulatory approvals and customary closing conditions.

The deal includes Cardinal's extensive midstream assets in the Delaware Basin, comprising nearly 150 miles of high- and low-pressure natural gas gathering pipelines and a natural gas processing complex with a design capacity of 320 million cubic feet per day. Located in the core of the Delaware Basin, the infrastructure supports growing natural gas production across West Texas and southeastern New Mexico.

Following completion of the transaction, Cardinal's field employees will transition to San Mateo Midstream, ensuring operational continuity while joining one of the region's leading midstream operators with an established reputation for safe and reliable operations.

Based in Dallas, Texas, Cardinal Midstream was established in partnership with EnCap Flatrock Midstream in 2022 and has been led by its founding management team, including Chief Executive Officer Doug Dormer, Chief Financial Officer Doug Gale, Chief Operating Officer Clay Hewett and Chief Commercial Officer Justin Garrity.

Commenting on the transaction, Doug Dormer said the company's growth had been driven by a collaborative team effort, from the initial acquisition of assets through to the commissioning of major system expansions. He also acknowledged the contributions of employees, customers, suppliers and local communities in supporting Cardinal's development.

EnCap Flatrock Midstream also highlighted the significance of the transaction, describing it as the latest successful investment cycle in a long-standing partnership with Cardinal's leadership team. The company noted that continued demand for gathering and processing infrastructure across the Delaware Basin reflects expectations for sustained growth in natural gas production over the coming decade.

The acquisition strengthens San Mateo Midstream's position in one of North America's most active energy-producing regions, expanding its gathering and processing footprint while increasing capacity to support future production growth across the Delaware Basin.

For more information visit www.cardinalmp.com