

Deep Blue Midland Basin LLC Acquires Environmental Disposal Systems, LLC from Diamondback Energy, Inc.

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Diamondback and Five Point solidify Deep Blue's leadership as the Midland Basin's largest independent water infrastructure platform

Acquisition doubles Deep Blue's scale, unlocks compelling operational and commercial synergies across integrated platform

MIDLAND, Texas, Sept. 02, 2025 -- Deep Blue Midland Basin LLC ("Deep Blue"), [Diamondback Energy Inc.](#) (NASDAQ: FANG) ("Diamondback") and Five Point Infrastructure LLC ("Five Point") today announced an agreement for Deep Blue to acquire Environmental Disposal Systems, LLC ("EDS") from Diamondback, nearly doubling Deep Blue's scale and advancing its leadership in sustainable produced water management.

The EDS acquisition is valued at \$750 million and as part of the agreement, Diamondback renewed its 15-year dedication to Deep Blue for produced water and supply water within a 12-county area of mutual interest in the Midland Basin. Diamondback will maintain a 30% equity interest in Deep Blue and will receive approximately \$675 million in upfront cash proceeds, subject to customary closing conditions and adjustments. Diamondback will also have the potential to receive up to \$200 million of additional cash proceeds through performance-based earnouts until the end of 2028.

"This transaction enhances our footprint and accelerates our mission to optimize water management across the Midland Basin while prioritizing greater sustainability by recycling massive amounts of produced water for upstream development," said Scott Mitchell, Chief Executive Officer of Deep Blue. "It ensures our customers benefit from unmatched scale and innovative solutions while shaping the future of water management in the Midland Basin."

Following the acquisition, the Deep Blue system will include:

- 1.2 million barrels per day of treatment and recycling capacity
- 1.6 million barrels per day of water gathered
- 1,871 miles of interconnected pipeline across the basin
- 3.4 million barrels per day of permitted disposal capacity
- 783,000 dedicated acres

Formed in 2023 as a joint venture between Diamondback and Five Point, Deep Blue has rapidly built the Midland Basin's largest independent water infrastructure platform. This acquisition continues that trajectory, adding reliability and unlocking new opportunities to capitalize on operational and commercial synergies across the integrated system. EDS also broadens Deep Blue's customer base, which already includes several of the leading operators in the Midland Basin.

Kaes Van't Hof, Chief Executive Officer and Director of Diamondback said, "This transaction provides meaningful value for Diamondback while allowing us to remain closely aligned with Deep Blue as both a partner and a customer. Together, we are creating the premier system that supports the most demanding development schedules in the Midland Basin."

David Capobianco, Chief Executive Officer of Five Point and Chairman of Deep Blue said, "As a pioneer in produced water infrastructure and state-of-the-art water treatment practices, Five Point is proud to back Deep Blue, in partnership with Diamondback. Deep Blue is raising the bar and setting an industry standard

for resource-efficient water management across U.S. energy production."

Skadden, Arps, Slate, Meagher & Flom LLP and Vinson & Elkins LLP served as legal counsel to Deep Blue. Akin Gump Strauss Hauer & Feld LLP served as legal counsel and Piper Sandler & Co. served as financial advisor to Diamondback.

About Deep Blue

Deep Blue is headquartered in The Woodlands and Midland, Texas and develops, owns and operates integrated midstream water infrastructure networks to manage water for exploration and production companies throughout the Midland Basin. The Company's mission is to create value for its customers and stakeholders by addressing their long-term water management requirements through integrated pipeline systems and sustainable water management practices. Deep Blue's goal is to minimize disposal through water recycling and advanced technologies such as desalination and enhanced evaporation. For more information about Deep Blue, please visit: www.deepbluewater.com.

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About Diamondback Energy

Diamondback is an independent oil and natural gas company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. For more information about Diamondback please visit: www.diamondbackenergy.com.

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About Five Point Infrastructure

Five Point is an infrastructure investment firm focused on building businesses in the North American powered land, surface management, water management, and sustainable infrastructure sectors. The firm was founded by industry veterans with demonstrated records of success investing in, building, and running infrastructure companies. Based in Houston, Texas, Five Point has approximately \$8 billion of assets under management across multiple investment funds. For more information about Five Point, please visit: www.fpinfra.com.

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