

Straight from the Heart of the Delaware Basin: A Q&A with Jamie Welch, CEO of EagleClaw Midstream

As the largest privately owned operator in the Delaware Basin, EagleClaw Midstream offers gas, crude, water, and transmission services. Since forming in 2012, EagleClaw has grown rapidly, with four plants operating in the three counties of Culberson, Reeves, and Ward. Read our interview with EagleClaw CEO Jamie Welch for more...

What makes EagleClaw unique from other midstream operators?

EagleClaw Midstream is a fully integrated, private midstream company that safely, responsibly, and sustainably operates in the heart of the Delaware Basin with almost 750,000 acres under long-term dedication. EagleClaw is headquartered in Midland and has a significant presence in Houston. We provide comprehensive gathering, transportation, compression, processing and treating services for companies that produce natural gas, natural gas liquids, crude oil, and produced water. The company is the largest private gas processor in the Delaware Basin, with 1,300 MMcf/day of capacity and more than 1,300 miles of operated pipelines.

Can you tell us about your ESG program?

EagleClaw established an ESG program in 2020 and it has grown significantly since that time. Like other midstream operators, we already had careful processes and procedures in place to not only comply with regulations but also to ensure the protection of natural resources.

Further, our employees already were engaged in community activities and we supported a number of initiatives in west Texas to address the needs of the underprivileged, improve educational system quality, support healthcare and emergency response providers, and protect natural resources.

Our evolution into a more formal sustainability program has been relatively straightforward since many of the foundational elements were already in place.



What are some ways in which EagleClaw has demonstrated its commitment to safety and sustainability?

Back in late January and February of 2020, I sensed that COVID-19 was a situation that could unfortunately snowball. By late February, we sent out emails restricting all non-essential travel, implemented changes to cleaning and sanitizing offices, and cautioned employees that had any symptoms to stay home and self-quarantine. By early March, we fully laid out our remote work plan which was implemented on March 19, 2020 and remains in place today.

Recently, as part of the effort to adjust to the new economic situation being imposed by the implications of COVID-19 and resulting supply and demand shocks to energy, we stepped up communications to employees to reassure and explain how we're coping.

The feedback from employees has been very positive as they've said they appreciate the much-needed insight into how the energy markets are adjusting and adapting, and what EagleClaw is doing in response.

Because of the tighter cash flow situation due to COVID-19, our leadership team worked to discover ways to reduce expenses. The company found ways to conserve cash by delaying capital investments and other activities, but my executive team also took short-term reductions in their salaries. I also decided to entirely forego 100% of my salary in 2020 to help the company weather the storm.

EagleClaw has also weathered the economic downturn without having to utilize any of the assistance programs afforded to it under the CARES Act.



Explain how EagleClaw has grown over the years.

EagleClaw has grown into one of the largest privately-owned midstream companies through a series of strategic acquisitions. While our operations are in west Texas, the company has expanded its presence in the Houston area, rapidly expanding its personnel, doubling its office space in a short time and preparing for another phase of growth.

EagleClaw Midstream has been heavily involved in the community since it was founded in 2012, and our depth or breadth of involvement has grown considerably over time. We are mainly involved in efforts that support education, individuals facing food insecurity, children's causes, and emergency responders.

At the beginning of the COVID 19 pandemic, we made a \$50,000 contribution to purchase PPE for hospitals and to procure fuel for air patrols that might need to transport patients to hospitals from the more rural areas of West Texas. We also conducted a charitable drive for the West Texas Food Bank and raised over \$33,000, since the oil and gas industry in West Texas in particular had been immediately hit hard by layoffs and furloughs as a result of this pandemic.

Because of the company's Texas roots, EagleClaw holds important certain time-honored values such as honesty, being plain-spoken and neighborly, giving back, a sense of community, humility, teamwork, integrity and hard work. These values are communicated to employees through words and deeds on a regular basis as evidenced by the West Texas Food Bank fundraiser.

As a result, most of the original EagleClaw employees remain with the company today and hold positions of authority and responsibility. Our overall employee turnover rate is less than 4% and every employee in the company has equity (via shares) in the company. That aspect of ownership influences people's decision making and behavior since everyone without exception is an Owner.



What does EagleClaw do to ensure a diverse, inclusive workplace?

With the opening of a Houston office in June 2017, we very much focused on building a diverse and inclusive employee base. That extended across: gender, ethnicity, physical disabilities and sexual orientation. The power of bringing everyone together is that it creates a truly exciting and creative dynamic for ideas, opinions and solutions.

We have created a wonderfully rich workplace environment for everyone from Midland to Houston. A place where people are seen, heard and respected. Everyone is treated like “family”. We feel that EagleClaw is built for the long haul.

In addition, we’ve rounded out the executive leadership team, building capacity and expertise. Midstream Boards typically have very few female board members. Recently EagleClaw appointed two female Board members. The most recent board member being a distinguished industry executive

who is our first independent Board member and has deep operational experience in the midstream space.

What do you think about the direction energy is headed in right now?

The energy industry is clearly in a transition, and EagleClaw is focused on its purpose to help with this transition while protecting the environment for future generations. We've made strides in elevating the importance of our sustainability effort to employees, community leaders, investors, lenders and other stakeholders.

Recently, we communicated that we have finalized an agreement to supply our plants with 100% renewable electricity, beginning in April, 2021. This agreement will extend for several years, and it's a first for any midstream company in the Permian. We also have begun evaluations to source electric vehicles (EVs) for our fleet of 100+ vehicles. It's early days in this project but we believe this is another area in which we can reduce our Scope 1 emissions and improve the environment.

We believe that the energy industry is part of the solution in the global energy transition and we're proud to help inspire others in energy to consider solutions and approaches we've already put in place.

Any future plans/projects you'd like to share?

We're still early in our sustainability journey and hope to be able to share more in our first ESG report in mid-year, 2021.