



# TUMBLEWEED MIDSTREAM

## **Tumbleweed Midstream Acquires Ladder Creek Helium Plant and Gathering System from DCP Midstream**

CHEYENNE WELLS, Colo. – January 8, 2020 - [Tumbleweed Midstream, LLC](#) (“Tumbleweed”) today announced it has acquired the Ladder Creek Helium Plant and Gathering System from DCP Midstream, LP (NYSE: DCP). The plant is located just west of Cheyenne Wells, Colorado, near the Colorado-Kansas border. The Ladder Creek system is supported by long-term acreage dedications across a 1,000-square-mile area that spans Cheyenne, Kit Carson and Kiowa counties in Colorado and Hamilton, Greeley, Wichita, Kearney, Wallace and Finney counties in Kansas. Terms of the transaction were not disclosed. [See system map here.](#)

The Ladder Creek Helium Plant and Gathering System serves natural gas producers operating in eastern Colorado and western Kansas, which includes the Morrow, Mississippian, Spergen, Chester and Marmaton formations. The natural gas produced in the region has a high helium content, with average concentrations as high as three percent. The plant was built in 1997 by Union Pacific Resources (“Union Pacific”) to separate helium from the natural gas stream and liquefy it for transport to market. DCP Midstream acquired the Ladder Creek system from Union Pacific in 1999.

Tumbleweed Midstream was established in 2019 to focus on the acquisition, operation and growth of the Ladder Creek Helium Plant and Gathering System. The company is supported by capital commitments from management and Tumbleweed’s founders.

Tumbleweed is led by CEO Durell Johnson, who has a unique history with the Ladder Creek plant. He served Union Pacific as the plant’s project engineer and project manager from 1997 to 1999. In this role Mr. Johnson hired and trained all employees, commissioned the plant in 1997 and managed operations until the plant was sold to DCP. Mr. Johnson started his 35-year career in the energy industry as a reservoir engineer with Exxon in Corpus Christi, Texas. Some of his more recent positions include director of engineering for Energy Transfer Company; vice president of engineering and operations for Regency Gas Services; vice president of engineering and operations for Clear Springs Energy; and senior vice president of engineering and operations for Stakeholder Midstream.

### **The Ladder Creek Helium Plant**

Current processing capacity at the Ladder Creek cryogenic processing plant is 40 million cubic feet of natural gas per day (MMcf/d), expandable to 50 MMcf/d. The plant has the capacity to extract and liquefy 1.5 MMcf/d of helium, with extraction and liquefaction to purity levels of 99.999 percent. The plant also produces NGLs and residue gas. NGLs are transported via pipeline to the DCP Wattenberg pipeline for transportation to Conway, Kansas, for fractionation. Residue gas is sent via pipeline to CIG Rockies or to regional producers for use as fuel.

“The acquisition of the Ladder Creek Helium Plant and Gathering System represents a significant opportunity for Tumbleweed Midstream,” said Tumbleweed CEO Durell Johnson. “The U.S. is the world’s largest helium producer. At the same time, the world supply of helium is suffering from a multiyear shortfall. This has boosted prices for natural gas with a high helium content and has begun to raise red flags in industries that depend on helium. The growth of Ladder Creek’s helium operations starts with delivering our current customers superior economics with the highest level of service. The helium is there, it’s highly valuable and by extracting it Tumbleweed can return premium netbacks to the producers in the region.”

Helium is used in cryogenics, MRI machines, welding, deep sea diving, manufacturing of fiber optic cables and semiconductors, and retail sales of helium-filled balloons.

### **Ladder Creek Gathering System**

The gathering and distribution infrastructure associated with the Ladder Creek system includes approximately 730 miles of pipeline, divided as follows:

- 190 miles of FERC-regulated interstate pipeline;
- 23 miles of residue gas pipeline;
- 15 miles of pipeline to carry fuel gas back to producers;
- 42 miles of NGL pipeline;
- 460 miles of gas gathering pipeline; and
- 10 compressor stations.

### **About Tumbleweed Midstream, LLC**

Tumbleweed Midstream, LLC is a privately held, independent natural gas gathering and processing company whose primary business is focused on the separation and production of liquefied helium, NGLs and residue gas from the incoming gas stream as well as the purification and liquefaction of crude helium from third parties. The company’s operations are centered at the Ladder Creek Helium Plant and Gathering System located near Cheyenne Wells, Colorado, just west of the Kansas-Colorado border. Tumbleweed Midstream is supported by capital commitments from the company’s management team and founders. For more information, please visit [tumbleweedmidstream.com](http://tumbleweedmidstream.com).

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