

WES Earnings Call Transcript

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Quarter: 3

Operator: Good morning. My name is Joanna, and I will be your conference operator today. At this time, I would like to welcome everyone to the Western Midstream Partners Third Quarter 2025 Earnings Conference Call. [Operator Instructions] Thank you. I would now like to turn the conference over to Daniel Jenkins, Director of Investor Relations. Please go ahead.

Daniel Jenkins: Thank you. I'm glad you could join us today for Western Midstream's Third Quarter 2025 Conference Call. I'd like to remind you that today's call, the accompanying slide deck and yesterday's earnings release contain important disclosures regarding forward-looking statements and non-GAAP reconciliations. Please reference Western Midstream's most recent Form 10-K and 10-Q and other public filings for a description of risk factors that could cause actual results to differ materially from any forward-looking statements we discuss today. Relevant reference materials are posted on our website. With me today are Oscar Brown, our Chief Executive Officer; Danny Holderman, our Chief Operating Officer; and Kristen Shults, our Chief Financial Officer. I will now turn the call over to Oscar.

Oscar Brown: Thank you, Daniel, and good morning, everyone. The third quarter was a strong financial and operational quarter for WES as lower operational costs and our cost reduction initiatives resulted in our second consecutive quarter of record adjusted EBITDA. While adjusted gross margin was relatively flat on a sequential quarter basis, we achieved the highest total natural gas throughput in our partnership's history that was partially driven by another quarter of record natural gas throughput in the Delaware Basin, strong sequential natural gas, crude oil and NGLs throughput in the DJ Basin and strong sequential throughput growth from our other assets, specifically at our Chipeta plant in Utah primarily due to Kinder Morgan's Altamont pipeline connection to our natural gas processing plant in early September. Kristen and Danny will provide additional operational and financial details shortly. As previously announced, on October 15, we completed the acquisition of Aris Water Solutions, solidifying WES' position as a leading 3-stream midstream flow assurance provider in the Delaware Basin. We are excited to welcome the Aris employees to the WES team, specifically as we expand our commercial capabilities and build upon Aris' legacy recycling and beneficial reuse assets and solutions. Teams from both organizations have been working diligently together to ensure a smooth integration process and we are confident in our ability to capture the targeted \$40 million of annual run rate synergies. WES leadership has increased its engagement with federal and state regulators to discuss produced water challenges in the Delaware Basin and articulate how WES is well positioned to address these issues. Combined with the newly acquired Aris assets and team, WES is now a midstream leader in Texas and New Mexico for produced water gathering, transportation, disposal, recycling and beneficial reuse. Additionally and subsequent to quarter end, we executed an agreement for incremental disposal capacity to support the Pathfinder pipeline project in the Delaware Basin. This agreement expands WES' access to highly sought after pore space, optimizes the pipeline's planned route and enhances the overall returns of the project. With that, I will turn the call over to our Chief Operating Officer, Danny Holderman, to discuss our operational performance during the third quarter. Danny?

Daniel Holderman: Thank you, Oscar, and good morning, everyone. Our third quarter natural gas throughput increased by 2% on a sequential quarter basis. This was primarily due to increased throughput from our other assets, specifically at our Chipeta plant in Utah and from higher South Texas volumes after second quarter plant turnaround activity subsided in the third quarter. We also

experienced increased throughput from the DJ Basin due to a higher number of wells that came online early in the third quarter. Our throughput in the Delaware Basin increased slightly on a sequential quarter basis and resulted in another quarterly record even though fewer wells came to market than initially anticipated during the quarter. All of this was partially offset by decreased throughput in the Powder River Basin as previously unloaded volumes subsided at the end of the second quarter. Our crude oil and NGLs throughput decreased by 4% on a sequential quarter basis, primarily due to decreased throughput from the Delaware Basin, which was partially offset by increased throughput in the DJ Basin. We also experienced decreased throughput from our equity investments. Additionally, our produced water throughput was flat on a sequential quarter basis. Our third quarter per Mcf adjusted gross margin for natural gas decreased by \$0.05 on a sequential quarter basis, primarily due to lower excess natural gas liquids volumes in conjunction with lower overall pricing in the Delaware Basin. This decrease was partially offset by higher throughput in the DJ Basin, which has a higher than average per Mcf margin as compared to our other natural gas assets. Going forward, we expect our fourth quarter per Mcf adjusted gross margin to be slightly lower relative to the third quarter. Our third quarter per barrel adjusted gross margin for crude oil and NGLs increased by \$0.08 on a sequential quarter basis primarily due to increased efficiency fees on certain contracts in the Delaware Basin. We expect our fourth quarter per barrel adjusted gross margin to be in line with our third quarter results. Our third quarter per barrel adjusted gross margin for produced water was unchanged and in line with our prior expectations coming into the quarter. Our fourth quarter results will contain approximately 2.5 months of contribution from Aris, and we now expect our combined fourth quarter per barrel adjusted gross margin to range between \$0.85 and \$0.90. Focusing on the remainder of the year, we continue to expect our portfolio-wide average year-over-year throughput to increase by mid-single digits percentage growth for natural gas and low single digits percentage growth for crude oil and NGLs. For year-over-year comparative purposes, these expectations exclude the volumes associated with the noncore asset sales that closed in early 2024. Regarding produced water and taking into account 2.5 months of contribution from Aris in the fourth quarter, we now expect our average year-over-year throughput to increase by approximately 40% compared to 2024 levels, which would imply average fourth quarter produced water throughput of approximately 2.6 million to 2.7 million barrels per day. In the Delaware Basin, we now expect low double-digit average year-over-year throughput growth for natural gas and low to mid-single-digit throughput growth for crude oil and NGLs. During the third quarter, Delaware Basin throughput was relatively in line with our expectations coming into quarter. For fourth quarter, even though we expect natural gas throughput to increase, the rate of growth will be impacted slightly by intermittent volume curtailments due to downstream maintenance at times throughout October. Even though these curtailments will impact the rate of natural gas throughput growth, we expect them to have a minimal impact on our financial performance in the fourth quarter. And finally, we are forecasting crude oil and NGLs throughput rebounding sequentially due to the timing of wells coming to market. In the DJ Basin, we continue to expect average year-over-year throughput growth to be flat for natural gas, driven by steady onload activity, and we now expect low to mid-single digits throughput growth for crude oil and NGLs mostly due to the timing of wells that came to market in the third quarter. In the Powder River Basin, we expect average year-over-year throughput growth to be flat for both natural gas and crude oil and NGLs. During the first half of the year, we benefited from intermittent onloads as other processors in the basin experienced downtime due to asset maintenance or repairs. And as those facilities came back online in June, our throughput declined during the third quarter. Also due to commodity price weakness throughout 2025, we have seen slightly lower customer activity levels resulting in an expected continued decline of natural gas throughput in the fourth quarter. With that said, we are in close communication with our producing customers, and we are deferring certain expansion projects until incremental activity is seen on the acreage that we service. We also expect increased natural gas throughput from our other assets, specifically in the Uinta Basin during the fourth quarter, primarily driven by the previously referenced tie-in of Kinder Morgan's Altamont pipeline to our Chipeta plant that was completed in early September. Turning our attention to 2026, we estimate that the Delaware Basin will continue to be the primary engine of throughput growth next year, especially when considering the produced water volumes associated with the Aris acquisition. Additionally, continued throughput growth in the northern portion of the acreage that we service in the

Delaware Basin was one of the main drivers behind our decision to sanction North Loving II. Our continued focus on organic growth and the Aris acquisition are the main reasons why we still expect to grow average year-over-year throughput for all 3 product lines again in 2026. However, in the Powder River Basin, if commodity price weakness continues throughout the rest of 2025, we expect select rig drops or temporary rig relocations to continue into 2026. As such, this will likely result in slightly lower average year-over-year throughput in the PRB for 2026. Based on lower activity levels in the DJ Basin in 2025 relative to 2024, we anticipate that overall throughput will decline modestly in 2026. However, we currently expect Oxy to start developing the Bronco CAP area in Weld County, Colorado at the beginning of 2026 with volumes flowing into the WES system starting in the first half of the year. Once we have results from the initial production of the Bronco CAP, we will be in a better position to provide a clear view of year-over-year trends in the basin in 2026 relative to 2025. With that, I will turn the call over to Kristen to discuss our financial performance during the third quarter.

Kristen Shults: Thank you, Danny, and good morning, everyone. During the third quarter, we generated net income attributable to limited partners of \$332 million and adjusted EBITDA of \$634 million. Relative to the second quarter, our adjusted gross margin was relatively flat. This was driven by decreased throughput in the Powder River Basin and less gross margin contribution from excess natural gas liquid volumes in combination with lower overall pricing in the Delaware Basin, which was partially offset by increased throughput and gross margin contribution in the DJ Basin. Our operation and maintenance expense decreased by 5% or \$12 million quarter-over-quarter. This was primarily due to less asset maintenance and repair expense and chemical expense quarter-over-quarter. This year, our employees have been keenly focused on company-wide cost reduction initiatives from which we are starting to see incredible results. Even with the increased throughput and higher utility costs in 2025 relative to last year, we expect our operation and maintenance expense and G&A; to be relatively flat in 2025 relative to 2024 before considering additional costs resulting from the Aris acquisition. In fact, our operations teams achieved the highest level of asset operability in our partnership's history during the third quarter while still reducing operation and maintenance expense, which is an incredible feat. For the fourth quarter, while we are expecting to see continued benefits from the cost reduction efforts, we expect operation and maintenance expense and G&A; to increase by 20% to 25% relative to the third quarter as we include 2.5 months of Aris activity. While we expect limited synergy capture to impact 2025 adjusted EBITDA, we are confident that we are well on our way towards capturing our target of \$40 million of annual run rate cost synergies. Turning to cash flow. Our third quarter cash flow from operating activities totaled \$570 million, generating free cash flow of \$397 million. Free cash flow after our second quarter 2025 distribution payment in August was \$42 million. In October, we declared a quarterly distribution of \$0.91 per unit, which is in line with the prior quarter's distribution and will be paid on November 14 to unitholders of record on October 31. With the closing of the Aris acquisition in mid-October, we now expect approximately 2.5 months of contribution from Aris to our fourth quarter results, which slightly impacts our 2025 guidance ranges. We now expect WES to be towards the high end of our previously announced 2025 adjusted EBITDA guidance range of \$2.35 billion to \$2.55 billion, which we estimate will include approximately \$45 million to \$50 million of adjusted EBITDA from 2.5 months of contribution from the legacy Aris assets. Additionally, we now expect to be above the high end of our 2025 free cash flow guidance range of \$1.275 billion to \$1.475 billion with incremental free cash flow contribution from the legacy Aris assets. With regard to capital spending, as we mentioned on the second quarter call, we still expect to be towards the high end of our 2025 guidance range of \$625 million to \$775 million, which includes initial spending on North Loving II, approximately \$20 million attributable to the legacy Aris assets, offset by select deferrals of expansion projects, specifically in the Powder River Basin. Looking ahead to 2026, we still expect capital expenditures to be at least \$1.1 billion. Budgeting process for next year started in earnest in September, and we will continue to evaluate the appropriate amount of expansion capital needed based on producer forecast for both legacy WES assets and for the new Aris assets to support average year-over-year throughput growth across all 3 product lines again in 2026. With that, I will now turn the call over to Oscar for closing remarks.

Oscar Brown: Thanks, Kristen. Before we open it up to Q&A;, I would like to emphasize that WES continues to be extremely well positioned to capitalize on our compelling growth opportunities and

create long-term value for our unitholders. The acquisition of Aris positions WES as one of the leaders of produced water midstream solutions in the Delaware Basin and creates a strong platform for future growth and expansion. Based on recent headlines and general industry commentary, the challenges associated with produced water tied to crude oil and natural gas development in the Delaware Basin have become clear. In fact, as we have collaborated with federal and state regulators, the challenges regarding produced water continue to dominate much of the conversations with them. We believe that it will take an all-of-the-above approach to address the growing volume of produced water on a daily basis from Texas and Mexico. The combination with Aris better positions WES to provide produced water gathering, long-haul transport, disposal, recycling and reuse solutions to address these growing challenges, and we look forward to growing the recycling and various reuse opportunities that the Aris team has started. Furthermore, we are also excited to see the successful execution on the market assigning significant value to the produced water midstream services public offering in September. The strong market reaction certainly validates the inherent value of WES' sizable legacy produced water asset base and the value captured by our Aris acquisition and positions the combined entity for meaningful value creation considering our partnership is now one of the leading 3-stream midstream service providers in the Delaware Basin. Finally, WES' strong balance sheet and investment-grade credit ratings provide the support and financial flexibility necessary to execute on our extensive growth plans. We are well positioned in the Delaware and DJ Basins, and even in a lower commodity price environment continue to see solid rig activity levels and benefit from strong long-term contracts. Even after taking the Aris acquisition into account and our strong 2026 organic growth plan, which includes capital for both the Pathfinder pipeline and the North Loving II natural gas processing plant, we still expect leverage to remain at or near 3x throughout 2026, which positions WES for continued growth and to potentially take advantage of market-driven opportunities. By maintaining low net leverage and generating steady amounts of cash flow, our partnership will be able to maintain our disciplined capital allocation framework, gradually increase distribution coverage and steadily generate incremental value for our unitholders over time. In closing, thank you to all our employees for their hard work and continued dedication to our partnership. The year is not quite over yet, and we have already accomplished a lot. From the sanctioning of the Pathfinder pipeline in North Loving II to the acquisition of Aris, we have successfully set up WES to capitalize on future growth in the Delaware Basin. Additionally, by pairing our disciplined growth initiatives with our successful cost reduction efforts, we have simultaneously accomplished 2 opposing tasks, leading to increased stakeholder value and making this one of WES' most noteworthy years. I also want to extend a warm welcome to all of our new formerly Aris employees. We are excited about the opportunities that lie ahead and are confident that our combined team will accomplish a great deal with the expanded produced water business. Finally, our strong third quarter results put us on track to achieve many of our 2025 goals, and I look forward to updating the market on our progress during our fourth quarter earnings call in late February. With that, we'll open the call up for questions.

Operator: [Operator Instructions] The first question comes from the line of Keith Stanley at Wolfe Research.

Keith Stanley: I wanted to start on the O&M; expense, it's down quite a bit year-over-year. So WES, the prior few years has seen pretty big increases in O&M; costs. Can you talk to where you are on implementation of the cost management initiative, if you think Q3 O&M; is pretty sustainable ignoring Aris? And how much more you think you could achieve from here?

Oscar Brown: It's Oscar. Thanks for the question. We started this effort in March of this year to really focus in on sort of updating our processes, streamlining our efforts and looking for ways to zero base kind of everything we do and think through how we can be more cost competitive so we can support our organic growth and sort of win new business. So the teams have gone through everything at this point. And we still see there's more to do. So what you see in the third quarter here should be sustainable, and we do expect there's more to come. I'll turn it over to Danny just to give some examples of some of the work that's been done and what we've been able to achieve so far. But we do think this is a new level that we can operate at, and we do think we'll see improvements throughout 2026.

Daniel Holderman: Yes, Keith. This is Danny. Just feeding on what Oscar said. I don't want to represent what I'm going to say as everything because the entire company has been engaged in this. But the key

things that you're seeing in Q3 are a lot of efforts by our teams to rationalize our maintenance programs and schedules to look at and rationalize our rental fleets that we may have gotten a bit too bulky when we were focused on bringing our operability up and looking at our contract workforce head count and rationalizing the work processes that they're doing and seeing what we can bring in-house. We also did a fair amount of work debottlenecking facilities, so we could reduce offload costs associated with that, particularly in West Texas. And then our supply chain team has done a tremendous job updating our sourcing strategies and renegotiating contracts to get savings there. So like Oscar said, I think all of what you're seeing now is sustainable, and certainly more to come in those areas and some others to be named as they show up in future quarters.

Oscar Brown: And I'd just add that all this occurred with, again, record operability. So really been able to run the business aggressively while achieving these cost savings. So we're pretty excited about that. And like I said, I think there's still more work to do, but we've got a great start.

Keith Stanley: That's great. I appreciate all the color there. My second question, it's a bit of a random one. But in the slides, this is language you've had in there, but I noticed it says low to mid-single-digit distribution growth before potential increases from major projects or M&A.; So I just want to confirm, especially with the yield already pretty high. When you complete Pathfinder, which will be a major project or if you do more M&A;, are discrete kind of distribution step-ups still on the table with those events?

Oscar Brown: Yes. It's Oscar. I think they are -- really, our goal was to give long-term guidance on what we think we can achieve through the years, and that sort of mid-single-digit number seems about right given our size and our footprint right now. We'll just take things as they come. If we've got some opportunities to step up the distribution, we will. It's really the purpose of an MLP at the end of the day, but we are cognizant of the yield, and we talked about it a bit before on sort of balancing out where, at some point, if the yield creeps up even higher from here that we'd have to think about buybacks and items like that. It's always going to be comparing against the opportunities we have to deploy capital in a way that's accretive to distributable cash flow. So nothing's really changed in any of that. We do have to be cognizant, too, of sort of the outlook and the environment. So if we're looking at a flatter year going forward or a slowdown, we'll probably stick with our mid-single-digit growth rate, even if we have some good projects come online, if we see an uptick where we think it's sustainable and we bring on some of these projects or make an accretive acquisition, maybe we bump up a little bit from there. It's really at the discretion of the Board, of course. But that's our philosophy on that.

Operator: Your next question comes from the line of Gabe Moreen at Mizuho.

Gabriel Moreen: Maybe if I can start on the Pathfinder project and some of the assets you made on the additional pore space. Can you just talk about what that does for the projects from an efficiency standpoint relative to the, I think, \$400 million to \$450 million cost you originally laid out? And then maybe if there's also an update on how third-party contracting may or may not be progressing?

Oscar Brown: Sure. Thanks, Gabe. So I'll start at the end. On the contracting side, we are progressing well. I think with the Aris acquisition, it did allow us -- took a little bit of pause because we couldn't work in coordination with the Aris' commercial team until we closed. That started now. They've had conversations about growing their system. Of course, we've been working with other producers on Pathfinder itself. So this pore space deal did a couple of things, obviously added some more capacity. I think that will just benefit the entire system. Now that we have both New Mexico and Texas, ultimately, those will connect up over time and we'll have more flexibility and frankly, probably a bit greater ability to grow New Mexico faster than Aris could have done on its own when you combine Pathfinder access and then sort of everything we're doing to expand some of our capacity. In terms of -- that's why we really brought up this transaction, even though it's sort of not material for the details to be disclosed. It did give us extra pore space and it also allowed us to reroute a small portion of the pipeline to save us some capital. So not ready yet to give the specific numbers, but we do believe with this transaction, we've improved the returns on Pathfinder for the SEC that we already have in place. And then for future growth on that pipeline. So with that, I think the only other comment I'd make is just on contracting further on Pathfinder. Now that we've got again this combined company, more services and solutions, bigger footprint that I think it will sort of accelerate the dynamic that we'll have with other producers. And finally, we still got about a year, by the way, to get this online. And finally, I'd just say the

environment itself has shifted in our favor even though over just the last 6 months. So in addition to some of the market activity that we commented on in the script, we've seen higher regulatory activity. We've certainly engaged more with regulators. There's probably more regulation coming. But it reminds me of sort of the gas business 20 or 30 years ago, whereas the regulations increased, it really pushed out smaller players, noninvestment-grade players that didn't have sort of the capability to deliver large projects and complete solutions that also comply with increasing regulatory pressure. So those things have moved in our direction. We've also witnessed now, not just seismicity but communication with producing wells and all kinds of other issues. So it's a real focus of the industry now. And we're also gratified that from a contracting perspective, the contracts you see at Aris in terms of very long-term dedications and then what we've been able to achieve so far, Pathfinder with minimum volume commitments, really it looks, again a lot like the gas business. So we're pretty happy with the trend, and I think we'll see continued strength in pricing as this becomes a bigger and bigger issue in the Delaware Basin.

Gabriel Moreen: Maybe I could follow up. You referenced kind of growing in New Mexico, and I know it's really early days. But as far as ambitions to bring more gas and oil infrastructure, with Aris footprint in New Mexico and kind of get 3 streams going, can you just talk about kind of how you plan to tackle that? Effort's going to be organic, inorganic, both. Just curious to hear your thoughts there.

Oscar Brown: Yes, we're definitely going to go after both. I think both organic, and if there's opportunities where we can do something accretive inorganically, we'll look at those, too. That massive footprint that Aris has, that helps a lot, right? So we've already had some strong gas lines going up and gathering pipelines going up into New Mexico, crossing the State line, but not in a huge way and not in a big footprint. And so this gives us sort of a big presence in people. And certainly, in water lines where we think we can build off of it. We've got some confidence because we've been successful on 2 and 3 streams in the Texas Delaware. We think something like 10 contracts in the last 18 months that were at least 2 streams, including water in Texas. So we don't see any reason why we shouldn't be able to achieve that in New Mexico. I do think it will take some time to work through that and sort of win on the organic side. So again, we'll keep the options open, but it's a key piece of the puzzle. And frankly, just about anybody can probably build gas lines since in New Mexico, if you've got sort of the footprint and the capabilities, but solving the water piece is becoming sort of a critical issue and a threshold issue for development. So we feel like that gives us some leverage in the marketplace and sort of the organic growth to New Mexico.

Operator: Your next question comes from the line of Jeremy Tonet at JPMorgan.

Jeremy Tonet: Just wanted to pick up with some of the points you brought up before as far as opportunistic inorganic deals that you might pursue. Is there any kind of holes in the portfolio you're looking to kind of solve for at this point? Or what are the parameters there is what WES might be interested?

Oscar Brown: Yes. So the financial parameters are unchanged. So I won't go through those. Those are very consistent over the years and certainly we've kind of validated this year. In terms of opportunities, I think always where we've got some angle footprint customer with something to build off of and generate some synergies will be our preference. As we talked about, just with the last question, New Mexico is an obvious one where there could be opportunities. We're probably biased a bit towards gas opportunities from this point, given we've really just put together the best position we possibly could in the Delaware Basin on the water side. In terms of stepping out in other basins, it's a little bit harder for us if we don't have something to bring, but not impossible with the right sort of significant or stand-alone type business that we think we could leverage into additional growth. But we're staying disciplined. It's been an interesting market from our perspective. There's been a lot of assets out there. We've seen a lot of failed processes. So we'll be helpful as we move through all that. But Jeremy, really not too much has changed in our strategy and where we would go from here.

Jeremy Tonet: Got it. That's helpful. And just want to turn towards 2026 a little bit at this point. Outside of the Aris acquisition. Just wondering if you could help us think through how the business is trending for 2026 at this point from what you see.

Kristen Shults: Yes. So I think from a volumetric standpoint, we touched on this a little bit in the prepared remarks that expecting overall product growth across all 3 products. There has been

obviously a little bit of commodity price weakness in 2025. And so if we see that continuing through the rest of this year and really into 2026, that will impact some of those basins that are a little bit more commodity price sensitive like the PRB and the DJ. So going back to our prepared remarks around that, too, just expecting at this point at least some decline there unless we see some commodity price improvement. But Delaware Basin, obviously, still doing really well. The acreage we're serving is a highly sought-after acreage with a lot of activity on it. The Aris acquisition will be huge. We're doubling the amount of water that we transport and dispose of today. So a lot of growth in that area, too. And then going back to the comments around cost cutting and the initiatives that we've got there, expect there to be savings that we can continue into 2026 and more that we'll continue to find.

Operator: Your next question comes from the line of Spiro Dounis at Citi.

Spiro Dounis: I want to start with New Mexico. Just in terms of expanding more there on the gas side, how are you thinking about the AGI component? A lot of your peers have bolstered their AGI capabilities. So just curious if that's a barrier to entry or do you think something you could overcome?

Oscar Brown: Yes. I think it's a real issue, right? There's a lot of sour gas in New Mexico. We certainly have the skill set to evaluate those and operate those as well as handle sour gas. So it's an understood challenge, I guess, operating in New Mexico. It's not -- New Mexico is not alone in that area. But in any case, there are a challenge. They take time to permit and they are assets that I think provide value. So I think if there's an opportunity for us inorganically there that is heavy on sour gas, of course, we would imagine that would probably come with some of those permits or wells. But if not, we certainly got the skills internally to work through that.

Spiro Dounis: Got it. That's great. Second question, maybe just going to synergies. Oscar, it sounds like you feel pretty confident in that \$40 million. But maybe just looking beyond that, you continue to talk about being a 3-stream operator. And I guess I just wonder commercially, when do you think we start to see some of that benefit play out on the commercial side?

Oscar Brown: Yes, we're certainly having those conversations already. So it's really hard to control. It's kind of like M&A.; You've got a counterparty there and a customer that has their own timetables and things that they are focused on. So we'll continue to work those. I don't have sort of a specific time frame. I do think it will take a little time. I mean for us on the organic side, we would have to find opportunities where we would -- it's a new area for us. It would be a new build-out sort of situation. So they would just have to mesh with whether it's expiring dedications or new development area or somewhere where our timing could match customers. So that could take a little time. But we certainly are going to leverage the Aris systems and relationships. We've got some overlap in those relationships to see what we can do on that side. So we haven't, in sort of the 3-stream area, we certainly haven't projected or promised sort of specifics on sort of amount or timetable that we think we're going to be successful there. There's also some likely synergies and opportunities to accelerate growth with the combined Aris and WES team. We've kept all their commercial team to add to ours and really work together to -- just to accelerate the growth on the water side. And again, having something that resembles like a giant gas header system with a beautiful pipeline right in the middle is pretty powerful. So it shouldn't take an incredibly long time for -- on the water side, the revenue synergies to show up, again, probably not ready to quantify them, but we imagine we see something going next year. And really the last piece, so the \$40 million we are extremely confident, and the Aris team has been wonderful. We kind of hit the ground sprinting, not just running with the integration. So that's gone really, really well. But really, those -- that \$40 million was really all overhead. We also think there's going to be some great opportunities on the operating side for synergies that we can realize probably starting around the first or second quarter. Right now, both teams are sort of operating side by side. And we're just sharing and reviewing how we do business and how we execute every day and pulling best practices for both sides. We are definitely going to take some of the things that Aris has been doing really well and apply that to the rest of our business. We've got some opportunities as well to share practices with them. But the time line on that side, and again, we haven't quantified that, it's not part of the \$40 million. But we hope to have a reasonable update in February on some of the ideas and opportunities there. So pretty confident we're going to exceed the \$40 million. So sort of stay tuned as we get our arms around the business.

Operator: There are no further questions at this time. Mr. Oscar Brown, I turn the call back over to you.

Oscar Brown: Thank you so much for your interest in Western Midstream and your participation on this earnings call. We're really gratified that we've really already begun to see the results of our prudent growth strategy by doing 2 things that are very hard to do at the same time, and that's to improve our overall cost structure and process efficiency executing on growth opportunities. In fact, the former enables success in the latter, and we now have great momentum towards improving our competitiveness in the midstream marketplace. We're quite proud of delivering record operating and financial quarterly results once again, and when combined with the successful closing and integration of Aris as well as our major Pathfinder pipeline and North Loving II gas plant projects set Western Midstream up for delivering predictable growth over the next few years. I also want to express my gratitude to all our employees for their hard work so far this year in delivering these results while operating safely and sustainably. We look forward to seeing everybody, analysts and investors, on the road at upcoming conferences through the end of the year. And with that, we'll close the call. Thanks again.

Operator: Thank you. This concludes today's conference call. You may now disconnect.