

Wink to Webster Pipeline United States

Sectors: Oil and Gas Extraction, Pipeline Transportation of Crude Oil

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Contact:

climate@banktrack.org

[Project website](#)

Status



About Wink to Webster Pipeline

The Wink to Webster Pipeline is a planned 650-mile (1046 kilometre) pipeline that would run from the Permian Basin in west Texas to the Gulf Coast near Houston. When completed, the pipeline will carry over one million barrels of fracked oil per day. The project is a joint venture of ExxonMobil, Plains All American Pipeline, MPLX, Delek US, Lotus Midstream, and Rattler Midstream LP. Operations are planned to commence in the first half of 2021 ([IJGlobal](#)).

Brief history

The Permian Basin is one of the world's largest oil fields, and is located in southeast New Mexico and west Texas. Activity in the Basin is high, with several companies busy extracting oil, fossil gas and fossil gas liquids from the area. According to [Oil Change International](#), fossil fuel production in the Permian Basin has tripled in the last 5 years and a further doubling of production is planned.

The Wink to Webster Pipeline is part of this massive oil and gas boom in the Permian Basin. The project was initiated by Wink to Webster Pipeline LLC, which initially was a [joint venture](#) between ExxonMobil, Lotus Midstream LLC and Plain All American Pipeline LP. The [final investment decision](#) was reached in January 2019.

Plains All American Pipeline LP [has said](#) it expects to begin construction on the pipeline by the end of 2019 and aims to bring the pipeline online by early 2021.

What must happen

The banks financing the companies involved with this project should demand their clients to withdraw from this project, or they should withdraw their financial support for these companies all together.

Issues

Human rights and social issues

The oil and gas boom in the Permian Basin is already having severe impacts on local people at current rates of extraction, which are under five million barrels of oil per day. These impacts will only worsen as the Wink to Webster Pipeline facilitates the addition of an unexpected million [additional barrels](#) of capacity.

Public health The coal and gas industry in the Permian Basin causes heavy air pollution which [exceeds](#) federal health standards. The emissions of sulphur dioxide and hydrogen sulfide have severe consequences for the health of people living in the area. Sulfur dioxide affects the human respiratory system and makes breathing difficult. Especially young children, elderly people and people suffering from asthma are sensitive to [sulfur dioxide](#). The pollutant can also penetrate the lungs and cause additional health problems when it reacts with other compounds in the atmosphere. [Hydrogen sulfide](#), which is also emitted in the Permian Basin, can cause headaches, breathing difficulties as well as irritations of the eye, nose and throat. When people are exposed to hydrogen sulfide for a longer time, they can experience miscarriages, poor memory and dizziness. High concentrations of the pollutant can even cause coma and death.

Natural resources The industry puts on the area's [limited natural resources](#), especially water. Research by the Center for American Progress found that around [60%](#) of the federal oil and gas drilling leases that have been offered since 2017 are located in areas at risk of water shortages and droughts.

Other social impacts:

- **Cost of living** The **cost of living** in the area has increased quickly, a development that especially affects the people who are **not working** in the oil industry.
- **Staffing shortages** **Outside of the oil industry**, people are experiencing staffing issues. For example, dumpsters overflow as there are not enough garbage truck drivers to pick up the waste and students get to school late because there are not enough bus drivers to take them.
- **Crime rates** Crime rates in the region are reported to be **on the rise**. The influx of temporary workers has increased drug use, trafficking and theft.
- **Traffic accidents** Due to the operations in the Permian Basin, more heavy trucks take part in the usual traffic. **The Guardian** reports that traffic accidents have increased.

Environmental issues

Carbon bomb When in operation, the Wink to Webster Pipeline would help to unleash one of the world's largest carbon bombs. The pipeline is projected to carry over one million barrels of crude oil every single day. With these amounts of oil, the pipeline would be responsible for the emissions of 153 million metric tonnes of CO2 every year (calculation based on 2006 [IPCC Guidelines for National Greenhouse Gas Inventories](#)).

Between 2018 and 2050, oil and gas production in the Permian Basin could exhaust close to **10%** of the entire world's carbon budget that is left for staying within 1.5°C of warming. In 2029, the Permian Basin could be extracting as much oil as Saudi Arabia does today.

Impacts of fracking The Wink to Webster Pipeline is developed to transport fracked oil from the Permian Basin to the Gulf Coast. The fracking boom in the US is **incompatible** with the clean energy transition that is needed to tackle the climate crisis. Scientific research also shows that the employment of fracking **negatively impacts** public health, water, soil and air. Other negative impacts include increased seismic activity and damage to neighbouring economic activities.

Air pollution A **report** published by the Environmental Integrity Project in 2019 found that the air pollution caused by the oil and gas industry in the Permian Basin exceeds federal health standards. Besides the health problems these pollutants cause, sulphur dioxide and hydrogen sulphide negatively impact the environment. The pollutants can acidify soil and water, and harm trees and plants. In reaction with other compounds in the atmosphere, the pollutants can also form haze that reduces visibility in nature areas. Importantly, sulphur dioxide is one of the pollutants forming acid rain which is harmful for plants and animals.

Methane leaks Major **leaks of methane** have been observed in the Permian Basin. Methane is highly destructive to the climate, as it is a greenhouse gas helping to warm the planet.

Governance

Bank policies

The following bank investment policies apply to this project:

Bank of America

Human Rights Statement

Apr 18 2019 | Bank of America

Wells Fargo

Human Rights Statement

Date listed represents date as accessed on website

Jan 27 2020 | Wells Fargo

Environmental and Social Risk Management Framework

Jun 30 2018 | Wells Fargo

Positions on select issues and industries with elevated environmental or social risk

Mar 2 2020 | Wells Fargo

DNB

Responsible investment - climate change

Nov 30 2018 | DNB

Responsible investment - human rights

Sep 30 2019 | DNB

Responsible investment - serious environmental harm

Sep 30 2019 | DNB

JPMorgan Chase

Environmental and social policy framework

Feb 25 2020 | JPMorgan Chase

Credit Suisse

Statement on human rights

Date listed represents date as accessed on website

Mar 5 2019 | Credit Suisse

Statement on sustainability

Dec 31 2018 | Credit Suisse

Summary of Credit Suisse's Sector Policies and Guidelines

Date listed represents date as accessed on website

Dec 12 2019 | Credit Suisse

Applicable norms and standards

Clean Air Act (United States)

OECD Guidelines for Multinational Enterprises

UNFCCC - The Paris Agreement

Updates

Financiers

The Wink to Webster Pipeline project is expected to cost more than USD 2 billion. The joint venture consists of Delek (15%), Plains All American (20%), ExxonMobile, MPLX (15%), Lotus Midstream and Rattler Midstream. These companies have each put up their part of equity finance for the total USD 2.26 billion finance of the pipeline ([Delek sec.gov filings Q2 2019](#)). Banks and other financial institutions have provided finance to these companies in the form of credit facilities, corporate loans and underwriting services:

- Plains All American, a USD 2.5 billion credit facility, per 31 Dec 2019 ([annual report 2019](#));
- MPLX and Delek combined, a USD 608 million corporate loan, to finance their 30% combined equity share in the joint venture, 21 Febr. 2020 ([MPLX annual report 2019](#));
- MPLX, bond issuance USD 5.5 billion, 2018 ([IJGlobal, all rights reserved 2020](#));
- Rattler Midstream, a USD 600 million credit facility, May 2019 - May 2024 ([sec.gov 8-k filings May 2019](#)).

Lotus Midstream, founded in 2018, received an initial investment of USD 400 million by EnCap Flatrock Midstream in 2018 ([oilandgas360.com](#)).

Banks

[Bank of America](#) United States [profile](#)

[Details](#) ▼

Debt – corporate loan

USD 2.5 billion

11 August 2016

Co-financed USD 2.5 billion (dated 31 Dec 2019) credit facility for Plains All American

source: Sec.gov

[link](#)

Credit Suisse Group Switzerland [profile](#) Details ▼

Debt – corporate loan USD 600 million 28 May 2019 - 28 May 2024
Co-financed USD 600 million credit facility for Rattler Midstream
source: Sec.gov
[link](#)

DnB NOR Norway [profile](#) Details ▼

Debt – corporate loan USD 2.5 billion 11 August 2016
Co-financed USD 2.5 billion (dated 31 Dec 2019) credit facility for Plains All American
source: Sec.gov
[link](#)

JPMorgan Chase United States [profile](#) Details ▼

Debt – corporate loan USD 600 million 28 May 2019 - 28 May 2024
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source: Sec.gov
[link](#)

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Wells Fargo United States [profile](#) Details ▼

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source: Sec.gov
[link](#)

Investment banks

Merrill Lynch Details ▼

Debt – corporate loan USD 600 million 28 May 2019 - 28 May 2024
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source: Sec.gov
[link](#)

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Related companies

Delek US United States

ExxonMobil United States [show profile](#)
Oil and Gas Extraction

Lotus Midstream United States

MPLX United States

Plains All American Pipeline, L. P. United States

Rattler Midstream United States