



FOR IMMEDIATE RELEASE

EAGLECLAW MIDSTREAM SERVICES, LLC ACQUIRES EAST TOYAH NATURAL GAS GATHERING AND PROCESSING SYSTEM IN REEVES COUNTY, TEXAS

- Private equity commitments to EagleClaw reach \$200 million.
- EagleClaw commissions its Northwest Toyah Natural Gas Gathering and Processing System in Reeves County.
- EagleClaw secures acreage dedications from Silverback Exploration, LLC and Elevation Resources Holdings, LLC.

MIDLAND, Texas – December 9, 2014 – [EagleClaw Midstream Services, LLC](#) (“EagleClaw”) announced today that the company has closed on the purchase of natural gas gathering and processing assets in Reeves County, Texas. These assets include more than 50 miles of gas gathering pipeline, a refrigerated Joule-Thomson (“JT”) plant with the capacity to process 15 million cubic feet of natural gas per day (MMcf/d), a 60 MMcf/d cryogenic processing plant and seven new 1,700-horsepower compressors. These assets form EagleClaw’s East Toyah Natural Gas Gathering and Processing System. The system serves producers targeting stacked pay zones in the liquids-rich Delaware Basin, including the Upper and Middle Wolfcamp, Bone Spring and Avalon Shale formations.

East Toyah System

The East Toyah processing plant is located on an 80-acre site in Reeves County, Texas, eight miles northeast of the small town of Toyah. The gathering system and the JT plant are in operation now. The cryogenic processing plant is expected to come into service in the second half of 2015. The East Toyah site is large enough to accommodate multiple expansions to processing capacity as customer demand increases.

Northwest Toyah System

EagleClaw also announced that the company recently commissioned its Northwest Toyah Natural Gas Gathering and Processing System. Also located in Reeves County and serving production from the Delaware Basin, the North Toyah system includes more than 30 miles of pipeline and a 15 MMcf/d refrigerated JT plant. The Northwest Toyah plant is located six miles northwest of Toyah, within 13 miles of the East Toyah plant. EagleClaw expects to connect the two systems.

Acreage Dedications

EagleClaw’s two anchor customers are [Silverback Exploration, LLC](#) (“Silverback”) and [Elevation Resources, LLC](#) (“Elevation”). In support of the East Toyah acquisition, Silverback has dedicated production from 50,000 acres. EagleClaw also has secured a dedication to its Northwest Toyah system of up to 15,000 acres from Elevation. Silverback is supported by private equity commitments from [EnCap Investments L.P.](#) Elevation is supported by [Pine Brook Partners](#).

(more)

CEO Perspective

“We are very pleased with the relationships we have developed with Silverback and Elevation,” said EagleClaw President and CEO Bob Milam. “Both of these operators have excellent technical expertise, and both are highly respected across the Permian Basin for their business approach and capabilities. Our gathering and processing agreements strengthen EagleClaw’s commercial position in the Delaware and enable us to expand our ability to offer flexible and cost-effective midstream services to all producers in the area. The synergies between these two systems provide a great foundation to grow alongside increasing producer activity in this central part of Reeves County.”

“Bob Milam and his team have been working in the Permian Basin for decades,” added George M. Young Jr., CEO of Silverback Exploration. “They know the area as well or better than anyone in the industry and have a deep understanding of what producers need from a midstream provider. The EagleClaw team has a ‘customer first’ approach. That’s one of many reasons we’re excited about working with EagleClaw Midstream.”

“The timing of having gathering and processing facilities in place when we need them is critical to Elevation,” said Steve Pruet, Elevation’s president and CEO. The EagleClaw team has demonstrated an ability to rapidly execute on design and construction and that’s very meaningful to us. Their relationship-based approach to doing business is also aligned with ours. We’re looking forward to a long and productive business relationship with EagleClaw.” Mr. Pruet has more than 25 years of oil and gas operating, financial and management experience, most of which has been in the Permian Basin.

Private Equity Support

To support EagleClaw’s growth, [EnCap Flatrock Midstream](#) (“EnCap Flatrock”) has increased its total equity commitment to EagleClaw to \$200 million. “EagleClaw’s management team has done a great job growing its business in West Texas. They have established a significant and scalable footprint that we are very excited to support. This is the right team developing the right opportunity at the right time,” said Bill Waldrip, EnCap Flatrock’s founder and one of the firm’s three managing partners. Mr. Waldrip is also a member of EagleClaw’s board of directors.

About EagleClaw Midstream, LLC

Headquartered in Midland, Texas, EagleClaw Midstream is a midstream company focused on developing midstream infrastructure opportunities in the Permian Basin of West Texas and Southeast New Mexico. Led by its President and CEO, Robert A. Milam, EagleClaw’s senior management team has more than 90 years of experience in the energy industry. The company is supported by a \$200 million equity commitment from EnCap Flatrock Midstream. www.eagleclawmidstream.com

About EnCap Flatrock Midstream

EnCap Flatrock Midstream provides value-added private equity capital to proven management teams focused on midstream infrastructure opportunities across North America. The firm was formed in 2008 by a partnership between EnCap Investments L.P. and Flatrock Energy Advisors. Based in San Antonio, Texas, and Edmond, Oklahoma, EnCap Flatrock is led by Managing Partners William D. Waldrip, Dennis F. Jaggi and William R. Lemmons Jr. The firm manages investment commitments of nearly \$6 billion from a broad group of institutional investors. EnCap Flatrock is currently making commitments to new management teams from EFM Fund III, a \$3 billion fund. www.efmidstream.com

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