



FOR IMMEDIATE RELEASE

Nuevo Midstream Expands Processing, Gathering, Treating and Compression Services in the Delaware Basin

- Since its formation in 2011, Nuevo has added more processing capacity in the Delaware Basin than any other midstream company.
- 300 million cubic feet per day (MMcf/d) of cryogenic processing capacity now online in the Delaware Basin along with 1,800 gallons per minute (gpm) of amine treating capacity and more than 270 miles of gathering pipelines.
- 500 MMcf/d of total processing capacity and total treating capacity of 2,800 gpm expected to become available by the third quarter of 2015.
- Additional expansion plans call for 900 MMcf/d of total cryogenic processing capacity and total treating capacity of 3,800 gpm to serve the Avalon, Bone Spring and Wolfcamp plays.

HOUSTON – April 9, 2014 - [Nuevo Midstream, LLC](#) (“Nuevo”) announced today that the company has completed a major processing capacity expansion to its Ramsey system in the Delaware Basin near Orla, Texas. Headquartered in Houston, Nuevo is a full-service midstream company serving major and independent crude oil and natural gas producers in the Delaware Basin. Operations are primarily focused on production from the Bone Spring and Wolfcamp formations and the Avalon Shale trend in Southeast New Mexico and West Texas.

Nuevo’s new 200 MMcf/d Ramsey III cryogenic processing plant is now online at the company’s Ramsey processing facility in Reeves County, Texas, bringing Nuevo’s total cryogenic processing capacity to 300 MMcf/d. The Ramsey system also includes amine treating capacity of 1,800 gpm, more than 270 miles of low and high-pressure gathering lines, four field compressor stations and interconnections into the El Paso Natural Gas and DCP Sandhills pipelines.

Nuevo is the leader in providing new, highly efficient processing and treating services in the Delaware Basin. Since its formation in April 2011, Nuevo has added more processing capacity in the Delaware Basin than any other midstream company. Based on customer demand for additional processing and treating capacity to serve their significant growth plans, Nuevo is engineering its next two plant expansions, the Ramsey IV and Ramsey V plants.

Nuevo’s Ramsey IV plant expansion will include an additional 200 MMcf/d cryogenic processing plant and a new 1,000 gpm amine plant. Nuevo expects to bring the Ramsey IV plant online in the third quarter of 2015, bringing total cryogenic processing capacity to 500 MMcf/d and amine treating capacity to 2,800 gpm. The Ramsey V plant expansion is expected to be operational in the summer of 2016 and will include an additional 400 MMcf/d cryogenic processing plant and an additional 1,000 gpm amine treating plant, bringing Nuevo’s cryogenic processing capacity to a total of 900 MMcf/d and total amine treating capacity to 3,800 gpm. Additional expansion

plans include two new compressor stations and more than 75 miles of additional high pressure gathering lines in operation by the end of 2016.

“We are pleased to announce the startup of our new Ramsey III processing plant, which significantly expands our processing capacity in the prolific Delaware Basin,” said Jay Lendrum, Nuevo Midstream’s president and CEO. “When we formed Nuevo three years ago, our goal was to be the best and most-respected midstream company in the Permian Basin. At that time we were operating a low-pressure casinghead gathering system serving vertical wells in the shallow Delaware sands with no processing or treating capabilities. Now, we have 300 MMcf/d of operational cryogenic processing capacity, 1,800 gpm of treating capacity and an expansive high-pressure gathering system over a five-county area serving operators producing from horizontal wells in three Wolfcamp benches, three Bone Spring benches, the Avalon shale and the Brushy Canyon formation. We continue to focus on our original goal by making capital and commercial commitments to our producer customers that meet the demands of the market on a timely and efficient basis.

“Our customers have made significant acreage and volume commitments to Nuevo and are increasing their horizontal well rig counts and footage drilled in our operating area as they enter development mode. Based on historical drilling results, drilling efficiency improvements and increased drilling activity, our production forecasts for the area continue to rise. In response, we will continue to add the needed capacity to stay ahead of our customers’ drilling schedules and production forecasts and ensure that their production will flow.

“This approach has served us well as we have received significant follow-on commitments from virtually all of our original horizontal operators in addition to commitments from many new customers. By dedicating ourselves to this service model, Nuevo has become one of the leading midstream companies in the Delaware Basin in just three years. During that same period, we have added more processing capacity in the basin than any other midstream company. We expect that trend to continue with the addition of 200 MMcf/d in additional capacity in the third quarter of 2015 and another 400 MMcf/d of processing capacity in the summer of 2016, bringing our total cryogenic processing capacity to more than 900 MMcf/d.”

About Nuevo Midstream, LLC

Headquartered in Houston and formed in April 2011, Nuevo is a full-service midstream company offering gathering, compression, processing, treating, transportation and marketing services to oil and gas producers in the Delaware Basin. Operations are focused on production from the Bone Spring and Wolfcamp formations and the Avalon Shale trend in Southeast New Mexico and West Texas. The senior leadership group at Nuevo Midstream has more than 150 years of energy industry experience and is led by President and CEO Jay Lendrum; Chris Work, senior vice president and chief financial officer; Randy Ziebarth, senior vice president and general manager; Ralph Carthrae, vice president, commercial; and Dwight Serrett, vice president of engineering and construction. Nuevo is supported by equity commitments from [EnCap Flatrock Midstream](#) and management.

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