



**FOR IMMEDIATE RELEASE**

## **Rangeland Energy Begins Construction of Crude Oil and Frac Sand Terminal in the Delaware Basin**

Sugar Land, TX – May 13, 2014 - [Rangeland Energy](#) announced today that the company has started construction of the Rangeland Integrated Oil System (RIO System) in the Delaware Basin region of Southeast New Mexico and West Texas. The multipart system is designed to transport the Basin's crude oil and condensate production to multiple downstream markets across the U.S. via outbound rail and pipeline. Construction of the system's rail facility is underway. The rail facility will provide services for outbound crude oil and condensate and inbound frac sand.

### **Transload Service to Begin in October**

Known as the RIO Hub, the 300-acre rail terminal is located near Loving, New Mexico, in the center of the basin's drilling and production activity. The RIO Hub will serve the Delaware Basin by providing storage, blending and rail loading facilities for outbound crude oil and condensate. Fee-for-service customers include crude oil marketers, refiners and producers. Truck-to-rail transload operations are expected to begin in October 2014 with an initial capacity of 10,000 barrels per day. As customer demand increases, Rangeland will build high-speed unit train loading facilities at the RIO Hub which will bring capacity to more than 100,000 barrels per day.

Rangeland's RIO Hub will also provide frac sand suppliers with unloading, storage and truck loading facilities for moving product into the Delaware Basin by rail. Initial rail-to-truck transload service will accommodate more than 500,000 tons of frac sand per year. When unit train service becomes available and as demand increases, Rangeland will expand the frac sand infrastructure at the RIO Hub to accommodate more than 1 million tons of frac sand per year. The RIO Hub will be served by the [BNSF Railway](#).

### **CEO Perspective**

"We are very excited to kick off construction of the RIO System. The Delaware Basin is one of the fastest growing production areas in the Permian. These facilities will give our customers the ability to effectively manage their crude oil supply by providing points of liquidity and connectivity to multiple downstream markets," said Christopher Keene, Rangeland Energy's president and CEO. "We saw the power of creating optionality for customers when we developed the COLT System in the Bakken Shale. The market response was outstanding. The RIO System is similar and a direct result of our success in the Bakken. We think the RIO System is well positioned to stay ahead of drilling and production schedules in the Delaware Basin and will provide our customers with the flexibility they need to maximize the value of their products."

### **Comments from New Mexico's Governor**

"New Mexico welcomes Rangeland Energy's investment in our state," said Governor Susana Martinez. "The services Rangeland will provide will further increase New Mexico's ability to develop its energy sources, grow our economy and continue to provide very well-paying jobs for New Mexico families."

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### **RIO Pipeline to Connect RIO Hub to Midland**

Rangeland is also pursuing its RIO Pipeline project which will connect the RIO Hub at Loving, New Mexico, to market centers in Midland, Texas, and beyond. The first 30-mile leg of the RIO Pipeline will connect the RIO Hub to the RIO State Line Terminal, a gathering hub at the Texas-New Mexico border where Rangeland will provide tankage and truck unloading facilities. An additional 104 miles of pipeline will connect the RIO State Line Terminal to the RIO Midland Terminal, which will provide connections to various terminals and interstate pipelines to Cushing and Gulf Coast markets.

Rangeland has secured the Midland Terminal site and is developing terminal opportunities for crude oil customers in the Midland market. Rangeland has also completed routing and environmental surveys for the RIO Pipeline. The company is working with potential customers to obtain the volume support required to begin construction.

### **About Rangeland Energy, LLC**

Headquartered in Sugar Land, Texas, Rangeland Energy was formed in 2009 to focus on developing, acquiring, owning and operating midstream assets. The company's primary focus has been in shale producing areas experiencing rapid growth. The Rangeland team represents more than 150 years of combined midstream experience and is backed by an equity commitment from EnCap Flatrock Midstream. For more information please visit [www.rangelandenergy.com](http://www.rangelandenergy.com).

### **About EnCap Flatrock Midstream**

EnCap Flatrock provides value-added private equity capital to proven management teams focusing on midstream infrastructure opportunities across North America. Founded in 2008 by EnCap Investments, LP and Flatrock Energy Advisors, the firm is based in San Antonio, Texas, and Edmond, Oklahoma, and led by Managing Partners William D. Waldrip, William R. Lemmons Jr., and Dennis F. Jaggi. With more than 100 years of midstream experience, the principals at EnCap Flatrock manage a dedicated professional staff and midstream-focused investment commitments of nearly \$3 billion from a broad group of prestigious institutional investors. EnCap Flatrock is currently making new management team commitments and investing out of EnCap Flatrock Midstream Fund II, a \$1.75 billion fund. The firm expects to close a third fund in May 2014. Visit [www.efmidstream.com](http://www.efmidstream.com) for more information.

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