



FOR IMMEDIATE RELEASE

Rangeland Energy Announces Formation of a New Company with an Additional Private Equity Commitment of \$300 Million

SUGAR LAND, Texas – August 4, 2015 – [Rangeland Energy](#) (“Rangeland” or “the company”) today announced that it has secured an equity commitment of \$300 million from [EnCap Flatrock Midstream](#) (“EnCap Flatrock”) and management to support the formation of a new entity, Rangeland Energy III, LLC (“Rangeland III”). Rangeland III plans to pursue new midstream opportunities in resource plays across North America. Rangeland Energy II, LLC, the entity under which Rangeland is currently operating in the Permian’s Delaware Basin, will continue to focus on the construction, operation and expansion of its RIO System, which provides midstream and logistics services to support the production of crude oil and condensate in Southeast New Mexico and West Texas.

Financing

The \$300 million equity commitment is the third commitment EnCap Flatrock has made to a Rangeland company, bringing the total to more than \$600 million since Rangeland’s formation in late 2009. The first Rangeland entity established the COLT System, an impressive crude oil terminaling and pipeline system in the Bakken Shale. That company was acquired in late 2012 by Inergy Midstream, L.P. (now Crestwood Midstream Partners LP, NYSE: CMLP). Rangeland II was formed in early 2013 with an initial \$200 million equity commitment from EnCap Flatrock and Rangeland’s founders.

“We are excited to expand our ability to serve the oil and gas industry by broadening our long-standing relationship with EnCap Flatrock Midstream and expanding our management team. We look forward to building on the success we have had in the Bakken Shale and the Delaware Basin as we continue developing midstream infrastructure that services the needs of oil and gas producers, marketers and refiners,” said Chris Keene, who serves as president and CEO of both Rangeland II and Rangeland III.

“We have been working with Chris Keene and his team for six years, and it’s been a very successful relationship. Chris is an exceptional leader who has assembled an outstanding team that has vision and a well-documented ability to execute,” said Bill Waldrip, one of EnCap Flatrock’s three managing partners and a member of the Rangeland board of directors. “We are excited to support Rangeland III.”

Rangeland II: RIO System Update

Rangeland’s [RIO System](#) achieved significant milestones during July 2015. The company announced the completion of commissioning at its RIO Hub and the commencement of construction on its RIO Pipeline.

(more)

The RIO System is a multipart system designed to support the production of crude oil and condensate in the Delaware Basin. The RIO Hub is a 300-acre rail facility located near Loving, New Mexico, in the center of the basin's drilling and production activity. The terminal provides services for outbound crude oil and condensate and inbound frac sand. The hub, which was fully commissioned in July 2015, provides frac sand suppliers with unit train unloading, silo storage and truck loading facilities for moving large quantities into the Delaware Basin. Initial rail-to-truck transload service began in November 2014. To date the RIO Hub has received 14 unit trains and additional manifest railcars, and approximately 175,000 tons of frac sand have been distributed to the region. Rangeland commissioned 26,000 tons of silo storage capacity in July. Demand continues to be strong in the Delaware Basin, and Rangeland expects volumes to increase significantly in the months ahead. As a result, Rangeland plans to expand the RIO Hub to accommodate more than 1 million tons of frac sand per year. Rangeland also is working with crude oil and condensate customers regarding the installation of truck unloading facilities, tankage and storage services and rail and pipeline connectivity.

Now under construction, the RIO Pipeline originates at the RIO State Line Terminal located at the Texas-New Mexico border near Mentone, Texas. The terminal will serve as a crude oil gathering hub by providing storage tanks and truck unloading facilities. The RIO Pipeline will terminate at the RIO Midland Terminal, which will provide tankage and connections to various terminals and interstate pipelines serving Cushing and Gulf Coast markets. Rangeland has executed contracts with four shippers and expects the pipeline and the two terminals to come into service in May 2016. The RIO Pipeline will have a capacity of more than 85,000 barrels per day.

About Rangeland Energy

Headquartered in Sugar Land, Texas, Rangeland Energy was formed in 2009 to focus on developing, acquiring, owning and operating midstream infrastructure for crude oil, natural gas, natural gas liquids and other petroleum products. The company is primarily focused on emerging shale plays across North America with an emphasis on West Texas, the Gulf Coast, California and Canada. Rangeland successfully developed the COLT system in North Dakota's Bakken Shale and sold the system in 2012. The Rangeland team represents more than 150 years of combined midstream experience and is backed by an equity commitment from [EnCap Flatrock Midstream](#). Visit www.rangelandenergy.com for more information.

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 with offices in Oklahoma City and Houston, 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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