



FOR IMMEDIATE RELEASE

Tall Oak Midstream Begins Construction of Natural Gas Gathering and Processing System in Oklahoma's CNOW Play

- Initial plans call for 250 miles of gas gathering pipeline and a 75 MMcf/d cryogenic processing plant with nitrogen rejection capabilities
- American Energy – Woodford, LLC makes long-term acreage dedication to Tall Oak's CNOW System
- EnCap Flatrock Midstream's equity commitment to Tall Oak increases to \$400 million

OKLAHOMA CITY – June 25, 2014 – [Tall Oak Midstream, LLC](#) ("Tall Oak") announced today that the company will build a natural gas gathering and processing system in the Central Northern Oklahoma Woodford ("CNOW") play. The system will serve multiple producers targeting the play's liquids-rich, stacked pay zones including the Mississippi Lime, Woodford Shale and Cleveland formations. Tall Oak's CNOW system will be anchored by a long-term acreage dedication from American Energy – Woodford, LLC (AEW), an affiliate of [American Energy Partners, LP](#) (AELP). The dedication spans an area of approximately one million acres that covers all previously undedicated acreage in Payne County and portions of Creek, Logan, Lincoln, Noble and Pawnee counties. In addition, AEW contributed its existing gathering lines in exchange for a minority interest in the Tall Oak CNOW system. AEW has an option to increase its non-operating interest up to 50 percent in the system.

"It's a very exciting time to be working in the Mid-Continent," said Tall Oak Chief Executive Officer Ryan Lewellyn. "Drilling and production schedules continue to climb, and the long-term outlook for the CNOW play is very positive. We are excited about this opportunity and focused on providing AEW and other producers in the area a near-term solution with reliable access to multiple markets."

Private Equity Support

Tall Oak is now supported by a total of \$400 million in private equity commitments from [EnCap Flatrock Midstream](#) ("EnCap Flatrock") and Tall Oak's founders. EnCap Flatrock made an initial \$100 million commitment to Tall Oak in February and has since made additional commitments totaling \$300 million.

AEW is supported by a total of \$500 million in private equity commitments led by The Energy & Minerals Group ("EMG"), AEW's management team and others.

System Specifics and Market Access

Tall Oak's initial CNOW System will include a 250-mile, low-pressure gas gathering system with multiple compression sites and a state-of-the-art cryogenic processing plant located in Payne County, Oklahoma. Tall Oak acquired 60 miles of existing gas gathering pipeline from AEW to establish the gathering footprint. Tall Oak's new cryogenic processing facility, known as the Battle Ridge Plant, is expected to be in service in December 2014. The plant will have an initial capacity of 75 million cubic feet per day (MMcf/d) and will include nitrogen rejection capabilities.

“The Battle Ridge facility is large enough to accommodate planned expansions, which are expected to bring processing capacity to 300 MMcf/d as customer demand increases”, said Carlos Evans, Tall Oak Midstream’s chief commercial officer. “We look forward to expanding our system and services to provide premium midstream solutions to producers in the CNOW area.”

Tall Oak’s CNOW System will provide direct access to premium downstream markets including Southern Star Central Gas Pipeline and Enable Gas Transmission for residue gas.

Legal Representation

Paul Hastings LLP served as legal counsel to Tall Oak Midstream with Jimmy Vallee, a partner in the firm’s Houston office, in the lead role. Thompson & Knight LLP represented EnCap Flatrock Midstream with partner Sarah McLean leading that firm’s legal team from Thompson & Knight’s Houston office.

About Tall Oak Midstream, LLC:

Based in Oklahoma City, Tall Oak Midstream is an innovative midstream company led by its four founders; Ryan D. Lewellyn, CEO; Max J. Myers, CFO; Carlos P. Evans, CCO; and Lindel R. Larison, COO. Tall Oak is dedicated to bringing a fresh perspective to serving oil and gas producers with a full suite of midstream services. Core capabilities include natural gas gathering, compression, treating and processing; crude oil gathering and transportation; condensate and water handling; and product marketing solutions. Visit www.talloakmidstream.com for more information.

About American Energy Partners, LP:

American Energy Partners, LP was founded by Aubrey K. McClendon in April 2013 to capitalize on opportunities available in unconventional resource plays onshore in the U.S. During the past nine months, the AELP platform has raised committed equity and debt capital of approximately \$10 billion to fund the development of five play or strategy specific companies: American Energy – Utica, LLC (AEU), American Energy – Woodford, LLC (AEW), American Energy – NonOp, LLC (AENO), American Energy – Marcellus, LLC (AEM), and American Energy – Permian Basin, LLC (AEPB). AEW is supported by a total of \$500 million in private equity commitments led by The Energy & Minerals Group (“EMG”), AEW’s management team and others. Visit www.americanenergypartners.com and www.emgtx.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. EnCap Flatrock Midstream 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 investment commitments of nearly \$6 billion from a broad group of prestigious institutional investors. EnCap Flatrock is currently making commitments to new management teams from EnCap Flatrock Midstream Fund III, a \$3 billion fund. Visit www.efmidstream.com for more information.

About The Energy & Minerals Group:

EMG is the management company for a series of specialized private equity funds. The firm was founded by John Raymond (majority owner and CEO) and John Calvert in 2006. EMG focuses on investing across various facets of the global natural resource industry including the upstream and midstream segments of the energy complex. EMG has approximately \$15.4 billion of regulatory assets under management (RAUM) and approximately \$6.6 billion in commitments have been allocated across the energy sector since inception. For additional information please visit www.emgtx.com.

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