



FOR IMMEDIATE RELEASE

**Nuevo Midstream Expands Processing and Gathering Services
in the Delaware Basin of West Texas and Southeast New Mexico
Equity Commitments to Nuevo Reach \$308 Million**

- **110 MMcf/d in natural gas processing capacity now online at Ramsey Plant near Orla, Texas**
- **Additional 200 MMcf/d of processing capacity planned by early 2014**
- **Ramsey Gas Gathering System reaches 210 miles of high and low pressure pipeline**
- **El Paso interconnect complete**
- **Nuevo to gather crude oil in the Delaware Basin**
- **Equity commitments to Nuevo reach \$308 million**

HOUSTON – January 17, 2013 - [Nuevo Midstream, LLC](#) (“Nuevo”) announced today that the company has completed the Phase II expansion of the company’s natural gas gathering, processing and treating system in the Delaware Basin near Orla, Texas. Headquartered in Houston, Nuevo is a full service midstream company serving crude oil and natural gas producers in the Delaware Basin. Operations are focused on production from the Bone Springs and Wolfcamp formations and the Avalon Shale trend in southeast New Mexico and West Texas.

Known as Ramsey II, Nuevo’s new cryogenic processing plant is now online at the company’s Ramsey processing site in Reeves County, Texas. The plant has the capacity to process 100 million cubic feet per day (MMcf/d), bringing current processing capacity at the Ramsey site to 110 MMcf/d. Drilling projections from numerous existing and potential customers, the strong performance of wells in the basin and additional acreage dedications have prompted Nuevo to plan construction of a third cryogenic processing plant, which is currently being manufactured by [Cameron](#) using Randall Gas NGL-Max® Technology. Nuevo expects to bring the Ramsey III plant online in early 2014, bringing total cryogenic processing capacity to 310 MMcf/d. In addition to the processing expansion, Nuevo has increased amine treating capacity at the Ramsey plant to 625 gallons per minute (gpm) and will make significant additions to the plant’s treating capacity within the year to meet customer requirements.

In addition to the natural gas produced from the shallow Delaware sands, Nuevo also processes natural gas produced from five other distinct resource plays located in the Delaware Basin. As producers in the Ramsey area continue to define the extent of each play and as drilling programs evolve, Nuevo will explore a fourth expansion to the Ramsey site, which could add an additional 200 MMcf/d in processing capacity as early as 2015.

Gas Gathering System Reaches 210 Miles, Nuevo to Gather Crude Oil

In connection with the expansion of the Ramsey natural gas processing site, Nuevo has completed numerous natural gas gathering projects bringing its Ramsey Gas Gathering System to 210 miles of high and low pressure lines. Nuevo has also completed a second interconnect to the El Paso Natural Gas pipeline system.

The company further announced that it will offer crude oil gathering services to producers in the Delaware Basin. Nuevo is planning an aggressive build-out of a crude oil gathering system that will complement the company's expanding gas gathering system and will provide deliveries into several long-haul crude pipelines. Nuevo's expansion into crude gathering reflects the company's commitment to customer service and should provide its gas producers with an attractive alternative to their current practice of trucking crude from tank batteries to injection points. The company expects to begin construction on the first phase of its crude system in the second quarter of 2013 with this system coming on line in the third quarter of 2013.

Equity Commitments to Nuevo Reach \$308 Million

Nuevo has secured additional private equity commitments from [EnCap Flatrock Midstream](#) of San Antonio, management and others, bringing total equity financing support for the company to \$308 million. Nuevo was formed in 2011 with a \$65 million commitment from EnCap Flatrock Midstream's first fund, management and others. Nuevo has increased its capital commitments three times since its formation, with the most recent increase totaling \$167 million. EnCap Flatrock Midstream Fund II was the largest participant in Nuevo's most recent capital increase.

CEO Perspective

"We are pleased to announce another set of important company milestones – the significant expansion of Nuevo's processing and treating capacity, further expansion of our gathering footprint, a second El Paso interconnect, the offering of crude services, and a considerable increase in equity capital commitments to Nuevo," said Jay Lendrum, Nuevo Midstream's president and CEO. "We are also pleased to announce plans to further increase our processing and treating capacity in response to customer dedications and well performance. Area producers are having success in multiple zones in our immediate area and their drilling plans require additional midstream infrastructure to fully develop these resource plays. The additional plant capacity, service offerings, and capital will enable us to continue to respond to our customers' increasing demands for midstream services in the Delaware Basin."

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 Springs 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; Randy Ziebarth, vice president and general manager; Chris Work, chief financial officer; Dwight Serrett, vice president of engineering and construction; and Ralph Carthrae, vice president of marketing. Visit www.nuevomidstream.com for more information.

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