



FOR IMMEDIATE RELEASE

Nuevo Midstream Expands Processing and Treating Services in the Delaware Basin, Completes NGL Line Connection to Mont Belvieu, Texas

- 110 MMcf/d of cryogenic processing capacity now online in the Delaware Basin along with 1,800 gpm of amine treating capacity
- Natural gas liquids line interconnect to Mont Belvieu, Texas, complete
- 310 MMcf/d of total processing capacity available by Spring 2014
- Additional expansion plans call for up to 910 MMcf/d of total cryogenic processing capacity and total treating capacity of up to 3,800 gpm to serve the Avalon, Bone Springs and Wolfcamp plays

HOUSTON – October 1, 2013 - [Nuevo Midstream, LLC](#) (“Nuevo”) announced today that the company has completed a major expansion of its amine treating capacity and has begun construction of the Phase III expansion of the company’s natural gas processing 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.

Nuevo’s new amine treating plant is now online at the company’s Ramsey processing site in Reeves County, Texas. The new amine plant has a capacity of 1,300 gallons per minute (gpm), bringing Nuevo’s total treating capacity to 1,800 gpm. Nuevo has also completed its interconnect to DCP’s Sand Hills natural gas liquids (“NGL”) pipeline with NGL delivery into Mont Belvieu, Texas. With this liquids pipeline now in service, Nuevo is now able to offer producers access to premium NGL markets and excellent NGL recoveries through 110 million cubic feet per day (MMcf/d) in current processing capacity.

Based on customer demand for additional processing capacity to serve the significant growth in Avalon, Bone Springs and Wolfcamp production, Nuevo has begun construction of an additional 200 MMcf/d cryogenic processing plant known as the Ramsey III plant. Nuevo expects to bring the Ramsey III plant online in April 2014, bringing its total cryogenic processing capacity to 310 MMcf/d.

Drilling projections from existing and potential customers, the strong performance of wells in the Delaware Basin and additional producer dedications have prompted Nuevo to plan further expansions that are expected to bring cryogenic processing capacity to a total of up to 910 MMcf/d and treating capacity to up to 3,800 gpm. Permitting is underway for these contemplated expansions. Nuevo expects to bring the first of these expansions online by the middle of 2015, at which point Nuevo will have 510 MMcf/d of processing capacity at the Ramsey site.

Nuevo has also closed on a revolving credit facility and an equipment lease facility. These facilities, combined with equity commitments from [EnCap Flatrock Midstream](#), management and others, provide Nuevo with approximately \$450 million of total capital to finance the build-out and expansion of its midstream infrastructure network in the Delaware Basin.

“We are pleased to announce another set of important company milestones,” said Jay Lendrum, Nuevo Midstream’s president and CEO. “Based on our producers’ drilling results, production forecasts and additional customer dedications, we continue to add processing, treating, gathering and compression capacity. Some of our customers are still in appraisal mode while others are entering the development phase, but they all need midstream services, and we will continue to add capacity to stay ahead of their drilling plans.

“Just two and a half years ago, we were re-commissioning an idle 10 MMcf/d processing plant for our first Avalon Shale and Bone Springs customer and installing a small rented treating plant with plans to truck and rail NGLs. Now, we have 310 MMcf/d of processing capacity and 1,800 gpm of treating capacity operational or under construction, an expansive gathering system that spans roughly 2,500 square miles, an NGL line connection to Mont Belvieu and planning is underway to bring total cryogenic processing capacity to more than 900 MMcf/d and treating capacity to 3,800 gpm. The new senior credit facility along with our equity commitments, equipment lease facility and cash flow from operations provide us plenty of capital to execute on our growth plans.”

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; 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. Visit www.nuevomidstream for more information.

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