



Clearfork Midstream to Acquire Azure Midstream Energy, Secures Initial Capital Commitment from EnCap Flatrock Midstream

FORT WORTH, Texas – January 18, 2022 – [Clearfork Midstream LLC](#) (“Clearfork”) today announced it has secured a capital commitment from [EnCap Flatrock Midstream](#) (“EFM”) and has entered into a definitive agreement to purchase Azure Midstream Energy, LLC (“Azure Midstream”). The transaction is subject to standard regulatory approvals and is expected to close during the first quarter of 2022. Based in Fort Worth, Clearfork is a growth-oriented midstream company that was formed in 2020 to provide comprehensive midstream solutions for oil and gas producers in basins across North America, with a specific emphasis on unconventional natural gas production in the Haynesville/Bossier Shale formation in North Louisiana and East Texas.

Clearfork is led by Chief Executive Officer Kipper Overstreet and a team of industry veterans including Chief Operating Officer George Grau Jr., Chief Commercial Officer Corey Lothamer and Executive Vice President Kevin Venturini. Together, they have more than 75 years of collective experience in the energy industry. Prior to forming Clearfork, Mr. Overstreet served from 2013 to 2020 in roles of increasing responsibility at Azure Midstream, most recently as vice president of corporate development and gas supply from 2017 to 2020.

“Over the past few years, we have developed strong relationships with key members of the EFM team,” Clearfork CEO Kipper Overstreet said. “The firm’s unparalleled reputation is well deserved. They have the financial strength we need and understand midstream better than anyone in the venture capital business. They aligned with us on the acquisition of Azure Midstream and Azure’s growth potential. We are very pleased to be part of the EFM family of companies.”

“The management team possesses certain characteristics including strong leadership; the ability to attract and retain talent; a strong reputation and track record; and a compelling business plan, all of which we highly prioritize when backing a team,” said EFM Managing Director Zach Kayem, a member of the Clearfork board of directors. “We have known members of management for better than half of a decade and are excited to pursue this significant midstream opportunity in East Texas and North Louisiana.”

Azure Midstream Acquisition

Azure Midstream’s natural gas gathering and treating platform spans the core areas of the Haynesville Shale formation and includes more than 500 miles of pipeline and 1.2 billion cubic feet per day of treating capacity across systems in North Louisiana and East Texas. Azure Midstream has nine downstream interconnects offering access to major market hubs, including Henry Hub, Houston Ship Channel/Katy, Carthage, Columbia Gulf Mainline, Perryville and Agua Dulce (via TETCO and NGPL). The Haynesville natural gas play is well positioned with proximity to large end-use markets and the growing U.S. Gulf Coast LNG export complex. Clearfork’s management believes natural gas is an essential component of energy supply and CO₂ reduction targets in the U.S. and internationally, and the Haynesville Shale will continue to represent a reliable and long-term source of natural gas supply to the world. Clearfork plans to invest additional capital following the acquisition to optimize the efficiency of

Azure Midstream's systems in support of existing customers and to pursue additional acreage dedications, throughput volumes, and regional infrastructure.

Advisers

Latham & Watkins LLP served as legal adviser to EnCap Flatrock Midstream on the equity commitment with Partner James M. Garrett in the lead role. Vinson & Elkins LLP served as legal adviser to Clearfork on both the equity commitment and the acquisition of Azure Midstream. Partner Matthew Falcone led the firm's legal team. Donovan Ventures served as financial adviser to Clearfork regarding the Azure acquisition. Jefferies was financial adviser and Porter Hedges LLP was legal adviser to Azure.

About Clearfork Midstream, LLC

Formed in 2020 and based in Fort Worth, Clearfork is a growth-oriented midstream company that provides midstream solutions for oil and gas producers in basins across North America. The company's vision is to build long-term, mutually beneficial relationships with producers by offering reliable midstream services and a collaborative approach that maximizes the value of production. Services include natural gas gathering, processing, treating, dehydration and compression; natural gas liquids stabilization, handling, fractionation, storage and transportation; crude oil gathering, storage and transportation; and produced water handling and disposal. Clearfork is backed by a \$400 million equity commitment from EnCap Flatrock Midstream. For more information, please visit www.clearforkmidstream.com.

About EnCap Flatrock Midstream

EnCap Flatrock Midstream provides value-added growth 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, LLC. Based in San Antonio with offices in Oklahoma City and Houston, the firm manages investment commitments of nearly \$9 billion from a broad group of prestigious institutional investors. EnCap Flatrock Midstream is currently making commitments to management teams from EFM Fund IV, a \$3.25 billion fund. For more information, please visit <https://www.efmidstream.com/>.

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