



FOR IMMEDIATE RELEASE

EagleClaw Midstream Ventures to Acquire PennTex Permian

MIDLAND, Texas – August 4, 2016 – [EagleClaw Midstream Ventures, LLC](#) (“EagleClaw”) announced today that the company has entered into a definitive agreement to acquire PennTex Permian, LLC (“PennTex Permian”) a wholly owned subsidiary of [PennTex Midstream Partners, LLC](#). Primarily located in Reeves County, Texas, PennTex Permian’s assets include a cryogenic processing plant with the capacity to process 60 million cubic feet of natural gas per day (MMcf/d), approximately 90 miles of gathering pipeline and approximately 35 miles of condensate pipeline. PennTex Permian’s assets are supported by long-term dedications of more than 75,000 acres from the region’s leading producers. EagleClaw expects to complete the acquisition of PennTex Permian in the third quarter.

EagleClaw will connect the PennTex system to its East Toyah System, bringing EagleClaw’s current processing capacity to 120 MMcf/d and total gathering pipeline to more than 200 miles served by nine field compressor stations with a total of 20,000 horsepower of low- and high-pressure compression. The combined systems serve producers in the Permian’s Delaware Basin targeting stacked pay zones including the Upper and Middle Wolfcamp, Bone Spring and the Avalon Shale formations ([map here](#)).

Due to the performance of recent wells drilled in the area, EagleClaw also announced that it has broken ground on the installation of an additional cryogenic processing plant at its East Toyah Processing Complex in Reeves County. These wells include the last two wells drilled by [Silverback Exploration, LLC](#), each with initial production rates of approximately 7 MMcf/d of natural gas and 820 barrels per day of crude oil. The Toyah II plant will have the capacity to process 200 MMcf/d. EagleClaw expects to bring the Toyah II plant online later this year, bringing EagleClaw’s total processing capacity to 320 MMcf/d.

An 18-mile NGL line connects the East Toyah Processing Complex to Lone Star’s West Texas Gateway Pipeline, which transports NGLs to the market center at Mont Belvieu, Texas. The East Toyah complex also is connected to Kinder Morgan’s El Paso 1600 Pipeline, and by October will have an additional connect into ONEOK’s WestTex Transmission System, an intrastate natural gas pipeline system that connects into the Roadrunner Gas Transmission Pipeline (“Roadrunner”). Phase One of the Roadrunner project is complete and currently serving markets in El Paso, Texas, and Mexico.

CEO Perspective

“Given the Delaware Basin’s stacked pay potential, we believe Reeves County may contain the largest inventory of profitable wells in the U.S. We’re seeing great production and drilling results paired with economics that make sense, even through the downturn,” said [EagleClaw President and CEO Bob Milam](#). “We’re in the customer service business, so we’ve been working very hard to make sure that we have the capacity that our producers need to move hydrocarbons to the best markets. This acquisition and our new state-of-the-art plant bring top-tier assets into our portfolio. These assets together with long-term dedications of approximately 200,000 acres position EagleClaw as the largest privately held midstream player in the Southern Delaware Basin.”

About EagleClaw Midstream, LLC

Headquartered in Midland, Texas, EagleClaw Midstream is a midstream company focused on developing infrastructure opportunities in the Permian Basin. EagleClaw provides natural gas producers with a wide array of midstream services including gathering, compression, treating, processing and transportation.

EagleClaw is led by President and CEO Bob Milam, Executive Vice President and COO Curtis Clark and Executive Vice President of Commercial Blake Bixler. The company is supported by equity commitments from EnCap Flatrock Midstream. Visit www.eagleclawmidstream.com for more information.

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. Based in San Antonio with offices in Oklahoma City and Houston, EnCap Flatrock is led by Managing Partners and Founders William D. Waldrip, Dennis F. Jaggi and William R. Lemmons, Jr. The firm manages investment commitments of \$5.6 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. For more information please visit www.efmidstream.com.

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