



## **Lucid Energy Group II, LLC Secures \$350 Million Equity Commitment from EnCap Flatrock Midstream**

DALLAS – February 23, 2016 – [Lucid Energy Group II, LLC](#) (“Lucid II”), a full-service midstream provider based in Dallas, announced today that the company has secured an initial equity commitment of \$350 million from [EnCap Flatrock Midstream](#) (“EnCap Flatrock”) and the Lucid II management team. Lucid II was formed by the team that leads its successful predecessor company, Lucid Energy Group, LLC (“Lucid I”), also backed by EnCap Flatrock. Lucid I has developed a significant midstream footprint in the Midland Basin, serving more than 30 customers across nine counties in West Texas. The company’s assets include over 700 miles of pipeline, multiple compressor stations, 345 million cubic feet per day of gas processing capacity, nitrogen rejection facilities, condensate stabilization facilities and a crude oil gathering system.

Lucid II is pursuing organic development projects and strategic acquisitions in other producing basins. “The track record of the Lucid team and our strong producer relationships in the Permian Basin, Mid-Continent and East Texas are already shaping the focus of the new company,” said Lucid President & CEO Mike Latchem. “This is an exciting time in our business to be chasing new opportunities. Our existing assets have performed at record volume levels in spite of the current commodity environment. With the financial strength and flexibility that our partnership with EnCap Flatrock provides, we’ll be able to consummate desirable transactions that would be more challenging for others in this market.”

The Lucid team has decades of experience in originating, developing, constructing and operating large- and small-scale infrastructure and midstream facilities. Specific areas of expertise include natural gas gathering, compression, processing, transportation, fractionation, sour gas treating and nitrogen rejection, crude oil gathering, condensate stabilization and liquids handling.

“We have been working with the Lucid team for five years, but our relationship with the principals predates Lucid by almost 10 years,” said EnCap Flatrock Managing Partner Bill Waldrip, who also serves as a member of Lucid’s board of directors. “The entire team has an outstanding reputation in the producer community for creativity, execution and dedication to service. We are pleased to partner with them for a second time.”

Lucid II was advised by Mitch Tiras, partner at Locke Lord’s Houston office. EnCap Flatrock was advised by Sarah E. McLean, partner at Thompson & Knight’s Houston office.

**About Lucid Energy Group**

Lucid Energy Group is a diversified energy company providing a full suite of midstream services to producers in high-growth production areas of onshore U.S. basins. Lucid's business philosophy is focused on finding creative solutions for its customers, clear communications and excellence in project execution. Lucid is led by President & CEO Michael J. Latchem, Executive Vice President & COO Jay L. Langham and Senior Vice President & CCO Scott Brown and is supported with capital commitments from EnCap Flatrock Midstream. Visit [www.Lucid-Energy.com](http://www.Lucid-Energy.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. Based in San Antonio with offices in Oklahoma City and Houston, EnCap Flatrock is led by Managing Partners William D. Waldrip, Dennis F. Jaggi and William R. Lemmons, Jr. The firm manages investment commitments of nearly \$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. [www.efmidstream.com](http://www.efmidstream.com)

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**Media Contact:**

Casey Nikoloric

TEN|10 Group

303.433.4397, x101 o

303.507.0510 m

[casey.nikoloric@ten10group.com](mailto:casey.nikoloric@ten10group.com)