



FOR IMMEDIATE RELEASE

Lucid Energy Group Continues Expansion of Midstream Assets in the Delaware Basin

DALLAS – January 31, 2017 – Midstream provider Lucid Energy Group (“Lucid”) announced today the company has purchased a second cryogenic processing plant for its South Carlsbad Gathering and Processing System (“South Carlsbad System”) in the Delaware Basin. Known as Roadrunner I, the plant will be installed in Eddy County, New Mexico. The announcement follows the company’s August 30, 2016, acquisition of Agave Energy Company (“Agave”) and the implementation of an aggressive plan to expand the South Carlsbad System in Lea and Eddy counties in New Mexico. The plant has the capacity to process 200 million cubic feet per day (MMcf/d) of rich gas and will serve producers developing the prolific Wolfcamp, Bone Springs and Avalon formations of the northern Delaware Basin. The location of the Roadrunner Natural Gas Processing Complex is strategic to the company’s existing infrastructure and customer base in the northern Delaware Basin. The site will provide expansion capabilities accommodating future development in support of Lucid’s producer customers. The targeted in-service date for Roadrunner I is the first quarter of 2018.

Lucid is on schedule with the ongoing expansion of its Red Hills II Plant in Lea County and anticipates commissioning that plant in June 2017. Following the installation of the Roadrunner I plant, Lucid’s South Carlsbad System processing capacity will be 510 MMcf/d, a growth of more than 750 percent since the acquisition of the Agave assets.

“The Roadrunner plant will complete the next step in Lucid’s growth plan for the South Carlsbad System,” said Lucid Executive Vice President and Chief Commercial Officer Scott Brown. “Connecting this state-of-the-art cryogenic processing plant complex to the existing pipeline infrastructure serving the Red Hills Plant Complex creates capacity and reliability that our customers need in both Eddy and Lea counties.”

About Lucid Energy Group, LLC

Lucid Energy Group is a diversified energy company that provides a full suite of midstream services to producers working in the Permian Basin. Lucid is led by President & CEO Michael J. Latchem, Executive Vice President & COO Jay L. Langham, Executive Vice President & CCO Scott Brown and Executive Vice President & CFO Ryan Moss. Lucid is supported by capital commitments from [EnCap Flatrock Midstream](#). Operations at Lucid are focused on the Midland Basin and the Delaware Basin ([maps here](#)). The Lucid philosophy is grounded in finding creative solutions for its customers, clear communications and excellence in project execution. Visit www.Lucid-Energy.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 its three Managing Partners and Founders William D. Waldrip, Dennis F. Jaggi and William R. Lemmons, Jr; Managing Partners Gregory C. King and Dave Kurtz; and Partner Dennis J. McCanless. 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

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