



**FOR IMMEDIATE RELEASE**

**Lucid Energy Group Expands Gathering and Processing Capacity  
in the Delaware Basin**

DALLAS – December 14, 2016 – Midstream provider Lucid Energy Group (“Lucid”) announced today the company has made significant expansions to its gathering and processing capacity in the Delaware Basin of southeastern 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 Agave assets.

Phase I of the growth plan has focused on the South Carlsbad Gathering and Processing System (“South Carlsbad System”) in Lea and Eddy counties, New Mexico. In just 90 days, Lucid has expanded processing capacity at the Red Hills Natural Gas Processing complex by 83.3 percent, increasing capacity from 60 million cubic feet per day (MMcf/d) to 110 MMcf/d. Lucid has begun construction of a new cryogenic processing train and amine treating facilities at the Red Hills Plant with an expected commission date of mid-2017, bringing processing capacity to 310 MMcf/d.

Lucid has also commissioned two new compressor stations and has added liquids handling facilities to eight existing compressor stations. These infrastructure modifications have added an additional 80,000 cubic feet per day of gathering capacity. Approximately 80 miles of gathering pipeline is currently under construction within the South Carlsbad System.

“I am extremely proud of the entire Lucid team,” said Lucid Executive Vice President and Chief Operating Officer Jay L. Langham. “Lucid worked very hard to build a strong reputation for reliable execution and speed in the Midland Basin. In a short time, we’ve been able to establish the same culture of excellence in the Delaware Basin through the rapid execution of Lucid’s ambitious growth plan. Our team remains focused on project execution to improve and expand our asset base, allowing Lucid to continue to bring integrated midstream services and meet the growing demand of the producers in the Delaware Basin.”

**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](http://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 currently is 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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