



FOR IMMEDIATE RELEASE

Stakeholder Midstream Begins Binding Open Season for San Andres Crude Oil Gathering System

SAN ANTONIO - December 1, 2016 - Stakeholder Midstream Crude Oil Pipeline, LLC, a wholly owned subsidiary of [Stakeholder Midstream, LLC](#) ("Stakeholder") announced today that it has commenced a binding open season with respect to a planned greenfield crude oil gathering and trunkline pipeline system referred to as the "San Andres Crude Gathering System" or the "Project." The open season will begin at 9 a.m. CST on December 1, 2016, and will conclude at 5 p.m. CST on January 4, 2017.

The Project will primarily serve wells producing from the San Andres formation in Yoakum County, Texas, and Lea County, New Mexico, and will provide transportation service to multiple takeaway pipelines near Denver City, Texas, providing producers and marketers with cost-effective access to all major crude markets in West Texas. A map of the San Andres Crude Gathering System is available [here](#).

The open season process will provide potential shippers with the opportunity to make volume commitments and execute long-term transportation contracts. Shippers electing to make long-term volume commitments will receive firm service on the Project up to the level of their volume commitments.

"We are excited to be able to add new gathering infrastructure to the Northwest Shelf of the Permian Basin," said Stakeholder Vice President of Business Development Daniel Craig. "We plan to kick off pipeline construction in January and expect to have our crude gathering system operational in May 2017."

"Our goal is to provide San Andres-focused producers and marketers with reliable midstream solutions that deliver enhanced optionality and value. The crude gathering system is the first phase of a multiphase development opportunity in the area," said Stakeholder Principal and CEO Rob Liddell. "This project establishes Stakeholder as the leading crude-by-pipe gatherer in the play with expansion capabilities not only in Yoakum and Lea counties, but also into Cochran, Andrews and Gaines counties. In addition to crude gathering, we also have made significant progress in designing a comprehensive natural gas gathering, treating and processing solution."

Potential shippers interested in making volume commitments and securing firm capacity rights through the open season may contact Phillip Zamzow at 210.444.9664 or openseason@stakeholders.com. The open season notice is available [here](#).

About Stakeholder Midstream, LLC

Based in San Antonio and founded in 2015, Stakeholder Midstream is an independent midstream company serving oil and gas producers operating in unconventional shale plays throughout North America. Stakeholder's long-term vision of success is built on fostering strong, long-term relationships with all constituents. Stakeholder cultivates these relationships based on trust, accountability and fairness to ensure that all stakeholders are heard, valued and served. Capabilities include in-field natural

gas gathering, compression, treating and processing services; innovative NGL solutions; and crude oil gathering, transportation, and storage. Stakeholder is backed by venture capital commitments from [EnCap Flatrock Midstream](http://www.stakeholdermidstream.com). www.stakeholdermidstream.com

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 its three founders Managing Partners William D. Waldrip, Dennis F. Jaggi and William R. Lemmons Jr., and Managing Partners Gregory C. King, Dave Kurtz and 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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