



nuevo
MIDSTREAM



EnCap Flatrock
Midstream

FOR IMMEDIATE RELEASE

WESTERN GAS PARTNERS, LP TO ACQUIRE NUEVO MIDSTREAM, LLC FOR \$1.5 BILLION

HOUSTON – Oct. 28, 2014 – [Nuevo Midstream, LLC](#) (“Nuevo”) and Nuevo’s private equity backer, [EnCap Flatrock Midstream](#) (“EFM”), today announced that [Western Gas Partners, LP](#) (NYSE: WES) (“Western Gas”) will acquire Nuevo for \$1.5 billion in cash. The transaction is expected to close by the end of the year, pending the completion of customary regulatory approvals and closing conditions.

Formed in April 2011 with an initial \$65 million equity commitment from EnCap Flatrock Midstream and management, Nuevo is a pure-play midstream company focused on developing and operating natural gas gathering, compression, processing, treating, transportation and marketing services to oil and gas producers in the Delaware Basin in West Texas and Southeast New Mexico. Equity commitments to Nuevo ultimately reached more than \$300 million from a group of investors led by EFM Funds I and II, management and Wells Fargo Energy Capital. Western Gas is a growth-oriented master limited partnership formed by Anadarko Petroleum Corporation (NYSE: APC) to own, operate, acquire and develop midstream energy assets to serve Anadarko and other third-party producers and customers.

History

Nuevo’s operations began in August 2011 when the company recommissioned a small refrigerated JT processing plant near Orla, Texas. Today, the company’s assets include 300 million cubic feet per day (MMcf/d) of operational cryogenic processing capacity at its Ramsey processing complex in Reeves County, Texas; 1,800 gallons per minute (gpm) of treating capacity; four field compressor stations; and a 275-mile gas gathering system that spans a five-county area. An additional 30 miles of gathering pipeline is under construction with an additional 400 MMcf/d of processing capacity scheduled to be in service in 2015. Nuevo’s gathering and processing system is supported by long-term acreage dedications of approximately 150,000 acres and volume commitments from 47 producers operating in an area with multiple, stacked pay zones. Many of Nuevo’s producer customers are blue-chip shale developers who have substantial drilling and development programs on the dedicated acreage and have identified the Delaware Basin as a significant driver of future production growth.

CEO Perspective

“We are very pleased with the outcome of our efforts in the Delaware Basin. It takes the right vision, the right people and the right financial partner to be successful. Nuevo is fortunate to have all three,” said company President and Chief Executive Officer Jay Lendrum. “Our strategy was to enter the Delaware Basin early, execute quickly to get sufficient infrastructure in place ahead of drilling schedules, and continue building on our first-mover advantage. The tireless work, unwavering focus and dedication of all our employees allowed us to build a world-class system and deliver excellent service to our customers. I would like to recognize Nuevo Senior Vice President and Chief Operating Officer Randy Ziebarth, Senior Vice President and Chief Financial Officer Chris Work, Vice President of Engineering and Construction

Dwight Serrett and Vice President of Commercial Ralph Carthrae for their outstanding leadership and other significant contributions to Nuevo's success. In addition, our accomplishments would not be possible without the strong, strategic support of EnCap Flatrock Midstream. EnCap Flatrock provided us with the capital to establish and expand our system, allowing us to create significant value in return. They have been invaluable partners every step of the way.

"We have a long-standing relationship with Western Gas and admire its management team. They are excellent operators with the ability to expand on the asset base we have put in place and are a great fit for both our customers and employees. We look forward to a seamless transition with a focus on continuing to provide excellent service."

From EnCap Flatrock Midstream

"We are excited to join Nuevo Midstream in announcing this realization," said Dennis Jaggi, one of EnCap Flatrock Midstream's three managing partners and a member of Nuevo's board of directors. "At EnCap Flatrock, success always begins with investing in the right people. This transaction is a testament to the value of this basic strategy. We have been very impressed with the performance of the Nuevo management team since we formed the company together in 2011 and extend our congratulations on a great job and appreciation for the excellent returns we have been able to generate for our institutional investors."

Legal and Financial Advisors

Barclays is serving as sole financial advisor to Nuevo. Vinson & Elkins LLP is acting as the company's legal advisor. Thompson & Knight LLP serves as legal counsel to EnCap Flatrock Midstream. Akin Gump Strauss Hauer & Feld LLP is legal advisor to Western Gas.

About Nuevo Midstream, LLC

Headquartered in Houston and formed in April 2011, Nuevo is a full-service midstream company offering gathering, compression, processing, treating, transportation and marketing services to oil and gas producers in the Delaware Basin. Operations are focused on production from the Bone Spring and Wolfcamp formations and the Avalon Shale trend in Southeast New Mexico and West Texas. The senior leadership group at Nuevo Midstream has more than 150 years of energy industry experience and is led by Jay Lendrum, president and chief executive officer; Randy Ziebarth, senior vice president and chief operating officer; Chris Work, senior vice president and chief financial officer; Dwight Serrett, vice president of engineering and construction; and Ralph Carthrae, vice president of commercial. Nuevo is supported by equity commitments from EnCap Flatrock Midstream, management and Wells Fargo Energy Capital, Inc. www.nuevomidstream.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, Texas, and Edmond, Oklahoma, 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

About Western Gas Partners, LP

Western Gas Partners, LP (NYSE: WES) is a growth-oriented Delaware master limited partnership formed by Anadarko to own, operate, acquire and develop midstream energy assets. WES's assets are located in

East, West and South Texas, the Rocky Mountains (Colorado, Utah and Wyoming), North-Central Pennsylvania and the Mid-Continent (Kansas and Oklahoma), and WES is engaged in the business of gathering, processing, compressing, treating and transporting natural gas, condensate, natural gas liquids and crude oil for Anadarko, as well as third-party producers and customers. www.westerngas.com

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