



FOR IMMEDIATE RELEASE

**MERITAGE MIDSTREAM SERVICES ANNOUNCES EQUITY BACKING
FROM ENCAP ENERGY INVESTMENT FUND AND TPH PARTNERS**

Golden, CO. – Nov. 2, 2009 - Meritage Midstream Services today announced that the company has been formed with equity commitments from EnCap Energy Infrastructure Fund (EEIF) and TPH Partners (TPH). Meritage Midstream provides oil and gas producers with a full complement of midstream services. Capabilities include the gathering, treating and handling of natural gas, crude oil, condensates and water, and carbon dioxide sequestration. The company differentiates itself with a focus on excellence in customer service, integrated all-in solutions, and a management team with a combined 100 years experience in gathering and processing. Meritage is led by a management team consisting of Steve Huckaby, Nick Thomas, Bill Dickey and Tim Pimmel.

“Meritage Midstream is led by a seasoned team of midstream executives with proven track records of success and value creation,” said its President, Steve Huckaby. “Our partnership with EnCap and TPH creates a formidable company with the ability to respond quickly to rapidly developing resource plays.”

EEIF is a private equity fund managed by EnCap Energy Investments and Flatrock Energy Advisors. The companies are respectively headquartered in Houston and San Antonio, Texas. TPH is the private equity arm of Tudor, Pickering, Holt & Co., an energy investment and merchant banking firm also based in Houston, Texas. The newly-formed Meritage Midstream Services is headquartered in Golden, Colorado.

“We are very excited about our partnership with Meritage,” said Bill Waldrip, President of Flatrock Energy Advisors. “By combining the expertise in midstream and private equity at Flatrock and EnCap with the strategic market capabilities at TPH and the experienced team at Meritage, we have formed one of the best combinations in the midstream business. We see significant long-term growth potential and look forward to working with Meritage to grow the business through their extensive industry contacts,” added Waldrip.

“We are extremely pleased to be partnered with the Meritage team and Flatrock in building this new business. We see ourselves as a strategic partner as well as an investor,” said George McCormick, Managing Director of TPH Partners. “While we certainly appreciate that capital is hard to find in the current environment, just as important to Meritage and our other portfolio companies is industry expertise and a capacity to unlock a breadth of important business opportunities through our network of longstanding industry relationships,” said McCormick.

(more)



About the EnCap Energy Infrastructure Fund, L.P.

EnCap Investments, L.P. and Flatrock Energy Advisors, LLC have partnered to form and manage the EnCap Energy Infrastructure Fund (EEIF). Together EnCap and Flatrock have secured capital commitments to provide private equity capital for midstream energy infrastructure opportunities throughout North America. EEIF focuses on providing growth capital to proven midstream management teams.

About EnCap Investments, L.P.

Since 1988, EnCap has been a leading provider of private equity to the independent sector of the U.S. oil & gas industry, closing over \$6.0 billion of principal investments and corporate finance transactions. The firm has established 13 oil and gas investment funds with aggregate capital commitments of approximately \$6.5 billion and currently manages capital on behalf of over 150 prestigious U.S. and European institutions. For more information, visit www.encapinvestments.com.

About Flatrock Energy Advisors, LLC

In 2008 Flatrock Energy Advisors exited its midstream advisory practice to partner with EnCap in managing the EnCap Energy Infrastructure Fund. Flatrock team is led by Dennis Jaggi, Billy Lemmons and Bill Waldrip, who have worked together for virtually all of the past 30 years in the midstream sector of the oil and gas industry. With over 87 years of midstream experience and 125 prior advisory clients in the sector, the Flatrock Principals have been directly involved in a total of approximately \$3.3 billion in energy transactions and investments. For more information, visit www.flatrockadvisors.com.

About TPH Partners

TPH Partners is a Houston-based energy private equity group that makes middle-market equity investments in the upstream, midstream and oilfield services sectors of the energy industry, seeking attractive entry points into businesses that provide long-term growth potential. TPH Partners is the private equity arm of Tudor, Pickering, Holt & Co., LLC. For more information, visit www.TPHpartners.com.

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