



# MERITAGE MIDSTREAM

**FOR IMMEDIATE RELEASE**

## **Meritage Midstream Subsidiary Acquires Devon Energy's Midstream Assets in Wyoming's South Powder River Basin**

DENVER – May 4, 2017 – [Meritage Midstream Services II, LLC](#) (“Meritage”) and its subsidiary Thunder Creek Gas Services, L.L.C. (“Thunder Creek”) today announced that Thunder Creek has acquired certain midstream assets located in the southern part of Wyoming’s Powder River Basin from Devon Energy Production Company, L.P., a wholly owned subsidiary of [Devon Energy Corp.](#) (NYSE: DVN) (“Devon”). These assets include approximately 115 miles of natural gas gathering pipeline and associated equipment and constitute substantially all of Devon’s midstream assets across Wyoming’s Powder River Basin. The transaction includes a new long-term dedication from Devon to Thunder Creek of 250,000 acres located in the basin. Thunder Creek now has operations throughout the Powder River Basin in and around most of the prolific resource plays, including the Turner, Teapot, Parkman, Sussex, Niobrara, Frontier and Mowry.

Meritage also announced that two premier producers have awarded gathering and processing contracts to Thunder Creek for the majority of their 2017 Powder River Basin drilling programs. These operators control an estimated 400,000 to 600,000 net acres in the play.

These transactions increase the number of acres dedicated to Thunder Creek — already the largest midstream provider in the Powder River Basin — to more than 1 million acres, which includes dedications from almost every active operator in the basin. As a result, Thunder Creek plans to expand processing capacity at 50 Buttes from 90 MMcf/d to 180 MMcf/d with a targeted in-service date of late 2017 or early 2018 and expects to add more than 49,000 horsepower of compression, add four to six new compressor stations and build 425 miles of gathering and transportation pipeline over the next five years. Thunder Creek expects to expand processing capacity by more than 390,000 MMcf/d in this same time period.

### **CEO Perspective**

“We have been working with Devon since we entered the Powder River Basin in 2013 and have developed a very strong relationship with both Devon and most of the active producers in the basin. We all share a common vision and mutual enthusiasm for the future of the Powder River Basin. We are very pleased to have earned the trust and confidence of numerous operators across the basin who value our ability to provide exceptional customer service, flexibility and the optionality producers need as they develop the basin’s stacked, liquids-rich formations. Economics in the basin are strong, and we are seeing activity ramp up as producers recognize the long-term value of the basin’s formations,” said Meritage CEO Steve Huckaby.

### **Meritage Operations in Wyoming's Powder River Basin**

Meritage assets in the [Powder River Basin](#) include over 1,000 miles of high- and low-pressure pipeline, the 50 Buttes Natural Gas Processing Complex near Gillette, Wyoming, and the 108-mile Thunder Creek NGL Pipeline, which connects the facilities at 50 Buttes to the Phillips 66 Powder River Pipeline for the delivery of natural gas liquids to Conway, Kansas, and the Phillips 66 fractionation and refining complex near Borger, Texas. Located in Campbell County, Wyoming, the 50 Buttes processing plant was expanded in August 2016 to a nameplate capacity of 90 million cubic feet (MMcf/d).

### **Advisers**

[Vinson & Elkins LLP](#) provided legal counsel to Meritage on the transaction with Devon. Douglas S. Bland and Mark Brasher, partners in the Houston office, led the firm's legal team.

### **About Meritage Midstream Services**

Based in Denver, Meritage Midstream provides oil and gas producers with a full complement of midstream services through affiliated companies that operate in the U.S. and Canada. Current areas of focus in the U.S. include Wyoming's Powder River Basin and the Montney and Duvernay plays in northwestern Alberta and northeastern British Columbia. Capabilities include natural gas gathering, compression, treating and processing; NGL transportation and fractionation; crude oil gathering, blending and storage; and rail hub services for outbound crude oil and condensate. The company's senior management team has more than 250 years of collective experience in the midstream business. Meritage Midstream affiliates are backed by total equity commitments of up to \$800 million from investments managed by Riverstone Holdings LLC. Please visit [www.meritagemidstream.com](http://www.meritagemidstream.com) for more information.

### **About Riverstone Holdings LLC**

Riverstone is an energy- and power-focused private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre, Jr. with approximately \$34 billion of capital raised to date. Riverstone conducts buyout and growth capital investments in the exploration & production, midstream, oilfield services, power and renewable sectors of the global energy industry. With offices in New York, London, Houston and Mexico City, the firm has committed over \$33 billion to more than 130 investments in North America, Latin America, Europe, Mexico, Africa and Asia. Visit [www.riverstonellc.com](http://www.riverstonellc.com) for more information.

### **About Devon Energy**

Devon Energy is a leading independent energy company engaged in finding and producing oil and natural gas. Based in Oklahoma City and included in the S&P 500, Devon operates in several of the most prolific oil and natural gas plays in the U.S. and Canada with an emphasis on a balanced portfolio. The company is the second-largest oil producer among North American onshore independents. For more information, please visit [www.devonenergy.com](http://www.devonenergy.com).

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