



FOR IMMEDIATE RELEASE

First Crude Oil Unit Train Departs Meritage Midstream's Black Thunder Terminal

- 99-car train is bound for an East Coast refinery via Union Pacific railroad
- Phase I truck-to train transload service available at Black Thunder
- Phase II rapid load service to begin in early 2015
- Meritage expands crude oil team

DENVER - June 23, 2014 - [Meritage Midstream Services II, LLC](#) ("Meritage Midstream") announced today that the first crude oil unit train loaded at its Black Thunder Terminal departed the Wyoming terminal on Friday, June 20, via the Union Pacific railway. The Black Thunder Terminal, LLC is a joint venture between Meritage Midstream and [Arch Coal](#) (NYSE:ACI). Served by both the Union Pacific and BNSF railways, the terminal is strategically located at the Black Thunder mining complex in Campbell County, Wyoming, in the heart of the Powder River Basin's drilling activity.

The 99-car train is carrying 70,000 barrels of crude oil to a refinery on the East Coast for the terminal's anchor shipper, Black Thunder Marketing, LLC. All of the train's tank cars are new and meet the stringent safety standards adopted earlier this year by the American Association of Railroads.

The Black Thunder Terminal provides outbound rail-to-market optionality for crude oil production from Wyoming's Powder River Basin.

Phase I truck-to-train transload service has been fully operational at Black Thunder since the beginning of March. Current transload capacity is 10,000 barrels per day. Landing and loading space is available. Construction of Phase II high-speed loading facilities is expected to begin later this year. The Phase II facility will include up to four 100,000-barrel storage tanks and a 15-car rack system capable of loading 15 to 18 cars per hour. Target total loading time is 15 hours. High-speed loading service is expected to be available in 2015. The terminal's location at the Black Thunder mining complex provides ample room for additional expansion to meet customer needs.

Executive Perspective

"The beginning of operations as one of the first dual-served, multishipper unit train facilities in Wyoming is an enormous achievement for our team," said Meritage Midstream CEO Steven B. Huckaby. "The Black Thunder Terminal is a unique and important strategic asset for oil producers in the Powder River Basin. We are grateful to our joint venture partner Arch Coal and the Union Pacific and BNSF railways for working with Meritage to offer our crude oil customers flexible and efficient access to multiple markets across the country.

"The Black Thunder facility is unique because it's the only crude oil terminal in Wyoming located at a coal mine. When we formed the joint venture with Arch Coal, our vision was to create a win-win situation for our customers and the terminal partners. We created significant cost savings for our crude oil customers as well as efficiencies at Black Thunder by successfully repurposing some of the mine property and rail infrastructure for transloading crude oil. It's a great location in the center of drilling and production activity and a perfect fit for everyone at the table."

“Partnering with Meritage at Black Thunder Terminal not only helps us unlock additional value of our existing land holdings and infrastructure, but also provides us with a diversified interest in the growing shale oil market,” said Paul A. Lang, Arch Coal executive vice president and chief operating officer.

Additions to Crude Oil Management Team

Meritage also announced two additions to the company’s crude oil team. Trevin Hogg has joined the company as director of crude oil rail operations and marketing. His current focus is the operation and marketing of the Black Thunder Terminal and Black Thunder Marketing, LLC. Before he joined Meritage, Mr. Hogg was with Union Pacific for nine years. He led the development of Union Pacific’s crude-by-rail business from the inception of the business line in 2009. He has deep expertise with North American transportation markets, crude markets and terminal development and has worked closely with crude oil producers and commodity traders. Mr. Hogg is a former Navy search and rescue swimmer and a graduate of the University of Nebraska Omaha, where he earned a Master of Business Administration.

Richmond McGee has also joined Meritage Midstream as senior crude manager. He helps manage Black Thunder Marketing, LLC with responsibilities that include supply management and business development. Prior to Meritage, Mr. McGee served as a manager of crude oil supply at Sunoco Logistics in Sugar Land, Texas, where he worked closely with the company’s producer customers. Before establishing a career in the oil industry, Mr. McGee played in the National Football League with the Philadelphia Eagles, Chicago Bears and Cleveland Browns. He is a graduate of the University of Texas, where he studied petroleum engineering and kinesiology.

“We place a great deal of value on our strong relationships with producers, marketers, refiners and both of the Class I railroads that serve Black Thunder. It was important to us to bring on proven leaders with strong operations and marketing records, significant Class I experience and great working relationships with the UP and BNSF. We are very pleased to welcome Trevin and Richmond to our team,” said Meritage CEO Steve Huckaby.

About Black Thunder Terminal, LLC

Black Thunder Terminal, LLC is a joint venture between Meritage Midstream and Arch Coal (NYSE: ACI). Formed in 2013, the company is the developer of the Black Thunder rail terminal to provide crude oil handling, storage, rail loading and marketing services to producers in Wyoming’s Powder River Basin and downstream refiners. Meritage holds a 60 percent majority interest in Black Thunder Terminal, and Arch holds a 40 percent equity interest. Strategically located in the heart of the Powder River Basin’s drilling activity, the terminal is served by the BNSF and Union Pacific railway companies.

About Meritage Midstream Services

Based in Denver, Meritage Midstream provides oil and gas producers with a full complement of midstream services. Capabilities include the gathering, compression, treating, processing, fractionation, transportation and marketing of natural gas, NGLs and condensate; crude oil gathering, blending, storage, transportation and marketing; and transportation and handling for frac sand and produced water. The company’s senior management team has more than 200 years of collective experience in the midstream business. Meritage is backed by equity commitments from [Riverstone Holdings LLC](#). Visit www.meritagemidstream.com for more information.

About Arch Coal

U.S.-based Arch Coal, Inc. is one of the world’s top coal producers for the global steel and power generation industries, serving customers on five continents. Its network of mining complexes is the most diversified in the United States, spanning every major coal basin in the nation. The company controls more than 5 billion tons of high-quality metallurgical and thermal coal reserves, with access to all major

railroads, inland waterways and a growing number of seaborne trade channels. For more information, visit www.archcoal.com.

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