

## **FIVE POINT ENERGY ANNOUNCES SECOND MIDSTREAM JOINT VENTURE WITH MATADOR RESOURCES IN THE NORTHERN DELAWARE BASIN**

*Joint venture to build multi-commodity gathering, processing, and disposal infrastructure to serve E&Ps throughout the Northern Delaware Basin*

**HOUSTON, Texas, February 25, 2019** – Five Point Energy LLC (“Five Point”) today announced the formation of a new strategic joint venture, San Mateo Midstream II, LLC (“San Mateo II”), in partnership with a wholly-owned subsidiary of Matador Resources Company (NYSE: MTDR) (“Matador”). San Mateo II is the second midstream partnership between Five Point and Matador and, similar to San Mateo Midstream I (together with San Mateo II, “San Mateo”), will provide natural gas gathering and processing, crude oil gathering, and produced water gathering and disposal solutions to E&Ps throughout the Northern Delaware Basin.

To facilitate the formation of San Mateo II, Matador has dedicated, under 15-year, fixed fee contracts, approximately 25,500 acres in northern Eddy County (the “Greater Stebbins Area”) and southern Eddy County near the Texas & New Mexico border (the “Stateline Area”). Within the Greater Stebbins Area and Stateline Area, San Mateo II will immediately begin development and construction of (i) a 200 million cubic feet per day natural gas processing plant and associated infrastructure; (ii) crude oil gathering; and (iii) produced water gathering and disposal infrastructure (the “Midstream Assets”) to support its initial dedication from Matador and to serve other regional producers. At closing, Five Point and Matador owned 49% and 51% of the JV, respectively, and the Midstream Assets will be operated by the existing San Mateo midstream team.

David Capobianco, Chief Executive Officer and Managing Partner of Five Point Energy, said, “The ongoing success of our JV with Matador exemplifies Five Point's strategy of proactively identifying industry leading management teams to partner with and build out world-class midstream infrastructure companies. The Delaware remains one of the most promising producing basins in North America, yet it lacks sufficient permanent ‘in-basin’ midstream infrastructure. Five Point’s portfolio companies, including San Mateo Midstream, WaterBridge, EVX and Twin Eagle, are providing critical midstream infrastructure solutions for third party producers, with unparalleled offerings and innovation.”

Matt Morrow, Chief Operating Officer and Managing Partner of Five Point Energy, said, “We are delighted to continue our very successful partnership with the Matador team, who we believe to be one of the preeminent operators in North America. Collectively, we have built a world-class infrastructure business that is meeting the increasing needs of E&Ps in the Delaware Basin.”

Joseph Wm. Foran, Chairman and Chief Executive Officer of Matador, said, “We are very pleased and excited to announce yet another transaction with Five Point. This transaction represents another significant step forward for Matador and the midstream team; accomplishes one of our strategic goals for 2019; and was made possible in part by Matador’s acquisition of its BLM properties at the September 2018 BLM Lease Sale. We expect that San Mateo will continue to provide first class service to Matador and other producers along San Mateo’s pipeline systems in Eddy County, New Mexico and Loving County, Texas in some of the prime producing areas of the Delaware Basin. We obviously are pleased with the progress of our existing joint venture with Five Point, and this transaction is a further testament to the existing joint venture’s success and positive outlook. San

Mateo's ability to offer midstream services across all three production streams—crude oil, natural gas and water—makes it one of the important midstream companies in the northern Delaware Basin. Five Point's financial and operational expertise has accelerated and heightened this success."

### **Additional Details of the Joint Venture**

In connection with its initial dedication from Matador, San Mateo II initially plans to construct:

- A cryogenic natural gas processing plant with up to 200 million cubic feet per day of inlet capacity. The plant will be located in Eddy County, New Mexico near San Mateo I's existing 260 million cubic feet per day natural gas processing complex (Black River). The new plant is expected to be operational in mid-2020; once completed, San Mateo will have up to 460 million cubic feet per day of natural gas processing capacity;
- At least two produced water disposal wells and related commercial produced water disposal facilities, including one in the Stateline Area and one in the Greater Stebbins Area. Once the initial facilities are completed, San Mateo II expects to have up to 80,000 barrels per day of water disposal capacity; and
- Related crude oil, natural gas and produced water gathering infrastructure in both the Stateline Area and the Greater Stebbins Area. San Mateo II will construct a large-diameter natural gas trunkline through the core of the northern Delaware Basin to connect the Stateline Area, Greater Stebbins Area, and the new processing plant.

### **About San Mateo Midstream, LLC**

San Mateo Midstream is a strategic joint venture formed between Matador Resources Company (NYSE: MTDR) and Five Point Energy LLC. San Mateo provides an all-inclusive approach to midstream services for the three main product streams produced by oil and natural gas activities, including salt water gathering and disposal services, natural gas gathering, compression, treating and processing services, and oil gathering, transportation and blending services. Throughout Eddy County, New Mexico and Loving County, Texas, San Mateo owns and operates crude oil gathering infrastructure; natural gas gathering and processing infrastructure, including the 260 million cubic feet per day Black River Processing Plant; and multiple water gathering and transportation systems, including eight commercial salt water disposal wells. San Mateo serves as one of the primary midstream solutions for multiple customers across the northern Delaware Basin, including its anchor customer, Matador Resources Company. For more information, visit San Mateo Midstream, LLC at [www.sanmateomidstream.com](http://www.sanmateomidstream.com).

### **About Five Point Energy**

Five Point Energy is a leading private equity firm focused on the midstream energy sector. The firm was founded by industry veterans who have had successful careers investing in, building and running midstream companies. Five Point's strategy is to acquire and develop in-basin assets, provide value-added growth capital, and build world-class midstream companies with premier management teams and industry-leading E&P partners. The firm is focused on providing in-basin crude oil, natural gas, liquids and water management midstream solutions to E&P companies in the Permian Basin, Eagle Ford, Mid-Continent and Rockies. Based in Houston, Five Point Energy manages more than \$2.5

billion of capital across multiple investment funds. For more information, visit Five Point Energy at [www.fivepointenergy.com](http://www.fivepointenergy.com).

### **About Matador Resources Company**

Matador is an independent energy company engaged in the exploration, development, production and acquisition of oil and natural gas resources in the United States, with an emphasis on oil and natural gas shale and other unconventional plays. Its current operations are focused primarily on the oil and liquids-rich portion of the Wolfcamp and Bone Spring plays in the Delaware Basin in Southeast New Mexico and West Texas. Matador also operates in the Eagle Ford shale play in South Texas and the Haynesville shale and Cotton Valley plays in Northwest Louisiana and East Texas. Additionally, Matador conducts midstream operations, primarily through its midstream joint venture, San Mateo Midstream, LLC, in support of its exploration, development and production operations and provides natural gas processing, oil transportation services, natural gas, oil and salt water gathering services and salt water disposal services to third parties.

For more information, visit Matador Resources Company at [www.matadorresources.com](http://www.matadorresources.com).

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