







Private Capital Conference January 2019

# ARM Energy – Fully Integrated Platform



### **Key Business Segments ARM Energy Management Asset Risk Management** Formed in 2013 • Formed in 2004 Physical oil and gas marketing, Comprehensive risk management transportation and asset management services to over 130 clients Hedging services Assists with development, advisory Utilizes proprietary information to implementation and management of establish physical and financial hedge strategies for producers positions Physical marketing and trading Midstream investment, development and operation **ARM Midstream**

- Formed in 2014
- Investment and development of infrastructure to efficiently deliver product to market
- Team of midstream experts with 100+ years of experience

# ARM Energy – By the Numbers



### **Asset Risk Management - Hedging Advisory**

- Over 140 financial hedging clients
- ARM
- Presence in all major North American basins with 6 office locations
- Largest gas hedger in North America representing approximately 5 Bcf/d of natural gas and 400,000 barrels per day of crude oil

### Kingfisher Midstream

- Midstream JV operated by ARM Midstream
- 350/d processing capacity
- Over 400 miles of gathering pipelines
- 6 producer customers with ~300,000 dedicated acres
- Approximately \$300 million invested capital
- Sold to Silver Run II in February 2018, for a total of up to \$1.55 billion



### **ARM Energy Management - Physical Marketing**

### Natural gas:



CREEK MIDSTREAM

- 30 gas marketing clients
- 2.0+ Bcf/d
- YoY average daily volume growth of 62%

#### Crude oil:

- 40 crude marketing clients
- 160,000+ bpd
- YoY average daily volume growth of 63%

### Salt Creek Midstream

- Midstream JV between ARM Midstream and Ares Management.
- 400 MMcf/d of processing capacity
- 700+ miles of pipeline
- 17 producer customers with nearly one million dedicated acres across natural gas, crude oil and water business lines
- \$720mm term loan and \$65mm construction loan financing for NGL JV

# Salt Creek Midstream – Largest Delaware Pure Play



Formation of SCM; significant capital commitment from Ares Management	Contracted remaining <b>residue capacity</b> on EP Line 1600 to Waha	Construction underway for EPIC NGL and Crude pipelines	Contracted additional residue capacity on ONEOK Roadrunner	Laid <b>over 700 miles</b> of crude and gas gathering pipeline
Announced EPIC NGL Transport JV	Contracted significant capacity on EPIC Crude	Executed NGL Transportation JV	Executed JV with international shipping / trading company	Executed 4 strategic JV's to date
			Announced Crude Gathering and Transportation JV	Gas processing and treating facilities in service
1H17 <b>©</b> EPIC	2H17 <b>©</b> EPIC	1H18 Apache	2H18 Noble MIDSTREAM PARTNERS	1H19
1H17 <b>©</b> EPIC			ZIIIO	
1H17 <b>©EPIC</b>	Producers: 4 Acreage: 170,000	1H18 Apache Producers: 8 Acreage: 468,500	2H18  Producers: 16 Acreage: 936,380	Producers: 17 Acreage: 960,200
1H17 © EPIC	Producers: 4	Producers: 8	Producers: 16	Producers: 17
1H17 <b>© EPIC</b>	Producers: 4 Acreage: 170,000	Producers: 8 Acreage: 468,500	Producers: 16 Acreage: 936,380	Producers: 17 Acreage: 960,200
1H17 <b>EPIC</b>	Producers: 4 Acreage: 170,000  Gas Producers: 1	Producers: 8 Acreage: 468,500  Gas Producers: 8	Producers: 16 Acreage: 936,380  Gas Producers: 14	Producers: 17 Acreage: 960,200  Gas Producers: 15
1H17 © EPIC	Producers: 4 Acreage: 170,000  Gas Producers: 1 Gas Acres: 170,000	Producers: 8 Acreage: 468,500  Gas Producers: 8 Gas Acres: 235,500	Producers: 16 Acreage: 936,380  Gas Producers: 14  Gas Acres: 370,080  Crude Producers: 13	Producers: 17 Acreage: 960,200  Gas Producers: 15 Gas Acres: 378,500
1H17 PEPIC	Producers: 4 Acreage: 170,000  Gas Producers: 1 Gas Acres: 170,000	Producers: 8 Acreage: 468,500  Gas Producers: 8 Gas Acres: 235,500 Crude Producers: 7	Producers: 16 Acreage: 936,380  Gas Producers: 14 Gas Acres: 370,080  Crude Producers: 13 Crude Acres: 405,500  Water Producers: 7	Producers: 17 Acreage: 960,200  Gas Producers: 15 Gas Acres: 378,500  Crude Producers: 14

# Salt Creek Midstream – Company Overview



### **Company Snapshot**

## Leverage operational and management experience of ARM Energy consolidated platform

• Flow assurance and improved netback

### Crude gathering

- Natural gas gathering and processing
- **Producer water** gathering and disposal
- **JV's** with Apache, Noble, EPIC and international shipping / trading company

### • 365+ miles of wet gas gathering

- 335+ miles of crude gathering pipeline
- 75+ miles of water gathering

### **17** contracted producers with three streams

- Three product streams
- Nearly one million acres under dedication

### • 200 MMcf/d **processing capacity** in service<sup>1</sup>

- 300 GPM **amine treating** facility in New Mexico
- 300+ Mbbls of **crude tankage**
- 100+ Mbpd of saltwater disposal capacity
- Multiple downstream interconnects

