

## **JP ENERGY DEVELOPMENT TO CONSTRUCT KANSAS EXPRESS INTERSTATE CRUDE OIL PIPELINE**

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*Initial contract with Tug Hill Operating includes dedication of acreage in the Mississippian Lime play, open season for Kansas producers*

IRVING, Texas, Jan. 15, 2013 – JP Energy Development, an affiliate of JP Energy Partners, has signed a 15-year agreement with Tug Hill Operating to transport crude oil from south-central Kansas to Cushing, Okla., via the Kansas Express, a new interstate crude oil pipeline. Tug Hill Operating, focused primarily on the Mississippian Lime play in Kansas, will dedicate 600,000 acres to JP Energy Development to move oil to market. The Kansas Express will be the second pipeline in the Mississippian Lime play for JP Energy Development. The new pipeline will have capacity to take on additional producers.

“This is a significant development for oil producers in northern Oklahoma and Kansas who will have additional means to move their product to market quickly and efficiently,” stated J. Patrick Barley, president and chief executive officer, JP Energy Partners. “JP Energy Development can now expand our presence in the Mississippian Lime play in partnership with Tug Hill Operating, whose management and owners have an extremely successful track record of developing oil and gas assets in the U.S.”

The new Kansas Express pipeline moves crude oil to Cushing. Existing crude pipeline infrastructure in Kansas does not accommodate near- or long-term oil production from the Mississippian Lime play to Oklahoma without extensive trucking.

“The new pipeline provides Tug Hill Operating access to the Cushing market and limits the number of trucks on Kansas roads,” stated Michael Radler, president and chief executive officer, Tug Hill Operating. “JP Energy Development has a proven track record of reliable service and a focus on customers that is attractive to Tug Hill Operating. They are our preferred pipeline company, and we hope other Kansas producers will find opportunities to use them as well.”

JP Energy Development plans to commence an open season in the coming weeks seeking additional producer commitments, with a plan to begin construction on the first phase of the Kansas Express in the first quarter of this year. The final design capacity of the pipeline will be determined after the completion of the open-season process for all prospective shippers in Kansas. Initially, the Kansas Express pipeline is expected to be approximately 12 inches in diameter and is expected to be in service by January 2014. Future phases of the project are expected to extend the pipeline north to Gove County, Kan. and east to Kingman County, Kan.

JP Energy Development also owns and operates the Great Salt Plains Pipeline. This pipeline, opened in October 2012, transports oil from Cherokee to Cushing, Okla. The company operates as a first purchaser and manages more than 50 crude oil transport trucks in Kansas and Oklahoma in support of the Great Salt Plains Pipeline.

### **About JP Energy Development**

JP Energy Development is a crude oil midstream company that purchases, gathers, transports, blends, stores and markets crude oil for producers and refiners in the Mid-Continent area. The company currently moves approximately 40,000 barrels a day of crude oil. JP Energy Development owns 51 crude oil transports, 23 truck injection stations, approximately 70,000 barrels of crude oil storage and over 200 miles of crude oil pipelines. JP Energy Development is an affiliate of JP Energy Partners LP. JP Energy Development and JP Energy Partners are supported by equity commitments from ArcLight Capital Partners, LLC.

### **About JP Energy Partners LP**

JP Energy Partners LP was formed in 2010 to focus on developing a platform of assets to provide integrated services to suppliers and consumers of petroleum products. The company's assets include 3 million barrels of crude oil storage at Cushing; a crude oil transport operation doing business as Falco Energy with operations in the Bakken, the Mid-Continent, the Permian and the Eagle Ford; refined products terminals serving the Dallas and Little Rock markets; one of the largest propane distribution businesses in the U.S. with operations in 44 states; and the third largest propane cylinder exchange business in the U.S. The ownership and management team of JP Energy Partners

brings extensive experience and a history of success in the energy business. Additional information about JP Energy Partners can be found at [www.jpenergypartners.com](http://www.jpenergypartners.com).

#### **About Tug Hill Operating**

A division of Tug Hill, Inc., Tug Hill Operating is a privately held, independent oil and gas exploration and production company focused primarily on drilling and producing oil and clean natural gas in the United States. Tug Hill Operating is currently the largest privately held oil and gas company targeting the Mississippian Lime formation; it is also the third largest leaseholder in the play with more than 800,000 leasehold acres. Additional information about Tug Hill Operating can be found at [www.tughilloperating.com](http://www.tughilloperating.com).

#### **About ArcLight Capital Partners, LLC**

ArcLight Capital Partners, LLC is an energy-focused private equity investment firm, having invested over \$10 billion since its inception over a decade ago. Since its establishment in 2001, the firm has raised five funds with cumulative capital commitments totaling \$10.1 billion. ArcLight has successfully sourced, managed and realized investments through multiple energy industry cycles. The firm's investment team has extensive energy expertise, investing experience, industry relationships and specialized asset level value creation capabilities. ArcLight is headquartered in Boston, Mass., with offices in New York and Luxembourg. More information about ArcLight can be found at <http://www.arclightcapital.com> or by contacting ArcLight at [info@arclightcapital.com](mailto:info@arclightcapital.com).

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