



News Release
CRESTWOOD MIDSTREAM PARTNERS LP
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**Crestwood Announces Agreement to Construct
Natural Gas Pipeline System in the Marcellus Shale**

HOUSTON, TEXAS, December 13, 2011 – Crestwood Midstream Partners LP (NYSE: CMLP) (“Crestwood” or “the Partnership”) announced today the signing of a memorandum of understanding with Mountaineer Keystone LLC (“MK”), headquartered in Pittsburgh, Pennsylvania, to construct a 42 mile 16" natural gas gathering system (the “Tygart Valley Pipeline”) to serve MK’s Marcellus Shale development program in Northeast West Virginia. The Tygart Valley Pipeline (“TVP”) is expected to be completed by the fourth quarter 2012 and will interconnect with Columbia Gas Transmission’s WB Pipeline in Randolph County, West Virginia. The TVP will provide MK and other area producers with access to the growing natural gas markets in the Washington DC and Baltimore areas. Crestwood estimates the TVP project, as currently planned, will cost approximately \$70 million. Additionally, Crestwood has announced that it has hired Brian S. Blount as Vice President of Crestwood’s newly formed Marcellus Commercial Region, effective December 1, 2011.

“This project is an excellent entry point for Crestwood into the Marcellus Shale which is expected to become the industry’s largest shale producing region over the next few years,” stated Robert G. Phillips, President and Chief Executive Officer of Crestwood’s general partner. “Crestwood is pleased to announce a great long-term organic growth project in the region, the addition of Brian Blount, who has vast experience in the area, to our development team, the opening of a commercial office for the region and the expansion of our diversified portfolio of shale play midstream assets to include the fast growing Marcellus Shale.”

The Tygart Valley Pipeline project will be anchored by a long term contract with MK, a First Reserve portfolio company. First Reserve, a premier private investment firm in the energy industry, also manages the fund which owns Crestwood Holdings LLC, the majority owner of Crestwood’s general partner. MK will commence its horizontal drilling program in Barbour, Preston and Taylor Counties, West Virginia in mid-2012. The TVP, as currently designed, will have total capacity of approximately 200 million cubic feet per day (“MMcf/d”) which can be expanded to approximately 300 MMcf/d with compression. MK expects to reserve firm capacity of 115 MMcf/d under a long-term, fixed-fee gathering agreement. Crestwood is currently marketing the remaining firm capacity in the project to area producers that have been accumulating Marcellus Shale leases but have been slow to commence drilling and development due to a lack of pipeline infrastructure in the area.

“We look forward to working with MK to develop this project, as well as the additional upstream gathering and other midstream services needed in the area. The MK team has a long history of success and is a very experienced Appalachian producer. Additionally, we think the TVP project will be well received by other producers in the area that have expressed the need for infrastructure to support their planned Marcellus development programs. Finally, the project also demonstrates the benefit of having First Reserve, as the sponsor of Crestwood’s general partner, to bring additional value to the Partnership through its broad portfolio of energy investments,” continued Phillips.

Brian Blount, a former Business Manager with Columbia Gas Transmission, has fifteen years of commercial, engineering and operations experience in the Appalachian Basin and will report to Joel D. Moxley, Senior Vice President and Chief Operating Officer of Crestwood. “We are excited to have Brian join the Crestwood team as we expand into the Marcellus Shale. Brian brings great knowledge and expertise about the Marcellus region, having worked in the region over the past decade. Brian has developed great relationships, understands the dynamics of the area and will be instrumental in Crestwood’s development of the TVP,” stated Moxley.

Crestwood is committed to serving producers in the area of TVP and is actively pursuing additional volumes to expand TVP beyond the dedicated volumes for MK. For more information or to discuss gathering options on TVP, contact Brian Blount at bblount@crestwoodlp.com.

About Crestwood Midstream Partners LP

Houston, Texas-based Crestwood is a growth-oriented, midstream master limited partnership which owns and operates predominately fee-based gathering, processing, treating and compression assets servicing natural gas producers in the Barnett Shale in North Texas, the Fayetteville Shale in Arkansas, the Haynesville/Bossier Shale in Louisiana, the Granite Wash area in the Texas Panhandle and the Avalon Shale area of Southeastern New Mexico. For more information about Crestwood LP, visit www.crestwoodlp.com.

Forward-Looking Statements

The statements in this news release regarding future events, occurrences, circumstances, activities, performance, outcomes and results are forward-looking statements. Although these statements reflect the current views, assumptions and expectations of Crestwood's management, the matters addressed herein are subject to numerous risks and uncertainties which could cause actual activities, performance, outcomes and results to differ materially from those indicated. Such forward-looking statements include, but are not limited to, statements about the future financial and operating results, objectives, expectations and

intentions and other statements that are not historical facts. Factors that could result in such differences or otherwise materially affect Crestwood's financial condition, results of operations and cash flows including, without limitation, changes in general economic conditions; fluctuations in oil, natural gas and NGL prices; failure or delays by our customers in achieving expected production in their natural gas projects; competitive conditions in our industry; actions or inactions taken or non-performance by third parties, including suppliers, contractors, operators, processors, transporters and customers; our ability to consummate acquisitions, successfully integrate the acquired businesses realize any cost savings and other synergies from any acquisition; fluctuations in the value of certain of our assets and liabilities; changes in the availability and cost of capital; operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control; timely receipt of necessary government approvals and permits, our ability to control the costs of construction, including costs of materials, labor and right-of-way and other factors that may impact our ability to complete the project within budget and on schedule; the effects of existing and future laws and governmental regulations, including environmental and climate change requirements; the effects of existing and future litigation; internal controls; and risks related to our substantial indebtedness as well as other factors disclosed in Crestwood's filings with the Securities and Exchange Commission. You should read our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2010, our subsequently filed Quarterly Reports on Form 10-Q and 10-Q/A and our Current Reports on Form 8-K, for a more extensive list of factors that could affect results. The forward-looking statements included in this news release are made only as of the date hereof and we undertake no obligation to publicly update or revise any of these forward-looking statements to reflect new information, future events or circumstances except to the extent required by law.

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