ATLAS PIPELINE PARTNERS LP
Form S-4
December 12, 2011
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As filed with the Securities and Exchange Commission on December 12, 2011

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

ATLAS PIPELINE PARTNERS, L.P.*

ATLAS PIPELINE FINANCE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**1311**	**23-3011077**

Delaware	**1311**	**20-3879234**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

Park Place Corporate Center One

1000 Commerce Drive, 4th Floor

Pittsburgh, PA 15275-1011

(877) 950-7473

(Address, including zip code, and telephone number, including area code, of registrant s principal executive office)

Gerald R. Shrader

Atlas Pipeline Partners GP, LLC

Park Place Corporate Center One

1000 Commerce Drive, 4th Floor

Pittsburgh, PA 15275-1011

(877) 950-7473

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please send copies of communications to:

Lisa A. Ernst, Esq.

Ledgewood

1900 Market Street

Philadelphia, Pennsylvania 19103

(215) 731-9450

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨	Smaller reporting company	¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

Calculation of Registration Fee

Title of each class of securities to be registered	**Amount to be registered**	**Proposed maximum offering price for note**	**Proposed maximum aggregate offering price**	**Amount of registration fee[(1)]**
8 3/4% Senior Notes due 2018	$150,000,000	100%	$150,000,000	$17,190
Guarantees[(2)]				

(1) Determined in accordance with Rule 457(f)(2) under the Securities Act of 1933, as amended.
(2) No separate consideration will be received for the guarantees, and no separate fee is payable pursuant to Rule 457(n) of the Securities Act.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

* See table of additional registrants.

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Exact name of registrant as specified in its charter	State or other jurisdiction of incorporation or organization	I.R.S. Employer Identification Number	Address, including zip code, and telephone number, including area code, of registrant s principal executive offices
Atlas Pipeline Operating Partnership, L.P.	Delaware	23-3015646	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Velma Intrastate Gas Transmission Company, LLC	Delaware	26-2877615	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Slider WestOk Gathering, LLC	Delaware	26-3063706	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Atlas Pipeline Mid-Continent LLC	Delaware	37-1492980	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Atlas Chaney Dell, LLC	Delaware	42-1733101	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Atlas Midkiff, LLC	Delaware	42-1733099	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
NOARK Energy Services, L.L.C.	Oklahoma	73-1551901	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011

			(877) 950-7473
Velma Gas Processing Company, LLC	Delaware	45-1543387	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Atlas Pipeline NGL Holdings, LLC	Delaware	80-0710914	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Atlas Pipeline NGL Holdings II, LLC	Delaware	90-0699888	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
APL Laurel Mountain, LLC	Delaware	26-4834348	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473
Atlas Pipeline Tennessee, LLC	Pennsylvania	83-0504919	Park Place Corporate Center One 1000 Commerce Drive, 4th Floor Pittsburgh, PA 15275-1011 (877) 950-7473

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated December 12, 2011

Prospectus

ATLAS PIPELINE PARTNERS, L.P.

ATLAS PIPELINE FINANCE CORPORATION

Offer to Exchange

Registered 8 $^{3}/4$% Senior Notes due 2018

for

All outstanding 8 $^{3}/4$% Senior Notes due 2018 issued November 21, 2011

($150,000,000 in principal amount outstanding)

Terms of the exchange offer:

We are offering to exchange, upon the terms of and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, all of our outstanding 8 $^{3}/4$% Senior Notes due 2018 issued on November 21, 2011 for our registered 8 $^{3}/4$% Senior Notes due 2018. In this prospectus, we refer to the notes we originally issued on November 21, 2011 as the new issue notes and the registered notes the exchange notes.

The terms of the exchange notes will be identical in all material respects to the terms of the new issue notes, except that the transfer restrictions, registration rights and additional interest provisions of the new issue notes will not apply to the exchange notes.

The exchange offer expires at 5:00 p.m., New York City time, on , 2012, unless extended.

You may withdraw your tender of new issue notes at any time before the expiration of the exchange offer. We will exchange all new issue notes validly tendered and not withdrawn.

The exchange offer is not subject to any condition other than that the exchange offer not violate applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission.

There is no existing public market for the exchange notes. We do not intend to list the exchange notes on any securities exchange or seek approval for quotation through any automated trading system.

We will not receive any cash proceeds from the exchange offer.

Interest on the exchange notes will be paid at the rate of 8 3/4% per annum, semi-annually in arrears on each June 15 and December 15.

Please read Risk Factors beginning on page 11 for a discussion of factors you should consider before participating in the exchange offer.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives the notes for its own account pursuant to this exchange offer must acknowledge by way of the letter of transmittal that it will deliver a prospectus in connection with any resale of the notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the notes received in exchange for new issue notes where such new issue notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to make this prospectus available for a period of 180 days from the expiration date of this exchange offer to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is , 2012.

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained in or incorporated by reference into this prospectus and in the letter of transmittal accompanying this prospectus. We have not authorized anyone to provide you with any other information. If you receive any unauthorized information, you must not rely on it. We are not making an offer to sell these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus or in the documents incorporated by reference into this prospectus are accurate as of any date other than the date on the front cover of this prospectus or the date of such incorporated documents, as the case may be.

This prospectus incorporates by reference business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge upon written or oral request directed to: Investor Relations, Atlas Pipeline Partners, L.P., Park Place Corporate Center One, 1000 Commerce Drive, 4th Floor, Pittsburgh, PA 15275-1011; telephone number: (877) 950-7473. To obtain timely delivery, you must request the information no later than , 2012 [5 business days before expiration date].

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The matters discussed or incorporated by reference in this prospectus may include forward-looking statements. These statements may be identified by the use of forward-looking terminology such as anticipate, believe, continue, could, estimate, expect, intend, may, m potential, predict, should, or will, or the negative thereof or other variations thereon or comparable terminology. In particular, statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance contained in this prospectus, including certain statements under the headings Prospectus Summary and Risk Factors, are forward-looking statements. We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important

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factors, including those discussed in this prospectus under the headings Prospectus Summary and Risk Factors, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include:

- the demand for natural gas and natural gas liquids;
- the price volatility of natural gas and natural gas liquids;
- the effectiveness of our hedging program, and the creditworthiness of our hedging counterparties;
- our ability to connect new wells to our gathering systems;
- the amount of NGL content in the natural gas we process and the volume of natural gas we gather;
- our substantial indebtedness, which could limit our flexibility, adversely affect our financial health and prevent us from paying debt service on the notes;
- adverse effects of governmental and environmental regulation;
- limitations on our access to capital or on the market for our common units; and
- the strength and financial resources of our competitors.

Other factors that could cause actual results to differ from those implied by the forward-looking statements in this prospectus are more fully described in the Risk Factors section and elsewhere in this prospectus. Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this prospectus are made only as of the date hereof. We do not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any of these statements to reflect future events or developments.

TERMS USED IN THIS PROSPECTUS

Unless otherwise noted or indicated by the context, in this prospectus:

- the terms the Partnership, we, our and us refer to Atlas Pipeline Partners, L.P. and its subsidiaries;
- the term our general partner refers to Atlas Pipeline Partners GP, LLC, a wholly-owned subsidiary of Atlas Energy, L.P. (NYSE: ATLS);
- we refer to natural gas liquids, such as ethane, propane, normal butane, isobutane and natural gasoline, as NGLs ;

we refer to billion cubic feet as Bcf, million cubic feet as MMcf, thousand cubic feet as Mcf, million cubic feet per day as MMcfd, thousand cubic feet per day as Mcfd, barrels as Bbl, barrels per day as Bbld, British Thermal Unit as Btu and million British Therma Units as MMbtu ; and

the $215.8 million in outstanding principal amount of 8 3/4% senior notes due 2018 we originally issued on June 27, 2008 are referred to as the first issue notes, the $150.0 million of 8 3/4% senior notes due 2018 we issued on November 21, 2011 are referred to as the new issue notes, the registered notes are referred to as the exchange notes, and the new issue notes, exchange notes and first issue notes are collectively referred to as the notes.

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SUMMARY

This summary highlights information included or incorporated by reference in this prospectus. It may not contain all of the information that is important to you. This prospectus includes information about the exchange offer and includes or incorporates by reference information about our business and our financial and operating data. Before deciding to participate in the exchange offers, you should read this entire prospectus carefully, including the financial data and related notes incorporated by reference in this prospectus and the Risk Factors section.

Atlas Pipeline Partners, L.P.

We are a publicly-traded Delaware limited partnership formed in 1999 whose common units are listed on the New York Stock Exchange under the symbol APL. We are a leading provider of natural gas gathering, processing and treating services in the Anadarko and Permian Basins located in the southwestern and mid-continent regions of the United States; a provider of natural gas gathering services in the Appalachian Basin in the northeastern region of the United States; and a provider of NGL transportation services in the southwestern region of the United States.

Due to the sale of our 49% non-controlling interest in Laurel Mountain Midstream, LLC, which we refer to as Laurel Mountain, and our acquisition of a 20% interest in West Texas LPG Pipeline Limited Partnership, which we refer to as WTLPG, we realigned the management of our business into two new reportable segments: Gathering and Processing; and Pipeline Transportation.

The Gathering and Processing segment consists of (1) the WestOK, WestTX and Velma operations, which are comprised of natural gas gathering and processing assets servicing drilling activity in the Anadarko and Permian Basins, and which were formerly included within the previous Mid-Continent segment; (2) the natural gas gathering assets located in Tennessee, which were formerly included in the previous Appalachia segment; and (3) the revenues and gain on sale related to our 49% interest in Laurel Mountain, which were formerly included in the previous Appalachia segment. Gathering and Processing revenues are primarily derived from the sale of residue gas and NGLs and gathering of natural gas.

Our Gathering and Processing operations, as of September 30, 2011, own, have interests in and operate five natural gas processing plants with aggregate capacity of approximately 583 MMcfd, which are connected to approximately 8,600 miles of active natural gas gathering systems located in Oklahoma, Kansas and Texas. These assets were formerly included in our previous Mid-Continent segment. In addition we own and operate approximately 70 miles of active natural gas gathering systems located in Tennessee, which were formerly included in our previous Appalachia segment. Our gathering systems gather gas from wells and central delivery points and deliver to natural gas processing and treating plants, as well as third-party pipelines.

Our Pipeline Transportation operations, as of September 30, 2011, own a 20% interest in WTLPG, which was acquired on May 11, 2011. WTLPG owns a common-carrier pipeline system that transports NGLs from New Mexico and Texas to Mont Belvieu, Texas for fractionation. WTLPG is operated by Chevron Pipeline Company, an affiliate of Chevron, which owns the remaining 80% interest.

Our Operations

We own and operate approximately 8,600 miles of intrastate natural gas gathering systems located in Oklahoma, Kansas, and Texas, and approximately 70 miles of active natural gas gathering systems located in Tennessee. We also own and operate five processing plants located in Oklahoma and Texas. Our gathering,

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processing and treating assets service long-lived natural gas regions, including the Permian and Anadarko Basins. Our systems gather natural gas from oil and natural gas wells and process the raw natural gas into residue gas by extracting NGLs and removing impurities. In the aggregate, our systems have approximately 7,900 receipt points, consisting primarily of individual well connections and, secondarily, central delivery points which are linked to multiple wells. Our gathering systems interconnect with interstate and intrastate pipelines operated by El Paso Natural Gas Company; Enogex LLC; Kinder Morgan Texas Pipeline; Natural Gas Pipeline Company of America; Northern Natural Gas Company; ONEOK Gas Transportation, LLC; Panhandle Eastern Pipe Line Company, LP; and Southern Star Central Gas Pipeline, Inc. Our processing facilities are connected to NGL pipelines owned or operated by ONEOK Hydrocarbon, L.P., Chaparall Pipeline Company, L.P. and WTLPG.

Gathering systems

WestOK. The WestOK gathering system is located in north central Oklahoma and southern Kansas Anadarko Basin. As of September 30, 2011, the gathering systems had approximately 4,300 miles of active natural gas gathering pipelines with approximately 4,300 receipt points. The primary producers on the gathering system include Chesapeake Energy Corporation, SandRidge Exploration and Production, LLC and Bluestem Marketing, LLC.

WestTX. The WestTX gathering system, which we operate and in which we have an approximate 72.8% ownership, as of September 30, 2011, had approximately 3,100 miles of active natural gas gathering pipelines and approximately 2,800 receipt points located across seven counties within the Permian Basin in West Texas. Pioneer Natural Resources Company (NYSE: PXD; Pioneer), the largest active driller in the Spraberry Trend and a major producer in the Permian Basin, owns the remaining interest in the WestTX system. The primary producers on the gathering system include Pioneer, COG Operating, LLC and Endeavor Energy Resources, LP.

Velma. The Velma gathering system is located in the Golden Trend and near the Woodford Shale areas of southern Oklahoma. As of September 30, 2011, the gathering system had approximately 1,200 miles of active pipelines with approximately 600 receipt points consisting primarily of individual well connections and, secondarily, central delivery points which are linked to multiple wells. The primary producers on the Velma gathering system include Chesapeake Energy Corporation, Range Resources and XTO Energy, Inc.

Processing and treating plants

WestOK. The WestOK system processes natural gas through the Waynoka and Chester plants, which are active cryogenic natural gas processing facilities. The system s processing operations currently have total capacity of approximately 228 MMcfd. The Waynoka processing plant, located in Woods County, Oklahoma began operations in December 2006 and became fully operational in July 2007. The Chaney Dell plant located in Major County is inactive. We are adding a 200 MMcfd expansion to the Waynoka plant to handle increases in production from horizontal drilling in the Mississippian Limestone and Carbonate formations in northwest Oklahoma and southern Kansas. The oil wells being drilled in the Mississippian play are producing large amounts of associated gas high in NGL content, adding economic value for both the producers and processors like us. The expansion will increase the processing capacity at the Waynoka plant to 400 MMcfd and in the system cumulatively to 428 MMcfd. At present, the system is being forced to bypass and offload approximately 30 MMcfd to third parties because of lack of processing capacity. Capital costs for the WestOK expansion are expected to be approximately $175 million, including plant construction cost of approximately $70 million, additional plant compression and associated pipeline costs of approximately $55 million, and a $50 million debottlenecking project of the gathering system, which includes construction of a 40-mile, 24-inch high pressure gathering header pipeline. This expansion is expected to begin service by the middle of 2012. We transport and sell natural gas to parties, including various marketing companies and pipelines, at the tailgate of the Waynoka and Chester plants and sell NGL production to ONEOK Hydrocarbon, L.P.

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WestTX. The WestTX system processes natural gas through the Consolidator and Benedum processing plants. The Benedum plant is a 45 MMcfd cryogenic facility in Upton County, Texas. The Consolidator plant is a 150 MMcfd cryogenic facility in Reagan County, Texas. The facility started operations in November 2009, and is operating at full capacity. As a result, in October 2011 we refurbished and returned to service the 60 MMcfd cryogenic processing skid from the retired Midkiff plant. The restart of the cryogenic skid expanded the processing capacity at the system by 60 MMcfd, increasing total processing capacity of the Consolidator/Benedum plants to 255 MMcfd. In addition, we plan to construct a new 200 MMcfd cryogenic processing plant to facilitate increased Spraberry production. The new plant, to be known as the Driver plant, will be constructed in two phases, with the first phase involving construction of plant and associated compression to process 100 MMcfd, expected to be in service in the first quarter of 2013. The second phase, involving placement of additional compression and refrigeration equipment to increase the plant s capacity to 200 MMcfd, is scheduled to be operational in the first quarter of 2015. We estimate that the total cost of the project will be $200 million, which includes both phases and all expected compression and well connection costs throughout the construction period. While a minor portion of the $200 million in capital spending will be for well connections beyond the 2015 calendar year, the majority of the capital outlay for the project will be incurred evenly over the 2012-2015 period. We expect to deploy approximately $80-85 million over the 2012-2013 period. We transport and sell natural gas to parties, including various marketing companies and pipelines, at the tailgate of the plants and sell NGL production to ONEOK Hydrocarbon, L.P.

Velma. The Velma processing plant, located in Stephens County, Oklahoma, is a cryogenic facility with a natural gas capacity of approximately 100 MMcfd. The Velma plant is one of only two facilities in the area that is capable of treating both high-content hydrogen sulfide and carbon dioxide gases which are characteristic in this area. We have made capital expenditures at the facility to improve its efficiency and competitiveness, including installing electric-powered compressors rather than natural gas-powered compressors used by many of our competitors. To keep pace with growth of throughput on the Velma system, we are expanding the system by adding a 60 MMcfd cryogenic plant, thereby increasing processing capacity to 160 MMcfd. The cumulative cost of the additions is expected to be approximately $60 million and all measures are expected to be in service during the first half of 2012. We transport and sell natural gas to parties, including various marketing companies and pipelines, at the tailgate of the Velma plant and sell NGL production to ONEOK Hydrocarbon, L.P.

Competitive Strengths

We believe we are well-positioned to successfully execute our business strategy because of the following competitive strengths:

Diversified asset base. Our operations are divided between the active Mid-Continent region, including Oklahoma with the Woodford shale play, southern Kansas, northern and western Texas and the Texas panhandle, where we gather, process and treat third-party gas volumes, and the Appalachian Basin, where we own and operate approximately 70 miles of active natural gas gathering systems in Tennessee. As a result of our 72.8% joint venture interest in the WestTX gathering system, we are one of the largest gas processors in the Spraberry Trend of the Permian Basin in west Texas. Our joint venture partner is Pioneer, the largest producer in the Spraberry Trend.

Stability from long-term contracts and relationships with active producers. Our gas supply strategy is to establish long-term, service-driven relationships with our producing customers, who comprise some of the largest producers in the region. We have long-standing relationships with many of our customers which account for a substantial majority of our gathering and processing throughput. We have an agreement with Pioneer through 2022 under which Pioneer has dedicated all of its production in an eight county area in the Permian Basin to the WestTX joint venture. The WestOK and Velma systems benefit from many long-term relationships with several

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producers in the region. We believe that our relationships with these key producers will provide us with a competitive advantage in adding new natural gas supplies, retaining previously connected volumes and continuing to increase our scale and presence in our operating areas.

Strategically positioned for organic growth. The regions in which we operate are characterized by substantial developed and undeveloped natural gas reserves, which we believe will continue to experience significant drilling activity. We own, have interests in and operate five natural gas processing plants with aggregate capacity of approximately 583 MMcfd. These facilities are connected to approximately 8,600 miles of active natural gas gathering systems located in Oklahoma, Kansas and Texas, which gathers gas from wells and central delivery points to our natural gas processing and treating plants, as well as third-party pipelines. We have made and will make significant investments in efficient and reliable infrastructure of high performance pipelines, compressors and processing plants, including expanding our Waynoka and Velma processing plants, and constructing the new Driver plant, to increase our processing capacity by approximately 460 MMcfd. As a result, we believe we provide our customers with long-term, flexible solutions for their gathering and processing needs and are a very desirable partner. Additionally, we expect the breadth of our operations in our service areas, our customer focus and our relationships with major producers throughout our geographic footprint will allow us to continue to connect new wells and capture new natural gas volumes relatively quickly and cost-effectively.

Efficient assets which offer low maintenance capital expenditure requirements. Our existing gathering systems and processing plants have relatively low capital expenditure needs. In addition, approximately 60% of our processing capacity, consisting of our Waynoka facility completed in December 2006 and the Consolidator Plant completed in November 2009, is new. These new plants possess technologically advanced controls, systems and processes with recovery rates of approximately 90% for ethane and greater than 98% for all other NGLs.

Experienced management and operations team. Through our general partner we have significant management and technical expertise. Our operational and technical expertise has enabled us to identify assets that have not been fully utilized and to improve their performance upon integration into our operations.

Business Strategy

Our primary objective is to increase cash flow and achieve sustainable, profitable growth while maintaining a strong credit profile and financial flexibility by executing the following strategies:

Increasing the profitability of our existing assets. In many cases, we can expand our gathering pipelines and processing plants and may have excess capacity, which provides us with opportunities to connect and process new supplies of natural gas with minimal additional capital requirements, also increasing plant efficiency and economics. We plan to accomplish this goal by providing excellent service to our existing customers, aggressively marketing our services to new customers and prudently expanding our existing infrastructure to ensure our services can meet the needs of potential customers. Our recent restart of our Benedum cryogenic skid and planned expansions of our Waynoka, Velma and WestTX processing facilities are examples of executing this strategy. Other opportunities include pursuing relationships with new producers, eliminating pipeline bottlenecks, reducing operating line pressures and focusing on a reduction of pipeline losses along our gathering systems.

Expanding operations through organic growth projects and pursuing strategic acquisitions. We continue to explore opportunities to expand our existing infrastructure. We also plan to pursue strategic acquisitions that leverage our existing asset base, employees and customer relationships. In the past, we have pursued opportunities in certain regions outside of our current areas of operation and will continue to do so when these options make sense economically and strategically.

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Reducing the sensitivity of our cash flows through prudent economic risk management and contract arrangements. We attempt to structure our contracts in a manner that allows us to achieve our target rate of return goals while reducing our exposure to commodity price movements. We actively review our contract mix and seek to optimize a balance of cash flow stability with attractive economic returns. Our commodity risk management activities are designed to reduce the effect of commodity price volatility related to future sales of natural gas, NGLs and crude oil, while allowing us to meet our debt service requirements, fund our maintenance capital program and meet our distribution objectives.

Maintaining our financial flexibility. We intend to maintain a capital structure in which we do not significantly exceed equal amounts of debt and equity on a long-term basis, while not jeopardizing our ability to achieve our other business strategies. We seek to maintain a minimum total liquidity of at least $100 million, a ratio of debt to capital of not more than 50% and a ratio of long-term debt to trailing 12-month EBITDA of less than 4x. We believe that our existing credit facility, our ability to issue additional long-term debt or partnership units and our relationships with our partners provide us with the ability to achieve this strategy. We will also consider alternative financing, joint venture arrangements and other means that allow us to achieve our business strategies while continuing to maintain an acceptable capital structure.

Our Organizational Structure

We conduct our operations through, and our operating assets are owned by, our subsidiaries. Our general partner has sole responsibility for conducting our business and managing our operations. Our general partner does not receive any management fee or other compensation in connection with its management of our business apart from its general partner interest and incentive distribution rights, but it is reimbursed for direct and indirect expenses incurred on our behalf. Our executive offices are located at Park Place Corporate Center One, 1000 Commerce Drive, 4th Floor, Pittsburgh, PA 15275-1011, telephone number (877) 950-7473. Our website address is www.atlaspipeline.com. The information on our website is not part of this prospectus and you should rely only on the information contained or incorporated by reference in this prospectus when making a decision as to whether or not to invest in the notes.

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Summary of the Exchange Offer

On November 21, 2011, we completed a private offering of the new issue notes. As part of this private offering, we entered into a registration rights agreement with the initial purchasers of the new issue notes in which we agreed, among other things, to deliver this prospectus to you and to use our reasonable best efforts to complete the exchange offer within 360 days of the issue date. The following is a summary of the exchange offer.

New issue notes	\$150 million aggregate principal amount of 8 ^{3}/4% Senior Notes due 2018.
Exchange notes	8 ^{3}/4% Senior Notes due 2018. The terms of the exchange notes are substantially identical to those terms of the new issue notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the new issue notes do not apply to the exchange notes.
Exchange offer	We are offering to exchange up to \$150 million principal amount of our 8 ^{3}/4% Senior Notes due 2018 that have been registered under the Securities Act of 1933 for an equal amount of our outstanding 8 ^{3}/4% Senior Notes due 2018 to satisfy our obligations under the registration rights agreement.
Expiration date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2011, unless we decide to extend it.
Conditions to the exchange offer	The registration rights agreement does not require us to accept new issue notes for exchange if the exchange offer or the making of any exchange by a holder of the new issue notes would violate any applicable law or interpretation of the staff of the SEC or if any legal action has been instituted or threatened that would impair our ability to proceed with the exchange offer. A minimum aggregate principal amount of new issue notes being tendered is not a condition to the exchange offer. Please read Exchange Offer Conditions to the Exchange Offer for more information about the conditions to the exchange offer.
Procedures for tendering new issue notes	To participate in the exchange offer, you must follow the automatic tender offer program, or ATOP, procedures established by The Depository Trust Company, or DTC, for tendering notes held in book-entry form. The ATOP procedures require that the exchange agent receive, before the expiration date of the exchange offer, a computer-generated message known as an agent s message that is transmitted through ATOP and that DTC confirms that: DTC has received instructions to exchange your notes; and you agree to be bound by the terms of the letter of transmittal. For more details, please read Exchange Offer Terms of the Exchange Offer and Exchange Offer Procedures for Tendering.

Guaranteed delivery procedures	None.

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Withdrawal of tenders	You may withdraw your tender of new issue notes at any time before the expiration date. To withdraw, you must submit a notice of withdrawal to the exchange agent using ATOP procedures before 5:00 p.m., New York City time, on the expiration date of the exchange offer. Please read Exchange Offer Withdrawal of Tenders.
Acceptance of new issue notes and delivery of exchange notes	If you fulfill all conditions required for proper acceptance of new issue notes, we will accept any and all new issue notes that you properly tender in the exchange offer before 5:00 p.m., New York City time, on the expiration date. We will return any new issue note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes promptly after the expiration date and acceptance of the new issue notes for exchange. Please read Exchange Offer Terms of the Exchange Offer.
Fees and expenses	We will bear all expenses related to the exchange offer. Please read Exchange Offer Fees and Expenses.
Use of proceeds	The issuance of the exchange notes will not provide us with any new proceeds. We are making the exchange offer solely to satisfy our obligations under the registration rights agreement.
Consequences of failure to exchange new issue notes	If you do not exchange your new issue notes in the exchange offer, your new issue notes will continue to be subject to the restrictions on transfer currently applicable to the new issue notes. In general, you may offer or sell your new issue notes only:
	if they are registered under the Securities Act and applicable state securities laws;
	if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or
	if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.
	We do not currently intend to register the new issue notes under the Securities Act. Under some circumstances, however, holders of the new issue notes, including holders who are not permitted to participate in the exchange offer or who may not freely resell exchange notes received in the exchange offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of new issue notes by these holders. For more information regarding the consequences of not tendering your new issue notes and our obligation to file a shelf registration statement, please read Exchange Offer Consequences of Failure to Exchange and Description of Notes Registration Rights; Additional Interest.

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U.S. federal income tax consequences	The exchange of exchange notes for new issue notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes. Please read Certain Federal Income Tax Consequences.
Exchange agent	We have appointed U.S. Bank National Association as the exchange agent for the exchange offer. You should direct questions and requests for assistance and requests for additional copies of this prospectus (including the letter of transmittal) to the exchange agent addressed as follows: Attn: Brandi Steward, U.S. Bank Corporate Trust Services, Specialized Finance Dept., 60 Livingston Avenue, St. Paul, Minnesota 55107; telephone number (651) 495-4738. Eligible institutions may make requests by facsimile at (651) 495-8138.

Summary of Terms of the Exchange Notes

The exchange notes will be identical to the new issue notes, except that the exchange notes are registered under the Securities Act and will not have restrictions on transfer, registration rights or provisions for additional interest. The exchange notes will evidence the same debt as the new issue notes, and the same indenture will govern the exchange notes and the new issue notes.

The following summary contains basic information about the exchange notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the exchange notes, please read Description of Exchange Notes.

Issuers	Atlas Pipeline Partners, L.P. and Atlas Pipeline Finance Corporation
Notes offered	$150.0 million aggregate principal amount of 8 3/4% Senior Notes due 2018.
Maturity date	June 15, 2018.
Interest payment dates	June 15 and December 15 of each year.
Guarantees	The notes will be unconditionally guaranteed on an unsecured senior basis by all of our current domestic restricted subsidiaries (other than Atlas Pipeline Finance Corporation, Atlas Pipeline Mid-Continent WestOK, LLC, which we refer to as WestOK, and Atlas Pipeline Mid-Continent WestTex, LLC, which we refer to as WestTX, and their respective subsidiaries, and APC Acquisition, LLC, which has no assets), and any future restricted subsidiary that guarantees our other indebtedness or any other subsidiary or incurs any indebtedness under any credit facility.
Ranking	The notes and the related guarantees will be the unsecured senior obligations of us, Atlas Pipeline Finance Corporation and the guarantors. Accordingly, they will rank:

- effectively subordinated to all of our and, with respect to the guarantors, the respective guarantors existing and future secured debt, including debt under our senior secured credit facility, to the extent of the value of the assets securing such debt;

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	structurally subordinated to all existing and future indebtedness and obligations of any of our present and future subsidiaries that do not guarantee the notes;
	equal in right of payment with our and, with respect to the guarantors, the respective guarantors existing and future unsecured senior debt; and
	senior to all our and, with respect to the guarantors, the respective guarantors existing and future debt that expressly provides that it is subordinated to the notes or the respective guarantees.
	As of September 30, 2011, on a pro forma basis, we would have had $423.7 million of debt outstanding, $46.2 million of which would have been secured indebtedness. In addition, the notes would have been structurally subordinated to $411.3 million of liabilities of our non-guarantor subsidiaries.
Optional redemption	We may redeem the notes, in whole or in part, at any time on or after June 15, 2013, at redemption prices described in the section Description of Exchange Notes Optional Redemption plus accrued and unpaid interest, if any, to the date of redemption. Before June 15, 2013, we may redeem the notes, in whole or in part, at par value plus a make-whole premium described in Description of Exchange Notes Optional Redemption.
Change of control offer	If we undergo a change of control, we must offer to repurchase the notes at a price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of Exchange Notes Repurchase upon a Change in Control.
Basic covenants of the indenture	The indenture governing the notes will restrict our ability and the ability of our restricted subsidiaries to, among other things:
	pay distributions, redeem stock, prepay subordinated indebtedness or make other restricted payments;
	incur indebtedness;
	make certain investments;
	create liens on our assets to secure debt;
	restrict dividends, distributions or other payments from subsidiaries to us;
	consolidate or merge;

- sell or otherwise transfer or dispose of assets, including equity interests of restricted subsidiaries;
- enter into transactions with affiliates;
- designate subsidiaries as unrestricted subsidiaries;
- use the proceeds of permitted sales of assets; and
- change our line of business.

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	These covenants are subject to important exceptions and qualifications described under the heading Description of Exchange Notes.
Transfer restrictions; absence of a public market for the exchange notes	The exchange notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. We do not intend to make a trading market in the exchange notes after the exchange offer. Therefore, we cannot assure you as to the development of an active market for the exchange notes or as to the liquidity of any such market.
Form of exchange notes	The exchange notes will be represented initially by one or more global notes. The global exchange notes will be deposited with the trustee, as custodian for DTC.
Same-day settlement	The global exchange notes will be shown on, and transfers of the global exchange notes will be effected only through, records maintained in book-entry form by DTC and its direct and indirect participants.
	The exchange notes are expected to trade in DTC s Same Day Funds Settlement System until maturity or redemption. Therefore, secondary market trading activity in the exchange notes will be settled in immediately available funds.
Trading	We do not expect to list the exchange notes for trading on any securities exchange.
Registrar and paying agent	U.S. Bank National Association
Governing law	The exchange notes and the indenture relating to the exchange notes will be governed by, and construed in accordance with, the laws of the State of New York.

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RISK FACTORS

In addition to the other information set forth elsewhere or incorporated by reference in this prospectus, you should consider carefully the risks described below before deciding whether to participate in the exchange offer.

Risks Related to the Exchange Offer

If you fail to exchange new issue notes, existing transfer restrictions will remain in effect and the notes may be more difficult to sell.

If you fail to exchange new issue notes for exchange notes under the exchange offer, then you will continue to be subject to the existing transfer restrictions on the new issue notes. In general, the new issue notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except in connection with this exchange offer or as required by the registration rights agreement, we do not intend to register resales of the new issue notes.

The tender of new issue notes under the exchange offer will reduce the principal amount of the currently new issue notes. Due to the corresponding reduction in liquidity, this may decrease, and increase the volatility of, the market price of any currently new issue notes that you continue to hold following completion of the exchange offer.

You must comply with the exchange offer procedures in order to receive new, freely tradable exchange notes.

Delivery of exchange notes in exchange for new issue notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of book-entry transfer of new issue notes into the exchange agent s account at DTC, as depositary, including an agent s message. We are not required to notify you of defects or irregularities in tenders of new issue notes for exchange. Exchange notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the registration rights agreement will terminate. See Exchange Offer Procedures for Tendering and Exchange Offer Consequences of Failure to Exchange.

Some holders who exchange their new issue notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your new issue notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Risks Related to the Notes

We distribute all of our available cash to our unitholders and are not required to accumulate cash for the purpose of meeting our future obligations to our noteholders, which may limit the cash available to service the notes.

Subject to the limitations on restricted payments contained in the indenture governing the notes and our existing credit facility, we distribute all of our available cash each quarter to our limited partners and our general partner. Available cash is defined in our partnership agreement, and it generally means, for each fiscal quarter:

- all cash on hand at the end of the quarter;

less the amount of cash that our general partner determines in its reasonable discretion is necessary or appropriate to:

- provide for the proper conduct of our business;
- comply with applicable law, any of our debt instruments, or other agreements; or
- provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters;

plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under our senior secured credit facility and in all cases are used solely for working capital purposes or to pay distributions to partners.

As a result, we do not expect to accumulate significant amounts of cash. Depending on the timing and amount of our cash distributions, these distributions could significantly reduce the cash available to us in subsequent periods to make payments on the notes.

We may not be able to generate sufficient cash to service our debt obligations, including our obligations under the notes.

Our ability to make payments on and to refinance our indebtedness, including the notes, will depend on our financial and operating performance, which may fluctuate significantly from quarter to quarter, and is subject to prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We cannot assure you that we will continue to generate sufficient cash flow or that we will be able to borrow funds in amounts sufficient to enable us to service our indebtedness, or to meet our working capital and capital expenditure requirements. If we are not able to generate sufficient cash flow from operations or to borrow sufficient funds to service our indebtedness, we may be required to sell assets or equity, reduce capital expenditures, refinance all or a portion of our existing indebtedness or obtain additional financing. We cannot assure you that we will be able to refinance our indebtedness, sell assets or equity, or borrow more funds on terms acceptable to us, if at all.

We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets.

We are a holding company, and our operating partnership and its operating subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than our interest in our operating partnership. As a result, our ability to make required payments on the notes depends on the performance of our operating partnership and its subsidiaries and their ability to distribute funds to us. If we are unable to obtain the funds necessary to pay the principal amount at maturity of the notes, or to repurchase the notes upon the occurrence of a change of control, we may be required to adopt one or more alternatives, such as a refinancing of the notes or a sale of assets. We may not be able to refinance the notes or sell assets on acceptable terms, or at all.

We have a substantial amount of indebtedness which could adversely affect our financial position and prevent us from fulfilling our obligations under the notes.

We currently have, and following this offering will continue to have, a substantial amount of indebtedness. As of September 30, 2011, after giving effect to the issuance of the new issue notes and the application of the net proceeds we would have had total debt of approximately $423.7 million, consisting of $150.0 million of new issue notes, $215.8 million of the first issue notes and $46.2 million of borrowings under our existing credit facility, and would have had additional borrowing capacity under our existing credit facility of $403.8 million, excluding $1.1 million in outstanding letters of credit. In addition, the notes would have been structurally subordinated to $411.3 million of liabilities of our non-guarantor subsidiaries.

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Our substantial indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the notes and our other indebtedness;
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general business purposes;
- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general business purposes;
- require us to use a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

Despite our and our subsidiaries current level of indebtedness, we may still be able to incur substantially more indebtedness. This could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture governing the notes do not prohibit us or our subsidiaries from doing so if we meet applicable coverage tests. If we incur any additional indebtedness that ranks equally with the notes and the guarantees, the holders of that indebtedness will be entitled to share ratably with the holders of the notes and the guarantees in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you. If we add new indebtedness to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

The notes and the guarantees will be unsecured and effectively subordinated to our and the guarantors existing and future secured indebtedness.

The notes and the guarantees will be general unsecured obligations ranking effectively junior in right of payment to all of our existing and future secured indebtedness and that of each guarantor, respectively. Additionally, the indenture governing the notes permits us to incur additional secured indebtedness in the future.

If we or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any indebtedness that ranks ahead of the notes and the guarantees will be entitled to be paid in full from our assets or the assets of the guarantor, as applicable, before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In the event of the liquidation, dissolution, reorganization, bankruptcy or similar proceeding of the business of a subsidiary that is not a guarantor, creditors of that subsidiary would generally have the right to be paid in full before any distribution is made to us or the holders of the notes. In any of the foregoing events, we cannot assure you that there will be sufficient remaining assets to pay amounts due on the notes. As a result, holders of the notes may receive less, ratably, than holders of secured indebtedness.

Our non-guarantor subsidiaries constitute a significant portion of our consolidated revenues and assets.

Not all of our subsidiaries will guarantee the notes. However, we present our financial information, which is incorporated by reference in this prospectus, on a consolidated basis, including all of our consolidated subsidiaries. In particular, the limited liability companies which own our interests in the WestOK and WestTX systems, and which are our consolidated subsidiaries, are prohibited by the terms of their operating agreements from guaranteeing the debt of the individual members of the companies, including us. Our non-guarantor subsidiaries accounted for approximately 80% of our revenues for the nine months ended September 30, 2011. In addition, as of September 30, 2011, they held approximately $1.4 billion, or approximately 76%, of our consolidated assets. Because a substantial portion of our operations are conducted by the non-guarantor subsidiaries, our cash flow and our ability to service debt, including interest on and principal of the notes when due, depend to a significant extent upon cash distributions or other transfers from the non-guarantor subsidiaries, which will be contingent upon these subsidiaries earnings. As of September 30, 2011, the notes would have been structurally subordinated to $411.3 million of liabilities of our non-guarantor subsidiaries.

Our non-guarantor subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the notes or the guarantees or to make any funds available for such payments, whether by distributions, loans or other payments. Any right that we or the guarantor subsidiaries have to receive any assets of any of the non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors and holders of debt of that subsidiary.

Claims of noteholders will be structurally subordinate to claims of creditors of some of our subsidiaries because they will not guarantee the notes.

The notes will not be guaranteed by future subsidiaries that we may designate as unrestricted. Accordingly, claims of holders of the notes will be structurally subordinate to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the notes.

Federal and state fraudulent transfer laws may permit a court to void the notes and the guarantees, and if that occurs, you may not receive any payments on the notes.

The issuance of the notes and the guarantees may be subject to review under federal and state fraudulent transfer and conveyance statutes. While the relevant laws may vary from state to state, under such laws the payment of consideration will be a fraudulent conveyance if (1) we paid the consideration with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the notes or a guarantee, and, in the case of (2) only, one of the following is also true:

- we or any of the guarantors were insolvent or rendered insolvent by reason of the incurrence of the indebtedness;
- payment of the consideration left us or any of the guarantors with an unreasonably small amount of capital to carry on the business;
- we or any of the guarantors intended to, or believed that it would, incur debts beyond our ability to pay as they mature; or
- we were a defendant in an action for money damages docketed against it if, in either case, after final judgment the judgment is unsatisfied.

If a court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes or such guarantee or further subordinate the notes or such guarantee to presently existing and future indebtedness of us or such guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the notes.

Further, the voiding of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair salable value of all its assets;
- the present fair salable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that the issuance of the notes and the guarantees would not be further subordinated to our or any of our guarantors other debt.

We believe that at the time the notes are initially issued each issuer and each guarantor will be:

- neither insolvent nor rendered insolvent thereby;
- in possession of sufficient capital to run its businesses effectively;
- incurring indebtedness within its ability to pay as the same mature or become due; and
- will have sufficient assets to satisfy any probable money judgment against it in any pending action.

In reaching these conclusions, we have relied upon our analysis of internal cash flow projections, which, among other things, assume that we will in the future realize certain selling price and volume increases and favorable changes in business mix, and estimated values of assets and liabilities. We cannot assure you, however, that a court passing on such questions would reach the same conclusions. Further, to the extent that the notes are guaranteed in the future by any subsidiary, a court passing on such guarantor regarding any such guarantee could conclude that such guarantee constituted a fraudulent conveyance or transfer.

The indenture governing the notes contains a provision intended to limit each guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law, or may eliminate the guarantor s obligations or reduce the guarantor s obligations to an amount that effectively makes the guarantee worthless. In a recent Florida bankruptcy case, this kind of provision was found to be ineffective to preserve the validity of the guarantees.

If the guarantees were legally challenged, any guarantee could also be subject to the claim that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the applicable guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration. A court could thus void the obligations under the guarantees, subordinate them to the applicable guarantor s other debt or take other action detrimental to the holders of the notes.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, each holder of a note will have the right to require us to make an offer to repurchase such holder s note at a price equal to 101% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any, to the date of repurchase.

We may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control offer. The occurrence of a change of control could also constitute an event of default under our existing credit facility. Our bank lenders may have the right to prohibit any such purchase or redemption, in which event we will seek to obtain waivers from the required lenders under our existing credit facility, but may not be able to do so. See Description of Notes Repurchase at the Option of Holders Change of Control.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

Although the exchange notes will be registered under the Securities Act, they will not be listed on any securities exchange. Accordingly, there is no established public market for them. The initial purchasers have advised us that they intend to make a market in the notes, as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to make a market in the notes, and they may discontinue their market-making activities at anytime without notice. Therefore, we cannot assure you that an active market for the notes will develop or, if developed, that such a market will continue. In addition, subsequent to their initial issuance, the exchange notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

We do not intend to apply for listing or quotation of the notes or the exchange notes on any securities exchange or stock market. The liquidity of any market for the notes or the exchange notes will depend on a number of factors, including:

- the number of holders of notes;
- our operating performance and financial condition;
- our ability to complete the offer to exchange the notes for the exchange notes;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of these securities. We cannot assure you that the market for the notes will be free from similar disruptions. Any such disruptions could have an adverse effect on holders of the notes.

Our general partner will not have any liability for the notes.

The indenture governing the notes provides that our general partner will have no liability for our obligations under the notes. Accordingly, if we and the subsidiary guarantors are unable to make payments on the notes, you will not be able to recover against our general partner.

Risks Relating to Our Business

The amount of cash we generate depends, in part, on factors beyond our control.

The actual amounts of cash we generate will depend upon numerous factors relating to our business which may be beyond our control, including:

- the demand for natural gas, NGLs, crude oil and condensate;

the price of natural gas, NGLs, crude oil and condensate (including the volatility of such prices);

the amount of NGL content in the natural gas we process;

the volume of natural gas we gather;

efficiency of our gathering systems and processing plants;

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- expiration of significant contracts;
- continued development of wells for connection to our gathering systems;
- our ability to connect new wells to our gathering systems;
- our ability to integrate newly formed ventures or acquired businesses with our existing operations;
- the availability of local, intrastate and interstate transportation systems;
- the availability of fractionation capacity;
- the expenses we incur in providing our gathering services;
- the cost of acquisitions and capital improvements;
- our issuance of equity securities;
- required principal and interest payments on our debt;
- fluctuations in working capital;
- prevailing economic conditions;
- fuel conservation measures;
- alternate fuel requirements;
- the strength and financial resources of our competitors;
- the effectiveness of our hedging program and the creditworthiness of our hedging counterparties;
- governmental (including environmental and tax) laws and regulations; and

- technical advances in fuel economy and energy generation devices.

In addition, the actual amount of cash that we will have available for debt service will depend on other factors, including:

- the level of capital expenditures we make;
- the sources of cash used to fund our acquisitions;
- limitations on our access to capital or the market for our common units and notes;
- our debt service requirements and requirements to pay dividends on our outstanding preferred units; and
- the amount of cash reserves established by our general partner for the conduct of our business.

Our ability to make payments on and to refinance our indebtedness, including the notes, will depend on our financial and operating performance, which may fluctuate significantly from quarter to quarter, and is subject to prevailing economic and industry conditions and financial, business and other factors, many of which are beyond our control. We cannot assure you that we will continue to generate sufficient cash flow or that we will be able to borrow sufficient funds to service our indebtedness, or to meet our working capital and capital expenditure requirements. If we are not able to generate sufficient cash flow from operations or to borrow sufficient funds to service our indebtedness, we may be required to sell assets or equity, reduce capital expenditures, refinance all or a portion of our existing indebtedness or obtain additional financing. We cannot assure you that we will be able to refinance our indebtedness, sell assets or equity, or borrow more funds on terms acceptable to us, or at all.

Economic conditions and instability in the financial markets could negatively impact our business.

Our operations are affected by the financial markets and related effects in the global financial system. The consequences of an economic recession and the effects of the financial crisis include a lower level of economic activity and increased volatility in energy prices. This may result in a decline in energy consumption and lower market prices for oil and natural gas, and has previously resulted in a reduction in drilling activity in our service area and in wells currently connected to our pipeline system being shut in by their operators until prices improved. Any of these events may reduce our revenues and our ability to fund capital expenditures and in turn, may impact the cash that we have available to fund our operations and pay required debt service.

Continuing instability in the financial markets, as a result of recession or otherwise, has increased the cost of capital while reducing the availability of funds. This may affect our ability to raise capital and reduce the amount of cash available to fund our operations. We rely on our cash flow from operations and borrowings under our existing credit facility to execute our growth strategy and to meet our financial commitments and other short-term liquidity needs. We cannot be certain that additional capital will be available to us to the extent required and on acceptable terms. Disruptions in the capital and credit markets could limit our access to liquidity needed for our business and impact our flexibility to react to changing economic and business conditions. Any disruption could require us to take measures to conserve cash until the markets stabilize or until we can arrange alternative credit arrangements or other funding for our business needs. Such measures could include reducing or delaying business activities, reducing our operations to lower expenses, and reducing other discretionary uses of cash. We may be unable to execute our growth strategy, take advantage of business opportunities or to respond to competitive pressures, any of which could negatively impact our business.

The continuing economic situation could have an adverse impact on our lenders, producers, key suppliers or other customers, causing them to fail to meet their obligations to us. Market conditions could also impact our derivative instruments. If a counterparty is unable to perform its obligations and the derivative instrument is terminated, our cash flow and ability to make required debt service payments could be impacted. The uncertainty and volatility surrounding the global financial crisis may have further impacts on our business and financial condition that we currently cannot predict or anticipate.

We are affected by the volatility of prices for natural gas, NGL and crude oil products.

We derive a majority of our gross margin from percentage of proceeds and keep-whole contracts. As a result, our income depends to a significant extent upon the prices at which we buy and sell natural gas and at which we sell NGLs and condensate. The average estimated market price, natural gas and condensate, based upon 12-month forward price curves as of October 3, 2011, was $1.23 per gallon for NGLs, $4.09 per MMBtu for natural gas and $78.92 per barrel for condensate. A 10% change in these prices would change our forecasted gross margin for the twelve-month period ended September 30, 2012 by approximately $16.3 million. Additionally, changes in natural gas prices may indirectly impact our profitability since prices can influence drilling activity and well operations, and could cause operators of wells currently connected to our pipeline system or that we expect will be connected to our system to shut in their production until prices improve, thereby affecting the volume of gas we gather and process. Historically, the price of both natural gas, NGLs and crude oil have been subject to significant volatility in response to relatively minor changes in the supply and demand for natural gas and NGL products, market uncertainty and a variety of additional factors beyond our control, including those we describe in The amount of cash we generate depends, in part, on factors beyond our control, above. Oil prices have traded in a range of $79.20 per barrel to $113.93 per barrel during the nine months ended September 30, 2011, while natural gas prices have traded in a range of $3.67 per MMBtu to $4.85 per MMBtu during the same time period. We expect this volatility to continue. This volatility may cause our gross margin and cash flows to vary widely from period to period. Our risk management strategies may not be sufficient to offset price volatility risk and, in any event, do not cover all of our throughput volumes. Moreover, derivative instruments are subject to inherent risks, which we describe in Our price risk management strategies may fail to protect us and could reduce our gross margin and cash flow.

Our price risk management strategies may fail to protect us and could reduce our gross margin and cash flow.

Our operations expose us to fluctuations in commodity prices. We utilize derivative contracts related to the future price of crude oil, natural gas and NGLs with the intent of reducing the volatility of our cash flows due to

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fluctuations in commodity prices. To the extent we protect our commodity prices using derivative contracts we will forego the benefits we would otherwise experience if commodity prices were to change in our favor. Our commodity price risk management activity may fail to protect or could harm us because, among other things:

- entering into derivative instruments can be expensive, particularly during periods of volatile prices;
- available derivative instruments may not correspond directly with the risks against which we seek protection;
- price correlation between the physical transaction and the derivative transaction could change;
- the anticipated physical transaction could be different than projected due to changes in contracts, lower production volumes or other operational impacts, resulting in possible losses on the derivative instrument which are not offset by income on the anticipated physical transaction; and
- the party owing money in the derivative transaction may default on its obligation to pay.

Regulations promulgated by the Commodities Futures Trading Commission could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business.

The recent adoption of derivatives legislation by the U.S. Congress could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business. The Dodd-Frank Wall Street Reform and Consumer Protection Act, among other provisions, establishes federal oversight and regulation of the over-the-counter derivatives market and entities that participate in that market. The legislation requires the Commodities Futures Trading Commission, or CFTC, and the SEC to promulgate rules and regulations implementing the new legislation. The CFTC finalized its regulations and has set position limits for certain futures and option contracts in the major energy markets and for swaps that are their economic equivalents. The financial reform legislation may also require us to comply with margin requirements and with certain clearing and trade-execution requirements in connection with our existing or future derivative activities, although the application of those provisions to us is uncertain at this time. The financial reform legislation may also require the counterparties to our derivative instruments to spin off some of their derivatives activities to separate entities, which may not be as creditworthy as the current counterparties. The new legislation and any new regulations could significantly increase the cost of derivative contracts, materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against risks we encounter, reduce our ability to monetize or restructure our derivative contracts in existence at that time, and increase our exposure to less creditworthy counterparties. If we reduce or change the way we use derivative instruments as a result of the legislation or regulations, our results of operations may become more volatile and cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Finally, the legislation was intended, in part, to reduce the volatility of oil and natural gas prices, which some legislators attributed to speculative trading in derivatives and commodity instruments related to oil and natural gas. Our revenues could therefore be adversely affected if a consequence of the legislation and regulations is to lower commodity prices. Any of these consequences could have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Due to the accounting treatment of our derivative contracts, increases in prices for natural gas, crude oil and NGLs could result in non-cash balance sheet reductions.

With the objective of enhancing the predictability of future revenues, from time to we enter into natural gas liquids and crude oil derivative contracts. We account for our derivative contracts by applying the mark-to-market accounting treatment required for these derivative contracts. We could recognize incremental derivative liabilities between reporting periods resulting from increases or decreases in reference prices for natural gas, crude oil and NGLs, which could result in our recognizing a non-cash loss in our consolidated statements of operations and a consequent non-cash decrease in our partners capital between reporting periods. Any such decrease could be substantial. In addition, we may be required to make cash payments upon the termination of any of these derivative contracts.

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We are exposed to the credit risks of our key customers, and any material nonpayment or nonperformance by our key customers could negatively impact our business.

We have historically experienced minimal collection issues with our counterparties; however our revenue and receivables are highly concentrated in a few key customers and therefore we are subject to risks of loss resulting from nonpayment or nonperformance by our key customers. In an attempt to reduce this risk, we have established credit limits for each counterparty and we attempt to limit our credit risk by obtaining letters of credit or other appropriate forms of security. Nonetheless, we have key customers whose credit risk cannot realistically be otherwise mitigated.

Due to our lack of asset diversification, negative developments in our operations would reduce our ability to fund our operations and pay required debt service.

We rely exclusively on the revenues generated from our gathering and processing operations and, as a result, our financial condition depends upon prices of, and continued demand for, natural gas, NGLs and crude oil. Due to our lack of asset-type diversification, a negative development in one of these businesses would have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets.

The amount of natural gas we gather will decline over time unless we are able to attract new wells to connect to our gathering systems.

Production of natural gas from a well generally declines over time until the well can no longer economically produce natural gas and is plugged and abandoned. Failure to connect new wells to our gathering systems could, therefore, result in the amount of natural gas we gather declining substantially over time and could, upon exhaustion of the current wells, cause us to abandon one or more of our gathering systems and, possibly, cease operations. The primary factors affecting our ability to connect new supplies of natural gas to our gathering systems include our success in contracting for existing wells that are not committed to other systems, the level of drilling activity near our gathering systems and our ability to attract natural gas producers away from our competitors gathering systems.

Over time, fluctuations in energy prices can greatly affect production rates and investments by third parties in the development of new oil and natural gas reserves. Drilling activity generally decreases as oil and natural gas prices decrease. A decrease in exploration and development activities in the fields served by our gathering and processing facilities could result if there is a sustained decline in natural gas prices which, in turn, would lead to a reduced utilization of these assets. The decline in the credit markets, the lack of availability of credit, debt or equity financing and the decline in natural gas prices may result in a reduction of producers exploratory drilling. We have no control over the level of drilling activity in our service areas, the amount of reserves underlying wells that connect to our systems and the rate at which production from a well will decline. In addition, we have no control over producers or their production decisions, which are affected by, among other things, prevailing and projected energy prices, demand for hydrocarbons, the level of reserves, drilling costs, geological considerations, governmental regulation and the availability and cost of capital. In a low price environment, producers may determine to shut in wells already connected to our systems until prices improve. Because our operating costs are fixed to a significant degree, a reduction in the natural gas volumes we gather or process would result in a reduction in our gross margin and cash flows.

The amount of NGLs we sell or transport may be reduced if the NGL pipelines or fractionation facilities to which we deliver NGLs cannot or will not accept the NGLs.

If one or more of the pipelines or fractionation facilities to which we deliver NGLs has service interruptions, capacity limitations or otherwise does not accept NGLs from us, and we cannot arrange for delivery to other pipelines or fractionation facilities, the amount of NGLs we sell or transport may be reduced. Since our revenues depend upon the volumes of NGLs we sell or transport, this could result in a material reduction in our gross margin and cash flows.

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The amount of natural gas we gather, treat or process may be reduced if the intrastate and interstate pipelines to which we deliver gas cannot or will not accept the gas.

Our gathering systems principally serve as intermediate transportation facilities between wells connected to our systems and the intrastate or interstate pipelines to which we deliver natural gas. If one or more of these pipelines has service interruptions, capacity limitations or otherwise does not accept the natural gas we gather, and we cannot arrange for delivery to other pipelines, local distribution companies or end users, the amount of natural gas we gather may be reduced. Since our revenues depend upon the volumes of natural gas we gather, this could result in a material reduction in our gross margin and cash flows.

If we are unable to obtain new rights-of-way or the cost of renewing existing rights-of-way increases, then our cash flows could be reduced.

The construction of additions to our existing gathering assets may require us to obtain new rights-of-way before constructing new pipelines. We may be unable to obtain rights-of-way to connect new natural gas supplies to our existing gathering lines or capitalize on other attractive expansion opportunities. Additionally, it may become more expensive for us to obtain new rights-of-way or to renew existing rights-of-way. If the cost of obtaining new rights-of-way or renewing existing rights-of-way increases, then our cash flows could be reduced.

The success of our operations depends upon our ability to continually find and contract for new sources of natural gas supply from unrelated third parties.

Our agreements with most of the producers with which our operations do business generally do not require them to dedicate significant amounts of undeveloped acreage to our systems. While we do have some undeveloped acreage dedicated on our systems, most notably with our partner Pioneer with respect to our WestTX system, we do not have assured sources to provide us with new wells to connect to our gathering systems. Failure to connect new wells, as described in The amount of natural gas we gather will decline over time unless we are able to attract new wells to connect to our gathering systems, above, will reduce our gross margin and cash flows.

Our operations currently depend on certain key producers for their supply of natural gas; the loss of any of these key producers could reduce our revenues.

During 2011, Apache, Inc., Bluestem Gas Marketing, BNK Petroleum, Inc., Chesapeake Energy Corporation, COG Operating LLC, Endeavor Energy Resources LP, Pioneer, Prime Operating Company, Range Resources, SandRidge Exploration and Production, LLC and XTO Energy Inc. accounted for a significant amount of our natural gas supply. If these producers reduce the volumes of natural gas that they supply to us, our gross margin and cash flows would be reduced unless we obtain comparable supplies of natural gas from other producers.

The curtailment of operations at, or closure of, any of our processing plants could harm our business.

If operations at any of our processing plants were to be curtailed, or closed, whether due to accident, natural catastrophe, environmental regulation or for any other reason, our ability to process natural gas from the relevant gathering system and, as a result, our ability to extract and sell NGLs, would be harmed. If this curtailment or stoppage were to extend for more than a short period, our gross margin and cash flows would be materially reduced.

We may face increased competition in the future.

We face competition for well connections. Carrera Gas Company, Copano Energy, LLC, DCP Midstream, LLC, Enogex, LLC and ONEOK, Inc. operate competing gathering systems and processing plants in our Velma service area. DCP Midstream, Hiland Partners, Lumen Midstream Partnership, LLC, Mustang Fuel Corporation,

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ONEOK Partners, SemGas, L.P. and Superior Natural Gas Corporation operate competing gathering systems and processing plants in our WestOK service area. Crosstex Energy Services, DCP Midstream, Southern Union Company, Targa Resources and West Texas Gas operate competing gathering systems and processing plants in our WestTX service area. Some of our competitors have greater financial and other resources than we do. If these companies become more active in our Mid-Continent service area, we may not be able to compete successfully with them in securing new well connections or retaining current well connections. If we do not compete successfully, the amount of natural gas we gather, process and treat will decrease, reducing our gross margin and cash flows.

The scope and costs of the risks involved in making acquisitions may prove greater than estimated at the time of the acquisition.

Any acquisition involves potential risks, including, among other things:

- the risk that reserves expected to support the acquired assets may not be of the anticipated magnitude or may not be developed as anticipated;
- mistaken assumptions about revenues and costs, including synergies;
- significant increases in our indebtedness and working capital requirements;
- delays in obtaining any required regulatory approvals or third party consents;
- the imposition of conditions on any acquisition by a regulatory authority;
- an inability to integrate successfully or timely the businesses we acquire;
- the assumption of unknown liabilities;
- limitations on rights to indemnity from the seller;
- the diversion of management s attention from other business concerns;
- increased demands on existing personnel;
- customer or key employee losses at the acquired businesses;
- the failure to realize expected growth or profitability; and
- potential environmental or regulatory liabilities and title problems.

The scope and cost of these risks may ultimately be materially greater than estimated at the time of the acquisition. Further, our future acquisition costs may be higher than those we have achieved historically. Any of these factors could adversely impact our future growth and our ability to service our debt.

We may be unsuccessful in integrating the operations from any future acquisitions with our operations and in realizing all of the anticipated benefits of these acquisitions.

We have an active, on-going program to identify potential acquisitions. Our integration of previously independent operations with our own can be a complex, costly and time-consuming process. The difficulties of combining these systems with existing systems include, among other things:

- operating a significantly larger combined entity;
- the necessity of coordinating geographically disparate organizations, systems and facilities;
- integrating personnel with diverse business backgrounds and organizational cultures;
- consolidating operational and administrative functions;
- integrating pipeline safety-related records and procedures;

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- integrating internal controls, compliance under the Sarbanes-Oxley Act of 2002 and other corporate governance matters;
- the diversion of management s attention from other business concerns; and
- customer or key employee loss from the acquired businesses.

Our investment and the additional overhead costs we incur to grow our NGL business may not deliver the expected incremental volume or cash flow. Costs incurred and liabilities assumed in connection with the acquisition and increased capital expenditures and overhead costs incurred to expand our operations could harm our business or future prospects, and result in significant decreases in our gross margin and cash flows.

Our construction of new assets may not result in revenue increases and is subject to regulatory, environmental, political, legal and economic risks, which could impair our results of operations and financial condition.

One of the ways we may grow our business is through the construction of new assets. The construction of additions or modifications to our existing systems and facilities, and the construction of new assets, involve numerous regulatory, environmental, political and legal uncertainties beyond our control and require the expenditure of significant amounts of capital. Any projects we undertake may not be completed on schedule at the budgeted cost, or at all. Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, if we expand a gathering system, the construction may occur over an extended period of time, and we will not receive any material increase in revenues until the project is completed. Moreover, we may construct facilities to capture anticipated future growth in production in a region in which growth does not materialize. Since we are not engaged in the exploration for, and development of, natural gas reserves, we often do not have access to estimates of potential reserves in an area before constructing facilities in the area. To the extent we rely on estimates of future production in our decision to construct additions to our systems, the estimates may prove to be inaccurate because there are numerous uncertainties inherent in estimating quantities of future production. As a result, new facilities may not be able to attract enough throughput to achieve our expected investment return, which could impair our results of operations and financial condition. In addition, our actual revenues from a project could materially differ from expectations as a result of volatility in the price of natural gas, the NGL content of the natural gas processed and other economic factors described in this section.

We continue to expand the natural gas gathering systems surrounding our other facilities in order to maximize plant throughput. In addition to the risks discussed above, expected incremental revenue from the recent projects could be reduced or delayed due to the following reasons:

- difficulties in obtaining equity or debt financing for additional construction and operating costs;
- difficulties in obtaining permits or other regulatory or third-party consents;
- additional construction and operating costs exceeding budget estimates;
- revenue being less than expected due to lower commodity prices or lower demand;
- difficulties in obtaining consistent supplies of natural gas; and
- terms in operating agreements that are not favorable to us.

We may not be able to execute our growth strategy successfully.

Our strategy contemplates substantial growth through both the acquisition of other gathering systems and processing assets and the expansion of our existing gathering systems and processing assets. Our growth strategy involves numerous risks, including:

we may not be able to identify suitable acquisition candidates;

we may not be able to make acquisitions on economically acceptable terms for various reasons, including limitations on access to capital and increased competition for a limited pool of suitable assets;

our costs in seeking to make acquisitions may be material, even if we cannot complete any acquisition we have pursued;

irrespective of estimates at the time we make an acquisition, the acquisition may prove to be dilutive to earnings and operating surplus;

we may encounter delays in receiving regulatory approvals or may receive approvals that are subject to material conditions;

we may encounter difficulties in integrating operations and systems; and

any additional debt we incur to finance an acquisition may impair our ability to service our existing debt.

Limitations on our access to capital or the market for our common units will impair our ability to execute our growth strategy.

Our ability to raise capital for acquisitions and other capital expenditures depends upon ready access to the capital markets. Historically, we have financed our acquisitions, and to a much lesser extent, expansions of our gathering systems by bank credit facilities and the proceeds of public and private debt and equity offerings of our common units and preferred units of our operating partnership. If we are unable to access the capital markets, we may be unable to execute our strategy of growth through acquisitions.

Our debt levels and restrictions in our existing credit facility could limit our ability to fund operations and pay required debt service.

We will need a portion of our cash flow to make principal and interest payments on our indebtedness, which will reduce the funds that would otherwise be available for operations and future business opportunities. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or delaying business activities, acquisitions, investments and/or capital expenditures, selling assets, restructuring or refinancing our indebtedness, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

Regulation of our gathering operations could increase our operating costs, decrease our revenues, or both.

Currently our gathering and processing of natural gas is exempt from regulation under the Natural Gas Act of 1938. However, the implementation of new laws or policies, or changed interpretations of existing laws, could subject our gathering and processing operations to regulation by the Federal Energy Regulatory Commission, which we refer to as FERC, under the Natural Gas Act, the Natural Gas Policy Act, or other laws. We expect that any such regulation would increase our costs, decrease our gross margin and cash flows, or both.

Even if our gathering and processing operations are not generally subject to regulation under the Natural Gas Act, FERC regulation will still affect our business and the market for our products. FERC s policies and practices affect a range of natural gas pipeline activities, including, for example, its policies on interstate natural gas pipeline open access transportation, ratemaking, capacity release, environmental protection and market center promotion, which indirectly affect intrastate markets. FERC has pursued pro-competitive policies in its regulation of interstate natural gas pipelines. We cannot assure you that FERC will continue this approach as it considers matters such as pipeline rates and rules and policies that may affect rights of access to natural gas transportation capacity.

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Since federal law generally leaves any economic regulation of natural gas gathering to the states, state and local regulations may also affect our business. Matters subject to such regulation include access, rates, terms of service and safety. For example, our gathering lines are subject to ratable take, common purchaser, and similar statutes in one or more jurisdictions in which we operate. Common purchaser statutes generally require gatherers to purchase without undue discrimination as to source of supply or producer, while ratable take statutes generally require gatherers to take, without discrimination, natural gas production that may be tendered to the gatherer for handling. Kansas, Oklahoma and Texas have adopted complaint-based regulation of natural gas gathering activities, which allows natural gas producers and shippers to file complaints with state regulators in an effort to resolve grievances relating to natural gas gathering access and discrimination with respect to rates or terms of service. Should a complaint be filed with the Texas Railroad Commission, Oklahoma Corporation Commission or Kansas Corporation Commission, or should one or more of these agencies become more active in regulating our industry, our revenues could decrease. Collectively, all of these statutes may restrict our right as an owner of gathering facilities to decide with whom we contract to purchase or gather natural gas.

Compliance with pipeline integrity regulations issued by Department of Transportation and state agencies could result in substantial expenditures for testing, repairs and replacement.

Department of Transportation and state agency regulations require pipeline operators to develop integrity management programs for transportation pipelines located in high consequence areas. The regulations require operators to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventative and mitigating actions.

While we do not believe that the cost of implementing integrity management program testing along segments of our pipeline will have a material effect on our results of operations, the costs of any repair, remediation, preventative or mitigating actions that may be determined to be necessary as a result of the testing program could be substantial.

Our midstream natural gas operations may incur significant costs and liabilities resulting from a failure to comply with new or existing environmental regulations or a release of regulated materials into the environment by us or the producers in our service areas.

The operations of our gathering systems, plants and other facilities, as well as the operations of the producers in our service areas, are subject to stringent and complex federal, state and local environmental laws and regulations. These laws and regulations can restrict or impact our business activities in many ways, including restricting the manner in which we, and our producers, dispose of substances, requiring remedial action to remove or mitigate contamination, and requiring capital expenditures to comply with control requirements. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, increased cost of operations, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Certain environmental statutes impose strict joint and several liability for costs required to clean up and restore sites where substances and wastes have been disposed or otherwise released. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of regulated substances or wastes into the environment.

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There is inherent risk of the incurrence of environmental costs and liabilities in our business due to our handling of natural gas and other petroleum products, air emissions related to our operations, historical industry operations including releases of regulated substances into the environment, and waste disposal practices. For example, an accidental release from one of our pipelines or processing facilities could subject us to substantial liabilities arising from environmental cleanup, restoration costs and natural resource damages, claims made by neighboring landowners and other third parties for personal injury and property damage, and fines or penalties for related violations of environmental laws or regulations. Moreover, the possibility exists that stricter laws, regulations or enforcement policies, including those relating to emissions from production, processing and transmission activities, could significantly increase our compliance costs and the cost of any remediation that may become necessary. Producers in our service areas may curtail or abandon exploration and production activities if any of these regulations cause their operations to become uneconomical. We may not be able to recover some or any of these costs from insurance.

Our midstream natural gas operations may incur significant costs and liabilities resulting from new environmental regulations related to climate change.

Federal and state governments are considering and/or implementing measures to reduce emissions of greenhouse gases, primarily through the development of greenhouse gas emission inventories emission limits in permits and/or greenhouse gas cap and trade programs. As an alternative to cap and trade programs, Congress may consider the implementation of a carbon tax program. Depending on the particular program, we could be required to purchase and surrender allowances, either for greenhouse gas emissions resulting from our operations or from combustion of fuels we process or be subject to emission limits in permits we require. Depending on the design and implementation of carbon tax programs, our operations could face additional taxes and higher costs of doing business. Although we would not be impacted to a greater degree than other similarly situated gatherers and processors of natural gas or NGLs, a stringent greenhouse gas control program could result in a significant effect on our cost of doing business.

Litigation or governmental regulation relating to environmental protection and operational safety may result in substantial costs and liabilities.

Our operations are subject to federal and state environmental laws under which owners of natural gas pipelines can be liable for clean-up costs and fines in connection with any pollution caused by their pipelines. We may also be held liable for clean-up costs resulting from pollution which occurred before our acquisition of the gathering systems. In addition, we are subject to federal and state safety laws that dictate the type of pipeline, quality of pipe protection, depth of pipelines, methods of welding and other construction-related standards. Any violation of environmental, construction or safety laws could impose substantial liabilities and costs on us.

We are also subject to the requirements of OSHA, and comparable state statutes. Any violation of OSHA could impose substantial costs on us.

We cannot predict whether or in what form any new legislation or regulatory requirements might be enacted or adopted, nor can we predict our costs of compliance. In general, we expect that new regulations would increase our operating costs and, possibly, require us to obtain additional capital to pay for improvements or other compliance action necessitated by those regulations.

We are subject to operating and litigation risks that may not be covered by insurance.

Our operations are subject to all operating hazards and risks incidental to gathering and processing natural gas and NGLs. These hazards include:

- damage to pipelines, plants, related equipment and surrounding properties caused by floods and other natural disasters;

- inadvertent damage from construction and farm equipment;
- leakage of natural gas, NGLs and other hydrocarbons;
- fires and explosions;
- other hazards, including those associated with high-sulfur content, or sour gas, that could also result in personal injury and loss of life, pollution and suspension of operations; and
- acts of terrorism directed at our pipeline infrastructure, production facilities and surrounding properties.

As a result, we may be a defendant in various legal proceedings and litigation arising from our operations. We may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for some of our insurance policies have increased substantially, and could escalate further. In some instances, insurance could become unavailable or available only for reduced amounts of coverage. For example, insurance carriers are now requiring broad exclusions for losses due to war risk and terrorist acts. If we were to incur a significant liability for which we were not fully insured, our gross margin and cash flows would be materially reduced.

The threat of terrorist attacks has resulted in increased costs, and future war or risk of war may adversely impact our results of operations and our ability to raise capital.

Terrorist attacks or the threat of terrorist attacks cause instability in the global financial markets and other industries, including the energy industry. Infrastructure facilities, including pipelines, production facilities, and transmission and distribution facilities, could be direct targets, or indirect casualties, of an act of terror. Our insurance policies generally exclude acts of terrorism. Such insurance is not available at what we believe to be acceptable pricing levels.

If we were characterized as a corporation for U.S. federal income tax purposes under current law, or if we were to become subject to entity-level taxation for U.S. federal and/or state income or franchise tax purposes as a result of future changes in law, our ability to pay interest and principal on the notes could be materially and adversely impacted.

We believe that, since 2000, we have qualified as a partnership for U.S. federal income tax purposes, which requires that 90% or more of our gross income for every taxable year consist of qualifying income, as defined in Section 7704 of the Internal Revenue Code of 1986, as amended. Qualifying income is defined as income and gains derived from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil, or products thereof), or the marketing of any mineral or natural resource (including fertilizer, geothermal energy, and timber). We may in fact not meet this requirement under current law, and we have not requested, and do not plan to request, a ruling from the Internal Revenue Service on this or any other matter affecting us. Moreover, current law may change so as to cause us to be treated as a corporation for U.S. federal income tax purposes or to subject us to state corporate income tax. For example, because of widespread state budget deficits, several states are evaluating ways to subject partnerships to entity level taxation through the imposition of state income, franchise or other forms of taxation.

If we were treated as a corporation for U.S. federal income tax purposes (or state income or franchise tax purposes) for any taxable year (including any prior taxable years for which the statute of limitations remains open), the resulting U.S. federal income tax and state income tax liability could result in a material reduction in our anticipated cash flow, which could adversely affect our ability to pay interest and principal on the notes.

Risks Related to Our Ownership Structure

Atlas Energy and its affiliates have conflicts of interest and limited fiduciary responsibilities, which may permit them to favor their own interests to the detriment of our unitholders.

Atlas Energy and its affiliates own and control our general partner, which also owns an 10.7% limited partner interest in us. We do not have any employees and rely solely on employees of Atlas Energy and its affiliates, who serve as our agents, including all of the senior managers who operate our business. A number of officers and employees of Atlas Energy also own interests in us. Conflicts of interest may arise between Atlas Energy, our general partner and its affiliates, on the one hand, and us, on the other hand. As a result of these conflicts, our general partner may favor its own interests and the interests of its affiliates over our interests and the interests of our unitholders. These conflicts include, among others, the following situations:

- Employees of Atlas Energy who provide services to us also devote significant time to the businesses of Atlas Energy in which we have no economic interest. If these separate activities are significantly greater than our activities, there could be material competition for the time and effort of the employees who provide services to our general partner, which could result in insufficient attention to the management and operation of our business.

- Neither our partnership agreement nor any other agreement requires Atlas Energy to pursue a future business strategy that favors us or use our assets for gathering or processing services we provide. Atlas Energy s directors and officers have a fiduciary duty to make these decisions in the best interests of the stockholders of Atlas Energy.

- Our general partner is allowed to take into account the interests of parties other than us, such as Atlas Energy, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to us.

- Our general partner controls the enforcement of obligations owed to us by our general partner and its affiliates.

Conflicts of interest with Atlas Energy and its affiliates, including the foregoing factors, could exacerbate periods of lower or declining performance, or otherwise reduce our gross margin and cash flows.

Cost reimbursements due to our general partner may be substantial.

We reimburse Atlas Energy, our general partner and its affiliates, including officers and directors of Atlas Energy, for all expenses they incur on our behalf. Our general partner has sole discretion to determine the amount of these expenses. In addition, Atlas Energy provides us with services for which we are charged reasonable fees as determined by Atlas Energy in its sole discretion. The reimbursement of expenses or payment of fees could adversely affect our ability to fund our operations and pay required debt service.

Our control of the WestOK and WestTX systems is limited by provisions of the limited liability company operating agreements with Anadarko and, with respect to the WestTX system, the operation and expansion agreement with Pioneer.

The managing member of each of the limited liability companies which owns the interests in the WestOK and WestTX systems is our subsidiary. However, the consent of Anadarko is required for specified extraordinary transactions, such as admission of new members, engaging in transactions with our affiliates not approved by the company conflicts committee, incurring debt outside the ordinary course of business and disposing of company assets above specified thresholds. The WestTX system is also governed by an operation and expansion agreement with Pioneer which gives system owners having at least a 60% interest in the system the right to approve the annual operating budget and capital investment budget and to impose other limitations on the operation of the system. Thus, a holder of a greater than 40% interest in the system would effectively have a veto right over the operation of the system. Pioneer currently owns an approximate 27% interest in the system.

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USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreement. We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offer. In consideration for issuing the exchange notes as contemplated by this prospectus, we will receive in exchange new issue notes in a like principal amount. We will cancel new issue notes surrendered in exchange for the exchange notes in the exchange offer. Accordingly, the issuance of the exchange notes will not result in any change in our outstanding indebtedness.

RATIO OF EARNINGS TO FIXED CHARGES

The table below sets forth the ratios of earnings to fixed charges for us for the periods indicated.

	Nine months ended September 30, 2011	Years ended December 31, 2010	2009	2008	2007	2006
Ratio of earnings to fixed charges[1]	11.10x	[2]	[3]	[4]	[5]	[6]

(1) Ratio of earnings to fixed charges means the ratio of income from continuing operations before income taxes and cumulative effect of accounting change, net, and fixed charges to fixed charges, where fixed charges are the interest on indebtedness, amortization of debt expense and estimated interest factor for rentals.
(2) Our earnings were insufficient to cover our fixed charges by $39.8 million for this period.
(3) Our earnings were insufficient to cover our fixed charges by $26.5 million for this period.
(4) Our earnings were insufficient to cover our fixed charges by $496.7 million for this period.
(5) Our earnings were insufficient to cover our fixed charges by $115.9 million for this period.
(6) Our earnings were insufficient to cover our fixed charges by $4.2 million for this period.

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CAPITALIZATION

The following table sets forth our consolidated capitalization as of September 30, 2011 (i) on an actual basis, and (ii) on a pro forma basis to give effect to the issuance of the new issue notes.

You should read the following table in conjunction with our historical consolidated financial statements and related notes, Management s Discussion and Analysis of Financial Condition and Results of Operations and other financial information included elsewhere or incorporated by reference in this prospectus.

	As of September 30, 2011 (In thousands)	Pro forma (In thousands)
Cash and cash equivalents	$ 167	$ 167
Total debt:		
Senior secured revolving credit facility(1)	$ 198,500	$ 46,188
Senior unsecured notes	215,822	365,822
Other	11,659	11,659
Total debt	425,981	423,669
Partners capital:		
Common limited partners interests	1,281,650	1,281,650
General partner s interests	24,639	24,639
Accumulated other comprehensive loss	(6,106)	(6,106)
Total partners capital	1,300,183	1,300,183
Total capitalization	**$ 1,726,164**	**$ 1,723,852**

(1) As of December 12, 2011, we had $137.5 million outstanding under the existing credit facility, excluding outstanding letters of credit of $1.1 million.

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EXCHANGE OFFER

We sold the new issue notes on November 21, 2011 pursuant to the purchase agreement dated as of November 16, 2011 by and among us and the initial purchasers named therein. The new issue notes were subsequently offered by the initial purchasers to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons pursuant to Regulation S under the Securities Act.

Purpose of the Exchange Offer

We sold the new issue notes in transactions that were exempt from or not subject to the registration requirements under the Securities Act. Accordingly, the new issue notes are subject to transfer restrictions. In general, you may not offer or sell the new issue notes unless either they are registered under the Securities Act or the offer or sale is exempt from or not subject to registration under the Securities Act and applicable state securities laws.

In connection with the sale of the new issue notes, we entered into a registration rights agreement with the initial purchasers of the new issue notes. We are offering the exchange notes under this prospectus in an exchange offer for the new issue notes to satisfy our obligations under the registration rights agreement. During the exchange offer period, we will exchange the exchange notes for all new issue notes properly surrendered and not withdrawn before the expiration date. We have registered the exchange notes; the transfer restrictions, registration rights and provisions for additional interest relating to the new issue notes will not apply to the exchange notes.

Resale of Exchange Notes

Based on no-action letters of the SEC staff issued to third parties, we believe that exchange notes may be offered for resale, resold and otherwise transferred by you without further compliance with the registration and prospectus delivery provisions of the Securities Act if:

- you are not an affiliate of ours within the meaning of Rule 405 under the Securities Act;
- such exchange notes are acquired in the ordinary course of your business; and
- you do not intend to participate in a distribution of the exchange notes.

The SEC, however, has not considered the exchange offer for the exchange notes in the context of a no-action letter, and the SEC may not make a similar determination as in the no-action letters issued to these third parties.

If you tender in the exchange offer with the intention of participating in any manner in a distribution of the exchange notes, you

- cannot rely on such interpretations by the SEC staff; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

Unless an exemption from registration is otherwise available, any securityholder intending to distribute exchange notes should be covered by an effective registration statement under the Securities Act. The registration statement should contain the selling securityholder s information required by Item 507 of Regulation S-K under the Securities Act.

This prospectus may be used for an offer to resell, resale or other transfer of exchange notes only as specifically described in this prospectus. If you are a broker-dealer, you may participate in the exchange offer

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only if you acquired the new issue notes as a result of market-making activities or other trading activities. Each broker-dealer that receives exchange notes for its own account in exchange for new issue notes, where such new issue notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge by way of the letter of transmittal that it will deliver this prospectus in connection with any resale of the exchange notes. Please read the section captioned Plan of Distribution for more details regarding the transfer of exchange notes.

Terms of the Exchange Offer

Subject to the terms and conditions described in this prospectus and in the accompanying letter of transmittal, we will accept for exchange any new issue notes properly tendered and not withdrawn before 5:00 p.m., New York City time, on the expiration date of the exchange offer. We will issue exchange notes in principal amount equal to the principal amount of new issue notes surrendered in the exchange offer. New issue notes may be tendered only for exchange notes and only in a minimum denomination of $2,000, and thereafter in integral multiples of $1,000.

The exchange offer is not conditioned upon any minimum aggregate principal amount of new issue notes being tendered in the exchange offer.

This prospectus is being sent to DTC, the sole registered holder of the new issue notes, and to all persons that we can identify as beneficial owners of the new issue notes. There will be no fixed record date for determining registered holders of new issue notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Securities Exchange Act of 1934 and the rules and regulations of the SEC. New issue notes whose holders do not tender for exchange in the exchange offer will remain outstanding and continue to accrue interest. These new issue notes will be entitled to the rights and benefits such holders have under the indenture relating to the new issue notes and the registration rights agreement.

We will be deemed to have accepted for exchange properly tendered new issue notes when we have given oral or written notice of the acceptance to the exchange agent and complied with the applicable provisions of the registration rights agreement. The exchange agent will act as agent for the tendering holders for the purposes of receiving the exchange notes from us.

If you tender new issue notes in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the letter of transmittal, transfer taxes with respect to the exchange of new issue notes. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the exchange offer. Please read Fees and Expenses for more details regarding fees and expenses incurred in connection with the exchange offer.

We will return any new issue notes that we do not accept for exchange for any reason without expense to their tendering holder promptly after the expiration or termination of the exchange offer.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on , 2012, which is the 21st business day after the commencement of the exchange offer, unless, in our sole discretion, we extend it.

Extensions, Delays in Acceptance, Termination or Amendment

We expressly reserve the right, at any time or various times, to extend the period of time during which the exchange offer is open. We may delay acceptance of any new issue notes by giving oral or written notice of such extension to their holders at any time until the exchange offer expires or terminates. During any such extensions, all new issue notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange.

To extend the exchange offer, we will notify the exchange agent orally or in writing of any extension. We will notify the registered holders of new issue notes of the extension no later than 9:00 a.m. New York City time on the business day after the previously scheduled expiration date.

If any of the conditions described below under Conditions to the Exchange Offer have not been satisfied, we reserve the right, in our sole discretion

- to delay accepting for exchange any new issue notes,
- to extend the exchange offer, or
- to terminate the exchange offer,

by giving oral or written notice of such delay, extension or termination to the exchange agent. Subject to the terms of the registration rights agreement. We also reserve the right to amend the terms of the exchange offer in any manner.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice to holders of the new issue notes. If we amend the exchange offer in a manner that we consider a material change, we will promptly disclose the amendment by means of a prospectus supplement. The prospectus supplement will be distributed to holders of the new issue notes. If an amendment constitutes a material change to the exchange offer, including the waiver of a material condition, we will extend the exchange offer, if necessary, to remain open for at least five business days after the date of the amendment.

Conditions to the Exchange Offer

We will not be required to accept for exchange, or exchange any exchange notes for, any new issue notes if the exchange offer, or the making of any exchange by a holder of new issue notes, would violate applicable law or any applicable interpretation of the staff of the SEC. Similarly, we may terminate the exchange offer as provided in this prospectus before accepting new issue notes for exchange in the event of such a potential violation.

We will not be obligated to accept for exchange the new issue notes of any holder that has not made to us the representations described under Procedures for Tendering and Plan of Distribution and such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to allow us to use an appropriate form to register the exchange notes under the Securities Act.

Additionally, we will not accept for exchange any new issue notes tendered, and will not issue exchange notes in exchange for any such new issue notes, if at such time any stop order has been threatened or is in effect with respect to the exchange offer registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939.

We expressly reserve the right to amend or terminate the exchange offer, and to reject for exchange any new issue notes not previously accepted for exchange, upon the occurrence of any of the conditions to the exchange offer specified above. We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the new issue notes as promptly as practicable.

These conditions are for our sole benefit, and we may assert them or waive them in whole or in part at any time or at various times before the expiration of the exchange offer in our sole discretion. If we fail at any time to

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exercise any of these rights, this failure will not mean that we have waived our rights. Each such right will be deemed an ongoing right that we may assert at any time or at various times before the expiration of the exchange offer.

Procedures for Tendering

To participate in the exchange offer, you must properly tender your new issue notes to the exchange agent as described below. We will only issue exchange notes in exchange for new issue notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the new issue notes, and you should follow carefully the instructions on how to tender your new issue notes. It is your responsibility to properly tender your new issue notes. We have the right to waive any defects. However, we are not required to waive defects, and neither we, nor the exchange agent is required to notify you of defects in your tender.

If you have any questions or need help in exchanging your new issue notes, please call the exchange agent whose address and phone number are described in the letter of transmittal.

We issued all of the new issue notes in book-entry form, and all of the new issue notes are currently represented by global certificates registered in the name of Cede & Co., the nominee of DTC. We have confirmed with DTC that the new issue notes may be tendered using ATOP. The exchange agent will establish an account with DTC for purposes of the exchange offer promptly after the commencement of the exchange offer, and DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer their new issue notes to the exchange agent using the ATOP procedures. In connection with the transfer, DTC will send an agent s message to the exchange agent. The agent s message will state that DTC has received instructions from the participant to tender new issue notes and that the participant agrees to be bound by the terms of the letter of transmittal.

By using the ATOP procedures to exchange new issue notes, you will not be required to deliver a letter of transmittal to the exchange agent. However, you will be bound by its terms just as if you had signed it.

Guaranteed delivery. There is no procedure for guaranteed late delivery of the new issue notes.

Determinations under the exchange offer. We will determine in our sole discretion all questions as to the validity, form, eligibility, time of receipt, acceptance of tendered new issue notes and withdrawal of tendered new issue notes. Our determination will be final and binding. We reserve the absolute right to reject any new issue notes not properly tendered or any new issue notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defect, irregularities or conditions of tender as to particular new issue notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, all defects or irregularities in connection with tenders of new issue notes must be cured within such time as we shall determine. Although we intend to notify holders of defects or irregularities with respect to tenders of new issue notes, neither we, the exchange agent nor any other person will incur any liability for failure to give such notification. Tenders of new issue notes will not be deemed made until such defects or irregularities have been cured or waived. Any new issue notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned to the tendering holder as soon as practicable following the expiration date of the exchange.

When we will issue exchange notes. In all cases, we will issue exchange notes for new issue notes that we have accepted for exchange under the exchange offer only after the exchange agent receives, before 5:00 p.m., New York City time, on the expiration date,

- a book-entry confirmation of such new issue notes into the exchange agent s account at DTC; and a properly transmitted agent s message.

Return of new issue notes not accepted or exchanged. If we do not accept any tendered new issue notes for exchange or if new issue notes are submitted for a greater principal amount than the holder desires to exchange, we will return the unaccepted or non-exchanged new issue notes without charge to their tendering holder. Such non-exchanged new issue notes will be credited to an account maintained with DTC. These actions will occur as promptly as practicable after the expiration or termination of the exchange offer.

Your representations to us. By agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

any exchange notes that you receive will be acquired in the ordinary course of your business;

you have no arrangement or understanding with any person or entity to participate in the distribution of the exchange notes;

you are not engaged in and do not intend to engage in the distribution of the exchange notes;

if you are a broker-dealer that will receive exchange notes for your own account in exchange for new issue notes, you acquired those new issue notes as a result of market-making activities or other trading activities and you will deliver this prospectus, as required by law, in connection with any resale of the exchange notes; and

you are not an affiliate, as defined in Rule 405 under the Securities Act, of ours.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. For a withdrawal to be effective you must comply with the appropriate ATOP procedures. Any notice of withdrawal must specify the name and number of the account at DTC to be credited with withdrawn new issue notes and otherwise comply with the ATOP procedures.

We will determine all questions as to the validity, form, eligibility and time of receipt of a notice of withdrawal. Our determination shall be final and binding on all parties. We will deem any new issue notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any new issue notes that have been tendered for exchange but that are not exchanged for any reason will be credited to an account maintained with DTC for the new issue notes. This return or crediting will take place as soon as practicable after withdrawal, rejection of tender, expiration or termination of the exchange offer. You may retender properly withdrawn new issue notes by following the procedures described under Procedures for Tendering above at any time on or before the expiration date of the exchange offer.

Fees and Expenses

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, we may make additional solicitation by telephone or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses.

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We will pay the cash expenses to be incurred in connection with the exchange offer. They include:

- SEC registration fees;
- fees and expenses of the exchange agent and trustee;
- accounting and legal fees and printing costs; and
- related fees and expenses.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of new issue notes under the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if a transfer tax is imposed for any reason other than the exchange of new issue notes under the exchange offer.

Consequences of Failure to Exchange

If you do not exchange your new issue notes for exchange notes under the exchange offer, the new issue notes you hold will continue to be subject to the existing restrictions on transfer. In general, you may not offer or sell the new issue notes except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not intend to register new issue notes under the Securities Act unless the registration rights agreement requires us to do so.

Accounting Treatment

We will record the exchange notes in our accounting records at the same carrying value as the new issue notes. This carrying value is the aggregate principal amount of the new issue notes, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer.

Other

Participation in the exchange offer is voluntary, and you should consider carefully whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered new issue notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any new issue notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered new issue notes.

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DESCRIPTION OF OTHER INDEBTEDNESS

Existing Credit Facility

We have a $450.0 million, after the exercise in July 2011 of the $100.0 million accordion feature, senior secured revolving credit facility with a syndicate of banks which matures in December 2015. Up to $50.0 million of the revolving credit facility may be utilized for letters of credit, of which $1.1 million was outstanding at September 30, 2011. These outstanding letter of credit amounts were not reflected as borrowings on our consolidated balance sheet. As of September 30, 2011, on an as adjusted basis after giving effect to the issuance of the new issue notes and the use of offering proceeds therefrom, we would have had approximately $46.2 million of borrowings and $403.8 million of available capacity for additional borrowings and letters of credit under our existing credit facility, excluding $1.1 million in outstanding letters of credit.

Borrowings under the credit facility are secured by a lien on and security interest in all of our property and that of our subsidiaries, except for the assets owned by the WestOK and WestTX joint ventures. Borrowings are also secured by the guaranty of each of our consolidated subsidiaries other than the joint venture companies.

We may prepay all loans under the existing credit facility at any time without premium or penalty (other than customary LIBOR breakage costs), subject to certain notice requirements. The existing credit facility requires mandatory prepayments of amounts outstanding thereunder with the net proceeds of certain asset sales (other than equity issuances), debt incurrences and insurance and condemnation events, but these mandatory prepayments do not require any reduction of the lenders commitments under the existing credit facility.

Borrowings under the existing credit facility bear interest, at our option, at either (i) the higher of (a) the prime rate, (b) the federal funds rate plus 0.50% or (c) three-month LIBOR plus 1.0%, or (ii) the LIBOR rate for the applicable period (each plus the applicable margin). The weighted average interest rate on the outstanding borrowings at September 30, 2011 was 3.2%. The applicable margins used in determining our interest rate vary quarterly based on our consolidated funded debt ratio (as defined in the existing credit facility, being generally computed as the ratio of total funded debt to consolidated earnings before interest, taxes, depreciation, amortization and certain other non-cash charges) as follows:

Consolidated Funded Debt Ratio	LIBOR +	Base Rate +
Less than 3.00 to 1.00	2.50%	1.50%
Greater than or equal to 3.00 to 1.00, but less than 3.50 to 1.00	2.75%	1.75%
Greater than or equal to 3.50 to 1.00, but less than 4.00 to 1.00	3.00%	2.00%
Greater than or equal to 4.00 to 1.00, but less than 4.50 to 1.00	3.25%	2.25%
Greater than or equal to 4.50 to 1.00	3.50%	2.50%

The existing credit facility includes financial covenants that are tested on a quarterly basis, based on the rolling four-quarter period that ends on the last day of each fiscal quarter. The existing credit facility requires us to maintain the following ratios:

- Consolidated funded debt ratio of less than 5.00 to 1.00
- Consolidated senior secured funded debt ratio of less than 3.00 to 1.00
- Interest coverage ratio of greater than 2.50 to 1.00

In addition, the existing credit facility contains various covenants that, among other restrictions, will limit our ability to grant or assume liens; make investments; incur or assume indebtedness; engage in mergers or acquisitions; sell, transfer, assign or convey assets; repurchase our equity, make distributions and certain other restricted payments; change the nature of our business; engage in transactions with affiliates; enter into certain burdensome agreements; make certain amendments to our or our subsidiaries organizational documents; prepay the notes and certain other indebtedness; and enter into certain hedging contracts. The events which constitute an

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event of default include payment defaults, breaches of representations or covenants contained in the credit agreement, adverse judgments against us in excess of a specified amount, and a change of control of our general partner.

The First Issue Notes

At September 30, 2011, we had $215.8 million principal amount outstanding of our first issue notes. Previously, on April 7, 2011, we purchased $7.2 million, or 3.24%, of the first issue notes, which represented all the first issue notes validly tendered pursuant to our offer to purchase the first issue notes, at par, and paid $0.2 million in accrued and unpaid interest for a total payment of $7.4 million. We funded the purchase from a portion of the net proceeds from the sale of our 49% non-controlling interest in Laurel Mountain.

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DESCRIPTION OF THE EXCHANGE NOTES

You can find the definitions of certain terms in this description under the subheading   Definitions.   In this description, the word   Issuers   refers to Atlas Pipeline Partners, L.P. and Atlas Pipeline Finance Corporation and not to any of their subsidiaries, any reference to the   Company   refers only to Atlas Pipeline Partners, L.P. and not to any of its subsidiaries and any reference to   Finance Co.   refers to Atlas Pipeline Finance Corporation.

The Issuers will issue the exchange notes under the Indenture dated June 27, 2008 (the   Indenture) among the Issuers, the Subsidiary Guarantors and Wachovia Bank, National Association, as trustee (the   Trustee). The terms of the notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (the   Trust Indenture Act).

The following description is a summary of the material provisions of the Indenture. We urge you to read the Indenture because it, and not this description, defines your rights as a holder of these notes. Copies of the Indenture are available upon request from the Company and are also filed as exhibits to the registration statement of which this prospectus forms a part.

If the exchange offer is consummated, holders who do not exchange their new issue notes for exchange notes will vote together with the holders of the exchange notes for all relevant purposes under the Indenture. In that regard, the Indenture requires that certain actions by the holders under the Indenture (including acceleration after an Event of Default) must be taken, and certain rights must be exercised, by specified minimum percentages of the aggregate principal amount of all notes issued under the Indenture. In determining whether holders of the requisite percentage in principal amount have given any notice, consent or waiver or taken any other action permitted under the Indenture, any new issue notes that remain outstanding after the exchange offer will be aggregated with the exchange notes, and the holders of these notes and exchange notes will vote together as a single series for all such purposes.

The Company sold its interest in NOARK Pipeline System, Limited Partnership in May 2009. Therefore, references to   Permitted Noark Distributions   in the Indenture and the following summary should be disregarded.

Brief Description of the Notes and the Guarantees

The Notes

The notes:

- are general unsecured, senior obligations of the Issuers;
- rank equally in right of payment to any existing and future unsecured senior obligations of either of the Issuers, but are effectively subordinated to all present and future secured obligations of either of the Issuers to the extent of the value of the collateral securing such obligations;
- rank senior in right of payment to any existing and future obligations of either Issuer that are, by their terms, subordinated to the notes;
- are effectively subordinated to all existing and future obligations of the Company s Subsidiaries that do not guarantee the notes; and
- are unconditionally guaranteed on a senior, unsecured basis by the Subsidiary Guarantors.

The Guarantees

Initially, the notes are guaranteed by our operating company, Atlas Pipeline Operating Partnership, L.P., which we refer to as the   Operating Company   in this description, and by all of our other existing subsidiaries (except Finance Co., Atlas Pipeline Mid-Continent WestOk and Atlas

Pipeline Mid-Continent WestTex and their respective subsidiaries, and APC Acquisition, LLC, which has no assets).

Each Guarantee of a Subsidiary Guarantor of these notes:

- is a general unsecured, senior obligation of that Subsidiary Guarantor;
- ranks equally in right of payment to any future unsecured senior obligations of the Subsidiary Guarantor, but is effectively subordinated to all present and future secured obligations of the Subsidiary Guarantor to the extent of the value of the collateral securing such obligations; and
- ranks senior in right of payment to any existing and future obligations of that Subsidiary Guarantor that are, by their terms, subordinated to its Guarantee.

As a result of the effective subordination described above, in the event of a bankruptcy, liquidation or reorganization of either Issuer, holders of these notes may recover less ratably than secured creditors of the Issuers and the Subsidiary Guarantors and all creditors of the Company s Subsidiaries that are not Subsidiary Guarantors.

As of September 30, 2011, on an as adjusted basis after giving effect to the issuance of the new issue notes and the use of offering proceeds therefrom, we would have had approximately $46.2 million of borrowings and $403.8 million of available capacity for additional borrowings and letters of credit under our existing credit facility, excluding $1.1 million in outstanding letters of credit, and Finance Co. (excluding its subsidiaries) would have no secured obligations outstanding. On the same basis, the Subsidiary Guarantors would not have secured obligations outstanding other than their guarantees under the Credit Facilities.

All of our Subsidiaries will be Subsidiary Guarantors (except Finance Co., Atlas Pipeline Mid-Continent WestOk and Atlas Pipeline Mid-Continent WestTex and their respective subsidiaries, and APC Acquisition, LLC, which has no assets) and Restricted Subsidiaries. Certain Subsidiaries in the future may not be Subsidiary Guarantors. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor subsidiaries, the non-guarantor subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us. Also, under the circumstances described below under the subheading Covenants Designation of Restricted and Unrestricted Subsidiaries, we will be permitted to designate certain of our Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture. Unrestricted Subsidiaries will not guarantee the notes.

Principal, Maturity and Interest

The Indenture is unlimited in aggregate principal amount. Subject to compliance with the covenant described below under Incurrence of Indebtedness and issuance of Disqualified Equity, we may issue additional notes from time to time under the Indenture. The notes and any additional notes subsequently issued under the Indenture, together with any exchange notes, will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Issuers will issue notes in denominations of $2,000 and integral multiples of $1,000 above such amount. The notes will mature on June 15, 2018.

Interest on the notes will accrue at the rate of 8 3/4% per annum and will be payable semi-annually in arrears on June 15 and December 15. The Issuers will make each interest payment to the holders of record of these notes on the immediately preceding June 1 and December 1.

Interest on the exchange notes will accrue from December 15, 2011. Additional interest may accrue on the notes in certain circumstances described under Registration Rights; Additional Interest, and all references to interest in this description include any additional interest that may be payable on the notes. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

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Registration Rights; Additional Interest

If we have not exchanged the exchange notes for all new issue notes validly tendered in accordance with the terms of an exchange offer on or before the 360th day after the original issue date of the new issue notes or, if applicable, a shelf registration statement covering resales of the new issue notes has not been declared effective on or prior to the 90th day after the we are required to file a shelf registration statement or such shelf registration statement ceases to be effective at any time during the shelf registration period (subject to certain exceptions), then additional interest shall accrue on the principal amount of the new issue notes at a rate of 0.25% per annum for the first 90-day period immediately following such date and by an additional 0.25% per annum with respect to each subsequent 90-day period, up to a maximum additional rate of 1.0% per annum over the interest rate, until the exchange offer is completed, the shelf registration statement is declared effective or, if such shelf registration statement ceases to be effective, again becomes effective or until the second anniversary of the original issue date of the notes, unless such period is extended, as described in the registration rights agreement.

Methods of Receiving Payments on the Notes

If a holder has given wire transfer instructions to the Issuers, the Issuers will make all payments of principal of, premium, if any, and interest on the notes in accordance with those instructions. All other payments on these notes will be made at the office or agency of the Paying Agent within the City and State of New York, unless the Issuers elect to make interest payments by check mailed to the holders at their address set forth in the register of holders.

Paying Agent and Registrar for the Notes

The Trustee will initially act as paying agent (the Paying Agent) and registrar (the Registrar). The Issuers may change the Paying Agent or Registrar without prior notice to the holders of the notes, and the Issuers or any of their Subsidiaries may act as Paying Agent or Registrar other than in connection with the discharge or defeasance provisions of the Indenture.

Transfer and Exchange

A holder may transfer or exchange notes in accordance with the Indenture. The Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuers are not required to transfer or exchange any note selected for redemption or repurchase (except in the case of a note to be redeemed or repurchased in part, the portion not to be redeemed or repurchased). Also, the Issuers are not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed or between a record date and the next succeeding interest payment date.

The registered holder of a note will be treated as the owner of it for all purposes, and all references in this description to holders are to holders of record.

The Guarantees

Initially, all of our Restricted Subsidiaries (except Finance Co., Atlas Pipeline Mid-Continent WestOk and Atlas Pipeline Mid-Continent WestTex, and their respective subsidiaries, and APC Acquisition, LLC, which has no assets) will guarantee our Obligations under the notes and the Indenture. In the future, our Restricted Subsidiaries will be required to guarantee our Obligations under the notes and the Indenture in the circumstances described below under Covenants Additional subsidiary guarantees.

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The Subsidiary Guarantors will jointly and severally guarantee on a senior basis the Issuers Obligations under the notes. The obligations of each Subsidiary Guarantor under its Guarantee will rank equally in right of payment with other obligations of such Subsidiary Guarantor, except to the extent such other obligations are expressly subordinate to the obligations arising under the Guarantee. However, the notes will be structurally subordinated to the secured obligations of our Subsidiary Guarantors to the extent of the value of the collateral securing such obligations. The obligations of each Subsidiary Guarantor under its Guarantee will be limited as necessary to prevent that Guarantee from constituting a fraudulent conveyance under applicable law.

Not all of the Company s Subsidiaries will Guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer. For the nine months ended September 30, 2011, the non-guarantor Subsidiaries generated approximately 80% of the Company s total revenue. In addition, as of September 30, 2011, the non-guarantor Subsidiaries held approximately $1.4 billion, or approximately 76%, of the Company s consolidated assets and had liabilities of $411.3 million.

A Subsidiary Guarantor may not consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person), another Person, except the Company or another Subsidiary Guarantor unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) the Person formed by or surviving any such consolidation or merger assumes all the Obligations of that Subsidiary Guarantor pursuant to a supplemental indenture satisfactory to the Trustee, except as provided in the next paragraph.

The Guarantee of a Subsidiary Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the Company applies the Net Proceeds of that sale or other disposition in accordance with the applicable provisions of the Indenture applicable to Asset Sales; or

(2) in connection with any sale or other disposition of all of the Equity Interests of a Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the Company applies the Net Proceeds of that sale in accordance with the applicable provisions of the Indenture applicable to Asset Sales; or

(3) if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the Indenture; or

(4) upon Legal Defeasance as described below under the caption Legal Defeasance and Covenant Defeasance or upon satisfaction and discharge of the Indenture as described below under the caption Satisfaction and Discharge.

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Optional Redemption

Schedule of redemption prices

Except as described below, the notes are not redeemable until June 15, 2013. On and after such date, the Issuers may redeem all or, from time to time, a part of the notes upon not less than 30 nor more than 60 days notice, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest on the notes, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on June of the years indicated below:

Year	Percentage
2013	104.375%
2014	102.917%
2015	101.458%
2016 and thereafter	100.000%

Make Whole

In addition, before June 15, 2013, the Issuers may redeem all or, from time to time, a part of the notes upon not less than 30 nor more than 60 days notice, at a redemption price equal to:

100% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date), plus

the Make Whole Amount.

Make Whole Amount means, with respect to any note at any redemption date, the greater of (A) 1.0% and (B) the excess, if any, of (1) an amount equal to the present value of (a) the redemption price of such note at June 15, 2013 plus (b) the remaining scheduled interest payments on the notes to be redeemed (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date) to June 15, 2013 (other than interest accrued to the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (2) the aggregate principal amount of the notes to be redeemed.

Treasury Rate means, at the time of computation, the yield to maturity of United States Treasury Securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two business days prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to June 15, 2013; provided, however, that if such period is not equal to the constant maturity of a United States Treasury Security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury Securities for which such yields are given, except that if the period from the redemption date to June 15, 2013 is less than one year, the weekly average yield on actually traded United States Treasury Securities adjusted to a constant maturity of one year shall be used.

The Treasury Rate shall be calculated on the third business day preceding the redemption date. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward.

Selection and notice

If less than all of the notes are to be redeemed at any time, the Trustee will select notes for redemption as follows:

(1) if the notes are listed, in compliance with the requirements of the principal national securities exchange on which the notes are listed; or

(2) if the notes are not so listed or there are no such requirements, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate.

No notes of $2,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address. Notice of any redemption may not be conditional.

If any note is to be redeemed in part only, the notice of redemption that relates to that note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the holder thereof upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of them called for redemption unless the Issuers default in making such redemption payment.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of notes will have the right to require the Issuers to repurchase all or any part (equal to $1,000 or an integral multiple thereof, provided that no note of an aggregate amount of less than $2,000 shall remain outstanding) of that holder s notes pursuant to the Change of Control Offer. In the Change of Control Offer, the Issuers will offer a change of control payment (the Change of Control Payment) in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest thereon, if any, to the date of purchase (the Change of Control Payment Date), subject to the rights of any holder in whose name a note is registered on a record date occurring prior to the Change of Control Payment Date to receive interest on an interest payment date that is on or prior to such Change of Control Payment Date. Within 30 days following any Change of Control, the Issuers will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering (the Change of Control Offer) to repurchase notes on the Change of Control Payment Date specified in such notice, pursuant to the procedures required by the Indenture and described in such notice. The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Change of Control provisions of the Indenture by virtue of such conflict.

On the Change of Control Payment Date, the Issuers will, to the extent lawful:

(1) accept for payment all notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all notes or portions thereof so tendered; and

(3) deliver or cause to be delivered to the Trustee the notes so accepted together with an officers certificate stating the aggregate principal amount of notes or portions thereof being purchased by the Issuers.

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The Paying Agent will promptly mail to each holder of notes so tendered the Change of Control Payment for such notes (or, if all the notes are then in global form, make such payment through the facilities of DTC), and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each such new note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof. The Issuers will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuers to make a Change of Control Offer following a Change of Control will be applicable regardless of whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holder of the notes to require that the Issuers repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

The Credit Agreement provides that certain change of control events with respect to the Company would constitute a default under the agreements governing such Indebtedness. Any future credit agreements or other agreements relating to Indebtedness to which the Company becomes a party may contain similar restrictions and provisions. Moreover, the exercise by the holders of their right to require the Issuers to repurchase the notes could cause a default under such Indebtedness, even if the Change of Control does not, due to the financial effect of such a repurchase on the Company. If a Change of Control occurs at a time when the Company is prohibited from purchasing notes, the Company could seek the consent of the lenders of the borrowings containing such prohibition to the purchase of notes or could attempt to refinance such borrowings. If the Company does not obtain such a consent or repay such borrowings, the Company will remain prohibited from purchasing notes. In such case, the Company s failure to purchase tendered notes would constitute an Event of Default under the Indenture which would, in turn, in all likelihood constitute a default under such borrowings. Finally, the Issuers ability to pay cash to the holders upon a repurchase may be limited by the Company s then existing financial resources. We cannot assure you that sufficient funds will be available when necessary to make any required repurchases.

Notwithstanding the preceding paragraphs of this covenant, the Issuers will not be required to make a Change of Control Offer upon a Change of Control and a holder will not have the right to require the Issuers to repurchase any notes pursuant to a Change of Control Offer if (i) a third party makes an offer to purchase the notes in the manner, at the times and otherwise in substantial compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer and purchases all notes validly tendered and not withdrawn under such purchase offer or (ii) an irrevocable notice of redemption to purchase all outstanding notes at a purchase price equal to at least 101% of the aggregate principal amount of such notes has been given pursuant to Optional Redemption above, unless and until the Issuers have defaulted in the payment of the applicable redemption price.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon the occurrence of such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer. Notes repurchased by the Issuers pursuant to a Change of Control Offer will have the status of notes issued but not outstanding or will be retired and cancelled, at either of the Issuers option. Notes purchased by a third party pursuant to the preceding paragraph will have the status of notes issued and outstanding.

Notwithstanding the foregoing, the Issuers shall not be required to make a Change of Control Offer, as provided above, if, in connection with or in contemplation of any Change of Control, they have made an offer to purchase (an Alternate Offer) any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and have purchased all Notes properly tendered in accordance with the terms of such Alternate Offer.

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The definition of Change of Control includes a phrase relating to the sale, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the Company to repurchase such notes as a result of a sale, transfer, lease, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) such fair market value is determined in good faith by (a) an executive officer of the General Partner if the value is less than $20.0 million, as evidenced by an officers certificate delivered to the Trustee or (b) the Board of Directors of the General Partner if the value is $20.0 million or more, as evidenced by a resolution of such Board of Directors of the General Partner; and

(3) except in the case of a Permitted Asset Swap, at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following shall be deemed to be cash:

(i) any liabilities (as shown on the Company s or such Restricted Subsidiary s most recent balance sheet) of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the notes or any Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

(ii) any securities, notes or other Obligations received by the Company or any such Restricted Subsidiary from such transferee that are within 180 days after the Asset Sale converted by such Issuer or such Restricted Subsidiary into cash (to the extent of the cash received in that conversion).

Within 360 days after the receipt of any Net Proceeds from an Asset Sale (or within 90 days after such 360-day period in the event the Company enters into a binding commitment with respect to such application), the Company or a Restricted Subsidiary may apply such Net Proceeds at its option:

(1) to repay secured Indebtedness of the Company and/or its Restricted Subsidiaries and/or to satisfy all mandatory repayment obligations under the Credit Facilities arising by reason of such Asset Sale;

(2) to make a capital expenditure in a Permitted Business;

(3) to acquire other tangible assets that are used or useful in a Permitted Business; or

(4) to acquire all or substantially all of the assets of a Person engaged in a Permitted Business or Equity Interests of a Person engaged in a Permitted Business so long as such Person or the Person to which such assets are transferred is a Restricted Subsidiary.

Pending the final application of any such Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute Excess Proceeds . When the aggregate amount of Excess Proceeds exceeds $25.0 million, the

Issuers will make a pro rata offer (an Asset Sale Offer) to all holders of notes and, at the option of the issuers, all holders of other Indebtedness that is pari passu with the notes to purchase the maximum principal amount of notes and such other pari passu Indebtedness that may be purchased out of the Excess Proceeds; provided that notes tendered shall be given priority over any such other Indebtedness unless such other Indebtedness contains provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets in which case the notes and such other Indebtedness will be purchased on a pro rata basis. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture, including, without limitation, the repurchase or redemption of Indebtedness of the Issuers or any Subsidiary Guarantor that is subordinated to the notes or, in the case of any Subsidiary Guarantor, the Guarantee of such Subsidiary Guarantor. If the aggregate principal amount of notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds allocated for repurchases of notes pursuant to the Asset Sale Offer for notes, the Trustee shall select the notes to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such conflict.

Covenants

Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company s or any of its Restricted Subsidiaries Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company s or any of its Restricted Subsidiaries Equity Interests in their capacity as such (other than distributions or dividends payable in Equity Interests of the Company (other than Disqualified Equity) and other than distributions or dividends payable to the Company or a Restricted Subsidiary);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving an Issuer) any Equity Interests of the Company, any of its Restricted Subsidiaries or the General Partner or any other equity holder of the Issuer (other than any such Equity Interests owned by the Company or any of its Restricted Subsidiaries);

(3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Obligation or Guarantor Subordinated Obligation, except a scheduled payment of principal at the Stated Maturity thereof; or

(4) make any Investment other than a Permitted Investment

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as Restricted Payments), unless, at the time of and after giving effect to such Restricted Payment, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and either:

(1) if the Fixed Charge Coverage Ratio for the Company s four most recent fiscal quarters for which internal financial statements are available is equal to or greater than 1.75 to 1.0, such Restricted

Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries during the quarter in which such Restricted Payment is made, is less than the sum, without duplication, of:

(a) Available Cash from Operating Surplus as of the end of the immediately preceding quarter for which internal financial statements are available at the time of such Restricted Payment, plus

(b) the aggregate net cash proceeds of any (x) substantially concurrent capital contribution to the Company from any Person (other than a Restricted Subsidiary of the Company) made after the Issue Date or (y) substantially concurrent issuance and sale (other than to a Restricted Subsidiary of the Company) made after the Issue Date of Equity Interests (other than Disqualified Equity) of the Company or from the issuance or sale (other than to a Restricted Subsidiary of the Company) made after the Issue Date of convertible or exchangeable Disqualified Equity or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Disqualified Equity), plus

(c) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or Cash Equivalents or otherwise liquidated or repaid for cash or Cash Equivalents, the lesser of the refund of capital or similar payment made in cash or Cash Equivalents with respect to such Restricted Investment (less the cost of such disposition, if any) and the initial amount of such Restricted Investment (other than to a Restricted Subsidiary of the Company), plus

(d) the net reduction in Restricted Investments resulting from dividends, repayments of loans or advances, or other transfers of assets in each case to the Company or any of its Restricted Subsidiaries from any Person (including, without limitation, Unrestricted Subsidiaries) or from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, to the extent such amounts have not been included in Available Cash from Operating Surplus for any period commencing on or after the Issue Date (items (b), (c) and (d) being referred to as Incremental Funds), minus

(e) the aggregate amount of Incremental Funds previously expended pursuant to this clause (1) or clause (2) below or to make a Permitted Business Investment; or

(2) if the Fixed Charge Coverage Ratio for the Company s four most recent fiscal quarters for which internal financial statements are available is less than 1.75 to 1.0, such Restricted Payment (it being understood that the only Restricted Payments permitted to be made pursuant to this clause (2) are distributions on common units of the Company, plus the related distribution on the general partner interest), together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries during the quarter in which such Restricted Payment is made is less than the sum, without duplication, of:

(a) $120.0 million less the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries pursuant to this clause (2)(a) during the period beginning on the Issue Date and ending on the last day of the fiscal quarter of the Company immediately preceding the date of such Restricted Payment, plus

(b) Incremental Funds to the extent not previously expended pursuant to this clause (2) or clause (1) above.

So long as no Default has occurred and is continuing or would be caused thereby (except with respect to clause (1) below under which the payment of a distribution or dividend is permitted), the preceding provisions will not prohibit:

(1) the payment by the Company or any Restricted Subsidiary of any distribution or dividend or the consummation of any redemption of a Subordinated Obligation pursuant to an irrevocable notice of redemption within 60 days after the date of declaration of such dividend or distribution, or the giving of such irrevocable notice of redemption, if at said date of declaration or the date of such

notice of redemption, as applicable, such payment would have complied with the provisions of the Indenture;

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(2) the redemption, repurchase, retirement, defeasance or other acquisition of subordinated Indebtedness of the Company or any Subsidiary Guarantor or of any Equity Interests of the Company in exchange for, or out of the net cash proceeds of, a substantially concurrent (a) capital contribution to the Company from any Person (other than a Restricted Subsidiary of the Company) or (b) sale (other than to a Restricted Subsidiary of the Company) of Equity Interests (other than Disqualified Equity) of the Company; provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded or deducted from the calculation of Available Cash from Operating Surplus and Incremental Funds and from clause 1(b) of the preceding paragraph;

(3) the defeasance, redemption, repurchase or other acquisition of any Subordinated Obligation or Guarantor Subordinated Obligation with the net cash proceeds from an incurrence of, or in exchange for, Permitted Refinancing Indebtedness;

(4) the payment of any distribution or dividend by a Restricted Subsidiary to the Company or to the holders of its Equity Interests (other than Disqualified Equity) on a pro rata basis and Permitted Noark Distributions;

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company pursuant to any management equity subscription agreement or equity option agreement or other employee benefit plan or to satisfy obligations under any Equity Interests appreciation rights or option plan or similar arrangement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $3.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of $4.0 million in any calendar year);

(6) repurchases of Equity Interests deemed to occur upon exercise of stock options, warrants or other convertible securities if such Equity Interests represent a portion of the exercise price of such options, warrants or other convertible securities;

(7) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible or exchangeable for Equity Interests that are not derivative securities;

(8) in connection with an acquisition by the Company or any of its Restricted Subsidiaries, the return to the Company or any of its Restricted Subsidiaries of Equity Interests of the Company or its Restricted Subsidiaries constituting a portion of the purchase consideration in settlement of indemnification claims; and

(9) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Obligations pursuant to provisions in the documents governing such Subordinated Obligations similar to those described under the captions Repurchase at the Option of Holders Change of Control and Repurchase at the Option of Holders Asset Sales ; provided that all notes tendered in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value.

In computing the amount of Restricted Payments previously made for purposes of the first paragraph of this section, Restricted Payments made under clauses (1) (but only if the declaration of such dividend or other distribution has not been counted in a prior period) and (4) of this paragraph shall be included, and Restricted Payments made under clauses (2), (3), (5), (6), (7), (8) and (9) of this paragraph shall not be included. The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant shall be determined, in the case of amounts under $20.0 million, by an officer of the General Partner and, in the case of amounts over $20.0 million, by the Board of Directors of the General Partner whose Board Resolution with respect thereto shall be delivered to the Trustee.

Incurrence of Indebtedness and issuance of Disqualified Equity

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, incur) any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Equity and will not permit any of its Restricted Subsidiaries to issue any Disqualified Equity; provided that the Company and any Subsidiary Guarantor may incur Indebtedness (including Acquired Debt), and the Company and the Subsidiary Guarantors may issue Disqualified Equity, if the Fixed Charge Coverage Ratio for the Company s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Equity is issued would have been at least 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Equity had been issued, as the case may be, at the beginning of such four-quarter period.

So long as no Default shall have occurred and be continuing or would be caused thereby, the first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, Permitted Debt):

(1) the incurrence by the Company and any Subsidiary Guarantor of Indebtedness under Credit Facilities and the guarantees thereof; provided that the aggregate principal amount of all Indebtedness of the Company and the Restricted Subsidiaries incurred pursuant to this clause (1) and outstanding under all Credit Facilities after giving effect to such incurrence does not exceed the greater of (a) $680.0 million or (b) $320.0 million *plus* 20% of the Consolidated Net Tangible Assets of the Company, in each case less the aggregate amount of all repayments of Indebtedness under any Credit Facility that have been made by the Company or any of its Restricted Subsidiaries in respect of asset sales or casualty events to the extent such repayments constitute a permanent reduction of commitments under the terms of such Credit Facility;

(2) the incurrence by the Company and its Restricted Subsidiaries of Existing Indebtedness (other than under the Credit Agreement);

(3) the incurrence by the Company and the Subsidiary Guarantors of Indebtedness represented by the notes issued and sold in this offering and the related Guarantees and the exchange notes and the related Guarantees issued pursuant to the Registration Rights Agreement;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (4) not to exceed the greater of (a) $40.0 million at any time outstanding or (b) 2.5% of Consolidated Net Tangible Assets of the Company;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance, replace, defease or discharge, Indebtedness that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clause (2) or (3) of this paragraph or this clause (5);

(6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; provided that:

(a) if the Company is the obligor on such Indebtedness and a Subsidiary Guarantor is not the obligee, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the notes, or if a Subsidiary Guarantor is the obligor on such Indebtedness and neither the Company nor another Subsidiary Guarantor is the obligee, such

Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Guarantee of such Subsidiary Guarantor; and

(b)(i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary thereof and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging (but not for speculative purposes) (a) foreign currency exchange rate risks of the Company or any Restricted Subsidiary, (b) interest rate risks with respect to any floating rate Indebtedness of the Company or any Restricted Subsidiary that is permitted by the terms of the Indenture to be outstanding or (c) commodities pricing risks of the Company or any Restricted Subsidiary in respect of Hydrocarbons used, produced, processed or sold by the Company or any of its Restricted Subsidiaries;

(8) the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or any of its Restricted Subsidiaries that was permitted to be incurred by another provision of this covenant; provided that in the event such Indebtedness that is being guaranteed is a Subordinated Obligation or a Guarantor Subordinated Obligation, then the guarantee shall be subordinated in right of payment to the notes or the Guarantee, as the case may be;

(9) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, reclamation, statutory obligations, banks acceptances and bid, performance, surety and appeal bonds or other similar obligations incurred in the ordinary course of business, including guarantees and obligations respecting standby letters of credit supporting such obligations, to the extent not drawn (in each case other than an obligation for money borrowed);

(10) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness or the issuance of Disqualified Equity in an aggregate principal amount at any time outstanding not to exceed the greater of (a) $60.0 million at any time outstanding or (b) 3.0% of Consolidated Net Tangible Assets of the Company;

(11) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds;

(12) the incurrence of Indebtedness arising from agreements with the Company or any Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn outs, or similar obligations, in each case, incurred or assumed in connection with the disposition or acquisition of any business, assets or a Subsidiary in accordance with the terms of the Indenture, other than guarantees of Indebtedness incurred or assumed by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; and

(13) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness arising out of advances on trade receivables, factoring of receivables, customer prepayments and similar transactions in the ordinary course of business and consistent with past practice.

For purposes of determining compliance with this Incurrence of Indebtedness and issuance of Disqualified Equity covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (13) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify (or later reclassify in

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whole or in part) such item of Indebtedness in any manner that complies with this covenant. An item of Indebtedness may be divided and classified in one or more of the types of Permitted Indebtedness. Any Indebtedness under Credit Facilities on the Issue Date shall be considered incurred under clause (1) of this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Equity in the form of additional shares of the same class of Disqualified Equity will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Equity for purposes of this covenant; provided, in each such case, that the amount thereof is included in Fixed Charges of the Company as accrued.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness upon any asset now owned or hereafter acquired, except Permitted Liens, without making effective provision whereby all Obligations due under the notes and Indenture or any Guarantee, as applicable, will be secured by a Lien equally and ratably with (or prior to in the case of Liens with respect to Subordinated Obligations or Guarantor Subordinated Obligations, as the case may be) any and all Obligations thereby secured for so long as any such Obligations shall be so secured.

Layering Indebtedness

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur any Indebtedness that is or purports to be by its terms (or by the terms of any agreement governing such Indebtedness) subordinated to any other Indebtedness of the Company or of such Restricted Subsidiary, as the case may be, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made expressly subordinate to the notes or the Guarantee of such Restricted Subsidiary, to the same extent and in the same manner as such Indebtedness is subordinated to such other Indebtedness of the Company or such Restricted Subsidiary, as the case may be.

For purposes of the foregoing, no Indebtedness will be deemed to be subordinated in right of payment to any other Indebtedness of the Company or any Restricted Subsidiary solely by virtue of being unsecured or secured by a junior priority lien or by virtue of the fact that the holders of such Indebtedness have entered into intercreditor agreements or other arrangements giving one or more of such holders priority over the other holders in the collateral held by them.

Dividend and other payment restrictions affecting subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Equity Interests to the Company or any of the Company s Restricted Subsidiaries, or pay any indebtedness or other obligations owed to the Company or any of the other Restricted Subsidiaries (provided that the priority that any series of preferred stock of a Restricted Subsidiary has in receiving dividends or liquidating distributions before dividends or liquidating distributions are paid in respect of common stock of such Restricted Subsidiary shall not constitute a restriction on the ability to make dividends or distributions on Equity Interests for purposes of this covenant);

(2) make loans or advances to or make other investments in the Company or any of the other Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of the other Restricted Subsidiaries.

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However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements as in effect on the Issue Date (including the Credit Agreement) and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of any such agreements; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such distribution, dividend and other payment restrictions and loan or investment restrictions than those contained in such agreement, as in effect on the Issue Date;

(2) the Indenture, the notes and the Guarantees;

(3) applicable law, rule, regulation, order, licenses, permits or similar governmental, judicial or regulatory restriction;

(4) any instrument governing Indebtedness or Equity Interests of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the property or assets of any Person, other than such Person, or the property or assets of such Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(5) customary non-assignment provisions in Hydrocarbon purchase and sale or exchange agreements or similar operational agreements or in licenses and leases entered into in the ordinary course of business and consistent with past practices;

(6) Capital Lease Obligations, mortgage financings or purchase money obligations, in each case for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition; provided that such sale or disposition is consummated, or such restrictions are canceled or terminated or lapse, within by the later of (a) 90 days following the execution of such agreement and (b) the date on which any required regulatory approval in respect of such sale has been obtained;

(8) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens securing Indebtedness otherwise permitted to be incurred pursuant to the provisions of the covenant described above under the caption Liens that limit the right of the Company or any of its Restricted Subsidiaries to dispose of the assets subject to such Lien;

(10) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business that solely affect the assets or property that is the subject of such agreements and provided that in the case of joint venture agreements such provisions solely affect assets or property of the joint venture;

(11) any agreement or instrument relating to any property or assets acquired after the Issue Date, so long as such encumbrance or restriction relates only to the property or assets so acquired and is not and was not created in anticipation of such acquisitions;

(12) restrictions on cash or other deposits or net worth imposed by customers or lessors under contracts or leases entered into in the ordinary course of business; and

(13) Hedging Obligations incurred from time to time.

Merger, consolidation or sale of assets

Neither of the Issuers may, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Issuer is the survivor); or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to another Person; unless:

(1) either: (a) such Issuer is the surviving entity of such transaction; or (b) the Person formed by or surviving any such consolidation or merger (if other than such Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia; provided that Finance Co. may not consolidate or merge with or into any entity other than a corporation satisfying such requirement;

(2) the Person formed by or surviving any such consolidation or merger (if other than such Issuer) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made expressly assumes all the Obligations of such Issuer under the notes, the Indenture and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists;

(4) in the case of a transaction involving the Company and not Finance Co., the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company) will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption Incurrence of Indebtedness and issuance of Disqualified Equity ; provided that this clause (b) shall be suspended during any period in which we and our Restricted Subsidiaries are not subject to the Suspended Covenants; and

(5) such Issuer has delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger or disposition and, if a supplemental indenture is required, such supplemental indenture comply with the Indenture and all conditions precedent therein relating to such transaction have been satisfied.

Notwithstanding the preceding paragraph, the Company is permitted to reorganize as any other form of entity in accordance with the procedures established in the Indenture; provided that:

(1) the reorganization involves the conversion (by merger, sale, contribution or exchange of assets or otherwise) of the Company into a form of entity other than a limited partnership formed under Delaware law;

(2) the entity so formed by or resulting from such reorganization is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(3) the entity so formed by or resulting from such reorganization assumes all the Obligations of the Company under the notes and the Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(4) immediately after such reorganization no Default or Event of Default exists; and

(5) such reorganization is not adverse to the holders of the notes (for purposes of this clause (5) it is stipulated that such reorganization shall not be considered adverse to the holders of the notes solely because the successor or survivor of such reorganization (a) is subject to federal or state income taxation as an entity or (b) is considered to be an includible corporation of an affiliated group of corporations within the meaning of Section 1504(b)(i) of the Code or any similar state or local law).

Notwithstanding anything herein to the contrary, in the event the Company becomes a corporation or the Company or the Person formed by or surviving any consolidation or merger (permitted in accordance with the terms of the Indenture) is a corporation, Finance Co. may be dissolved in accordance with the Indenture and may cease to be an Issuer.

Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve all or substantially all of the properties or assets of a Person.

Transactions with affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an Affiliate Transaction), unless:

(1) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person or, if in the good faith judgment of the independent members of the Board of Directors of the General Partner no comparable transaction with an unrelated Person would be available, such independent directors determine in good faith that such Affiliate Transaction is fair to the Company from a financial point of view; and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $15.0 million but less than or equal to $30.0 million, an officers certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the General Partner; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $30.0 million, (i) a resolution of the Board of Directors of the General Partner set forth in an officers certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the General Partner and (ii) an opinion as to the fairness to the Company of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing recognized as an expert in rendering fairness opinions on transactions such as those proposed.

The following items shall not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment, equity option or equity appreciation agreement or plan entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) Restricted Payments that are permitted by the provisions of the Indenture described above under the caption Restricted Payments and Permitted Investments;

(4) transactions effected in accordance with the terms of agreements described in the offering memorandum related to the initial issuance of the notes under the caption Certain Relationships and Related Transactions as such agreements are in effect on the date of the Indenture, and any amendment or replacement of any of such agreements so long as such amendment or replacement agreement is no less advantageous to the Company in any material respect than the agreement so amended or replaced;

(5) customary compensation, indemnification and other benefits made available to officers, directors or employees of the Company or a Restricted Subsidiary, including reimbursement or advancement of out-of-pocket expenses and provisions of officers and directors liability insurance;

(6) gathering, transportation, marketing, hedging, production handling, operating, construction, terminalling, storage, lease, platform use, or other operational contracts, entered into in the ordinary course of business on terms substantially similar to those contained in similar contracts entered into by the Company or any Restricted Subsidiary with third parties, or if neither the Company nor any Restricted Subsidiary has entered into a similar contract with a third party, on terms that are no less favorable than those available from third parties on an arm s-length basis, as determined by the Board of Directors of the General Partner;

(7) the issuance or sale for cash of Equity Interests (other than Disqualified Equity);

(8) any transaction in which the Company or any of its Restricted Subsidiaries, as the case may be, deliver to the Trustee opinion from an accounting, appraisal or investment banking firm of national standing stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or that such transaction meets the requirements of clause (1) of the first paragraph of this covenant;

(9) guarantees of performance by the Company and its Restricted Subsidiaries of the Company s Unrestricted Subsidiaries in the ordinary course of business, except for guarantees of Indebtedness in respect of borrowed money;

(10) if such Affiliate Transaction is with a Person in its capacity as a holder of Indebtedness or Equity Interests of the Company or any Restricted Subsidiary where such Person is treated no more favorably than the holders of Indebtedness or Equity Interests of the Company or any Restricted Subsidiary who are unaffiliated with the Company and its Restricted Subsidiaries;

(11) transactions effected pursuant to agreements in effect on the Issue Date and any amendment, modification or replacement of such agreement (so long as such amendment or replacement is not in the good faith determination of the Board of Directors of the General Partner materially more disadvantageous to the holders of notes, taken as a whole than the original agreement as in effect on the Issue Date; and

(12) transactions between the Company and any Person, a director of which is also a director of the Company; provided that such director abstains from voting as a director of the Company on any matter involving such other Person.

Additional subsidiary guarantees

If any Restricted Subsidiary that is not already a Subsidiary Guarantor (including any newly-created or acquired Restricted Subsidiary) guarantees any other Indebtedness of either of the Issuers or any Indebtedness of the Operating Company or any other Subsidiary, or if the Operating Company, if not then a Subsidiary Guarantor, guarantees any other Indebtedness of either of the Issuers or any other Subsidiary or incurs any Indebtedness under any Credit Facility, then such, in each such case, such Subsidiary must become a Subsidiary Guarantor by executing a supplemental indenture satisfactory to the Trustee and delivering an opinion of counsel to the Trustee within 30 days of the date on which it became a Restricted Subsidiary or such other guarantee was executed or such Indebtedness incurred, as applicable. Notwithstanding the preceding, (i) any Guarantee of a Restricted Subsidiary that was incurred pursuant to this paragraph shall provide by its terms that it shall be automatically and unconditionally released