ATLAS PIPELINE PARTNERS LP
Form S-4/A
April 12, 2013
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As filed with the Securities and Exchange Commission on April 12, 2013

Registration No. 333-184804

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3

to

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. ¨

* See table of additional registrants.

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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	x	Accelerated filer	¨
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)**
6 $^5/_8$% Senior Notes due 2020	$500,000,000	100%	$500,000,000	$68,200(2)
Guarantees(3)				

(1) Determined in accordance with Rule 457(f)(2) under the Securities Act of 1933, as amended.
(2) $44,330 previously paid.
(3) 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.

Exact name of registrant	**Address, including zip code,**

as specified in its charter	State or other jurisdiction of incorporation or organization	I.R.S. Employer Identification Number	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	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Slider WestOk Gathering, LLC	Delaware	26-3063706	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Atlas Pipeline Mid-Continent Holdings, LLC	Delaware	37-1492980	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473

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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 Mid-Continent LLC	Delaware	37-1492980	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Atlas Chaney Dell, LLC	Delaware	42-1733101	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Atlas Midkiff, LLC	Delaware	42-1733099	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
NOARK Energy Services, L.L.C.	Oklahoma	73-1551901	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Velma Gas Processing Company, LLC	Delaware	45-1543387	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Atlas Pipeline NGL Holdings, LLC	Delaware	80-0710914	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Atlas Pipeline NGL Holdings II, LLC	Delaware	90-0699888	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
APL Laurel Mountain, LLC	Delaware	26-4834348	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Atlas Pipeline Tennessee, LLC	Pennsylvania	83-0504919	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
APL Barnett, LLC	Delaware	45-2561587	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119

			(877) 950-7473
Pecos Pipeline LLC	Delaware	26-3633417	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
Tesuque Pipeline, LLC	Delaware	27-0632723	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473

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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
APL Arkoma Holdings, LLC	Delaware	90-0918336	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
APL Arkoma Midstream, LLC	Delaware	27-3677594	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
APL Gas Treating LLC	Delaware	27-0592931	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (877) 950-7473
APL Arkoma, Inc.	Delaware	27-3684911	110 West 7th Street, Suite 2300 Tulsa, Oklahoma 74119 (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 April 12, 2013

Prospectus

ATLAS PIPELINE PARTNERS, L.P.

ATLAS PIPELINE FINANCE CORPORATION

Offer to Exchange

Registered 6 $^5/_8$% Senior Notes due 2020

for

All outstanding 6 $^5/_8$% Senior Notes due 2020 issued September 28, 2012

($500,000,000 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 6 $^5/_8$% Senior Notes due 2020 issued on September 28, 2012 and December 20, 2012 for our registered 6 $^5/_8$% Senior Notes due 2020. In this prospectus, we refer to the notes we originally issued on September 28, 2012 and December 20, 2012 as the new issue notes and the registered notes as 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 , 2013, 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 $6\,^{5}/_{8}$% per annum, semi-annually in arrears on each April 1 and October 1.

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 exchange 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 exchange 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 , 2013.

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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 , 2013 [5 business days before expiration date].

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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 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 factors, including those discussed in this prospectus under the headings 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 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

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the $365.8 million in outstanding principal amount of 8 3/4% senior notes due 2018 we originally issued on June 27, 2008 and November 21, 2011 are referred to as the existing notes, the $500.0 million of 6 5/8% senior notes due 2020 we issued on September 28, 2012 and December 20, 2012 are referred to as the new issue notes, the registered notes are referred to as the exchange notes, and the new issue notes and the exchange notes are collectively referred to as the notes.

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, Arkoma 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.

We conduct our business in the midstream segment of the natural gas industry through two reportable segments: Gathering and Processing; and Transportation, Treating and Other (Transportation and Treating).

The Gathering and Processing segment consists of (1) the Arkoma, WestOK, WestTX and Velma operations, which are comprised of natural gas gathering and processing assets servicing drilling activity in the Anadarko, Arkoma and Permian Basins; (2) natural gas gathering assets located in the Barnett Shale play in Texas and the Appalachian Basin in Tennessee; and (3) through the year ended December 31, 2011, the revenues and gain on sale related to our former 49% interest in Laurel Mountain Midstream, LLC (Laurel Mountain). Gathering and Processing revenues are primarily derived from the sale of residue gas and NGLs and the gathering processing of natural gas.

Our Gathering and Processing operations, own, have interests in and operate twelve natural gas processing plants with aggregate capacity of approximately 1,090 MMCFD located in Oklahoma and Texas; a gas treating facility located in Oklahoma; and approximately 10,100 miles of active natural gas gathering systems located in Oklahoma, Kansas, Tennessee and Texas. Our gathering systems gather natural gas from oil and natural gas wells and central delivery points and deliver to this gas to processing plants, as well as third-party pipelines.

Our Gathering and Processing operations are all located in or near areas of abundant and long-lived natural gas production, including the Golden Trend, Mississippian Limestone and Hugoton field in the Anadarko Basin; the Woodford Shale; the Spraberry Trend, which is an oil play with associated natural gas in the Permian Basin; and the Barnett Shale. Our gathering systems are connected to approximately 8,600 receipt points, consisting primarily of individual well connections and, secondarily, central delivery points, which are linked to multiple wells. We believe we have significant scale in each of our primary service areas. We provide gathering, processing and treating services to the wells connected to our systems, primarily under long-term contracts. As a result of the location and capacity of our gathering, processing and treating assets, we believe we are strategically positioned to capitalize on the drilling activity in our service areas.

Our Transportation and Treating operations consist of (1) seventeen gas treating facilities used to provide contract treating services to natural gas producers located in Arkansas, Louisiana, Oklahoma and Texas; and (2) a 20% interest in West Texas LPG Pipeline Limited Partnership (WTLPG), which owns a common-carrier pipeline system that transports NGLs from New Mexico and Texas to Mont Belvieu, Texas for fractionation.

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WTLPG is operated by Chevron Pipeline Company, an affiliate of Chevron Corporation, a Delaware corporation (Chevron NYSE: CVX), which owns the remaining 80% interest. The contract gas treating operations are located in various shale plays including the Avalon, Eagle Ford, Granite Wash, Haynesville, Fayetteville and Woodford.

In connection with the Cardinal Acquisition (see Recent Developments), we reviewed the acquired assets to determine the proper alignment of these assets within the existing reportable segments. The gas gathering and processing facilities acquired, along with their related assets, are included in the Gathering and Processing segment. The fixed fee contract gas treating business acquired in the Cardinal Acquisition generates revenue based upon monthly lease fees. We have included these assets in the Pipeline Transportation segment and renamed it Transportation, Treating and Other .

Recent Developments

In February 2012, we acquired a gas gathering system and related assets, at our WestOK system, for an initial net purchase price of $19.0 million. We agreed to pay up to an additional $12.0 million, payable in two equal amounts, subject to delivery of certain minimum volumes of natural gas from a specified area and within certain specified time periods (Trigger Payments). In connection with this acquisition, we received assignment of gas purchase agreements for gas then currently gathered on the acquired system.

In May 2012, we entered into an amendment to the revolving credit facility agreement, which among other changes: (1) increased the revolving credit facility from $450.0 million to $600.0 million; (2) extended the maturity date from December 22, 2015 to May 31, 2017; (3) reduced the Applicable Margin used to determine interest rates by 0.50%; (4) revised the negative covenants to (i) permit investments in joint ventures equal to the greater of 20% of Consolidated Net Tangible Assets (as defined in the Credit Agreement) or $340.0 million, provided we meet certain requirements, and (ii) increased the general investment basket to 5% of Consolidated Net Tangible Assets; (5) revised the definition of Consolidated EBITDA to provide for the inclusion of the first twelve months of projected revenues for identified capital expansion projects, upon completion of the projects up to a maximum of 15% of Consolidated Net Tangible Assets; and (6) provided for the option of requesting additional revolving credit commitments of up to $200.0 million (see Description of Other Indebtedness Existing Credit Facility).

In June 2012, we completed construction of, and started processing through, a 60 MMCFD cryogenic facility at the Velma gas processing facility, increasing capacity at Velma to 160 MMCFD. This expansion supports our long-term fee-based agreement with XTO Energy, Inc., a subsidiary of ExxonMobil, to provide natural gas gathering and processing services for up to an incremental 60 MMCFD from the Woodford Shale.

In June 2012, we acquired a gas gathering system and related assets in the Barnett Shale in Tarrant County, Texas for an initial net purchase price of $18.0 million. The system is used to facilitate gathering of newly-acquired natural gas production of our affiliate, Atlas Resource Partners, L.P. (ARP). We do not directly gather natural gas for ARP. Rather, we gather natural gas for a third party that purchases ARP s production. ARP s general partner is wholly-owned by ATLS, and two members of our General Partner s managing board are members of ARP s board of directors.

In September 2012, we issued $325.0 million of the new issue notes in a private placement transaction. The new issue notes were issued at par. We received net proceeds of $318.9 million and utilized the proceeds to reduce the outstanding balance on our revolving credit facility.

In September 2012, we completed construction of, and started processing through, a 200 MMCFD cryogenic processing plant, referred to as the Waynoka II plant, on our WestOK gathering and processing system. This expansion brings the total name-plate processing capacity on the WestOK system to 458 MMCFD.

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In November 2012, we entered into an equity distribution program with Citigroup Global Markets, Inc. (Citigroup). Pursuant to this program, we may offer and sell from time to time, through Citigroup, common units having an aggregate value of up to $150.0 million. Citigroup will not be required to sell any specific number or dollar amount of the common units, but will use its reasonable efforts, consistent with its normal trading and sales practices, to sell such units. Such sales will be at market prices prevailing at the time of the sale. We intend to use the net proceeds from any such offering for general partnership purposes.

In December 2012, we acquired 100% of the equity interests held by Cardinal Midstream, LLC (Cardinal) in three wholly-owned subsidiaries for $598.5 million in cash, including preliminary purchase price adjustments, less cash received (the Cardinal Acquisition). The assets of these companies represent the majority of the operating assets of Cardinal and include gas gathering, processing and treating facilities in Arkansas, Louisiana, Oklahoma and Texas as follows:

- the Tupelo plant, which is a 120 MMCFD cryogenic processing facility;
- approximately 60 miles of gathering pipeline;
- the East Rockpile treating facility, a 250 GPM amine treating plant;
- a fixed fee contract gas treating business that includes fifteen amine treating plants and two propane refrigeration plants; and
- a 60% interest in a joint venture known as Centrahoma Processing, LLC (Centrahoma). The remaining 40% interest is owned by MarkWest Oklahoma Gas Company, LLC, (MarkWest), a wholly-owned subsidiary of MarkWest Energy Partners, L.P. (NYSE: MWE). Centrahoma owns the following assets:
  - the Coalgate and Atoka plants, which are cryogenic processing facilities with a combined current processing capacity of approximately 100 MMCFD;
  - the prospective Stonewall plant, for which is construction has been approved, with anticipated processing capacity of 120 MMCFD; and
  - 15 miles of NGL pipeline.

In December 2012, in connection with the Cardinal Acquisition, we completed the sale of 10,507,033 common units in a public offering at an offering price of $31.00 per unit and received net proceeds of $319.3 million, including $6.7 million contributed by our General Partner for the General Partner to maintain its 2.0% general partner interest in us. We also issued an additional $175.0 million of the new issue notes in a private placement transaction. The new issue notes were issued at a premium of 103.0% of the principal amount for a yield of 6.0%. We received net proceeds of $176.5 million. We used the net proceeds from these offerings to fund a portion of the Cardinal Acquisition. Additionally, in anticipation of the Cardinal Acquisition, in November 2012 we executed a unit purchase agreement for a private placement of $200 million of newly created Class D convertible preferred units to third party investors. The unit purchase agreement was intended to provide financing for a portion of the Cardinal Acquisition. The unit purchase agreement was terminated when we raised more than $150.0 million in our common unit equity offering. We paid each investor a commitment fee equal to 2.0% of its commitment at the time of termination for a total expense of $4.0 million.

In December 2012, we entered into an amendment to our credit agreement which provided for (1) the Cardinal Acquisition to be a permitted investment; and (2) Centrahoma to not be required to be a guarantor nor provide a security interest in its assets (see Description of Other Indebtedness Existing Credit Facility).

Subsequent Events

On January 7, 2013, we paid $6.0 million for the first of two Trigger Payments related to the acquisition of a gas gathering system and related assets in February 2012. We originally agreed to pay up to an additional $12.0 million, payable in two equal amounts, if certain volumes were achieved on the acquired gathering system within specified periods of time. Sufficient volumes were achieved in December 2012 to meet the required volumes for the first Trigger Payment (see Recent Developments).

On February 11, 2013 we issued $650.0 million of 5.875% unsecured senior notes due 2023 (5.875% Senior Notes) in a private placement transaction. The 5.875% Senior Notes were issued at par. We received net proceeds of $637.8 million and plan to utilize the proceeds to redeem any or all of the existing notes and repay a portion of our outstanding indebtedness under our revolving credit facility. We have agreed to file a registration statement with respect to the 5.875% Senior Notes.

Prior to issuance of the 5.875% Senior Notes and in anticipation thereof, on January 28, 2013, we commenced a cash tender offer for any and all of our outstanding $365.8 existing notes, and a solicitation of consents to eliminate most of the restrictive covenants and certain of the events of default contained in the indenture governing the existing notes (8.75% Senior Notes Indenture). Approximately $268.4 million aggregate principal amount of the existing notes, (representing approximately 73.4% of the outstanding existing notes) were validly tendered as of the expiration date of the consent solicitation. On February 11, 2013, we accepted for purchase all existing notes validly tendered as of the expiration of the consent solicitation and entered into a supplemental indenture amending and supplementing the 8.75% Senior Notes Indenture. We also issued a notice to redeem all the existing notes not purchased in connection with the tender offer on March 12, 2013. We funded the redemption with a portion of the net proceeds from the issuance of the 5.875% Senior Notes.

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, Suite 400, Pittsburgh, Pennsylvania 15275, 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 each of September 28, 2012 and December 20, 2012, we completed a private offering of the new issue notes. As part of these private offerings, we entered into registration rights agreements 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 respective issue date. The following is a summary of the exchange offer.

New issue notes	\$500.0 million aggregate principal amount of 6 $^{5}/_{8}$% Senior Notes due 2020.
Exchange notes	6 $^{5}/_{8}$% Senior Notes due 2020. 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 \$500.0 million principal amount of our 6 $^{5}/_{8}$% Senior Notes due 2020 that have been registered under the Securities Act of 1933 for an equal amount of our outstanding 6 $^{5}/_{8}$% Senior Notes due 2020 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 , 2013, 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.

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. Following completion of the exchange offer, we do not currently intend to register any remaining 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 the Exchange 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: Lori Buckles, U.S. Bank Corporate Trust Services, Specialized Finance Dept., 60 Livingston Avenue, St. Paul, Minnesota 55107; telephone number (651) 466-6728. Eligible institutions may make requests by facsimile at (651) 466-7372.

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 the Exchange Notes.

Issuers	Atlas Pipeline Partners, L.P. and Atlas Pipeline Finance Corporation
Notes offered	\$500.0 million aggregate principal amount of 6 $^{5}/_{8}$% Senior Notes due 2020.
Maturity date	October 1, 2020.
Interest payment dates	April 1 and October 1 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 Centrahoma and their respective subsidiaries, and APC Acquisition, LLC, which has no assets), and any future restricted subsidiary that guarantees our other indebtedness or that of any other subsidiary or incurs any indebtedness under any credit facility. Our non-guarantor subsidiaries accounted for approximately 81% of our revenues for the year ended December 31, 2012. In addition, as of December 31, 2012, they held approximately \$2.0 billion, or approximately 65%, of our consolidated assets.

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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 existing credit facility, to the extent of the value of the assets securing such debt; 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, including the existing notes; 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 December 31, 2012, we had $1,179.9 million of debt outstanding, $293.0 million of which was secured indebtedness. In addition, the notes were structurally subordinated to $182.7 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 October 1, 2016, at redemption prices described in the section Description of the Exchange Notes Optional Redemption plus accrued and unpaid interest, if any, to the date of redemption. Before October 1, 2016, we may redeem the notes, in whole or in part, at par value plus a make-whole premium described in Description of the Exchange Notes Optional Redemption plus accrued and unpaid interest, and additional interest, if any, to the rate of redemption. In addition, before October 1, 2015, we may redeem up to 35% of the notes with the net cash proceeds from specified equity offerings at a redemption price equal to 106.625% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, and additional interest, if any, to the date of redemption. However, we may only make such a redemption if at least 65% of the aggregate principal amount of notes issued under the indenture remains outstanding immediately after the redemption and such redemption occurs within 90 days after the closing of such specified equity offering.
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 the Exchange Notes Repurchase upon a Change in Control.

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Basic covenants of the indenture	The indenture governing the notes restricts 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. These covenants are subject to important exceptions and qualifications described under the heading Description of the Exchange Notes Covenants.
Covenant suspension	At any time when the notes are rated investment grade by both Moody s and Standard & Poors and no default or event of default has occurred and is continuing under the indenture, we and our subsidiaries will not be subject to many of the foregoing covenants. See Description of the Exchange Notes Suspended Covenants.
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.

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	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 outstanding new issue notes. Due to the corresponding reduction in liquidity, this may decrease, and increase the volatility of, the market price of any currently outstanding 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. New issue 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 our existing notes, 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. We are unable to borrow under our senior secured credit facility to pay distributions of available cash to unitholders because such borrowings would not constitute working capital borrowings pursuant to our partnership agreement.

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 exchange offer will continue to have, a substantial amount of indebtedness. As of December 31, 2012, we had total debt of approximately $1,179.9 million, consisting of $505.2 million of the new issue notes including unamortized premium, $370.2 million of our existing notes, $293.0 million of borrowings under our existing credit facility and $11.5 million of capital leases, and had additional borrowing capacity under our existing credit facility of $307.0 million, excluding $0.1 million in outstanding letters of credit. In addition, as of December 31, 2012, the notes were structurally subordinated to $182.7 million of liabilities of our non-guarantor subsidiaries.

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 indentures governing the notes and the existing 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 are unsecured and effectively subordinated to our and the guarantors existing and future secured indebtedness.

The notes and the guarantees are general unsecured obligations ranking effectively junior in right of payment to all of our existing and future secured indebtedness and that of each guarantor. Additionally, the indentures governing the notes and the existing notes permit 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. As of December 31, 2012, we had $293.0 million of secured indebtedness and had additional borrowing capacity under our credit facility of $307.0 million.

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 the financial information 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 81% of our revenues for the year ended December 31, 2012. In addition, as of December 31, 2012, they held approximately $2.0 billion, or approximately 65%, 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 December 31, 2012, the notes were structurally subordinated to $182.7 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. As of December 31, 2012, the notes were structurally subordinated to $182.7 million of liabilities of our non-guarantor subsidiaries.

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.

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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 protect 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 the Exchange 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 will not be an established public market for them. The initial purchasers of the new issue notes 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 any time 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 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 on any securities exchange or stock market. The liquidity of any market for the 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 amount of cash we generate may not be sufficient for us to pay distributions in the future. Our ability to make cash distributions depends primarily on our cash flows. Cash distributions do not depend directly on our profitability, which is affected by non-cash items. Therefore, cash distributions may be made during periods when we record losses and may not be made during periods when we record profits. 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;

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;

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 commodity price risk management program and the creditworthiness of our derivatives 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 we will have available for distribution 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
- 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 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.

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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 a financial crisis may include a lower level of economic activity and/or 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 connected to our pipeline system being shut in by their operators until prices improved. Any of these events may adversely affect our revenues and our ability to fund capital expenditures and, in turn, may impact the cash we have available to fund our operations, pay required debt service and make distributions to our unitholders.

Instability in the financial markets may increase 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 economic climate, as existing from time to time, 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 and pay distributions 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 POP 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. Average estimated unhedged 2013 market prices for NGLs, natural gas and crude oil, based upon NYMEX forward price curves as of January 2, 2013, were $0.91 per gallon, $3.45 per MMBTU and $94.16 per barrel, respectively. A 10% change in these prices would change our forecasted net income for the twelve-month period ended December 31, 2013 by approximately $13.5 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 prices of natural gas, NGLs and crude oil have been subject to significant volatility in response to relatively minor changes in the supply and demand for these 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. West Texas Intermediate crude oil prices traded in a range of $77.69 per barrel to $109.77 per barrel in 2012, while Henry Hub natural gas prices have traded in a range of $1.91 per MMBTU to $3.90 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 commodity price risk management strategies may not be sufficient to offset price volatility risk and, in any event, do not cover all the throughput volumes. Moreover, derivative instruments are subject to inherent risks, which we describe in Our commodity price risk management strategies may fail to protect us and could reduce our gross margin and cash flow.

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Our commodity 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 fluctuations in commodity prices. To the extent we protect our commodity prices using derivative contracts we may 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 relationship 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 Dodd-Frank Wall Street Reform and Consumer Protection Act is intended to change fundamentally the way swap transactions are entered into, transforming an over-the-counter market in which parties negotiate directly with each other into a regulated market in which most swaps are to be executed on registered exchanges or swap execution facilities and cleared through central counterparties. These statutory requirements must be implemented through regulation, primarily through rules to be adopted by the Commodities Futures Trading Commission, or CFTC. Many market participants will be newly regulated as swap dealers or major swap participants, with new regulatory capital requirements and other regulations that impose business conduct rules and mandate how they hold collateral or margin for swap transactions. All market participants will be subject to new reporting and recordkeeping requirements. The new regulations may require us to comply with margin requirements and with certain clearing and trade-execution requirements in connection with our existing or future derivative activities. As a commercial end-user, which uses swaps to hedge or mitigate commercial risk, rather than for speculative purposes, we are permitted to opt out of the clearing and exchange trading requirements. However, we could be exposed to greater liquidity and credit risk with respect to our hedging transactions if we do not use cleared and exchange-traded swaps. Counterparties to our derivative instruments, which are federally insured depository institutions, are required to spin off some of their derivatives activities to separate entities, which may not be as creditworthy as the current counterparties. The 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 and/or cash flows.

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. Any material nonpayment or nonperformance by our key customers could impact our cash flow and ability to make required debt service payments and pay distributions.

Due to our lack of asset diversification, negative developments in our operations could reduce our ability to fund our operations, pay required debt service and make distributions to our common unitholders.

We rely primarily on the revenues generated from our gathering, processing and treating operations, and as a result, our financial condition depends upon prices of, and continued demand for, natural gas, NGLs and condensate. Due to our lack of asset-type diversification, a negative development in this business could 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 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, processing and treating facilities could result if there is a sustained decline in natural gas, crude oil and/or NGL 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 commodity 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 flow.

Federal and state legislative and regulatory initiatives relating to hydraulic fracturing could result in reduced volumes available for us to gather and process.

Various federal and state initiatives are underway to regulate, or further investigate, the environmental impacts of hydraulic fracturing, a process that involves the pressurized injection of water, chemicals and other

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substances into rock formations to stimulate hydrocarbon production. The adoption of any future federal, state or local laws or regulations imposing additional permitting, disclosure or regulatory obligations related to, or otherwise restricting or increasing costs regarding the use of hydraulic fracturing could make it more difficult to drill certain oil and natural gas wells. As a result, the volume of natural gas we gather and process from wells that use hydraulic fracturing could be substantially reduced, which could adversely affect our gross margin and cash flow.

We 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 2012, Chesapeake Energy Corporation; COG Operating LLC; Endeavor Energy Resources LP; Energen Resources Corporation; Laredo Petroleum Inc.; Parsley Energy, LP; Pioneer Natural Resources Company; Range Resources Corporation; SandRidge Exploration and Production, LLC; Woolsey Operating Company LLC; and XTO accounted for a significant amount of our natural gas supply. If these producers reduce the volumes of natural gas they supply to us, our gross margin and cash flow could be reduced unless we obtain comparable supplies of natural gas from other producers.

We may face increased competition in the future.

We face competition for well connections.

- Carrera Gas Company; Copano Energy, LLC; DCP Midstream, LLC; Energy Transfer Partners, LP; Enogex, LLC and ONEOK Field Services Company, operate competing gathering systems and processing plants in our Velma service area.

- Access Midstream Partners, LP; DCP Midstream, LLC; Caballo Energy, LLC.; Lumen Midstream Partners, LLC; Mustang Fuel Corporation; ONEOK Field Services Company; SemGas, L. P.; and Superior Pipeline Company, LLC operate competing gathering systems and processing plants in our WestOK service area.

- Crosstex Energy Services; DCP Midstream, LLC; Southern Union Company; Targa Resources Partners; and West Texas Gas, Inc. operate competing gathering systems and processing plants in our WestTX service area.

- Enogex, LLC; MarkWest Energy Partners, L.P.; and Scissor Tail Energy LLC operate competing gathering systems and processing plants in our Arkoma service area.

Some of our competitors have greater financial and other resources than we do. If these companies become more active in our service areas, 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 and process will decrease, reducing our gross margin and cash flow.

The amount of natural gas we gather or process may be reduced if the intrastate and interstate pipelines to which we deliver natural gas or NGLs 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. Our plant tailgate pipelines, including the Driver Residue Pipeline, provide essential links between our processing plants and intrastate and interstate pipelines that move natural gas to market. We deliver NGLs to intrastate or interstate pipelines at the tailgates of the plants. If one or more of the pipelines or fractionation facilities to which we deliver natural gas and NGLs has service interruptions, capacity limitations or otherwise cannot or do not accept natural gas or NGLs from us, and we cannot arrange for delivery to other pipelines or fractionation facilities, the amount of natural gas we gather and process may be reduced. Since our revenues depend upon the volumes of natural gas we gather and natural gas and NGLs we sell or transport, this could result in a material reduction in our gross margin and cash flow.

Failure of the natural gas or NGLs we deliver to meet the specifications of interconnecting pipelines could result in curtailments by the pipelines.

The pipelines to which we deliver natural gas and NGLs typically establish specifications for the products they are willing to accept. These specifications include requirements such as hydrocarbon dew point, compositions, temperature, and foreign content (such as water, sulfur, carbon dioxide, and hydrogen sulfide), and these specifications can vary by product or pipeline. If the total mix of a product that we deliver to a pipeline fails to meet the applicable product quality specifications, the pipeline may refuse to accept all or a part of the products scheduled for delivery to it or may invoice us for the costs to handle the out-of-specification products. In those circumstances, we may be required to find alternative markets for that product or to shut-in the producers of the non-conforming natural gas causing the products to be out of specification, potentially reducing our through-put volumes or revenues.

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

Our agreements with most producers with which we 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 on 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 to our operations, 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, could reduce our gross margin and cash flow.

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

We do not own all the land on which our pipelines are constructed. We obtain the rights to construct and operate our pipelines on land owned by third parties. In some cases, these rights expire at a specified time. Therefore we are subject to the possibility of more onerous terms or increased costs to retain necessary land use if we do not have valid rights-of-way or if such rights-of-way lapse or terminate. Our loss of these rights, through our inability to renew right-of-way contracts or otherwise, could have a material adverse effect on our business, results of operations and financial condition. 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. If the cost of obtaining new rights-of-way or renewing existing rights-of-way increases, then our cash flow could be reduced.

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

Any acquisition, including our recent Cardinal Acquisition (see Summary Recent Developments), 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;