UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (date of earliest event reported): February 25, 2014

DCP MIDSTREAM PARTNERS, LP

(Exact name of registrant as specified in its charter)

Delaware	**001-32678**	**03-0567133**
(State or other jurisdiction of incorporation)	**(Commission File No.)**	**(IRS Employer Identification No.)**

370 17th Street, Suite 2500
Denver, Colorado 80202
(Address of principal executive offices) (Zip Code)

(303) 633-2900
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Contribution and Purchase and Sale Agreements

On February 25, 2014, DCP Midstream Partners, LP (the “Partnership”) entered into various transaction documents, including: a contribution agreement with DCP Midstream, LLC (“Midstream”) and each of DCP Midstream GP, LP (“GP LP”) and DCP LP Holdings, LLC (“Holdings”), both 100% owned subsidiaries of Midstream, and a purchase and sale agreement with DCP Midstream, LP, a 100% owned subsidiary of Midstream (collectively, the “Agreements”). Pursuant to the Agreements, Midstream, through its affiliates, agreed to contribute or sell to the Partnership: (i) a 33.33% membership interest in each of two separate NGL pipeline entities, DCP Southern Hills Pipeline, LLC ("Southern Hills") and DCP Sand Hills Pipeline, LLC ("Sand Hills"); (ii) the remaining 20% interest in DCP SC Texas GP, an entity in which the Partnership currently owns an 80% controlling interest; (iii) a 100% interest in a 35 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado ("Lucerne 1"); and (iv) a 100% interest in a 200 MMcf/d cryogenic natural gas processing plant also located in Weld County, Colorado, which is currently under construction ("Lucerne 2") (collectively, the “Transaction”). Total consideration for the Transaction at closing is expected to be $1,220 million, subject to certain working capital and other customary adjustments, which will consist of (i) $995 million in cash, and (ii) common units of the Partnership having an aggregate value of $225 million. The Partnership intends to finance the Transaction and related fees and expenses, as well as any funds required to satisfy working capital adjustments associated with the Transaction, by accessing the capital markets, through borrowings under our revolving credit facility or commercial paper program, or by entering into a term loan. The Partnership may also access the capital markets to repay amounts borrowed under our revolving credit facility, commercial paper program, or a term loan entered into to finance a portion of the consideration for the Transaction. The Partnership estimates additional expenditures of approximately $180 million to complete Lucerne 2. The Transaction is expected to close in March 2014, subject to customary closing conditions. There can be no assurance that the Transaction will be completed in the anticipated time frame, or at all, or that anticipated benefits of the Transaction will be realized. Each of the components of the Transaction are discussed further below.

Southern Hills is engaged in the business of transporting natural gas liquids ("NGLs"), and consists of approximately 800 miles of pipeline, with an expected capacity of 175 MBbls/d after completion of planned pump stations. Southern Hills provides NGL takeaway service from the Midcontinent to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub. The Southern Hills pipeline began taking flows in the first quarter of 2013 and was placed into service in June 2013.

Sand Hills is also engaged in the business of transporting NGLs. Sand Hills consists of approximately 720 miles of pipeline, with an expected initial capacity of 200 MBbls/d after completion of pump stations. Sand Hills provides NGL takeaway service from the Permian and Eagle Ford basins to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub. The Sand Hills pipeline began taking flows in the fourth quarter of 2012 and was placed into service in June 2013.

DCP SC Texas GP consists of six cryogenic natural gas processing plants, including the Goliad plant that was placed into service in February 2014, with total capacity of approximately 960 MMcf/d, three NGL fractionators and approximately 6,000 miles of natural gas gathering transmission lines.

Lucerne 1 is a 35 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado. The Partnership will enter into a long-term fee-based natural gas processing agreement with Midstream, which is expected to provide a fixed demand charge on 75% of the capacity of Lucerne 1, and a throughput fee on all volumes processed at Lucerne 1.

Lucerne 2 has an expected in-service date in the third quarter of 2015. The Partnership will assume all of the remaining costs to complete this project. In addition, the Partnership will enter into a ten-year, fee-based natural gas processing agreement with Midstream that is effective once Lucerne 2 is placed into service. At that time, the processing agreement with Lucerne 1 will be terminated and the new processing agreement is expected to provide a fixed demand charge on 75% of the capacity of both plants, and a throughput fee on all volumes processed at Lucerne 1 and Lucerne 2.

Midstream owns 100% of DCP Midstream GP, LLC, the general partner of GP LP, the Partnership’s general partner. Accordingly, the conflicts committee of the General Partner’s Board of Directors approved the Transaction. The conflicts committee, a committee of independent members of the General Partner’s Board of Directors, retained independent legal and financial advisers to assist it in evaluating the Transaction.

Copies of the Agreements are attached hereto as Exhibits 2.1 and 2.2 and are incorporated by reference herein. The foregoing description of the terms of the Agreements and the Transaction is not complete and is qualified in its entirety by reference to the full and complete terms of the Agreements. There can be no assurance that the anticipated benefits of the Transaction will be realized.

In connection with the Transaction, the Partnership is filing (i) as Exhibits 99.1 and 99.2 hereto, audited financial statements of Southern Hills and Sand Hills as of and for the years ended December 31, 2013 and 2012 and for the period from inception (June 21, 2011 and February 2, 2011, respectively) to December 31, 2011; and (ii) as Exhibit 99.3 hereto, unaudited pro forma condensed consolidated financial statements of DCP Midstream Partners, LP as of and for the year ended December 31, 2013.

Cautionary Statements regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements as defined under the federal securities laws, including statements regarding the anticipated closing of the Transaction and other aspects of the Transaction. Although management believes that expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will

prove to be correct. In addition, these statements are subject to certain risks, uncertainties and other assumptions that are difficult to predict and may be beyond our control, including market conditions, customary closing conditions and other factors described in the Partnership's Annual Report on Form 10-K. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership's actual results may vary materially from what management anticipated, estimated, projected or expected.

Investors are encouraged to closely consider the disclosures and risk factors contained in the Partnership's annual and quarterly reports filed from time to time with the United States Securities and Exchange Commission. The statements made in this report speak only as of the date hereof. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Information contained on this Form 8-K is subject to change.

Item 2.02 Results of Operations and Financial Condition.

On February 26, 2014, the Partnership issued a press release announcing its financial results for the three months and year ended December 31, 2013. A copy of the press release is furnished as Exhibit 99.4 hereto, and is incorporated herein by reference. The press release contains financial measures that are not presented in accordance with accounting principles generally accepted in the United States of America, or GAAP, for the applicable periods presented, including adjusted EBITDA, distributable cash flow and adjusted segment EBITDA for each of the Partnership's three business segments. The most directly comparable GAAP financial measures to adjusted EBITDA and distributable cash flow are net income attributable to partners, which is presented in the attached press release and prominently below for the applicable periods presented, and net cash provided by or used in operating activities, which is presented in the attached press release and prominently below for the applicable periods presented. The most directly comparable segment GAAP financial measure to adjusted segment EBITDA for each business segment is the applicable segment net income attributable to partners, which GAAP financial measures are set forth in the release and prominently below for the applicable periods presented:

DCP MIDSTREAM PARTNERS, LP
GAAP FINANCIAL MEASURES
(Unaudited)

	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012 (1)	As Reported in 2012	2013 (1)	2012 (1) (2)	As Reported in 2012
	(Millions)			(Millions)		
Net income attributable to partners	$ 28	$ 70	$ 64	$ 181	$ 198	$ 168
Net cash provided by (used in) operating activities	$ 60	$ (70)	$ (34)	$ 324	$ 82	$ 125

DCP MIDSTREAM PARTNERS, LP
SEGMENT GAAP FINANCIAL MEASURES
(Unaudited)

	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012 (1)	As Reported in 2012	2013 (1)	2012 (1) (2)	As Reported in 2012
	(Millions)			(Millions)		
Natural Gas Services segment:						
Segment net income attributable to partners	$ 32	$ 66	$ 54	$ 193	$ 237	$ 180
NGL Logistics segment:						
Segment net income attributable to partners	$ 18	$ 19	$ 19	$ 79	$ 53	$ 53
Wholesale Propane Logistics segment:						
Segment net income attributable to partners	$ 11	$ 14	$ 14	$ 31	$ 25	$ 25

(1) Includes our 80 percent interest in the Eagle Ford system, retrospectively adjusted. We acquired a 33.33 percent interest in the Eagle Ford system in November 2012, and a 46.67 percent interest in March 2013. Transfers of net assets between entities under common control are accounted for as if the transactions had occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information similar to the pooling method. In addition, results are presented as originally reported in 2012 for comparative purposes.

(2) Includes our 100 percent interest in Southeast Texas, retrospectively adjusted. We acquired a 33.33 percent interest in Southeast Texas in January 2011, and a 66.67 percent interest in March 2012. Transfers of net assets between entities under common control are accounted for as if the transactions had occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information similar to the pooling method. In addition, results are presented as originally reported in 2012 for comparative purposes.

Item 3.02 Unregistered Sales of Equity Securities.

Pursuant to the contribution agreement discussed in Item 1.01 hereof, the Partnership has agreed to issue, as partial consideration for a portion of the Transaction, (i) $50 million of its common units to GP LP, (ii) $70 million of its common units to Holdings, and (iii) $105 million of its common units to Midstream. In each case, the number of the Partnership's common units to be issued shall be determined by dividing the dollar amount to be issued by the volume weighted average price of the Partnership's common units on the New York Stock Exchange during the ten trading days ending two trading days prior to the closing date for the contribution portion of the Transaction.

Item 7.01 Regulation FD Disclosure.

The Partnership issued a press release on February 26, 2014 announcing the Transaction along with the Partnership's financial results for the three months and year ended December 31, 2013. A copy of the press release is furnished as Exhibit 99.4 hereto and incorporated into this Item 7.01 by reference. In accordance with General Instruction B.2 of Form 8-K, the press release shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Audited financial statements of DCP Southern Hills Pipeline, LLC as of and for the years ended December 31, 2013 and 2012, and for the period from inception (June 21, 2011) to December 31, 2011 are attached hereto as Exhibit 99.1 and are incorporated herein by reference.

Audited financial statements of DCP Sand Hills Pipeline, LLC as of and for the years ended December 31, 2013 and 2012, and for the period from inception (February 2, 2011) to December 31, 2011 are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed consolidated financial statements of the Partnership as of and for the year ended December 31, 2013, are attached hereto as Exhibit 99.3 and are incorporated herein by reference.

(c) Not applicable.

(d) Exhibits.

Exhibit No.	Description
2.1*	Contribution Agreement, dated February 25, 2014, among DCP LP Holdings, LLC, DCP Midstream GP, LP, DCP Midstream, LLC, and DCP Midstream Partners, LP.
2.2*	Purchase and Sale Agreement, dated February 25, 2014, among DCP Midstream, LP, and DCP Midstream Partners, LP.
23.1	Consent of Deloitte & Touche LLP on (i) the DCP Southern Hills Pipeline, LLC Financial Statements as of and for the years ended December 31, 2013 and 2012, and for the period from inception (June 21, 2011) to December 31, 2011; and (ii) the DCP Sand Hills Pipeline, LLC Financial Statements as of and for the years ended December 31, 2013 and 2012, and for the period from inception (February 2, 2011) to December 31, 2011.
99.1	Audited financial statements of DCP Southern Hills Pipeline, LLC as of and for the years ended December 31, 2013 and 2012, and for the period from inception (June 21, 2011) to December 31, 2011.
99.2	Audited financial statements of DCP Sand Hills Pipeline, LLC as of and for the years ended December 31, 2013 and 2012, and for the period from inception (February 2, 2011) to December 31, 2011.
99.3	Unaudited pro forma condensed consolidated financial statements of DCP Midstream Partners, LP as of and for the year ended December 31, 2013.
99.4	Press Release, dated February 26, 2014.

* Pursuant to Item 601(b)(2) of Regulation S-K, the Partnership agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 26, 2014

DCP MIDSTREAM PARTNERS, LP

By: **DCP MIDSTREAM GP, LP,**
its General Partner

By: **DCP MIDSTREAM GP, LLC,**
its General Partner

By: /s/ Michael S. Richards
Name: Michael S. Richards
Title: Vice President, General Counsel and Secretary

EXHIBIT INDEX

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CONTRIBUTION AGREEMENT

among

DCP LP Holdings, LLC,
DCP Midstream GP, LP,
DCP Midstream, LLC

and

DCP Midstream Partners, LP

February 25, 2014

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CONTRIBUTION AGREEMENT

This Contribution Agreement ("Agreement") is dated as of February 25, 2014 (the "Execution Date") and is by and among DCP LP Holdings, LLC, a Delaware limited liability company ("HOLDINGS"), DCP Midstream GP, LP, a Delaware limited partnership ("GP"), DCP Midstream, LLC, a Delaware limited liability company ("MIDSTREAM"), and DCP Midstream Partners, LP, a Delaware limited partnership ("MLP"). HOLDINGS, GP, MIDSTREAM, and MLP are sometimes referred to collectively herein as the "Parties" and individually as a "Party".

R E C I T A L S

A. MIDSTREAM owns 100% of the membership interests in DCP Pipeline Holding, LLC, a Delaware limited liability company ("PIPELINE HOLDING"). PIPELINE HOLDING owns 33.330% of the membership interests in DCP Sand Hills Pipeline, LLC, a Delaware limited liability company ("SAND HILLS"). SAND HILLS owns 100% of the membership interests in DCP Sand Hills Interstate Pipeline, LLC, a Delaware limited liability company ("SAND HILLS INTERSTATE").

B. HOLDINGS owns 33.330% of the membership interests in DCP Southern Hills Pipeline, LLC, a Delaware limited liability company ("SOUTHERN HILLS"). SOUTHERN HILLS owns 100% of the membership interests in DCP Southern Hills Intrastate Pipeline, LLC, a Delaware limited liability company ("SOHI INTRASTATE").

C. HOLDINGS owns (i) a 19% general partner interest in DCP SC Texas GP, a Delaware general partnership (the "JV") and (ii) 100% of the membership interests in DCP SC Texas Holdings LLC, a Delaware limited liability company ("SC TEXAS"), which owns a 1% general partner interest in the JV. Immediately prior to the Closing Date, HOLDINGS will contribute its 19% general partner interest in the JV to SC TEXAS.

D. The JV collectively owns certain midstream gathering, compression, dehydrating, processing and fractionating assets located in South and Central Texas and all of the membership interests in DCP South Central Texas LLC, a Delaware limited liability company ("DCPSC"), DCP Intrastate Network, LLC, a Delaware limited liability company ("DEIN"), DCP Austin Gathering, LLC, a Delaware limited liability company ("AUSTIN"), DCP Hinshaw Pipeline, LLC, a Delaware limited liability company ("HINSHAW"), DCP Texas Intrastate Pipeline, LLC, a Delaware limited liability company ("INTRASTATE"), San Jacinto Gas Transmission, LLC, a Delaware limited liability company ("SAN JACINTO"), and a 28.5% interest in Webb/Duval Gatherers, a Texas general partnership ("WEBB/DUVAL"), (collectively, the "South and Central Texas Systems").

E. HOLDINGS intends to contribute 4.0% of the SC Texas Interest (as defined herein) to GP as a capital contribution.

F. GP intends to contribute 4.0% of the SC Texas Interest (as defined herein) to MLP in exchange for the GP Unit Consideration (as defined herein), and on the other terms and conditions, set forth in this Agreement.

G. HOLDINGS intends to contribute (a) the Southern Hills Interest (as defined herein) and (b) 16% of the SC Texas Interest (as defined herein) to MLP in exchange for the HOLDINGS Consideration (as defined herein), and on the other terms and conditions, set forth in this Agreement.

H. MIDSTREAM intends to contribute the Pipeline Interest (as defined herein) to MLP in exchange for the MIDSTREAM Consideration (as defined herein), and on the other terms and conditions, set forth in this Agreement.

I. MIDSTREAM intends to contribute the MIDSTREAM Unit Consideration (as defined herein) to HOLDINGS as a capital contribution (0.2% on behalf of Gas Supply Resources Holdings, Inc. and 99.8% on behalf of MIDSTREAM).

J. At the Closing, each of the events and transactions set forth in Section 2.1 shall occur.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

1.1 Certain Defined Terms. Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings given such terms as is set forth below.

"Affiliate" means, when used with respect to a specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with the specified Person as of the time or for the time periods during which such determination is made. For purposes of this definition "control", when used with respect to any specified Person, means the power to direct the management and policies of the Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. Notwithstanding the foregoing, except for the Entities, the term "Affiliate" when applied to (a) MLP shall not include Spectra Energy Corp, a Delaware corporation, or Phillips 66, a Delaware corporation, or any entities owned, directly or indirectly, by Spectra Energy Corp or Phillips 66, other than entities owned, directly or indirectly, by MLP and (b) HOLDINGS, MIDSTREAM or GP shall not include MLP or any entities owned, directly or indirectly, by MLP.

"Arbitral Dispute" means any dispute, claim, counterclaim, demand, cause of action, controversy and other matters in question arising out of or relating to this Agreement or the alleged breach hereof, or in any way relating to the subject matter of this Agreement or the relationship between the Parties created by this Agreement, regardless of whether (a) allegedly extra-contractual in nature, (b) sounding in contract, tort, or otherwise, (c) provided for by applicable Law or otherwise, or (d) seeking damages or any other relief, whether at Law, in equity, or otherwise.

"Arbitration Rules" shall have the meaning given such term in Section 11.8(d).

"Assets" shall mean all of the following assets and properties of the Entities (and their respective Subsidiaries), except for the Excluded Assets:

(a) Personal Property. All tangible personal property of every kind and nature that primarily relates to the ownership, operation, use or maintenance of the Facilities, including meters, valves, engines, field equipment, office equipment, fixtures, trailers, tools, instruments, spare parts, machinery, computer equipment, telecommunications equipment, furniture, supplies and materials that are located at the Facilities, and any hydrocarbon inventory at the Facilities, including linefill owned by the JV or the Pipeline Systems as of the Closing (collectively the "Personal Property");

(b) Real Property. All fee property, assignable rights-of-way and easements, surface use agreements, licenses and leases that relate to the ownership, operation, use or maintenance of the Facilities, (collectively, the "Real Property Interests"), and all fixtures, buildings and improvements located on or under such Real Property Interests;

(c) Permits. All assignable permits, licenses, certificates, orders, approvals, authorizations, grants, consents, concessions, warrants, franchises and similar rights and privileges which are necessary for, or are used or held for use primarily for or in connection with, the ownership, use, operation or maintenance of the Assets (collectively, the "Permits");

(d) Contract Rights. All contracts set forth in Schedule 4.7 that relate to the ownership, operation, use or maintenance of the Assets, including any assignable gathering, processing, balancing and other agreements for the handling of natural gas or liquids, purchase and sales agreements, storage agreements, transportation agreements, equipment leases, rental contracts, and service agreements primarily related to the Facilities (collectively, the "Contracts");

(e) Intellectual Property. The non-exclusive right to any technical information, shop rights, designs, plans, manuals, specifications and other proprietary and nonproprietary technology and data used in connection with the ownership, operation, use or maintenance of the Assets (collectively, the "Intellectual Property");

(f) Facilities. All meter stations, gas processing plants, treaters, dehydration units, compressor stations, fractionators, liquid handling facilities, platforms, warehouses, field offices, control buildings, pipelines, tanks, pump stations and other associated facilities that are used or held for use primarily in connection with the ownership, operation or maintenance of the South and Central Texas Systems or the Pipeline Systems in the Ordinary Course of Business (collectively, the "Facilities");

(g) Books and Records. All contract, land, title, engineering, environmental, operating, accounting, business, marketing, and other data, files, documents, instruments, notes, correspondence, papers, ledgers, journals, reports, abstracts, surveys, maps, books, records and studies which relate primarily to the Assets or which are used or held for use primarily in connection with, the ownership, operation, use or maintenance of the Assets; *provided*, *however*, such material shall not include (i) any proprietary data that is not primarily used in connection with the continued ownership, use or operation of the Assets, (ii) any information subject to Third Person confidentiality agreements for which a consent or waiver cannot be secured by HOLDINGS or GP after reasonable

efforts, (iii) any information which, if disclosed, would violate an attorney-client privilege or would constitute a waiver of rights as to attorney work product or attorney-client privileged communications, or (iv) any information relating primarily to the Reserved Liabilities or any obligations for which HOLDINGS or GP is required to indemnify the MLP Indemnitees pursuant to Section 10.2 (collectively, the "Records"); *provided, however*, that MLP shall have the right to copy any of the information specified in clause (iv); and

(h) Incidental Rights. All of the following insofar as the same are attributable or relate primarily to any of the Assets described in clauses (a) through (g): (i) all purchase orders, invoices, storage or warehouse receipts, bills of lading, certificates of title and documents, (ii) all keys, lock combinations, computer access codes and other devices or information necessary to gain entry to and/or take possession of such Assets, (iii) all rights in any confidentiality or nonuse agreements relating to the Assets, and (iv) the benefit of and right to enforce all covenants, warranties, guarantees and suretyship agreements running in favor of the Entities and their Subsidiaries relating primarily to the Assets and all security provided primarily for payment or performance thereof.

"Assignment of Subject Interests" shall mean the assignment of interests in the form of the attached Exhibit A.

"Assumed Obligations" shall mean any and all obligations and liabilities with respect to or arising out of (i) the JV Agreement, the Sand Hills LLC Agreement and the Southern Hills LLC Agreement and attributable to the Subject Interests, and (ii) the ownership of the Subject Interests, other than the Excluded Assets.

"AUSTIN" shall have the meaning given such term in the Recitals.

"Benefit Plan" shall mean any of the following: (a) any employee welfare benefit plan or employee pension benefit plan as defined in sections 3(1) and 3(2) of ERISA, and (b) any other material employee benefit agreement or arrangement, including a deferred compensation plan, incentive plan, bonus plan or arrangement, stock option plan, stock purchase plan, stock award plan, golden parachute agreement, severance plan, dependent care plan, cafeteria plan, employee assistance program, scholarship program, employment contract, retention incentive agreement, non-competition agreement, consulting agreement, vacation policy, and other similar plan, agreement and arrangement.

"Business Day" shall mean any day, other than Saturday and Sunday, on which federally-insured commercial banks in Denver, Colorado are generally open for business and capable of sending and receiving wire transfers.

"Cash Consideration" shall mean the HOLDINGS Cash Consideration and the MIDSTREAM Cash Consideration.

"Casualty Loss" shall mean, with respect to all or any portion of the Assets, any destruction by fire, storm or other casualty, or any condemnation or taking or threatened condemnation or taking, of all or any portion of the Assets.

"Certificate of Common Units" shall mean a certificate representing Units in the MLP in the form of the attached Exhibit B.

"Claim" shall mean any demand, demand letter, claim or notice by a Third Person of noncompliance or violation or Proceeding.

"Claim Notice" shall have the meaning given such term in Section 10.3(c).

"Closing" shall have the meaning given such term in Section 8.1.

"Closing Date" shall have the meaning given such term in Section 8.1.

"Code" shall mean the U.S. Internal Revenue Code of 1986, as amended.

"Commercially Reasonable Efforts" shall mean efforts which are reasonably within the contemplation of the Parties on the date hereof, which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, the transactions contemplated by this Agreement and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are reasonable in nature and amount in the context of the transactions contemplated by this Agreement.

"Consideration" shall mean the Cash Consideration and the Unit Consideration.

"Contracts" shall have the meaning given such term in the definition of Assets.

"Contributions" shall mean the GP Contribution, the HOLDINGS Contribution and the MIDSTREAM Contribution.

"DCPSC" shall have the meaning given such term in the Recitals.

"DCP SOUTH CENTRAL" shall have the meaning given such term in the Recitals.

"Defensible Title" shall mean, as to the Assets, such title to the Assets that vests the applicable Entity or Subsidiary with indefeasible title in and to the Assets free and clear of Liens other than Permitted Encumbrances.

"DEIN" shall have the meaning given such term in the Recitals.

"Effective Time" shall mean 12:05 a.m. Denver time on the Closing Date or such other time and place mutually agreed to by the Parties in writing.

"Entities" shall mean the JV, SAND HILLS and SOUTHERN HILLS.

"Environmental Law" shall mean any and all Laws, statutes, ordinances, rules, regulations, or orders of any Governmental Authority in existence at the Effective Time pertaining to employee health, public safety, pollution or the protection of the environment or natural resources or to Hazardous Materials in any and all jurisdictions in which the party in question owns property or

conducts business or in which the Assets are located, including the Clean Air Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), the Federal Water Pollution Control Act, the Occupational Safety and Health Act of 1970 (to the extent relating to environmental matters), the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Safe Drinking Water Act, the Toxic Substances Control Act, the Hazardous & Solid Waste Amendments Act of 1984, the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Act, the Oil Pollution Act of 1990, any state or local Laws implementing or substantially equivalent to the foregoing federal Laws, and any state or local Laws pertaining to the handling of oil and gas exploration, production, gathering, and processing wastes or the use, maintenance, and closure of pits and impoundments.

"Environmental Matters" shall have the meaning given such term in Section 4.4(b).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" shall mean all of the following:

(a) Any deposits or pre-paid items attributable to the operation of the Assets not paid by or on behalf of the Entities or their Subsidiaries;

(b) With respect to the Subject Interests, Claims for refund of or loss carry forwards with respect to (i) Taxes attributable to the business of the Entities or their Subsidiaries for any period prior to the Closing Date or (ii) any Taxes attributable to any of the Excluded Assets;

(c) All work product of HOLDINGS' or its Affiliates' attorneys, records relating to the negotiation and consummation of the transactions contemplated hereby and documents that are subject to a valid attorney client privilege;

(d) the real property, personal property, contracts, intellectual property, Permits, office computers or other equipment (or any leases or licenses of the foregoing), if any, that are listed on Schedule 1.1(a);

(e) All vehicles, and all leases for vehicles that relate to the ownership, operation, use or maintenance of the JV Assets;

(f) All computer software that relates to the ownership, operation, use or maintenance of the Assets that requires a consent to transfer used by the JV;

(g) All office equipment and accessories (including computers) that relate to the ownership, operation, use or maintenance of the Assets, other than that located at the Facilities; and

(h) All rights to claim coverage or benefits under any insurance policies or coverage applicable to the Entities or the Assets, including self-insurance and insurance obtained through a captive insurance carrier, but excluding any such rights to recover amounts that are included in the calculation of Net Working Capital.

"Exhibits" shall mean any and/or all of the exhibits attached to and made a part of this Agreement.

"Execution Date" shall have the meaning given such term in the introductory paragraph.

"Facilities" shall have the meaning given such term within the definition of Assets.

"Final Settlement Statement" shall have the meaning given such term in Section 3.3.

"Financial Statements" shall have the meaning given such term in Section 4.21.

"GAAP" means generally accepted accounting principles in the United States as of the date hereof, consistently applied.

"Governmental Authorities" shall mean (a) the United States of America or any state or political subdivision thereof within the United States of America and (b) any court or any governmental or administrative department, commission, board, bureau or agency of the United States of America or of any state or political subdivision thereof within the United States of America.

"GP" shall have the meaning given such term in the introductory paragraph.

"GP Contribution" shall have the meaning given such term in Section 2.1.

"GP Unit Consideration" shall have the meaning given such term in Section 2.2.

"Hazardous Materials" shall mean: (a) any wastes, chemicals, materials or substances defined or included in the definition of "hazardous substances," "hazardous materials," "toxic substances," "solid wastes," "pollutants," "contaminants," or words of similar import, under any Environmental Law; (b) any hydrocarbon or petroleum or component thereof, (including, without limitation, crude oil, natural gas, natural gas liquids, or condensate that is not reasonably and commercially recoverable); (c) oil and gas exploration or production wastes including produced water; (d) radioactive materials (other than naturally occurring radioactive materials), friable asbestos, mercury, lead based paints and polychlorinated biphenyls, (e) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority; or (f) any regulated constituents or substances in concentrations or levels that exceed numeric or risk-based standards established pursuant to Environmental Laws.

"HINSHAW" shall have the meaning given such term in the Recitals.

"HOLDINGS" shall have the meaning given such term in the introductory paragraph.

"HOLDINGS Cash Consideration" shall have the meaning given such term in Section 2.2.

"HOLDINGS Consideration" shall have the meaning given such term in Section 2.2.

"HOLDINGS Contribution" shall have the meaning given such term in Section 2.1.

"HOLDINGS' Indemnitees" shall have the meaning given such term in Section 10.1.

"HOLDINGS' or MIDSTREAM'S Knowledge" or the "Knowledge of HOLDINGS or MIDSTREAM" or any similar term, shall mean the actual knowledge of (a) any officer of HOLDINGS or MIDSTREAM having a title of Vice President or higher, and (b) the individuals listed on Schedule 1.1(b).

"HOLDINGS Total Net Working Capital" shall mean the amount (which may be positive or negative) equal to the sum of the (i) product of the JV Net Working Capital multiplied by 20% and (ii) product of the SOUTHERN HILLS Net Working Capital multiplied by 33.330%.

"HOLDINGS Unit Consideration" shall have the meaning given such term in Section 2.2.

"Imbalance Payable" means that quantity of natural gas liquids as is owed by SAND HILLS and SOUTHERN HILLS with respect to HOLDINGS' and MIDSTREAM'S respective ownership interest in the Pipeline Systems and attributable to time periods prior to the Effective Time.

"Imbalance Receivable" means that quantity of natural gas liquids as is owed to SAND HILLS and SOUTHERN HILLS with respect to HOLDINGS' and MIDSTREAM'S respective ownership interest in the Pipeline Systems and attributable to time periods prior to the Effective Time.

"Indemnified Party" or "Indemnitee" shall have the meaning given such term in Section 10.4(a).

"Indemnifying Party" or "Indemnitor" shall have the meaning given such term in Section 10.4(a).

"Independent Accountants" shall mean Deloitte & Touche.

"Intellectual Property" shall have the meaning given such term in the definition of Assets.

"Interest Rate" shall mean three (3) months LIBOR plus one-half percent (0.5%), or 50 basis points.

"INTRASTATE" shall have the meaning given such term in the Recitals

"JV" shall have the meaning given such term in the Recitals.

"JV Agreement" shall mean the Amended and Restated General Partnership Agreement of DCP SC Texas GP, dated as of November 2, 2012.

"JV Net Working Capital" means, as to the JV, and determined as of the Effective Time, an amount (which may be positive or negative) equal to (i) the total current assets of the JV and its Subsidiaries minus (ii) the total current liabilities of the JV and its Subsidiaries, in each case determined in accordance with GAAP, as adjusted for the Reserved Liabilities.

"Laws" shall mean all applicable statutes, laws (including common law), regulations, rules, rulings, ordinances, orders, restrictions, requirements, writs, judgments, injunctions, decrees and other official acts of or by any Governmental Authority.

"Lien" shall mean any lien, mortgage, pledge, claim, charge, security interest or other encumbrance, option or defect on title.

"LIBOR" shall mean the British Bankers' Association interbank offered rates as of 11:00 a.m. London time for deposits in Dollars that appear on the relevant page of the Reuters service (currently page LIBOR01) or, if not available, on the relevant pages of any other service (such as Bloomberg Financial Markets Service) that displays such British Bankers' Association rates.

"Limited Partnership Agreement" shall mean the Second Amended and Restated Agreement of Limited Partnership of MLP dated as of November 1, 2006, as amended by Amendment No. 1 dated as of April 11, 2008, and Amendment No. 2 dated as of April 1, 2009, and as may be amended from and after the Effective Time.

"Loss" or "Losses" shall mean any and all damages, demands, payments, obligations, penalties, assessments, disbursements, claims, costs, liabilities, losses, causes of action, and expenses, including interest, awards, judgments, settlements, fines, fees, costs of defense and reasonable attorneys' fees, costs of accountants, expert witnesses and other professional advisors and costs of investigation and preparation of any kind or nature whatsoever.

"Material Adverse Effect" shall mean a single event, occurrence or fact, or series of events, occurrences or facts, that, alone or together with all other events, occurrences or facts (a) would have an adverse change in or effect on the Entities or the Assets (including the cost to remedy, replace or obtain same) taken as a whole, in excess of $56,000,000 or (b) would result in the prohibition or material delay in the consummation of the transactions contemplated by this Agreement, excluding (in each case) matters that are generally industry-wide developments or changes or effects resulting from changes in Law or general economic, regulatory or political conditions.

"Material Casualty Loss" shall have the meaning given such term in Section 6.2.

"Materiality Condition" shall have the meaning given such term in Section 10.5.

"MIDSTREAM" shall have the meaning given such term in the introductory paragraph.

"MIDSTREAM Cash Consideration" shall have the meaning given such term in Section 2.2.

"MIDSTREAM Consideration" shall have the meaning given such term in Section 2.2.

"MIDSTREAM Contribution" shall have the meaning given such term in Section 2.1.

"MIDSTREAM Net Working Capital" means, as to SAND HILLS, and determined as of the Effective Time, an amount (which may be positive or negative) equal to (i) the total current assets of SAND HILLS and its Subsidiaries minus (ii) the total current liabilities of SAND HILLS

and its Subsidiaries, in each case determined in accordance with GAAP, as adjusted for the Reserved Liabilities.

"MIDSTREAM Total Net Working Capital" means the amount (which may be positive or negative) equal to the product of the MIDSTREAM Net Working Capital multiplied by 33.330% with respect to SAND HILLS.

"MIDSTREAM Unit Consideration" shall have the meaning given such term in Section 2.2.

"MLP" shall have the meaning given such term in the introductory paragraph.

"MLP Indemnitees" shall have the meaning given such term in Section 10.2.

"MLP's Knowledge" or the "Knowledge of MLP" or any similar term, shall mean the actual knowledge of any officer of MLP having a title of Vice President or higher.

"MLP Required Consents" shall have the meaning given such term in Section 5.4.

"Mobil Agreement" shall mean that Asset Purchase Agreement dated May 29, 1996 by and among Mobil Natural Gas Inc., Mobil Gas Services Inc., Mobil Producing Texas & New Mexico Inc., Mobil Exploration and Producing North America Inc., Mobil Oil Corporation, Mobil Exploration & Production U.S. Inc. and Falfurrias Pipeline Company, as Sellers and PanEnergy Field Services, Inc., as Buyer, as amended.

"Net Working Capital" shall mean the sum of JV Net Working Capital, MIDSTREAM Net Working Capital and SOUTHERN HILLS Net Working Capital.

"Notice Period" shall have the meaning given such term in Section 10.4(c)

"Ordinary Course of Business" shall mean the ordinary course of business consistent with past practices.

"Permits" shall have the meaning given such term in the definition of Assets.

"Permitted Encumbrances" shall mean the following:

(a) the terms, conditions, restrictions, exceptions, reservations, limitations, and other matters contained in any document creating the Real Property Interests, or in any Permit or Contract;

(b) Liens for property Taxes and assessments that are not yet due and payable (or that are being contested in good faith by appropriate Proceedings for which adequate reserves in accordance with GAAP have been established on the books of account of the applicable Entity or Subsidiary);

(c) mechanic's, materialmen's, repairmen's and other statutory Liens arising in the Ordinary Course of Business and securing obligations incurred prior to the Effective Time and (i) for which adequate reserves in accordance with GAAP have been established on the books of

account of the applicable Entity or Subsidiary, or (ii) that are not delinquent and that will be paid and discharged in the Ordinary Course of Business or, if delinquent, that are being contested in good faith with any action to foreclose on or attach any Assets on account thereof properly stayed and for which adequate reserves in accordance with GAAP have been established on the books of account of the applicable Entity or Subsidiary;

(d) utility easements, restrictive covenants, defects and irregularities in title, encumbrances, exceptions and other matters that are of record that, singularly or in the aggregate, will not materially interfere with the ownership, use or operation of the Assets to which they pertain;

(e) required Third Person consents to assignment, preferential purchase rights and other similar agreements with respect to which consents or waivers are obtained from the appropriate Person for the transaction contemplated hereby prior to Closing or, as to which the appropriate time for asserting such rights has expired as of the Closing without an exercise of such rights;

(f) any Post-Closing Consent;

(g) Liens created by MLP or its successors or assigns; and

(h) the Liens listed on Schedule 1.1(c).

"Person" shall mean any natural person, corporation, company, partnership (general or limited), limited liability company, trust, joint venture, joint stock company, unincorporated organization, Governmental Authority, or other entity or association.

"Personal Property" shall have the meaning given such term in the definition of Assets.

"PIPELINE HOLDING" shall have the meaning given such term in the Recitals.

"Pipeline Interest" shall mean MIDSTREAM'S interest in PIPELINE HOLDING immediately prior to the undertaking of the transactions contemplated by this Agreement.

"Pipeline Systems" shall mean the Sand Hills Pipeline and the Southern Hills Pipeline.

"Post-Closing Consents" shall mean consents or approvals from, or filings with Governmental Authorities, consents from railroads customarily obtained following the closing of transactions involving the transfer of assets similar to those owned by the Entities or Subsidiaries.

"Pre-Closing Tax Period" shall mean, with respect to the Entities, any taxable period ending on or prior to the Closing Date.

"Preliminary Settlement Statement" shall have the meaning given such term in Section 3.2.

"Proceeding" shall mean any action, suit, claim, investigation, review or other judicial or administrative proceeding, at Law or in equity, before or by any Governmental Authority or arbitration or other dispute resolution proceeding.

"Qualified Claims" shall have the meaning given such term in Section 10.3(b)(ii).

"Real Property Interests" shall have the meaning given such term in the definition of Assets.

"Records" shall have the meaning given such term in the definition of Assets.

"Reserved Liabilities" shall mean Losses, and with respect to clause (v), capital expenditures (but only to the extent not reflected in Net Working Capital), with respect to:

(i) Subject to Section 11.3, and with respect to the SC Texas Interest, the percentage of Taxes with respect to the JV or the Assets of the JV (for the avoidance of doubt, excepting all Taxes of HOLDINGS or its partners) allocable to HOLDINGS to the extent related to periods or portions thereof prior to and including the Closing Date;

(ii) Subject to Section 11.3, and with respect to the Southern Hills Interest, the percentage of Taxes with respect to SOUTHERN HILLS or the Assets of SOUTHERN HILLS (for the avoidance of doubt, excepting all Taxes of HOLDINGS or its partners allocable to HOLDINGS to the extent related to periods or portions thereof prior to and including the Closing Date;

(iii) Subject to Section 11.3, and with respect to the Pipeline Interest, the percentage of Taxes with respect to SAND HILLS or the Assets of SAND HILLS (for the avoidance of doubt, excepting all Taxes of PIPELINE HOLDING or its partners allocable to PIPELINE HOLDING to the extent related to periods or portions thereof prior to and including the Closing Date;

(iv) the Excluded Assets and Taxes related thereto; and

(v) those matters, if any, described on Schedule 1.1(d).

"SAN JACINTO" shall have the meaning given such term in the Recitals.

"SAND HILLS" shall have the meaning given such term in the Recitals.

"SAND HILLS INTERSTATE" shall have the meaning given such term in the Recitals.

"Sand Hills LLC Agreement" shall mean the 2nd Amended and Restated Limited Liability Company Agreement by and among DCP Midstream, LP, Spectra Energy Sand Hills Holding, LLC and Phillips 66 Sand Hills LLC dated as of September 3, 2013.

"Sand Hills Pipeline" shall mean the pipeline system comprised, collectively, of (a) the approximately seven hundred and twenty (720) mile natural gas liquids gathering and transportation pipeline, constructed primarily of twenty (20) inch diameter pipe, and associated pumps and appurtenances, and extending from the MIDSTREAM'S Affiliate's Fullerton natural gas processing plant in Andrews County, Texas through a point in far eastern Harris County, Texas where such

pipeline system interconnects with the Southern Hills Pipeline, as the same may be extended or expanded from time to time by SAND HILLS; (b) the pipeline header facilities that extend from the point described in clause (a) and run eastward to Mont Belvieu, Texas and which header facilities will deliver natural gas liquids from both the upstream portions of the Sand Hills Pipeline and from the Southern Hills Pipeline to various delivery points at or serving fractionation and storage facilities located at and near Mont Belvieu, Texas; and (c) approximately 43,000 barrels per day of pipeline capacity leased from West Texas Pipeline, Limited Partnership in southeast New Mexico and west Texas

"Schedules" shall mean any and/or all of the schedules attached to and made a part of this Agreement.

"SC TEXAS" shall have the meaning given such term in the Recitals.

"SC Texas Interest" shall mean HOLDINGS' membership interest in SC TEXAS immediately prior to the undertaking of the transactions contemplated by this Agreement.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Settlement Notice" shall have the meaning given such term in Section 3.4.

"SOHI INTRASTATE" shall have the meaning given such term in the Recitals.

"South and Central Texas Systems" shall have the meaning given such term in the Recitals.

"SOUTHERN HILLS" shall have the meaning given such term in the Recitals.

"Southern Hills Interest" shall mean HOLDINGS' membership interest in SOUTHERN HILLS immediately prior to the undertaking of the transactions contemplated by this Agreement.

"Southern Hills LLC Agreement" shall mean the 2nd Amended and Restated Limited Liability Company Agreement by and among HOLDINGS, Spectra Energy Southern Hills Holding, LLC and Phillips 66 Southern Hills LLC dated as of September 3, 2013.

"SOUTHERN HILLS Net Working Capital" shall mean, as to SOUTHERN HILLS, and determined as of the Effective Time, an amount (which may be positive or negative) equal to (i) the total current assets of SOUTHERN HILLS and its Subsidiaries minus (ii) the total current liabilities of SOUTHERN HILLS and its Subsidiaries, in each case determined in accordance with GAAP, as adjusted for the Reserved Liabilities.

"Southern Hills Pipeline" shall mean the pipeline system comprised of (i) the approximately 520 mile pipeline, comprised of 16 and 20 inch diameter pipe, which was converted from refined product to natural gas liquids common carriage service and which extends from Cushing, Oklahoma to a point in far eastern Harris County, Texas where the pipeline interconnects with the Sand Hills Pipeline; and (ii) the approximately 200 mile pipeline comprised of 12 inch diameter pipe currently

under construction from the MIDSTREAM'S Affiliate's National Helium Plant located near Liberal, Seward County, Kansas and interconnecting with the facilities located at the MIDSTREAM'S Affiliate's Kingfisher Plant located in Kingfisher County, Oklahoma (the "Kingfisher Plant"); and (iii) the approximately 65 mile pipeline comprised of 16 inch pipe currently under construction from the Kingfisher Plant to the Panova Pump Station of the pipeline segment described in (i) above and located in Pottawatomie County, Oklahoma.

"Subject Interests" shall mean, collectively, the Pipeline Interest, the SC Texas Interest and the Southern Hills Interest.

"Subsidiary" means, with respect to any Person, (a) any corporation, of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote generally in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) any limited liability company, partnership, association or other business entity, of which a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. With respect to the Entities, Subsidiary shall mean DEIN, AUSTIN, HINSHAW, INTRASTATE, SAN JACINTO, WEBB/DUVAL, SAND HILLS INTERSTATE and SOHI INTRASTATE.

"System Map" shall mean the maps depicting the South and Central Texas Systems and the Pipeline Systems, which maps are attached as Schedule 1.1(e).

"Tax" or "Taxes" shall mean any federal, state, local or foreign income tax, ad valorem tax, excise tax, sales tax, use tax, franchise tax, real or personal property tax, transfer tax, gross receipts tax or other tax, assessment, duty, fee, levy or other governmental charge, together with and including, any and all interest, fines, penalties, assessments, and additions to Tax resulting from, relating to, or incurred in connection with any of those or any contest or dispute thereof.

"Tax Authority" shall mean any Governmental Authority having jurisdiction over the payment or reporting of any Tax.

"Tax Benefits" shall mean, with respect to a Loss, the amount by which the Tax liability of the Indemnified Party or any of its Affiliates for a taxable period is actually reduced (including by deduction, reduction in income upon a sale, disposition or other similar transaction as a result of increased tax basis, receipt of a refund of Taxes or use of a credit of Taxes) plus any related interest (net of Taxes payable thereon) received from the relevant Tax Authority, as a result of the incurrence, accrual or payment of such Loss or Tax with respect to which the indemnification payment is being made.

"Tax Return" shall mean any report, statement, form, return or other document or information required to be supplied to a Tax Authority in connection with Taxes.

"Third Person" shall mean any Person other than a Party or its Affiliates.

"Third Person Awards" shall mean any actual recoveries from Third Persons by the Indemnified Party (including from insurance and third-party indemnification) in connection with the claim for which such party is also potentially liable.

"Total Net Working Capital" shall mean the sum of the MIDSTREAM Total Net Working Capital and the HOLDINGS Total Net Working Capital.

"Transaction Debt" shall mean the liability or liabilities to be incurred by MLP with respect to transactions contemplated by Section 2.1 which will be considered recourse debt within the meaning of Treasury Regulations Section 1.752-1.

"Transaction Documents" shall mean the Assignment of Subject Interests in Exhibit A, such certificate or other documents as are necessary to transfer the Unit Consideration to HOLDINGS, MIDSTREAM and GP pursuant to Section 2.2, and any other document related to the sale, transfer, assignment or conveyance of the Subject Interests to be delivered at Closing.

"Treasury Regulations" shall mean regulations promulgated under the Code.

"Units" shall mean the common units representing limited partner interests in the MLP.

"Unit Consideration" shall mean the GP Unit Consideration, the HOLDINGS Unit Consideration and the MIDSTREAM Unit Consideration.

"WEBB/DUVAL" shall have the meaning given such term in the Recitals.

1.2 Other Definitional Provisions. As used in this Agreement, unless expressly stated otherwise or the context requires otherwise, (a) all references to an "Article," "Section," or "subsection" shall be to an Article, Section, or subsection of this Agreement, (b) the words "this Agreement," "hereof," "hereunder," "herein," "hereby," or words of similar import shall refer to this Agreement as a whole and not to a particular Article, Section, subsection, clause or other subdivision hereof, (c) the words used herein shall include the masculine, feminine and neuter gender, and the singular and the plural, (d) the word "including" means "including, without limitation" and (e) the word "day" or "days" means a calendar day or days, unless otherwise denoted as a Business Day.

1.3 Headings. The headings of the Articles and Sections of this Agreement and of the Schedules and Exhibits are included for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation hereof or thereof.

1.4 Other Terms. Other terms may be defined elsewhere in the text of this Agreement and shall have the meaning indicated throughout this Agreement.

ARTICLE II
CONTRIBUTION OF THE SUBJECT INTERESTS, ISSUANCE OF THE UNITS AND CONSIDERATION

2.1 The Transaction. Upon the terms and subject to the conditions of this Agreement, at the Closing, but effective for all purposes as of the Effective Time:

(a) HOLDINGS shall contribute, assign, transfer and convey 4% of the SC Texas Interest (the "GP Contribution") to GP as a capital contribution, and GP shall accept the GP Contribution;

(b) (i) GP shall contribute, assign, transfer and convey the GP Contribution to MLP; (ii) HOLDINGS shall contribute, assign, transfer and convey (A) the Southern Hills Interest and (B) 16% of the SC Texas Interest to MLP (the "HOLDINGS Contribution"); and (iii) MIDSTREAM shall contribute, assign, transfer and convey the Pipeline Interest to MLP (the "MIDSTREAM Contribution"). MLP shall accept the Contributions and shall assume and thereafter timely perform and discharge in accordance with their respective terms, all Assumed Obligations; and

(c) MIDSTREAM shall contribute, assign, transfer and convey the MIDSTREAM Unit Consideration to HOLDINGS as a capital contribution (0.2% on behalf of Gas Supply Resources Holdings, Inc. and 99.8% on behalf of MIDSTREAM), and HOLDINGS shall accept the MIDSTREAM Unit Consideration.

2.2 Consideration. At the Closing, in consideration of MLP's receipt of the Contributions described in Section 2.1, MLP shall:

(a) Issue and deliver to GP on the day of Closing one or more certificates duly registered in the name of GP and representing Units having an aggregate value of $50,000,000 with the number of Units determined by dividing $50,000,000 by the volume weighted average price of the Units during the ten trading days ending two trading days prior to the Closing Date (such Units being referred to herein collectively as, the "GP Unit Consideration");

(b) (i) Issue and deliver to HOLDINGS on the day of Closing one or more certificates duly registered in the name of HOLDINGS and representing Units having an aggregate value of $70,000,000 with the number of Units determined by dividing $70,000,000 by the volume weighted average price of the Units during the ten trading days ending two trading days prior to the Closing Date (such Units being referred to herein collectively as the "HOLDINGS Unit Consideration") and (ii) distribute at the Closing an amount of cash to HOLDINGS, in the aggregate equal to the sum of (A) $475,000,000 and (B) the HOLDINGS Total Net Working Capital as of the Effective Time (the "HOLDINGS Cash Consideration") and together with the HOLDINGS Unit Consideration, the "HOLDINGS Consideration"), which HOLDINGS Cash Consideration includes (Y) $69,000,000 as reimbursement of pre-formation capital expenditures within the meaning of Treasury Regulations Section 1.707-4(d) and (Z) $69,000,000 sourced to the Transaction Debt; and

(c) (i) Issue and deliver to MIDSTREAM on the day of Closing one or more certificates duly registered in the name of MIDSTREAM and representing Units having an aggregate value of $105,000,000 with the number of Units determined by dividing $105,000,000 by the volume weighted average price of the Units during the ten trading days ending two trading days prior to the Closing Date (such Units being

referred to herein collectively as the "MIDSTREAM Unit Consideration") and (ii) distribute at the Closing an amount of cash to MIDSTREAM, in the aggregate equal to the sum of (A) $420,000,000 and (B) the MIDSTREAM Total Net Working Capital as of the Effective Time (the "MIDSTREAM Cash Consideration") and together with the MIDSTREAM Unit Consideration, the "MIDSTREAM Consideration"), which MIDSTREAM Cash Consideration includes (Y) $105,000,000 as reimbursement of pre-formation capital expenditures within the meaning of Treasury Regulations Section 1.707-4(d) and (Z) $315,000,000 sourced to the Transaction Debt.

ARTICLE III
ADJUSTMENTS AND SETTLEMENT

3.1 Adjustments.

(a) The value of the Total Net Working Capital shall be subject to cash adjustments pursuant to this ARTICLE III.

(b) The Parties shall use all Commercially Reasonable Efforts to agree upon the adjustments set forth in this ARTICLE III, and to resolve any differences with respect thereto. Except as provided herein, no adjustments shall be made after delivery of the Final Settlement Statement.

3.2 Preliminary Settlement Statement. Not later than five (5) Business Days before the Closing Date, and after consultation with MLP, HOLDINGS and MIDSTREAM shall each deliver to MLP a written statement (each, a "Preliminary Settlement Statement") setting forth the HOLDINGS Total Net Working Capital and the MIDSTREAM Total Net Working Capital respectively, and each component therein, as determined in good faith by HOLDINGS and MIDSTREAM that are described in the definition thereof, with HOLDINGS' and MIDSTREAM'S calculation of such items in reasonable detail, based on information then available to HOLDINGS and MIDSTREAM. The Preliminary Settlement Statements shall also set forth wire transfer instructions for the Closing payments. Payment of the HOLDINGS Total Net Working Capital and the MIDSTREAM Total Net Working Capital, respectively, at the Effective Time shall be based on such Preliminary Settlement Statements. The Preliminary Settlement Statements will be calculated using the December 31, 2013 financial statements of SAND HILLS, SOUTHERN HILLS, and the JV.

3.3 Final Settlement Statement. No later than one hundred and eighty (180) days after the Closing Date and after consultation with MLP, HOLDINGS, and MIDSTREAM shall deliver to MLP a revised settlement statement showing in reasonable detail its calculation of the items described in the definition of HOLDINGS Total Net Working Capital and the MIDSTREAM Total Net Working Capital, respectively, along with other adjustments or payments contemplated in this Agreement (each revised statement and the calculation thereof shall be referred to as a "Final Settlement Statement").

3.4 Dispute Procedures. The Final Settlement Statements shall become final and binding on the Parties on the 45th day following the date each Final Settlement Statement is received by MLP, unless prior to such date MLP delivers written notice to HOLDINGS or MIDSTREAM of

its disagreement with such Final Settlement Statement (a "Settlement Notice"). Any Settlement Notice shall set forth MLP's proposed changes to a Final Settlement Statement, including an explanation in reasonable detail of the basis on which MLP proposes such changes. If MLP has timely delivered a Settlement Notice, MLP and HOLDINGS or MIDSTREAM shall use good faith efforts to reach written agreement on the disputed items. If the disputed items have not been resolved by MLP and HOLDINGS or MIDSTREAM by the 30th day following HOLDINGS' or MIDSTREAM'S, receipt of a Settlement Notice, any remaining disputed items shall be submitted to the Independent Accountants for resolution within ten (10) Business Days after the end of the foregoing 30-day period. The fees and expenses of the Independent Accountants shall be borne fifty percent (50%) by HOLDINGS or MIDSTREAM, as the case may be, and fifty percent (50%) by MLP. The Independent Accountants' determination of the disputed items shall be final and binding upon the Parties, and the Parties hereby waive any and all rights to dispute such resolution in any manner, including in court, before an arbiter or appeal.

3.5 Payments. If the final calculated amount as set forth in a Final Settlement Statement exceeds the estimated calculated amount as set forth in the correlating Preliminary Settlement Statement, then MLP shall pay to HOLDINGS or MIDSTREAM, as the case may be, the aggregate amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). If the final calculated amount as set forth in a Final Settlement Statement is less than the estimated calculated amount as set forth in the correlating Preliminary Settlement Statement, then HOLDINGS or MIDSTREAM, as the case may be, shall pay to MLP the aggregate the amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). Any payment shall be made within three (3) Business Days of the date the Final Settlement Statement becomes final pursuant to Section 3.4.

3.6 Access to Records. The Parties shall grant to each other full access to the Records and relevant personnel to allow each of them to make evaluations under this ARTICLE III.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF HOLDINGS

HOLDINGS, MIDSTREAM AND GP represent and warrant to MLP as follows:

4.1 Organization, Good Standing, and Authority.

(a) HOLDINGS is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware. The execution and delivery of this Agreement and the other Transaction Documents to which HOLDINGS is a party and the consummation by HOLDINGS of the transactions contemplated herein and therein have been duly and validly authorized by all necessary limited liability company action by HOLDINGS. This Agreement has been duly executed and delivered by HOLDINGS. HOLDINGS has all requisite limited liability company power and authority to enter into and perform this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated herein and therein.

(b) The JV is a general partnership duly formed and validly existing under the Laws of the State of Delaware. SAND HILLS, SOUTHERN HILLS and the Subsidiaries are limited liability companies duly formed, validly existing and in good standing under the Laws of Delaware or in the case of WEBB/DUVAL, a general partnership duly formed, validly existing and in good standing under the Laws of Texas. SAND HILLS, SOUTHERN HILLS and the Subsidiaries have all requisite limited liability company power and authority, or in the case of WEBB/DUVAL partnership power and authority, to own or otherwise hold and operate its assets.

4.2 Enforceability. This Agreement constitutes and, upon execution of and delivery by HOLDINGS, MIDSTREAM and GP of the other Transaction Documents to which it is a party, such Transaction Documents will constitute, valid and binding obligations of HOLDINGS, MIDSTREAM and GP enforceable against such Parties in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar Laws affecting creditor's rights generally and general principles of equity.

4.3 No Conflicts. The execution, delivery and performance by HOLDINGS, MIDSTREAM and GP of this Agreement, and the execution, delivery and performance by HOLDINGS, MIDSTREAM and GP of the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby or thereby, will not:

(a) Provided all of HOLDINGS' Post-Closing Consents have been obtained, conflict with, constitute a breach, violation or termination of, give rise to any right of termination, cancellation or acceleration of or result in the loss of any right or benefit under, any agreements to which HOLDINGS, MIDSTREAM and GP or the Entities or their Subsidiaries are a party or by which any of them, the Subject Interests or the Assets are bound;

(b) Conflict with or violate the limited liability company agreement of HOLDINGS, MIDSTREAM and the Entities, the limited partnership agreement of GP, or the general partnership agreement of the JV; and

(c) Provided that all of HOLDINGS' Post-Closing Consents have been obtained, violate any Law applicable to HOLDINGS, MIDSTREAM, GP, the Entities, their Subsidiaries or the Assets, except where such violation of any provision in clauses (b) and (c) would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

4.4 Consents, Approvals, Authorizations and Governmental Regulations.

(a) Except for the Post-Closing Consents, no order, consent, waiver, permission, authorization or approval of, or exemption by, or the giving of notice to or the registration or filing with any Third Person, is necessary for HOLDINGS, MIDSTREAM or GP to execute, deliver and perform this Agreement or for HOLDINGS, MIDSTREAM or GP to execute, deliver and perform the other Transaction Documents to which it is a party.

(b) Except for the Post-Closing Consents, (i) all material Permits of all Governmental Authorities required or necessary for the Entities and their Subsidiaries to own and operate the Assets in the places and in the manner currently owned or operated, have been obtained, and are in full force and effect, (ii) HOLDINGS and its Affiliates have received no written notification concerning, and there are no violations that are in existence with respect to the Permits and (iii) no Proceeding is pending or threatened with respect to the revocation or limitation of any of the Permits. Notwithstanding anything herein to the contrary, the provisions of this Section 4.4(b) shall not relate to or cover any matter relating to or arising out of any Environmental Laws (an "Environmental Matter"), which shall be governed by Section 4.14.

4.5 Taxes. Except as set forth in Schedule 4.5:

(a) The JV is treated as partnership for federal tax purposes and has not and will not on or prior to the Closing Date, file an election under Treasury Regulation §301.7701-3 to be classified as a corporation for U.S. federal income tax purposes. Since the date of its formation until Closing, the JV and each of its Subsidiaries has been and will be a business entity that was either disregarded as separate from its owner or treated as a partnership for federal Tax purposes under Treasury Regulation §§301.7701-2 and -3.

(b) PIPELINE HOLDING is disregarded as separate from its owner for federal tax purposes and has not and will not on or prior to the Closing Date, file an election under Treasury Regulation §301.7701-3 to be classified as a corporation for U.S. federal income tax purposes. Since the date of its formation until Closing, PIPELINE HOLDING and each of its Subsidiaries has been and will be a business entity that was either disregarded as separate from its owner or treated as a partnership for federal Tax purposes under Treasury Regulation §§301.7701-2 and -3;

(c) SAND HILLS and SOUTHERN HILLS are treated as partnerships for federal tax purposes and have not and will not on or prior to the Closing Date, file an election under Treasury Regulation §301.7701-3 to be classified as a corporation for U.S. federal income tax purposes. Since the date of their respective formation until Closing, each of SAND HILLS and SOUTHERN HILLS and each of their Subsidiaries have been and will be a business entity that was either disregarded as separate from its owner or treated as a partnership for federal Tax purposes under Treasury Regulation §§301.7701-2 and -3;

(d) Except with respect to ad valorem Taxes for the year in which Closing occurs, all Taxes due and owing or claimed to be due and owing (whether such claim is asserted before or after the Effective Time) from or against PIPELINE HOLDING and the Entities or their Subsidiaries relating to the Assets, or the operation thereof, prior to the Effective Time have been or will be timely paid in full by, for or on behalf or with respect to PIPELINE HOLDING and the Entities or their Subsidiaries owing such Tax;

(e) All withholding Tax and Tax deposit requirements imposed with respect to PIPELINE HOLDING and the Entities or their Subsidiaries, and applicable to the Assets, or the operation thereof, for any and all periods or portions thereof ending prior to the Effective

Time have been or will be timely satisfied in full by for or on behalf or with respect to PIPELINE HOLDING and the Entities or their Subsidiaries owing such Tax;

(f) All Tax Returns that are required to be timely filed for, by, on behalf of or with respect to PIPELINE HOLDING and the Entities or their Subsidiaries, before the Effective Time have been or will be filed with the appropriate Governmental Authority; all Taxes shown to be due and payable on such Tax Returns have been or will be paid in full by, for or on behalf or with respect to the Entities or the Subsidiary owing such Tax;

(g) None of PIPELINE HOLDING and the Entities or their Subsidiaries is under Tax audit or Tax examination by any Governmental Authority. There are no Claims now pending or, to the Knowledge of HOLDINGS with respect to SOUTHERN HILLS and the JV and to the Knowledge of MIDSTREAM with respect to PIPELINE HOLDING and SAND HILLS, threatened against the PIPELINE HOLDING and Entities or their Subsidiaries with respect to any Tax or any matters under discussion with any Governmental Authority relating to any Tax;

(h) None of PIPELINE HOLDING and the Entities or their Subsidiaries (i) has agreed to make, nor is required to make, any adjustment under Section 481 of the Code or any comparable provision of state, local or foreign Law by reason of a change in accounting method or otherwise, and (ii) is a party to or bound by (or will become a party to or bound by) any Tax sharing, Tax indemnity or Tax allocation agreement; and

(i) Each of the Entities has made an election under Section 754 of the Code.

4.6 Litigation; Compliance with Laws.

(a) There is no injunction, restraining order or Proceeding pending against HOLDINGS, GP, MIDSTREAM, the Entities or their Subsidiaries that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(b) Except for the litigation and Claims identified on Schedule 4.6, there is no written Claim, investigation or examination pending, or to the Knowledge of HOLDINGS, MIDSTREAM and GP, threatened, against or affecting the Entities or their Subsidiaries (or their respective assets) before or by any Third Person.

(c) To HOLDINGS' Knowledge, the Assets have been owned and operated in compliance with applicable Laws, except for any non-compliance which has been timely brought into compliance therewith. Notwithstanding anything herein to the contrary, the provisions of this Section 4.6(c) shall not relate to or cover any Environmental Matters, which shall be governed by Section 4.14.

4.7 Contracts. The JV is not a party to any contracts other than the JV Agreement. All of the Contracts that are material to the business of the Entities or their Subsidiaries, taken as a whole, are listed on Schedule 4.7, with the exception of interests in real property and construction contracts and master services agreements or purchase orders entered into in the Ordinary Course of Business and retained by MIDSTREAM as operator of the Assets. The Entities and their Subsidiaries are not in default and there is no event or circumstance that with notice, or lapse of

time or both, would constitute an event of default by the applicable Entity or Subsidiary under the terms of the Contracts. All of the Contracts of the Entities and their Subsidiaries are in full force and effect and to HOLDINGS' and MIDSTREAM'S Knowledge, no counter-party to any of the Contracts is in default under the terms of such Contracts. Schedule 4.7 lists each Contract to which the Entitles or their Subsidiaries are a party that:

(a) expressly obligates an Entity to pay an amount of $500,000 (to the 100% Subject Interests) or more and has not been fully performed as of the date hereof;

(b) expressly restricts the ability of an Entity or its Subsidiaries to compete or otherwise to conduct its business in any manner or place;

(c) provides for the sale of products or the provision of services (for a term greater than a year) for amounts in excess of $500,000 (to the 100% Subject Interests and including outstanding offers or quotes which by acceptance would create such a Contract) and which have not been fully performed as of the date hereof;

(d) provides a right of first refusal or other restrictive right that limits the ability to transfer, sell or assign an interest in the Assets or an equity interest in the Entities or any Subsidiary;

(e) is a master agreement, swap, derivative, option, future or similar type Contract or any open agreement or position thereunder;

(f) is with any current or former employee, officer, director or consultant of HOLDINGS or an Entity, their Subsidiaries or their respective Affiliates;

(g) is an inter-company agreement;

(h) is with any labor union or association;

(i) is a partnership or joint venture agreement with a Third Person in which the Entities or their Subsidiaires is a party or by which any of them are bound;

(j) is an agreement with a consideration in excess of $500,000 (to the 100% Subject Interests) by an Entity or its Subsidiaries to purchase or sell any assets (other than inventory in the Ordinary Course of Business), businesses, capital stock or other debt or equity securities of any Person and which have not been fully preformed as of the date hereof; or

(k) is an agreement with a consideration in excess of $500,000 (to the 100% Subject Interests) involving the merger, consolidation, purchase, sale, transfer or other disposition of interests in real property, capital stock or other debt or equity securities of any Person prior to Closing and which have not been fully preformed as of the date hereof.

4.8 Intellectual Property.

(a) To HOLDINGS' or MIDSTREAM'S Knowledge, none of HOLDINGS, MIDSTREAM, the Entities or any Subsidiary has received any written notice of infringement, misappropriation or conflict with respect to intellectual property from any Person with respect to the ownership, use or operation of the Assets; and

(b) To HOLDINGS' or MIDSTREAM'S Knowledge, the ownership, use and operation of the Assets have not infringed, misappropriated or otherwise conflicted with any patents, patent applications, patent rights, trademarks, trademark applications, service marks, service mark applications, copyrights, trade names, unregistered copyrights or trade secrets of any other Person.

4.9 [Reserved].

4.10 [Reserved].

4.11 Preferential Rights to Purchase. Except as listed in Schedule 4.11, there are no preferential or similar rights to purchase any portion of the Entities, their Subsidiaries or the Assets that will be triggered by this Agreement or the transactions contemplated herein.

4.12 Broker's or Finder's Fees. No investment banker, broker, finder or other Person is entitled to any brokerage or finder's fee or similar commission in respect thereof based in any way on agreements, arrangements or understandings made by or on behalf of HOLDINGS, MIDSTREAM or any of their Affiliates.

4.13 Compliance with Property Instruments. Except as set forth in Schedule 4.13, to HOLDINGS' or MIDSTREAM'S Knowledge (a) HOLDINGS, MIDSTREAM or their Affiliates have such easements, licenses, rights of way, permits, leasehold estates, instruments creating interests in real property, and other similar real estate interests (each a "Right of Way") that are necessary for HOLDINGS, MIDSTREAM and their Affiliates to own, use and operate the Assets in the manner that such assets and properties are currently owned, used and operated in accordance with the terms of each Right of Way, and each such Right of Way is free and clear of all Liens created by HOLDINGS, MIDSTREAM or their Affiliates, other than Permitted Encumbrances; (b) all of the instruments creating the Real Property Interests are presently valid, subsisting and in full force and effect; (c) there are no violations, defaults or breaches thereunder, or existing facts or circumstances which upon notice or the passage of time or both will constitute a violation, default or breach thereunder; and (d) the Assets are currently being operated and maintained in compliance with all terms and provisions of the instruments creating the Real Property Interests. None of HOLDINGS, MIDSTREAM or their Affiliates has received or given any written notice of default or claimed default under any such instruments and is not participating in any negotiations regarding any material modifications thereof.

4.14 Environmental Matters. Except as set forth in Schedule 4.14:

(a) to HOLDINGS' or MIDSTREAM'S Knowledge, HOLDINGS, MIDSTREAM and their Affiliates have not caused or allowed the generation, use, treatment, manufacture, storage, or disposal of Hazardous Materials at, on or from the Assets, except in accordance with all applicable Environmental Laws;

(b) to HOLDINGS' or MIDSTREAM'S Knowledge, there has been no release of any Hazardous Materials at, on, from or underlying any of the Assets other than such releases that (i) are not required to be reported to a Governmental Authority, (ii) have been reported to the appropriate Governmental Authority or (iii) were in compliance with applicable Environmental Laws;

(c) to HOLDINGS' or MIDSTREAM'S Knowledge, the Entities and their Subsidiaries have secured all permits required under Environmental Laws for the ownership, use and operation of the Assets and the Entities and their Subsidiaries are in compliance with such permits;

(d) HOLDINGS, MIDSTREAM and their Affiliates have not received written inquiry or notice of any actual or threatened Claim related to or arising under any Environmental Law relating to the Assets;

(e) none of HOLDINGS, MIDSTREAM, the Entities or their Subsidiaries is currently operating or required to be operating any of the Assets under any compliance order, a decree or agreement, any consent decree or order, or corrective action decree or order issued by or entered into with any Governmental Authority under any Environmental Law or any Law regarding health or safety in the work place;

(f) to HOLDINGS' or MIDSTREAM'S Knowledge, the Entities or their Subsidiaries have owned, used and operated the Assets in compliance with Environmental Laws, except for any non-compliance which has been remediated and brought into compliance with Environmental Laws; and

(g) to HOLDINGS' or MIDSTREAM'S Knowledge, none of the off-site locations where Hazardous Materials from any of the Assets have been transported, stored, treated, recycled, disposed of or released has been designated as a facility that is subject to a Claim under the Environmental Laws.

4.15 Employee Matters. At no time prior to the Effective Time will the Entities or their Subsidiaries have had any employees.

4.16 Benefit Plan Liabilities. At no time prior to the Effective Time will the Entities or their Subsidiaries have maintained any Benefit Plans. At the Effective Time, the Entities or their Subsidiaries shall have no liability with respect to any Benefit Plans.

4.17 No Foreign Person. None of HOLDINGS, MIDSTREAM or GP is a "foreign person" as defined in Section 1445 of the Code and in any regulations promulgated thereunder.

4.18 Title; Capitalization of the Subject Interests.

(a) The Subject Interests (i) constitute 20% of the outstanding ownership interests in the JV and 33.330% of the outstanding ownership interests in each of SAND HILLS and SOUTHERN HILLS, (ii) were duly authorized, validly issued, fully paid and non-assessable and (iii) were not issued in violation of any pre-emptive rights.

(b) HOLDINGS, MIDSTREAM and GP, as applicable, has good and valid title to the Subject Interests conveyed by each of them and, except as provided or created by its limited liability company agreement or other organizational or governance documents, the Securities Act or applicable securities Laws, the Subject Interests are free and clear of any (i) restrictions on transfer, Taxes, Liens, Claims, or Proceedings or (ii) encumbrances, options, warrants, purchase rights, contracts, commitments, equities or demands to the extent any of the same contain or create any right to acquire all or any right in or to the Subject Interests.

(c) There are no existing rights, agreements or commitments of any character obligating the Entities to issue, transfer or sell any additional ownership rights or interests or any other securities (debt, equity or otherwise) convertible into or exchangeable for such ownership rights or interests or repurchase, redeem or otherwise acquire any such interest.

(d) The Entities have Defensible Title to all Personal Property, and all Facilities that are leased or located on leasehold properties are held under valid and enforceable leases, subject in each case only to Permitted Encumbrances.

4.19 Subsidiaries and Other Equity Interests. As of Closing, the Entities will not have any Subsidiaries or own, directly or indirectly, any equity interest in any other Person except as set forth in the Recitals.

4.20 Bank Accounts. As of Closing, the Entities have no accounts or safe-deposit boxes with banks, trust companies, savings and loan associations, or other financial institutions except as set forth on Schedule 4.20.

4.21 Financial Statements. To HOLDINGS' or MIDSTREAM'S Knowledge, Schedule 4.21 sets forth a true and complete copy of the audited financial statements of DCP Sand Hills Pipeline, LLC as of and for the years ended December 31, 2013 and 2013, and for the period from inception (February 2, 2011) to December 31, 2011, and the audited financial statements for DCP Southern Hills Pipeline, LLC as of and for the years ended December 31, 2013 and 2012, and for the period from inception (June 21, 2011) to December 31, 2011 for the business of each of SAND HILLS and SOUTHERN HILLS (the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP.

4.22 [Reserved].

4.23 Investment Intent. Each of HOLDINGS, MIDSTREAM and GP is acquiring the Unit Consideration for its own account, and not with a view to, or for sale in connection with, the distribution thereof in violation of state or federal Law. Each of HOLDINGS, MIDSTREAM and GP acknowledges that the Unit Consideration has not been registered under the Securities Act or the securities Laws of any state and neither HOLDINGS, MIDSTREAM nor GP has any obligation or right to register the Unit Consideration except as set forth in the Limited Partnership Agreement. Without such registration, the Unit Consideration may not be sold, pledged, hypothecated or otherwise transferred unless it is determined that registration is not required. Each of HOLDINGS, MIDSTREAM and GP, itself or through its officers, employees or agents, has sufficient knowledge

and experience in financial and business matters to be capable of evaluating the merits and risks of an investment such as an investment in the Units, and each of HOLDINGS, MIDSTREAM and GP, either alone or through its respective officers, employees or agents, has evaluated the merits and risks of the investment in the Units.

4.24 Undisclosed Liabilities. To HOLDINGS' or MIDSTREAM'S Knowledge, there are no liabilities or obligations of the Entities (whether known or unknown and whether accrued, absolute, contingent or otherwise) and there are no facts or circumstances that would reasonably be expected to result in any such liabilities or obligations, other than (i) liabilities or obligations disclosed, reflected or reserved against in the Financial Statements of SAND HILLS or SOUTHERN HILLS, and (ii) current liabilities incurred in the Ordinary Course of Business since December 31, 2013.

4.25 No Other Representations or Warranties; Schedules. HOLDINGS and MIDSTREAM make no other express or implied representation or warranty with respect to the Entities, their Subsidiaries or any of their respective Affiliates, the Assets or the transactions contemplated by this Agreement, and disclaims any other representations or warranties. The disclosure of any matter or item in any schedule to this Agreement shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF MLP

MLP hereby represents and warrants to HOLDINGS:

5.1 Organization, Good Standing, and Authorization. MLP is a limited partnership duly formed, validly existing and in good standing under the Laws of the State of Delaware. MLP has all requisite limited partnership power and authority to enter into and perform this Agreement and the Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated herein and therein. The execution and delivery of this Agreement and the Transaction Documents to which it is a party and the consummation by MLP of the transactions contemplated herein have been duly and validly authorized by all necessary limited partnership action by MLP. This Agreement has been duly executed and delivered by MLP.

5.2 Enforceability. This Agreement constitutes, and upon execution and delivery of the Transaction Documents to which MLP is a party, such Transaction Documents will constitute, valid and binding obligations of MLP, enforceable against MLP in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar Laws affecting creditor's rights generally and general principles of equity.

5.3 No Conflicts. The execution, delivery and performance by MLP of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby or thereby, will not:

(a) provided that any MLP Required Consents and Post-Closing Consents have been obtained, conflict with, constitute a breach, violation or termination of, give rise to any

right of termination, cancellation or acceleration of or result in the loss of any right or benefit under, any agreement to which MLP is a party;

(b) conflict with or violate the Limited Partnership Agreement or result in the creation of a Lien on the Units; or

(c) provided that all of the MLP Required Consents and Post-Closing Consents have been obtained, violate any Law applicable to MLP.

5.4 Consents, Approvals, Authorizations and Governmental Regulations. Except (i) for Post-Closing Consents, and (ii) as set forth in Schedule 5.4 (the items described in clause (ii) being referred to as the "MLP Required Consents"), no order, consent, waiver, permission, authorization or approval of, or exemption by, or the giving of notice to or registration or filing with, any Third Person, is necessary for MLP to execute, deliver and perform this Agreement or the Transaction Documents to which it will be a party.

5.5 Litigation. There is no injunction, restraining order or Proceeding pending against MLP that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

5.6 Independent Investigation. MLP is knowledgeable in the business of owning and operating natural gas and natural gas liquids facilities and has had access to the Assets, the representatives of HOLDINGS, MIDSTREAM and their Affiliates, and to the records of HOLDINGS, MIDSTREAM and their Affiliates with respect to the Assets. MLP ACKNOWLEDGES THAT THE ASSETS ARE IN THEIR "AS IS, WHERE IS" CONDITION AND STATE OF REPAIR, AND WITH ALL FAULTS AND DEFECTS, AND THAT, EXCEPT AS EXPRESSLY SET OUT IN THIS AGREEMENT, HOLDINGS HAS MADE NO REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MARKETABILITY, QUALITY, CONDITION, CONFORMITY TO SAMPLES, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED BY HOLDINGS AND MIDSTREAM AND EXCEPT AS SET FORTH IN THIS AGREEMENT, WAIVED BY MLP. MLP FURTHER ACKNOWLEDGES THAT: (I) THE ASSETS HAVE BEEN USED FOR NATURAL GAS AND NATURAL GAS LIQUIDS OPERATIONS AND PHYSICAL CHANGES IN THE ASSETS AND IN THE LANDS BURDENED THEREBY MAY HAVE OCCURRED AS A RESULT OF SUCH USES; (II) THE ASSETS MAY INCLUDE BURIED PIPELINES AND OTHER EQUIPMENT, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY HOLDINGS OR READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS OR THE LANDS BURDENED THEREBY; (III) MLP SHALL HAVE INSPECTED PRIOR TO CLOSING, OR SHALL BE DEEMED TO HAVE WAIVED ITS RIGHTS TO INSPECT, THE ASSETS AND THE ASSOCIATED PREMISES, AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, AND THAT MLP SHALL, SUBJECT TO THE OTHER PROVISIONS OF THIS AGREEMENT, ACCEPT ALL OF THE SAME IN THEIR "AS IS, WHERE IS" CONDITION AND STATE OF REPAIR, AND WITH ALL FAULTS AND DEFECTS, INCLUDING, BUT NOT LIMITED TO, THE PRESENCE OF MAN-MADE MATERIAL FIBERS AND THE PRESENCE, RELEASE OR DISPOSAL OF

HAZARDOUS MATERIALS. EXCEPT AS EXPRESSLY SET OUT IN THIS AGREEMENT, HOLDINGS MAKES NO REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED OR STATUTORY, AS TO (A) THE ACCURACY OR COMPLETENESS OF ANY DATA OR RECORDS DELIVERED TO MLP WITH RESPECT TO THE SUBJECT INTERESTS, INCLUDING, WITHOUT LIMITATION, ANY DESCRIPTION OF THE SUBJECT INTERESTS, PRICING ASSUMPTIONS, QUALITY OR QUANTITY OF THE SUBJECT INTERESTS, FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT OR (B) FUTURE VOLUMES OF HYDROCARBONS OR OTHER PRODUCTS TRANSPORTED, TREATED, STORED OR PROCESSED THROUGH OR AT THE ASSETS. With respect to any projection or forecast delivered by or on behalf of HOLDINGS, MIDSTREAM or their Affiliates to MLP, MLP acknowledges that (i) there are uncertainties inherent in attempting to make such projections and forecasts, (ii) MLP is familiar with such uncertainties, (iii) MLP is taking full responsibility for making its own evaluation of the adequacy and accuracy of all such projections and forecasts furnished to MLP and (iv) MLP will not have a claim against HOLDINGS, MIDSTREAM or any of their advisors or Affiliates with respect to such projections or forecasts.

5.7 Broker's or Finder's Fees. No investment banker, broker, finder or other Person is entitled to any brokerage or finder's fee or similar commission in respect thereof based in any way on agreements, arrangements or understandings made by or on behalf of MLP or any of its Affiliates which is, or following the Closing would be, an obligation of HOLDINGS, MIDSTREAM or any of their Affiliates.

5.8 Investment Intent. MLP is acquiring the Subject Interests for its own account, and not with a view to, or for sale in connection with, the distribution thereof in violation of state or federal Law. MLP acknowledges that the Subject Interests have not been registered under the Securities Act or the securities Laws of any state and none of HOLDINGS, MIDSTREAM nor any of their Affiliates has any obligation to register the Subject Interests. Without such registration, the Subject Interests may not be sold, pledged, hypothecated or otherwise transferred unless it is determined that registration is not required. MLP, itself or through its officers, employees or agents, has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment such as an investment in the Subject Interests, and MLP, either alone or through its officers, employees or agents, has evaluated the merits and risks of the investment in the Subject Interests.

5.9 Available Funds. MLP will have at Closing, sufficient cash to enable it to make payment in immediately available funds of the HOLDINGS Cash Consideration and the MIDSTREAM Cash Consideration when due and any other amounts to be paid by it hereunder.

5.10 No Knowledge of Misrepresentations or Omissions. MLP has no Knowledge that any representation or warranty of MIDSTREAM or HOLDINGS contained in this Agreement or any agreement contemplated hereby is not true and correct in all material respects, and MLP has no Knowledge of any material errors in, or material omissions from, the Exhibits and Schedules to this Agreement or the schedules, exhibits or attachments to any agreement contemplated hereby

ARTICLE VI
COVENANTS

6.1 Conduct of Business. HOLDINGS and MIDSTREAM covenant and agree that from and after the execution of this Agreement and until the Closing:

(a) Without the prior written consent of MLP, (i) HOLDINGS and MIDSTREAM will not, and will not permit the Entities or their Subsidiaries to sell, transfer, assign, convey or otherwise dispose of any Assets other than (A) the transfer of the Excluded Assets; (B) the sale of inventory in the Ordinary Course of Business or (C) the sale or other disposition of equipment or other Personal Property which is replaced with equipment or other Personal Property of comparable or better value and utility; (ii) make any adverse change in its sales, credit or collection terms and conditions relating to the Assets; (iii) do any act or omit to do any act which will cause a material breach in any Contract; or (iv) unless disputed in good faith, fail to pay when due all amounts owed under the Contracts; and

(b) Without the prior written consent of MLP, HOLDINGS and MIDSTREAM will not allow the Entities or their Subsidiaries to create or permit the creation of any Lien on any Asset other than Permitted Encumbrances;

6.2 Casualty Loss. HOLDINGS or MIDSTREAM shall promptly notify MLP of any Casualty Loss of which they become aware prior to the Closing. If a Casualty Loss occurs and such Casualty Loss would reasonably be expected to have a Material Adverse Effect (a "Material Casualty Loss"), MLP shall have the right to extend the Closing Date for up to forty-five (45) days for the purpose of repairing or replacing the Assets destroyed or damaged by the Material Casualty Loss. With respect to the JV, the costs to repair or replace the Assets destroyed or damaged by the Material Casualty Loss shall be shared by the Parties in the same percentage of their respective ownership interest in the JV. Any insurance, condemnation or taking proceeds as a result of a Casualty Loss occurring prior to Closing shall be split 20% to HOLDINGS and 80% to MLP with respect to such Parties' ownership interest in the JV, and each Party shall execute such assignments, releases, resolutions or other documents as may be necessary to vest such proceeds in the persons and percentages set forth above. With respect to SAND HILLS and SOUTHERN HILLS, the costs to repair or replace the Assets destroyed or damaged by the Material Casualty Loss shall be shared among the members pursuant to the Sand Hills LLC Agreement or the Southern Hills LLC Agreement as applicable. Any insurance, condemnation or taking proceeds as a result of a Casualty Loss occurring prior to Closing shall be shared among the members pursuant to the Sand Hills LLC Agreement or the Southern Hills LLC Agreement as applicable.

6.3 Access, Information and Access Indemnity.

(a) Prior to Closing, HOLDINGS and MIDSTREAM will authorize the Entities to make available at HOLDINGS' or MIDSTREAM'S offices to MLP and MLP's authorized representatives for examination as MLP may reasonably request, all Records; *provided*, *however*, such material shall not include (i) any proprietary data which relates to another business of HOLDINGS or its Affiliates and is not primarily used in connection with the continued ownership, use or operation of the Assets, (ii) any information subject to Third Person confidentiality agreements for which a consent or waiver cannot be secured by HOLDINGS, MIDSTREAM or their Affiliates after

reasonable efforts, or (iii) any information which, if disclosed, would violate an attorney-client privilege or would constitute a waiver of rights as to attorney work product or attorney-client privileged communications.

(b) Subject to subsection (a) above, HOLDINGS and MIDSTREAM shall permit MLP and MLP's authorized representatives to consult with employees of HOLDINGS, MIDSTREAM and their Affiliates during the business hours of 8:00 a.m. to 5:00 p.m. (local time), Monday through Friday and to conduct, at MLP's sole risk and expense, inspections and inventories of the Assets and to examine all Records over which HOLDINGS, MIDSTREAM and their Affiliates have control. HOLDINGS shall also coordinate, in advance, with MLP to allow site visits and inspections at the field sites on Saturdays unless operational conditions would reasonably prohibit such access.

(c) MLP SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD THE HOLDINGS' AND MIDSTREAM INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND LOSSES OCCURRING ON OR TO THE ASSETS CAUSED BY THE ACTS OR OMISSIONS OF MLP, MLP'S AFFILIATES OR ANY PERSON ACTING ON MLP'S OR ITS AFFILIATES' BEHALF IN CONNECTION WITH ANY DUE DILIGENCE CONDUCTED PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT PRIOR TO CLOSING, INCLUDING ANY SITE VISITS AND ENVIRONMENTAL SAMPLING; PROVIDED, HOWEVER, THE FOREGOING OBLIGATION OF MLP SHALL NOT APPLY WITH RESPECT TO ANY ENVIRONMENTAL CONDITIONS TO THE EXTENT EXISTING PRIOR TO THE CONDUCT OF SUCH DUE DILIGENCE WHICH ARE DISCOVERED DURING SUCH DUE DILIGENCE. MLP shall comply in all material respects with all rules, regulations, policies and instructions issued by HOLDINGS, GP, MIDSTREAM or any Third Person operator regarding MLP's actions prior to Closing while upon, entering or leaving any property included in the Assets, including any insurance requirements that HOLDINGS or MIDSTREAM may impose on contractors authorized to perform work on any property owned or operated by HOLDINGS or MIDSTREAM.

6.4 Regulatory Filings.

(a) The Parties will take all commercially reasonable actions necessary or desirable, and proceed diligently and in good faith and use all Commercially Reasonable Efforts, as promptly as practicable to obtain all consents, approvals or actions of, to make all filings with, and to give all notices to, Governmental Authorities required to accomplish the transactions contemplated by this Agreement; provided, however, that the cost to obtain Post-Closing Consents shall be borne by MLP.

(b) Notwithstanding any provision herein to the contrary, each of the Parties will (i) use reasonable efforts to comply as expeditiously as possible with all lawful requests of Governmental Authorities, and (ii) will not enter into any voluntary agreement with any Governmental Authority not to consummate the transactions contemplated by this Agreement, except with the prior consent of the other Party.

6.5 Limitation on Casualty Losses and Other Matters. Notwithstanding any provision herein to the contrary, if either HOLDINGS and MIDSTREAM or MLP reasonably determine that the anticipated aggregate value of any Casualty Losses and a good faith estimate of HOLDINGS' or MIDSTREAM'S liability with respect to breaches of representations and warranties of which either HOLDINGS and MIDSTREAM or MLP have provided notice to the other prior to Closing, exceeds $33,600,000, then such Party shall provide written notice to the other of such determination together with the notifying Party's calculations of the estimated costs, payments, reductions and liabilities supporting such determination. Notwithstanding Section 9.1(c) upon the other Party's receipt of such notice, the Party receiving the notice shall have the right to terminate this Agreement at any time prior to Closing upon ten (10) days written notice to the other Party.

6.6 Supplements to Exhibits and Schedules. HOLDINGS and MIDSTREAM may, from time to time, by written notice to MLP at any time prior to the Closing Date, supplement or amend the Exhibits and Schedules to correct any matter that would constitute a breach of any representation or warranty of HOLDINGS or MIDSTREAM herein contained. MLP shall have a minimum of five (5) Business Days to review such supplement or amendment and the Closing shall be extended as required to allow MLP to do so; *provided*, *however*, if MLP reasonably determines that any individual new disclosure item set forth in any such supplement or amendment would increase the amount of the Assumed Obligations by more than $100,000, then MLP shall notify HOLDINGS or MIDSTREAM of such determination together with MLP's calculations of such increase in the amount of the Assumed Obligations. Promptly upon HOLDINGS' or MIDSTREAM'S receipt of such written notice, the Parties shall endeavor in good faith to agree to a value to be paid by HOLDINGS or MIDSTREAM to MLP therefor or other mutually agreeable remedy to address the matters which are the subject of such supplement(s) and amendment(s) to the Exhibits and Schedules. If within fifteen (15) days of HOLDINGS' or MIDSTREAM'S receipt of such written notice, the Parties have not agreed to a value to be paid by HOLDINGS or MIDSTREAM to MLP therefore or another mutually agreeable remedy, MLP shall have the right to terminate this Agreement at any time during the five (5) Business Days following the expiration of such fifteen (15) day period by provision of written notice to HOLDINGS or MIDSTREAM. Notwithstanding any other provision hereof, if the Closing occurs, any such supplement or amendment will be effective to cure and correct for all purposes any breach of any representation or warranty that would have existed if such supplement or amendment had not been made.

6.7 Preservation of Records. For a period of seven (7) years after the Closing Date, the Party in possession of the originals of the Records will retain such Records at its sole cost and expense and will make such Records available to the other Party to the extent pertaining to such other Parties' obligations hereunder upon reasonable notice for inspection and/or copying, at the expense of the requesting Party, at the headquarters of the Party in possession (or at such other location in the United States as the Party in possession may designate in writing to the other Party) at reasonable times and during regular office hours. MLP agrees that HOLDINGS and MIDSTREAM may retain a copy of the Records to the extent such Records pertain to its obligations hereunder.

6.8 [Reserved].

6.9 [Reserved].

6.10 Imbalances. The Imbalance Receivable shall be for the sole benefit of HOLDINGS and MIDSTREAM, and the Imbalance Payable shall be the sole obligation of HOLDINGS and MIDSTREAM.

6.11 Tax Covenants; Preparation of Tax Returns.

(a) The Parties shall prepare and file, or cause to be prepared and filed, all Tax Returns required to be filed by PIPELINE HOLDING and the Entities or their Subsidiaries and to pay the Taxes shown to be due thereon; *provided*, *however*, that the MLP shall promptly reimburse MIDSTREAM and HOLDINGS for the portion of such Tax attributable to the ownership of the Subject Interests after the Closing Date, to the extent not accrued in the appropriate Final Settlement Statement.

(b) The Parties intend that the contribution of the Subject Interests to MLP and the distribution of the Cash Consideration by MLP (each as described in ARTICLE II) are properly characterized as transactions, respectively, described in Sections 721(a) and 731 of the Code.

(c) The Parties hereby agree that, for purposes of applying Section 704(c) of the Code to the transactions contemplated by this Agreement, each Party shall adopt the remedial method under Treasury Regulation Section 1.704-3(d) with respect to the difference between fair market value and adjusted tax basis, as of the Closing Date, of the assets treated as having been contributed to it for U.S. federal income tax purposes ("Built-in Gain"). For purposes of determining Built-in-Gain pursuant to Section 6.11(c), the Parties shall agree to cooperate in good faith in the preparation of a schedule reflecting the relative fair market value of the assets deemed contributed to MLP pursuant to Section 2.1 ("Allocation Schedule"). Within 90 days following the Closing, HOLDINGS and MIDSTREAM shall each submit their respective draft Allocation Schedules to MLP for its review and reasonable comment. Within 15 days after the receipt of such draft Allocation Schedules, MLP shall submit any comments it may have to the draft Allocation Schedules to HOLDINGS and MIDSTREAM, and HOLDINGS and MIDSTREAM shall consider these comments in good faith. Within 15 days after receipt of such comments, HOLDINGS and MIDSTREAM shall prepare, and submit to MLP, their respective final Allocation Schedule.

(d) During the greater of (i) the original term to maturity of the Transaction Debt (but in any event no longer than 10 years) and (ii) the period ending on the fourth anniversary of the Closing Date, the Parties shall ensure (and shall cause their respective Affiliates to ensure) that HOLDINGS' "allocable share" of the Transaction Debt (or any "refinancing" of such borrowing treated as the liability it refinances pursuant to Treasury Regulation Section 1.707-5(c)) will not be less than $406,000,000.

(e) During the greater of (i) the original term to maturity of the Transaction Debt (but in any event no longer than 10 years) and (ii) the period ending on the fourth anniversary of the Closing Date, the Parties shall ensure (and shall cause their respective Affiliates to ensure) that MIDSTREAM'S "allocable share" of the Transaction Debt (or any "refinancing" of such borrowing

treated as the liability it refinances pursuant to Treasury Regulation Section 1.707-5(c)) will not be less than $315,000,000.

(f) HOLDINGS will maintain a net value (as determined pursuant to the principles of Treasury Regulation Section 1.752-2(k)(2), applying those principles as if HOLDINGS were a disregarded entity for federal income tax purposes) that is not less than HOLDINGS' "allocable share" of the Transaction Debt (or any "refinancing" of such borrowing treated as the liability it refinances pursuant to Treasury Regulation Section 1.707-5(c)), together with all other indebtedness of MLP that constitutes recourse indebtedness for which HOLDINGS bears the economic risk of loss, within the meaning of Treasury Regulation Section 1.752-2, which amount will be reduced by principal payments by MLP on such indebtedness and which amount will not be increased by any new borrowings by MLP.

(g) MIDSTREAM will maintain a net value (as determined pursuant to the principles of Treasury Regulation Section 1.752-2(k)(2), applying those principles as if MIDSTREAM were a disregarded entity for federal income tax purposes) that is not less than MIDSTREAM'S "allocable share" of the Transaction Debt (or any "refinancing" of such borrowing treated as the liability it refinances pursuant to Treasury Regulation Section 1.707-5(c)), together with all other indebtedness of MLP that constitutes recourse indebtedness for which MIDSTREAM bears the economic risk of loss, within the meaning of Treasury Regulation Section 1.752-2, which amount will be reduced by principal payments by MLP on such indebtedness and which amount will not be increased by any new borrowings by MLP.

6.12 Further Assurances. On and after the Closing Date, the Parties shall cooperate and use their respective reasonable commercial efforts to take or cause to be taken all appropriate actions and do, or cause to be done, all things necessary or appropriate to make effective the transactions contemplated hereby, including the execution of any additional assignment or similar documents or instruments of transfer of any kind, the obtaining of consents which may be reasonably necessary or appropriate to carry out any of the provisions hereof and the taking of all such other actions as such Party may reasonably be requested to take by any other Party hereto from to time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and contemplated transactions.

6.13 Financial Statements and Financial Records. MIDSTREAM shall consent to the inclusion or incorporation by reference of the Financial Statements in an registration statement, report or other document of MLP or any of its Affiliates to be filed with the SEC in which MLP or such Affiliate reasonably determines that the Financial Statements are required to be included or incorporated by reference to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act of 1933, as amended, or the Securities Act of 1934, as amended. MIDSTREAM shall cause its auditors to consent to the inclusion or incorporation by reference of its audit opinion with respect the Financial Statements in any such registration statement, report or other document and, in connection therewith, MIDSTREAM shall execute and deliver its auditors such representation letters, in form and substance customary for representation letters provided to external audit firms by management of the company whose financial statements are the subject of an audit, as may be reasonably requested by the auditors.

ARTICLE VII
CONDITIONS TO CLOSING

7.1 HOLDINGS', MIDSTREAM'S, GP's Conditions. The obligation of HOLDINGS, MIDSTREAM and GP to close is subject to the satisfaction of the following conditions, any of which may be waived in HOLDINGS' sole discretion:

(a) The representations of MLP contained in ARTICLE V shall be true, in all material respects (or, in the case of representations or warranties that are already qualified by a materiality standard, shall be true in all respects) on and as of Closing.

(b) MLP shall have performed in all material respects the obligations, covenants and agreements of MLP contained herein.

(c) There is no injunction, restraining order or Proceeding pending against HOLDINGS, MIDSTREAM, GP or the Entities that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(d) All of MLP's Required Consents shall have been obtained.

(e) MLP shall have made all deliveries in accordance with Section 8.2(b).

7.2 MLP's Conditions. The obligation of MLP to close is subject to the satisfaction of the following conditions, any of which may be waived in its sole discretion:

(a) The representations of HOLDINGS, MIDSTREAM and GP contained in ARTICLE IV shall be true, in all material respects (or in the case of representations or warranties that are already qualified by a materiality standard, shall be true in all respects) on and as of the Closing.

(b) HOLDINGS shall have performed, in all material respects, the obligations, covenants and agreements of HOLDINGS contained herein.

(c) There is no injunction, restraining order or Proceeding pending against HOLDINGS, MIDSTREAM, GP or the Entities that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(d) All of MLP's Required Consents shall have been obtained.

(e) There shall have been no events or occurrences that could reasonably be expected to have a Material Adverse Effect.

(f) HOLDINGS shall have delivered all documents in accordance with Section 8.2(a).

7.3 Exceptions. Notwithstanding the provisions of Sections 7.1(a) and 7.1(b) and Sections 7.2(a) and 7.2(b), no Party shall have the right to refuse to close the transaction contemplated hereby by reason of this ARTICLE VII unless (a) in the case of HOLDINGS,

MIDSTREAM and GP , the sum of all representations of MLP contained in ARTICLE V which are not true and all obligations, covenants and agreements which MLP has failed to perform, would reasonably be expected to have a Material Adverse Effect; and (b) in the case of MLP, the sum of all representations of HOLDINGS, MIDSTREAM and GP contained in ARTICLE IV which are not true and all obligations, covenants and agreements which HOLDINGS, MIDSTREAM and GP has failed to perform, would reasonably be expected to have a Material Adverse Effect.

ARTICLE VIII
CLOSING

8.1 Time and Place of Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place in the offices of MIDSTREAM in Denver, Colorado at 9:00 a.m. Denver time on March 28, 2014 (unless such date is otherwise extended by either HOLDINGS or MLP as permitted hereunder); or such other time and place as the Parties agree to in writing (the "Closing Date"), and shall be effective as of the Effective Time.

8.2 Deliveries at Closing. At the Closing,

(a) HOLDINGS, MIDSTREAM and GP, as applicable, will execute and deliver or cause to be executed and delivered to MLP:

(i) Each of the Transaction Documents to which HOLDINGS, MIDSTREAM, GP or Affiliates are a party; and

(ii) Certificates of a corporate officer or other authorized person dated the Closing Date, certifying on behalf of HOLDINGS, MIDSTREAM and GP that the conditions in Sections 7.2(a) and 7.2(b) have been fulfilled.

(b) MLP will execute and deliver or cause to be executed and delivered to HOLDINGS, MIDSTREAM and GP:

(i) Each of the Transaction Documents to which MLP or MLP's Affiliates are a party;

(ii) A certificate of a corporate officer or other authorized person dated the Closing Date certifying on behalf of MLP that the conditions in Sections 7.1(a) and 7.1(b) have been fulfilled;

(iii) Form of Certificates of Common Units, determined in accordance with Section 2.2, with Units to be issued by the transfer agent one day after the Closing; and

(iv) A wire transfer to HOLDINGS and MIDSTREAM of the amounts due with respect to the Cash Consideration (as set forth in the Preliminary Settlement Statement).

ARTICLE IX
TERMINATION

9.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned as follows:

(a) HOLDINGS and MLP may elect to terminate this Agreement at any time prior to the Closing by mutual written consent thereof;

(b) Either HOLDINGS or MLP by written notice to the other may terminate this Agreement if the Closing shall not have occurred on or before May 31, 2014; *provided, however*, that neither Party may terminate this Agreement if such Party is at such time in material breach of any provision of this Agreement;

(c) HOLDINGS and MLP may each terminate this Agreement at any time on or prior to the Closing if either MLP, on the one hand, or HOLDINGS, on the other hand, shall have materially breached any representations, warranties or covenants thereof herein contained with the sum of such breach or breaches reasonably expected to have a Material Adverse Effect and the same is not cured within thirty (30) days after receipt of written notice thereof from the applicable non-breaching Party; *provided, however*, that neither Party may terminate this Agreement if such Party is at such time in material breach of any representations, warranties or covenants of such Party; and

(d) In addition to the foregoing, any Party may terminate this Agreement to the extent such termination is expressly authorized by another provision of this Agreement.

9.2 Effect of Termination Prior to Closing. If Closing does not occur as a result of any Party exercising its right to terminate pursuant to Section 9.1, then no Party shall have any further rights or obligations under this Agreement, except that (i) nothing herein shall relieve any Party from any liability for any willful breach of this Agreement, and (ii) the provisions of ARTICLE XI shall survive any termination of this Agreement.

ARTICLE X
INDEMNIFICATION

10.1 Indemnification by MLP. Effective upon Closing, MLP shall defend, indemnify and hold harmless MIDSTREAM, HOLDINGS and their Affiliates, and all of its and their directors, officers, employees, partners, members, contractors, agents, and representatives (collectively, the "HOLDINGS Indemnitees") from and against any and all Losses asserted against, resulting from, imposed upon or incurred by any of the HOLDINGS Indemnitees as a result of or arising out of:

(a) the breach of any of the representations or warranties under ARTICLE V;

(b) the breach of any covenants or agreements of MLP contained in this Agreement; and

(c) to the extent that MIDSTREAM and HOLDINGS are not required to indemnify any of the MLP Indemnitees pursuant to Section 10.2, the Assumed Obligations.

10.2 Indemnification by MIDSTREAM and HOLDINGS. Effective upon Closing, MIDSTREAM and HOLDINGS shall defend, indemnify and hold harmless MLP and its Affiliates, and all of its and their directors, officers, employees, partners, members, contractors, agents, and representatives (collectively, the "MLP Indemnitees") from and against any and all Losses asserted against, resulting from, imposed upon or incurred by any of the MLP Indemnitees as a result of or arising out of:

(a) the breach of any of the representations or warranties under ARTICLE IV (other than Sections 4.1, 4.2, 4.5, 4.12 and 4.18),

(b) to the extent and subject to any limitations contained in the Mobil Agreement, those matters set forth on Schedule 10.2(b);

(c) the breach of any of the representations or warranties under Sections 4.1, 4.2, 4.5, 4.12 and 4.18 or the covenants or agreements of MIDSTREAM and HOLDINGS contained in this Agreement; and

(d) any Reserved Liabilities.

10.3 Deductibles, Caps, Survival and Certain Limitations.

(a) Subject to this Section 10.3, all representations, warranties, covenants and indemnities made by the Parties in this Agreement or pursuant hereto shall survive the Closing as hereinafter provided, and shall not be merged into any instruments or agreements delivered at Closing. The covenants of the parties hereunder shall survive indefinitely, and there shall be no time limitation for bringing any claim for indemnification pursuant to Section 10.2(c) or Section 10.2(d). Notwithstanding anything herein to the contrary, the limitations in Section 10.3(b) shall not apply to Losses to the extent such Losses arise from or relate to (i) Taxes or (ii) any claim for indemnification pursuant to Section 10.2(c) or Section 10.2(d).

(b) With respect to the obligations of MIDSTREAM and HOLDINGS:

(i) under Section 10.2(a), none of the MLP Indemnitees shall be entitled to assert any right to indemnification after one (1) year from the date of contribution of the applicable asset;

(ii) under Section 10.2(a), none of the MLP Indemnitees shall be entitled to assert any right to indemnification unless the individual claim or series of related claims which arise out of substantially the same facts and circumstances exceeds $100,000 ("Qualified Claims");

(iii) under Section 10.2(a), none of the MLP Indemnitees shall be entitled to assert any right to indemnification unless Qualified Claims for which indemnity

is only provided under Section 10.2(a) shall in the aggregate exceed $11,200,000 and then only to the extent that all such Qualified Claims exceed said amount;

(iv) under Section 10.2(a), none of the MLP Indemnitees shall be entitled to indemnification for any amount in excess of $112,000,000; and

(v) Any indemnification or payment obligations of MIDSTREAM and HOLDINGS under Section 10.2 resulting from MIDSTREAM'S and HOLDINGS' breach of its representations, warranties, covenants or agreements, shall be limited to Losses that are attributable to the Subject Interests or to the transactions pursuant to which MLP acquires the Subject Interests under this Agreement.

(c) Any claim for indemnity under this Agreement made by a Party Indemnitee shall be in writing, be delivered in good faith prior to the expiration of the respective survival period under Section 10.3(b) (to the extent applicable), and specify in reasonable detail the specific nature of the claim for indemnification hereunder ("Claim Notice"). Any such claim that is described in a timely (if applicable) delivered Claim Notice shall survive with respect to the specific matter described therein.

(d) Notwithstanding anything contained herein to the contrary, in no event shall MIDSTREAM and HOLDINGS be obligated under this Agreement to indemnify (or be otherwise liable hereunder in any way whatsoever to) any of the MLP Indemnitees with respect to a breach of any representation or warranty, if MLP had Knowledge thereof at Closing and failed to notify MIDSTREAM and HOLDINGS of such breach prior to Closing. Unless MIDSTREAM, HOLDINGS or a Third Person shall have made a claim or demand or it appears reasonably likely that such a claim or demand will be made, MLP shall not take any voluntary action that is intended by MLP to cause a Claim to be initiated that would be subject to indemnification by MIDSTREAM and HOLDINGS.

(e) All Losses indemnified hereunder shall be determined net of any (i) Third Person Awards, (ii) Tax Benefits; and (iii) amount which specifically pertains to such Loss and is reflected in the calculations of the amounts set forth on the Final Settlement Statement.

10.4 Notice of Asserted Liability; Opportunity to Defend.

(a) All claims for indemnification hereunder shall be subject to the provisions of this Section 10.4. Any person claiming indemnification hereunder is referred to herein as the "Indemnified Party" or "Indemnitee" and any person against whom such claims are asserted hereunder is referred to herein as the "Indemnifying Party" or "Indemnitor."

(b) If any Claim is asserted against or any Loss is sought to be collected from an Indemnified Party, the Indemnified Party shall with reasonable promptness provide to the Indemnifying Party a Claim Notice. The failure to give any such Claim Notice shall not otherwise affect the rights of the Indemnified Party to indemnification hereunder unless the Indemnified Party has proceeded to contest, defend or settle such Claim or remedy such a Loss with respect to which it has failed to give a Claim Notice to the Indemnifying Party,

but only to the extent the Indemnifying Party is prejudiced thereby. Additionally, to the extent the Indemnifying Party is prejudiced thereby, the failure to provide a Claim Notice to the Indemnifying Party shall relieve the Indemnifying Party from liability for such Claims and Losses that it may have to the Indemnified Party, but only to the extent the liability for such Claims or Losses is directly attributable to such failure to provide the Claim Notice.

(c) The Indemnifying Party shall have thirty (30) days from the personal delivery or receipt of the Claim Notice (the "Notice Period") to notify the Indemnified Party (i) whether or not it disputes the liability to the Indemnified Party hereunder with respect to the Claim or Loss, and in the event of a dispute, such dispute shall be resolved in the manner set forth in Section 11.8 hereof, (ii) in the case where Losses are asserted against or sought to be collected from an Indemnifying Party by the Indemnified Party, whether or not the Indemnifying Party shall at its own sole cost and expense remedy such Losses or (iii) in the case where Claims are asserted against or sought to be collected from an Indemnified Party, whether or not the Indemnifying Party shall at its own sole cost and expense defend the Indemnified Party against such Claim; *provided however*, that any Indemnified Party is hereby authorized prior to and during the Notice Period to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party (and of which it shall have given notice and opportunity to comment to the Indemnifying Party) and not prejudicial to the Indemnifying Party.

(d) If the Indemnifying Party does not give notice to the Indemnified Party of its election to contest and defend any such Claim described in Section 10.4(c)(iii) within the Notice Period, then the Indemnifying Party shall be bound by the result obtained with respect thereto by the Indemnified Party and shall be responsible for all costs incurred in connection therewith.

(e) If the Indemnifying Party is obligated to defend and indemnify the Indemnified Party, and the Parties have a conflict of interest with respect to any such Claim, then the Indemnified Party may, in its sole discretion, separately and independently contest and defend such Claim, and the Indemnifying Party shall be bound by the result obtained with respect thereto by the Indemnified Party and shall be responsible for all costs incurred in connection therewith.

(f) If the Indemnifying Party notifies the Indemnified Party within the Notice Period that it shall defend the Indemnified Party against a Claim, the Indemnifying Party shall have the right to defend all appropriate Proceedings, and with counsel of its own choosing (but reasonably satisfactory to the Indemnified Party) and such Proceedings shall be promptly settled (subject to obtaining a full and complete release of all Indemnified Parties) or prosecuted by it to a final conclusion. If the Indemnified Party desires to participate in, but not control, any such defense or settlement it may do so at its sole cost and expense. If the Indemnified Party joins in any such Claim, the Indemnifying Party shall have full authority to determine all action to be taken with respect thereto, as long as such action could not create a liability to any of the Indemnified Parties, in which case, such action would require the prior written consent of any Indemnified Party so affected.

(g) If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any Claim and in making any counterclaim against the Third Person asserting the Claim, or any cross-complaint against any person as long as such cooperation, counterclaim or cross-complaint could not create a liability to any of the Indemnified Parties.

(h) At any time after the commencement of defense by Indemnifying Party under Section 10.4(f) above of any Claim, the Indemnifying Party may request the Indemnified Party to agree in writing to the abandonment of such contest or to the payment or compromise by the Indemnifying Party of the asserted Claim, but only if the Indemnifying Party agrees in writing to be solely liable for such Claim; whereupon such action shall be taken unless the Indemnified Party determines that the contest should be continued and notifies the Indemnifying Party in writing within fifteen (15) days of such request from the Indemnifying Party. If the Indemnified Party determines that the contest should be continued, the amount for which the Indemnifying Party would otherwise be liable hereunder shall not exceed the amount which the Indemnifying Party had agreed to pay to compromise such Claim; *provided* that, the other Person to the contested Claim had agreed in writing to accept such amount in payment or compromise of the Claim as of the time the Indemnifying Party made its request therefor to the Indemnified Party, and further provided that, under such proposed compromise, the Indemnified Party would be fully and completely released from any further liability or obligation with respect to the matters which are the subject of such contested Claim.

10.5 Materiality Conditions. For purposes of determining whether an event described in this ARTICLE X has occurred for which indemnification under this ARTICLE X can be sought, any requirement in any representation, warranty, covenant or agreement by HOLDINGS, MIDSTREAM, GP or MLP, as applicable, contained in this Agreement that an event or fact be "material," "Material," meet a certain minimum dollar threshold or have a "Material Adverse Effect" or a material adverse effect (each a "Materiality Condition") in order for such event or fact to constitute a misrepresentation or breach of such representation, warranty, covenant or agreement under this Agreement, such Materiality Condition shall be disregarded and such representations, warranties, covenants or agreements shall be construed solely for purposes of this ARTICLE X as if they did not contain such Materiality Conditions. Notwithstanding anything in this Section 10.5, any claim for indemnification under this ARTICLE X will be subject to Section 10.3.

10.6 Exclusive Remedy. AS BETWEEN THE MLP INDEMNITEES AND THE HOLDINGS INDEMNITEES, AFTER CLOSING (A) THE EXPRESS INDEMNIFICATION PROVISIONS SET FORTH IN THIS AGREEMENT, WILL BE THE SOLE AND EXCLUSIVE RIGHTS, OBLIGATIONS AND REMEDIES OF THE PARTIES WITH RESPECT TO SAID AGREEMENT AND THE EVENTS GIVING RISE THERETO, AND THE TRANSACTIONS PROVIDED FOR THEREIN OR CONTEMPLATED THEREBY (OTHER THAN THE OTHER TRANSACTION DOCUMENTS) AND (B) NO PARTY HERETO NOR ANY OF ITS RESPECTIVE SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHTS AGAINST ANY OTHER PARTY OR ITS AFFILIATES WITH RESPECT TO THE TRANSACTIONS PROVIDED

FOR HEREIN OTHER THAN AS IS EXPRESSLY PROVIDED IN THIS AGREEMENT, AND THE OTHER TRANSACTION DOCUMENTS.

10.7 Negligence and Strict Liability Waiver. WITHOUT LIMITING OR ENLARGING THE SCOPE OF THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, AN INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT IN ACCORDANCE WITH THE TERMS HEREOF, REGARDLESS OF WHETHER THE LOSS OR CLAIM GIVING RISE TO SUCH INDEMNIFICATION OBLIGATION IS THE RESULT OF THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY, OR VIOLATION OF ANY LAW OF OR BY SUCH INDEMNIFIED PARTY.

10.8 Limitation on Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL ANY OF HOLDINGS, GP OR MLP BE LIABLE TO THE OTHER, OR TO THE OTHERS' INDEMNITEES, UNDER THIS AGREEMENT FOR ANY EXEMPLARY, PUNITIVE, REMOTE, SPECULATIVE, CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES OR LOSS OF PROFITS; PROVIDED THAT, IF ANY OF THE HOLDINGS INDEMNITEES OR MLP INDEMNITEES IS HELD LIABLE TO A THIRD PERSON FOR ANY SUCH DAMAGES AND THE INDEMNITOR IS OBLIGATED TO INDEMNIFY SUCH HOLDINGS INDEMNITEES OR MLP INDEMNITEES FOR THE MATTER THAT GAVE RISE TO SUCH DAMAGES, THE INDEMNITOR SHALL BE LIABLE FOR, AND OBLIGATED TO REIMBURSE SUCH INDEMNITEES FOR SUCH DAMAGES.

10.9 Bold and/or Capitalized Letters. THE PARTIES AGREE THAT THE BOLD AND/OR CAPITALIZED LETTERS IN THIS AGREEMENT CONSTITUTE CONSPICUOUS LEGENDS.

10.10 Consideration Adjustment. The Parties agree to treat all payments made pursuant to this ARTICLE X as adjustments to the Consideration for Tax purposes, except as made otherwise required by Law following a final determination made by the United States Internal Revenue Service or a Governmental Authority with competent jurisdiction.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Expenses. Unless otherwise specifically provided for herein, each Party will bear its own costs and expenses (including legal fees and expenses) incurred in connection with the negotiation of this Agreement and the transactions contemplated hereby; *provided* that HOLDINGS will bear the cost of all Post-Closing Consents which must be obtained from any railroad.

11.2 Further Assurances. From time to time, and without further consideration, each Party will execute and deliver to the other Party such documents and take such actions as the other Party may reasonably request in order to more effectively implement and carry into effect the transactions contemplated by this Agreement.

11.3 Transfer Taxes. The Parties believe that the contribution of the Subject Interests as provided for herein is exempt from or is otherwise not subject to any sales, use, transfer, or similar Taxes. If any such sales, transfer, use or similar Taxes are due or should hereafter become due (including penalties and interest thereon) by reason of this transaction, MLP shall timely pay and solely bear all such type of Taxes.

11.4 Assignment. Neither Party may assign this Agreement or any of its rights or obligations arising hereunder without the prior written consent of the other Party; *provided, however*, MLP shall be permitted to assign this Agreement to an Affiliate prior to Closing, provided, that, notwithstanding such assignment, MLP shall continue to remain responsible for all obligations of MLP hereunder following such assignment.

11.5 Entire Agreement, Amendments and Waiver. This Agreement, together with the Transaction Documents and all certificates, documents, instruments and writings that are delivered pursuant hereto and thereto contain the entire understanding of the Parties with respect to the transactions contemplated hereby and supersede all prior agreements, arrangements and understandings relating to the subject matter hereof. In the event of a conflict between this Agreement and any assignment and conveyance of Real Property Interests, this Agreement will control. This Agreement may be amended, superseded or canceled only by a written instrument duly executed by the Parties specifically stating that it amends, supersedes or cancels this Agreement. Any of the terms of this Agreement and any condition to a Party's obligations hereunder may be waived only in writing by that Party specifically stating that it waives a term or condition hereof. No waiver by either Party of any one or more conditions or defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any future conditions or defaults, whether of a like or different character, nor shall the waiver constitute a continuing waiver unless otherwise expressly provided.

11.6 Severability. Each portion of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

11.7 Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.8 Governing Law, Dispute Resolution and Arbitration.

(a) Governing Law. This Agreement shall be governed by, enforced in accordance with, and interpreted under, the Laws of the State of Colorado, without reference to conflicts of Laws principles.

(b) Negotiation. In the event of any Arbitral Dispute, the Parties shall promptly seek to resolve any such Arbitral Dispute by negotiations between senior executives of the Parties who have authority to settle the Arbitral Dispute. When a Party believes there is an Arbitral Dispute under this Agreement that Party will give the other Party written notice of

the Arbitral Dispute. Within thirty (30) days after receipt of such notice, the receiving Party shall submit to the other a written response. Both the notice and response shall include (i) a statement of each Party's position and a summary of the evidence and arguments supporting such position, and (ii) the name, title, fax number, and telephone number of the executive or executives who will represent that Party. If the Arbitral Dispute involves a claim arising out of the actions of any Person not a signatory to this Agreement, the receiving Party shall have such additional time as necessary, not to exceed an additional thirty (30) days, to investigate the Arbitral Dispute before submitting a written response. The executives shall meet at a mutually acceptable time and place within fifteen (15) days after the date of the response and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the Arbitral Dispute. If one of the executives intends to be accompanied at a meeting by an attorney, the other executive shall be given at least five (5) Business Days' notice of such intention and may also be accompanied by an attorney.

(c) Failure to Resolve. If the Arbitral Dispute has not been resolved within sixty (60) days after the date of the response given pursuant to Section 11.8(b) above, or such additional time, if any, that the Parties mutually agree to in writing, or if the Party receiving such notice denies the applicability of the provisions of Section 11.8(b) or otherwise refuses to participate under the provisions of Section 11.8(b), either Party may initiate binding arbitration pursuant to the provisions of Section 11.8(d) below.

(d) Arbitration. Any Arbitral Disputes not settled pursuant to the foregoing provisions shall be resolved through the use of binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules"), as supplemented to the extent necessary to determine any procedural appeal questions by the Federal Arbitration Act (Title 9 of the United States Code) and in accordance with the following provisions:

(i) If there is any inconsistency between this Section 11.8(d) and the Arbitration Rules or the Federal Arbitration Act, the terms of this Section 11.8(d) will control the rights and obligations of the Parties.

(ii) Arbitration shall be initiated by a Party serving written notice, via certified mail, on the other Party that the first Party elects to refer the Arbitral Dispute to binding arbitration, along with the name of the arbitrator appointed by the Party demanding arbitration and a statement of the matter in controversy. Within thirty (30) days after receipt of such demand for arbitration, the receiving Party shall name its arbitrator. If the receiving Party fails or refuses to name its arbitrator within such thirty (30) day period, the second arbitrator shall be appointed, upon request of the Party demanding arbitration, by the Chief U.S. District Court Judge for the District of Colorado, or such other person designated by such judge. The two arbitrators so selected shall within thirty (30) days after their designation select a third arbitrator; *provided, however*, that if the two arbitrators are not able to agree on a third arbitrator within such thirty (30) day period, either Party may request the Chief U.S. District Court Judge for the District of Colorado, or such other person designated by such judge to select the third arbitrator as soon as possible. If the Judge declines to appoint

an arbitrator, appointment shall be made, upon application of either Party, pursuant to the Commercial Arbitration Rules of the American Arbitration Association. If any arbitrator refuses or fails to fulfill his or her duties hereunder, such arbitrator shall be replaced by the Party which selected such arbitrator (or if such arbitrator was selected by another Person, through the procedure which such arbitrator was selected) pursuant to the foregoing provisions.

(iii) The hearing will be conducted in Denver, Colorado, no later than sixty (60) days following the selection of the arbitrators or thirty (30) days after all prehearing discovery has been completed, whichever is later, at which the Parties shall present such evidence and witnesses as they may choose, with or without counsel. The Parties and the arbitrators should proceed diligently and in good faith in order that the award may be made as promptly as possible.

(iv) Except as provided in the Federal Arbitration Act, the decision of the arbitrators will be binding on and non-appealable by the Parties. Any such decision may be filed in any court of competent jurisdiction and may be enforced by any Party as a final judgment in such court.

(v) The arbitrators shall have no right or authority to grant or award exemplary, punitive, remote, speculative, consequential, special or incidental damages.

(vi) The Federal Rules of Civil Procedure, as modified or supplemented by the local rules of civil procedure for the U.S. District Court of Colorado, shall apply in the arbitration. The Parties shall make their witnesses available in a timely manner for discovery pursuant to such rules. If a Party fails to comply with this discovery agreement within the time established by the arbitrators, after resolving any discovery disputes, the arbitrators may take such failure to comply into consideration in reaching their decision. All discovery disputes shall be resolved by the arbitrators pursuant to the procedures set forth in the Federal Rules of Civil Procedure.

(vii) Adherence to formal rules of evidence shall not be required. The arbitrators shall consider any evidence and testimony that they determine to be relevant.

(viii) The Parties hereby request that the arbitrators render their decision within thirty (30) days following conclusion of the hearing.

(ix) The defenses of statute of limitations and laches shall be tolled from and after the date a Party gives the other Party written notice of an Arbitral Dispute as provided in Section 11.8(b) above until such time as the Arbitral Dispute has been resolved pursuant to Section 11.8(b), or an arbitration award has been entered pursuant to this Section 11.8(d).

(e) Recovery of Costs and Attorneys' Fees. If arbitration arising out of this Agreement is initiated by either Party, the decision of the arbitrators may include the award

of court costs, fees and expenses of such arbitration (including reasonable attorneys' fees).

(f) Choice of Forum. If, despite the Parties' agreement to submit any Arbitral Disputes to binding arbitration, there are any court proceedings arising out of or relating to this Agreement or the transactions contemplated hereby, such proceedings shall be brought and tried in, and the Parties hereby consent to the jurisdiction of, the federal or state courts situated in the City and County of Denver, State of Colorado.

(g) Jury Waivers. THE PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY.

(h) Settlement Proceedings. All aspects of any settlement proceedings, including discovery, testimony and other evidence, negotiations and communications pursuant to this Section 11.8, briefs and the award shall be held confidential by each Party and the arbitrators, and shall be treated as compromise and settlement negotiations for the purposes of the Federal and State Rules of Evidence.

11.9 Notices and Addresses. Any notice, request, instruction, waiver or other communication to be given hereunder by either Party shall be in writing and shall be considered duly delivered if personally delivered, mailed by certified mail with the postage prepaid (return receipt requested), sent by messenger or overnight delivery service, or sent by facsimile to the addresses of the Parties as follows:

MLP:	DCP Midstream Partners, LP 370 - 17th Street, Suite 2775 Denver, Colorado 80202 Telephone: (303) 633-2900 Facsimile: (303) 633-2921 Attn: President
with a copy to:	DCP Midstream Partners, LP 370 - 17th Street, Suite 2775 Denver, Colorado 80202 Telephone: (303) 633-2900 Facsimile: (303) 633-2921 Attn: General Counsel
MIDSTREAM, GP, JV or HOLDINGS:	DCP Midstream, LLC 370 - 17th Street, Suite 2500 Denver, Colorado 80202 Telephone: (303) 595-3331 Facsimile: (303) 605-2226 Attn: President

with a copy to: DCP Midstream, LLC
370 - 17th Street, Suite 2500
Denver, Colorado 80202
Telephone: (303) 605-1630
Facsimile: (303) 605-2226
Attn: General Counsel

or at such other address as either Party may designate by written notice to the other Party in the manner provided in this Section 11.9. Notice by mail shall be deemed to have been given and received on the third (3rd) day after posting. Notice by messenger, overnight delivery service, facsimile transmission (with answer-back confirmation) or personal delivery shall be deemed given on the date of actual delivery.

11.10 Press Releases. Except as may otherwise be required by securities Laws and public announcements or disclosures that are, in the reasonable opinion of the Party proposing to make the announcement or disclosure, legally required to be made, there shall be no press release or public communication concerning the transactions contemplated by this Agreement by either Party except with the prior written consent of the Party not originating such press release or communication, which consent shall not be unreasonably withheld or delayed. MLP, GP and HOLDINGS will consult in advance on the necessity for, and the timing and content of, any communications to be made to the public and, subject to legal constraints, to the form and content of any application or report to be made to any Governmental Authority that relates to the transactions contemplated by this Agreement.

11.11 Offset. Nothing contained herein or in any Transaction Document shall create a right of offset or setoff for any Party under this Agreement and each Party hereby waives and disclaims any such right of offset or setoff under all applicable Law (including common Law).

11.12 Third Party Beneficiaries. Nothing in this Agreement shall provide any benefit to any Third Person or entitle any Third Person to any claim, cause of action, remedy or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a third-party beneficiary contract; provided, however, that the indemnification provisions of ARTICLE X shall inure to the benefit of the MLP Indemnitees and the HOLDINGS Indemnitees as provided therein.

11.13 Negotiated Transaction. The provisions of this Agreement were negotiated by the Parties, and this Agreement shall be deemed to have been drafted by both Parties.

THE PARTIES HAVE signed this Agreement by their duly authorized officials as of the date first set forth above.

[Signatures begin on next page]

DCP LP HOLDINGS, LLC
By: /s/ D. Robert Sadler
Name: D. Robert Sadler
Title: Vice President

DCP MIDSTREAM, LLC
By: /s/ D. Robert Sadler
Name: D. Robert Sadler
Title: Vice President

DCP MIDSTREAM GP, LP
By: DCP MIDSTREAM GP, LLC,
Its General Partner
By: /s/ William S. Waldheim
Name: William S. Waldheim
Title: President

DCP MIDSTREAM PARTNERS, LP
By: DCP MIDSTREAM GP, LP,
Its General Partner
By: DCP MIDSTREAM GP, LLC,
Its General Partner
By: /s/ William S. Waldheim
Name: William S. Waldheim
Title: President

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN
DCP MIDSTREAM, LP, AS SELLER

AND

DCP MIDSTREAM PARTNERS, LP, AS BUYER

DATED FEBRUARY 25, 2014

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PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("*Purchase Agreement*") is made and entered into effective as of this 25th day of February, 2014 (the "*Effective Date*"), by and between DCP Midstream, LP, a Delaware limited partnership ("*Seller*"), having its principal operating office at 370 17th Street, Suite 2500, Denver, CO 80202, and DCP Midstream Partners, LP, a limited partnership organized under the State of Delaware, having its office at 370 17th Street, Suite 2500, Denver, CO 80202 (referred to herein as "*Buyer*"). Seller and Buyer are referred to herein individually as a "*Party*" and collectively as the "*Parties*."

RECITALS

WHEREAS, Seller owns 100% of the limited liability company interests (being all of the issued and outstanding interests) (the "*Lucerne 1 Interests*") in DCP Lucerne 1 Plant LLC, a Delaware limited liability company ("*Lucerne 1*"), which is the owner of certain real property, a natural gas processing plant, the related plant control room and certain other midstream assets located in Weld County, Colorado (the "*Lucerne 1 Plant*");

WHEREAS, Seller owns 100% of the limited liability company interests (being all of the issued and outstanding interests) (the "*Lucerne 2 Interests*", and collectively with the Lucerne 1 Interests, the "*Lucerne Interests*") in DCP Lucerne 2 Plant LLC, a Delaware limited liability company ("*Lucerne 2*"), which is the owner of certain real property and a natural gas processing plant located in Weld County, Colorado where the construction of a new natural gas processing plant is in progress (the "*Lucerne 2 Plant*");

WHEREAS, Seller desires to sell and assign to Buyer, and Buyer desires to purchase and accept from Seller, the Lucerne Interests, upon the terms and conditions of this Purchase Agreement; and

WHEREAS, in connection with its acquisition of the Lucerne Interests, Buyer desires to assume the Assumed Obligations (as defined below) upon the terms and conditions of this Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants, conditions and agreements set forth herein, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions.

(a) As used herein the following terms have the meanings defined below:

"*1933 Act*" has the meaning set forth in Section 5.6.

"*AAA*" has the meaning set forth in Section 15.3.

"*AAA Rules*" has the meaning set forth in Section 15.3.

"*Affiliate*" means, when used with respect to a Party, any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Party. For purposes of this definition, "control" shall mean ownership of more than fifty percent (50%) of either the outstanding voting stock of the controlled entity, as to corporations, or other ownership interests which carry with them the right to direct the policies and management of the subject entity, as to non-corporate entities.

"*Arbitrable Dispute*" means, subject to Article 15, any and all disputes, claims,

counterclaims, demands, causes of action, controversies and other matters in question arising out of or relating to this Purchase Agreement or alleged breach hereof, or relating to matters that are the subject of this Purchase Agreement, the transactions contemplated by this Purchase Agreement or alleged breach hereof, including any disputes regarding a Party's indemnification obligations pursuant to Article 12, or the relationship between the Parties under this Purchase Agreement, regardless of whether (i) extra-contractual in nature, (ii) sounding in contract, tort or otherwise, (iii) provided for by law or otherwise, or (iv) the matter would result in damages or any other relief, whether at law, in equity or otherwise.

"*Assets*" means all of the following assets and properties of Lucerne 1 and Lucerne 2, except for the Excluded Assets:

(a) Personal Property. (i) The Lucerne 1 Plant, a 35 MMcf/d natural gas processing plant located in Weld County, (ii) the Lucerne 2 Plant, a 200 MMcf/d natural gas processing plant being constructed in Weld County, Colorado, each as further described on Schedule 1.1(a) and (iii) all other property listed on Schedule 1.1(a) (collectively the "*Personal Property*");

(b) Real Property. All fee property, assignable rights of way and easements, surface use agreements, licenses and leases that relate to that relate to the ownership, operation, use or maintenance of the Plants, (collectively, the "*Real Property Interests*"), and all fixtures, buildings and improvements located on or under such Real Property Interests;

(c) Permits. All assignable permits, licenses, certificates, orders, approvals, authorizations, grants, consents, concessions, warrants, franchises and similar rights and privileges which are necessary for, or are used or held for use primarily for or in connection with, the ownership, use, operation or maintenance of the Assets (collectively, the "*Permits*");

(d) Contract Rights. All contracts set forth on the Material Contract Schedule that relate to the ownership, operation, use or maintenance of the Plants, including any equipment leases, rental contracts, and service agreements primarily related to the Plants and the Construction Contract (collectively, the "*Contracts*");

(e) Intellectual Property. The non-exclusive right to any technical information, shop rights, designs, plans, manuals, specifications and other proprietary and nonproprietary technology and data used in connection with the ownership, operation, use or maintenance of the Assets (collectively, the "*Intellectual Property*");

(f) Facilities. All meter stations, gas processing plants, treaters, dehydration units, compressor stations, fractionators, liquid handling facilities, warehouses, field offices, control buildings, pipelines, tanks and other associated equipment that is used or held for use primarily in connection with the ownership, operation or maintenance of the Plants (collectively, the "*Facilities*");

(g) Books and Records. All contract, land, title, engineering, environmental, operating, accounting, business, marketing, and other data, files, documents, instruments, notes, correspondence, papers, ledgers, journals, reports, abstracts, surveys, maps, books, records and studies which (i) relate primarily or are used or held for use primarily in connection with the ownership, operation, use or maintenance of the Assets, and (ii) do not constitute Excluded Assets or relate to Excluded Liabilities (the "*Records*"); and

(h) Incidental Rights. All of the following insofar as the same are attributable or relate primarily to any of the Assets described in clauses (a) through (g): (i) all purchase orders, invoices, storage or warehouse receipts, bills of lading, certificates of title and documents, (ii) all keys, lock combinations, computer access codes and other devices or information necessary to gain entry to and/or

take possession of such Assets, (iii) all rights in any confidentiality or nonuse agreements relating to the Assets, and (iv) the benefit of and right to enforce all covenants, warranties, guarantees and suretyship agreements running in favor of Seller or the Entities relating primarily to the Assets and all security provided primarily for payment or performance thereof.

"*Assumed Obligations*" means any and all obligations and liabilities with respect to or arising out of the ownership of the Lucerne Interests, specifically including the assumption of all construction work in progress payments for Lucerne 2 Plant, other than the Excluded Liabilities as of the Effective Time.

"*Benefit Plan*" shall mean any of the following: (a) any employee welfare benefit plan or employee pension benefit plan as defined in sections 3(1) and 3(2) of ERISA, and (b) any other material employee benefit agreement or arrangement, including a deferred compensation plan, incentive plan, bonus plan or arrangement, stock option plan, stock purchase plan, stock award plan, golden parachute agreement, severance plan, dependent care plan, cafeteria plan, employee assistance program, scholarship program, employment contract, retention incentive agreement, non-competition agreement, consulting agreement, vacation policy, and other similar plan, agreement and arrangement.

"*Business Day*" means any day except Saturday, Sunday or federal or state holidays on which banks are authorized to be closed.

"*Buyer*" has the meaning set forth in the Preamble.

"*Buyer Group*" has the meaning set forth in Section 12.1(a).

"*Casualty Loss*" means, with respect to all or any portion of the Assets, any destruction by fire, storm or other casualty, or any condemnation or taking or threatened condemnation or taking, of all or any portion of the Assets.

"*Claim*" means any demand, demand letter, claim or notice by a Third Party of noncompliance or violation or Proceeding.

"*Claimant*" has the meaning set forth in Section 15.3(a).

"*Closing*" has the meaning set forth in Section 10.1.

"*Closing Date*" has the meaning set forth in Section 10.2.

"*Code*" shall mean the U.S. Internal Revenue Code of 1986, as amended.

"*Commercially Reasonable Efforts*" means efforts which are reasonably within the contemplation of the Parties on the Effective Date, which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, the transactions contemplated by this Purchase Agreement and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are reasonable in nature and amount in the context of the transactions contemplated by this Purchase Agreement.

"*Construction Contract*" means the Engineering, Procurement and Construction Services Agreement dated July 27, 2012 between DCP Midstream, LP and Saulsbury Industries, Inc., as amended, which will be partially assigned to Lucerne 2 at Closing and the Statement of Work for Lucerne 2 Gas Plant dated November 15, 2013 pursuant to Engineering, Procurement and Construction Services Agreement dated July 27, 2012 between DCP Midstream, LP and Saulsbury Industries, Inc., as amended which will be fully assigned to Lucerne 2 at Closing.

"*Contracts*" has the meaning set forth in the definition of Assets.

"*Differences or Conflicts*" has the meaning set forth in Section 12.3(b).

"*Dollar*" and "*$*" means the lawful currency of the United States of America.

"*Effective Date*" has the meaning set forth in the Preamble.

"*Effective Time*" means 12:01 a.m. MT on the Closing Date or such other time and place mutually agreed to by the Parties in writing.

"*Entities*" means Lucerne 1 and Lucerne 2. "*Entity*" means either Lucerne 1 or Lucerne 2.

"*Environmental Law*" means all federal, state, local, tribal and foreign statutes, regulations, ordinances and similar provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, conservation of resources or natural resource damages, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, emission, labeling, testing, processing, discharge, release, remediation, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, radionuclides, lead, mercury, noise or radiation, as such of the foregoing are enacted or in effect, prior to, on, or after the Closing Date.

"*Excluded Assets*" means those assets listed on the Excluded Assets Schedule attached hereto, and any other asset owned by Seller or its Affiliates (other than the Entities) which do not relate to the Lucerne Interests or the Assets.

"*Excluded Liabilities*" means Losses with respect to

(i) except for sales, transfer, use or similar Taxes that are due or should hereafter become due and payable (including penalty and interest thereon) in connection with the transfer of the Lucerne Interests pursuant to this Purchase Agreement, 100% of the amount of Taxes with respect to Lucerne 1, Lucerne 2 and the Assets to the extent related to periods prior to and including the Closing Date;

(ii) the Excluded Assets and Taxes related thereto; and

(iii) those matters, if any, described on the Excluded Liabilities Schedule attached hereto.

"*Facilities*" has the meaning given such term in the definition of Assets.

"*Final Settlement Statement*" has the meaning given such term in Section 3.3.

"*Fundamental Representation*" means (i) in the case of Seller, the representations and warranties contained in Sections 4.1, 4.3, 4.5(a), 4.6 and 4.13 and (ii) in the case of Buyer, the representations and warranties contained in Sections 5.1, 5.2 and 5.4(a).

"*Governmental Authority*" means any federal, state, local, foreign, tribal or other governmental or administrative authority (including any agency or political subdivision thereof), court or tribunal having jurisdiction.

"*Hazardous Materials*" means: (i) any wastes, chemicals, materials or substances defined

or included in the definition of “hazardous substances,” “hazardous materials,” “toxic substances,” “solid wastes,” “pollutants,” “contaminants,” or words of similar import, under any Environmental Law, (ii) any hydrocarbon or petroleum or component thereof, (including, without limitation, crude oil, natural gas, natural gas liquids, or condensate that is not reasonably and commercially recoverable), (iii) oil and gas exploration or production wastes including produced water, (iv) radioactive materials (other than naturally occurring radioactive materials), friable asbestos, mercury, lead based paints and polychlorinated biphenyls, (v) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority, or (vi) any regulated constituents or substances in concentrations or levels that exceed numeric or risk-based standards established pursuant to Environmental Laws.

“*Indemnified Party*” has the meaning set forth in Section 12.3(a).

“*Indemnifying Party*” has the meaning set forth in Section 12.3(a).

“*Independent Accountants*” means Deloitte & Touche.

“*Intellectual Property*” has the meaning set forth in the definition of Assets.

“*Interest Rate*” shall mean three (3) months LIBOR plus one-half percent (0.5%) or 50 basis points.

“*Knowledge*” means the present actual knowledge, without investigation, of the individuals listed on Schedule 1.1(b).

“*LIBOR*” shall mean the British Bankers’ Association interbank offered rates as of 11:00 a.m. London time for deposits in Dollars that appear on the relevant page of the Reuters service (currently page LIBOR01) or, if not available, on the relevant pages of any other service (such as Bloomberg Financial Markets Service) that displays such British Bankers’ Association rates.

“*Lien*” shall mean any lien, mortgage, pledge, claim, charge, security interest or other encumbrance, option or defect on title.

“*Losses*” means (i) claims, demands, complaints, actions, litigation, hearings, lawsuits, proceedings, investigations, charges, damages, fines, penalties, deficiencies, judgments, injunctions, orders, decrees, rulings, losses, liabilities, amounts paid in settlement, obligations and liens, and (ii) with respect to contesting and defending any Third Party Action (as defined below) (but for the avoidance of doubt, not with respect to any claim asserted by one Party against another Party), costs and reasonable expenses (including reasonable attorneys’ fees and expenses, interest, court costs and other costs of suit, litigation or other proceedings of any kind or of any claim, default or assessment).

“*Lucerne 1*” has the meaning set forth in the Recitals.

“*Lucerne 2*” has the meaning set forth in the Recitals.

“*Lucerne 1 Interests*” has the meaning set forth in the Recitals.

“*Lucerne 2 Interests*” has the meaning set forth in the Recitals.

“*Lucerne Interests*” has the meaning set forth in the Recitals.

“*Lucerne 1 Plant*” has the meaning set forth in the Recitals.

“*Lucerne 2 Plant*” has the meaning set forth in the Recitals.

"*Material Adverse Effect*" means any state of facts, change, development, event, effect, condition or occurrence that is (a) alone or together with all other facts, changes, developments, events, effects, conditions or occurrences, materially adverse to the current business, assets, properties, liabilities, results of operations or condition (financial or otherwise) of Lucerne 1, Lucerne 2, the Assets or the Lucerne Interests, taken as a whole, of $5,000,000 or more or (b) would result in the prohibition or material dely in the consummation of the transactions contemplated by this Purchase Agreement, excluding (in each case) matters that are generally industry-wide developments or changes or effects resulting from changes in law or general economic, regulatory or political conditions.

"*Material Casualty Loss*" has the meaning set forth in Section 7.2.

"*Material Contract*" means any contract listed on the Material Contracts Schedule, attached hereto.

"*MT*" means prevailing local time in Denver, Colorado.

"*Ordinary Course of Business*" means the ordinary course of business consistent with the relevant Person's practices.

"*Party*" and "*Parties*" have the meanings set forth in the Preamble.

"*Permits*" has the meaning set forth in the definition of Assets.

"*Permitted Lien*" means (i) Liens for current real or personal property taxes that are not yet due and payable (ii) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations, (iii) minor survey exceptions, reciprocal easement agreements and other customary encumbrances on titles to real property that (1) were not incurred in connection with any indebtedness, (2) do not render title to the property encumbered thereby unmarketable, and (3) do not, individually or in the aggregate, materially adversely affect the value or use of such property for its current and anticipated purposes, and (4) that, singularly or in the aggregate, will not materially interfere with the ownership, use or operation of the Assets to which they pertain, and (iv) Liens that are immaterial in character, amount and extent and which do not materially detract from the value or materially interfere with the present or proposed use of the properties they affect.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, undivided joint interest operation or Governmental Authority.

"*Personal Property*" has the meaning given such term in the definition of Assets.

"*Plants*" means the Lucerne 1 Plant and the Lucerne 2 Plant.

"*Pre-Closing Capital Contributions*" means all accounts payable and pre-Closing capital contributions, including capitalized interest, made by Seller prior to Closing.

"*Preliminary Settlement Statement*" has the meaning given such term in Section 3.2.

"*Proceeding*" means any action, suit, claim, investigation, review or other judicial or administrative proceeding, at law or in equity, before or by any Governmental Authority or arbitration or other dispute resolution proceeding.

"*Purchase Agreement*" means this Purchase and Sale Agreement, including the Exhibits and Schedules attached hereto, as amended, modified and supplemented from time to time.

"*Purchase Price*" has the meaning set forth in Section 2.2.

"*Real Property Interests*" has the meaning given such term in the definition of Assets.

"*Records*" has the meaning set forth in the definition of Assets.

"*Respondent*" has the meaning set forth in Section 15.3(a).

"*Rights of Way*" means the easements and rights of way grants listed on Schedule 4.11 which will be partially assigned to Buyer.

"*Seller*" has the meaning set forth in the Preamble.

"*Seller Information*" means all information concerning Seller, other than to the extent such information relates to the Lucerne Interests, the Assets and the Assumed Obligations and other than any such information that (i) is available to the public, or hereafter becomes available to the public, other than as a result of a breach of Section 7.8(a), (ii) that is available to Buyer from sources not under obligations of confidentiality to Seller, (iii) was in Buyer's possession prior to receiving it from Seller, or (iv) was independently developed by Buyer without relying on other Seller Information.

"*Seller Group*" has the meaning set forth in Section 12.1(b).

"*Settlement Notice*" has the meaning set forth such term in Section 3.4.

"*Tax Authority*" means any Governmental Authority having jurisdiction over the payment or reporting of any Tax.

"*Taxes*" means all taxes, charges, fees, imposts, duties, levies, or other assessments imposed by any Governmental Authority, including environmental taxes, excise taxes, customs, duties, utility, property, income, sales, use, value added, transfer and fuel taxes, and any interest, fines, penalties or additions to tax attributable to or imposed on or with respect to any such assessment, including all applicable income, sales, use, excise, business, occupation or other tax, if any, relating in any way to this Purchase Agreement or any other service, supply or operating agreement.

"*Tax Return*" means any report, statement, form, return or other document or information required to be supplied to a Governmental Authority in connection with Taxes.

"*Third Party*" means any Person other than Seller or Buyer, or their respective Affiliates.

"*Third Party Action*" has the meaning set forth in Section 11.3(a).

"*Transaction Documents*" means each of the documents referred to herein as Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit E and Exhibit F.

(b) Other Definitional Provisions.

(i) The words "*hereof*", "*herein*", and "*hereunder*" and words of similar import, when used in this Purchase Agreement, refer to this Purchase Agreement as a whole and not to any particular provision of this Purchase Agreement.

(ii) The terms defined in the singular have a comparable meaning when used in the plural, and vice versa.

(iii) Whenever the Parties have agreed that any approval or consent shall not be "*unreasonably withheld*," such phrase also includes the Parties' agreement that the approval or consent shall not be unreasonably delayed or conditioned.

(iv) Reference to "*day*" or "*days*" in this Purchase Agreement refers to calendar days unless otherwise stated.

(v) Whenever the words "*include*," "*includes*" or "*including*" are used in this Purchase Agreement, they are deemed to be followed by the words "*without limitation*."

(vi) All references to Sections, Exhibits and Schedules mean those numbered sections or paragraphs in this Purchase Agreement and those Exhibits and Schedules attached hereto and made a part of this Purchase Agreement, respectively.

ARTICLE 2
PURCHASE AND SALE OF THE LUCERNE INTERESTS

2.1 Purchase and Sale of the Lucerne Interests. Subject to the terms and conditions of this Purchase Agreement, on the Closing Date, (a) Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase, acquire, accept, assume and receive from Seller, all of Seller's right, title and interest in and to the Lucerne Interests, (b) Seller shall make the other conveyances, assignments, and transfers contemplated by Section 2.4(a), and (c) Buyer shall assume the Assumed Obligations. For the avoidance of doubt, this Purchase Agreement does not, and is not intended to, provide for a conveyance of any Excluded Assets.

2.2 Purchase Price. The total purchase price to be paid by Buyer to Seller in consideration for the Lucerne Interests shall be $100,000,000 (the "*Purchase Price*"). At the Closing, Buyer shall pay to Seller, in immediately available funds by wire transfer to an account designated by Seller, the Purchase Price.

2.3 [Reserved]

2.4 Closing Obligations.

(a) Instruments of Transfer. Prior to Closing, Seller will deliver to Lucerne 1: (i) the Special Warranty Deed, which shall be in the form of Exhibit A, covering the Real Property Interests to be owned by Lucerne 1 and (ii) the Bill of Sale and Assignment Agreement, which shall be in the form of Exhibit B, covering the Personal Property to be owned by Lucerne 1. Seller will deliver to Lucerne 2: (i) the Special Warranty Deed, which shall be in the form of Exhibit A, covering the Real Property Interests to be owned in fee by Lucerne 2, and (ii) the Bill of Sale and Assignment Agreement, which shall be in the form of Exhibit B, covering the Personal Property to be owned by Lucerne 2.

(b) At the Closing, Seller will execute and deliver to Buyer:

(i) and Buyer will execute an assignment and conveyance agreement, the form of which is attached hereto as Exhibit C, whereby Seller shall convey and transfer to Buyer all of Seller's right, title and interests in and to the Lucerne Interests, subject to the terms contained herein and therein;

(ii) and Buyer will execute an assignment and assumption agreement, the form of which is attached hereto as Exhibit D, which sets forth the terms and conditions under which Seller shall assign and Buyer shall accept and assume the Assumed Obligations and the Material Contracts;

(iii) and Lucerne will execute a Processing Agreement for Lucerne 1, the form of which is attached hereto as Exhibit E and a processing Agreement each of Lucerne 1 and Lucerne 2 the form of which is attached hereto as Exhibit F.

2.5 Allocation of Purchase Price. Buyer and Seller will cooperate in good faith and use commercially reasonable efforts to agree upon an allocation of the Purchase Price (including the amount

of any Assumed Obligations recognized as part of the consideration for Tax purposes), among each class of the Assets, in compliance with the principles of Code Section 1060 and applicable Treasury Regulations thereunder. Seller and Buyer agree to timely and properly prepare, execute and file with the Internal Revenue Service pursuant to Code Section 1060 an IRS Form 8594 or any successor form thereto regarding the allocation of the Purchase Price in accordance with such agreed allocation and refrain from taking any action inconsistent therewith, except as required pursuant to applicable law.

ARTICLE 3
ADJUSTMENTS AND SETTLEMENT

3.1 Adjustments.

(a) The value of the Pre-Closing Capital Contributions shall be subject to cash adjustments pursuant to this Article 3.

(b) The Parties shall use all Commercially Reasonable Efforts to agree upon the adjustments set forth in this Article 3, and to resolve any differences with respect thereto. Except as provided herein, no adjustments shall be made after delivery of the Final Settlement Statement.

3.2 Preliminary Settlement Statement. Not later than five (5) Business Days before the Closing Date, and after consultation with Buyer, Seller shall deliver to Buyer a written statement (the "*Preliminary Settlement Statement*") setting forth the Purchase price, the Pre-Closing Capital Contributions and each component included in the Purchase Price, as determined in good faith by Seller that are described in the definition thereof, with Seller's calculation of such items in reasonable detail, based on information then available to Seller. The Preliminary Settlement Statement shall also set forth wire transfer instructions for the Closing payments.

3.3 Final Settlement Statement. Not later than 180 days after the Closing Date and after consultation with Buyer, Seller shall deliver to Buyer a revised settlement statement showing in reasonable detail its calculation of the items described in the definition of Pre-Closing Capital Contributions along with other adjustments to the Purchase Price contemplated in this Agreement (said revised statement and the calculation thereof shall be referred to as the "*Final Settlement Statement*").

3.4 Dispute Procedures. The Final Settlement Statement shall become final and binding on the Parties on the 45th day following the date the Final Settlement Statement is received by Buyer, unless prior to such date Buyer delivers written notice to Seller of its disagreement with the Final Settlement Statement (a "*Settlement Notice*"). Any Settlement Notice shall set forth Buyer's proposed changes to the Final Settlement Statement, including an explanation in reasonable detail of the basis on which Buyer proposes such changes. If Buyer has timely delivered a Settlement Notice, Buyer and Seller shall use good faith efforts to reach written agreement on the disputed items. If the disputed items have not been resolved by Buyer and Seller by the 30th day following Seller's receipt of a Settlement Notice, any remaining disputed items shall be submitted to the Independent Accountants for resolution within ten (10) Business Days after the end of the foregoing 30-day period. The fees and expenses of the Independent Accountants shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Buyer. The Independent Accountants' determination of the disputed items shall be final and binding upon the Parties, and the Parties hereby waive any and all rights to dispute such resolution in any manner, including in court, before an arbiter or appeal.

3.5 Payments. If the final calculated amount as set forth in the Final Settlement Statement exceeds the estimated calculated amount as set forth in the Preliminary Settlement Statement, then Buyer shall pay to Seller the aggregate amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). If the final calculated amount as set forth in the Final Settlement Statement is less than

the estimated calculated amount as set forth in the Preliminary Settlement Statement, then Seller shall pay to Buyer the aggregate amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). Any payment shall be made within three (3) Business Days of the date the Final Settlement Statement becomes final pursuant to Section 3.4.

3.6 Access to Records. The Parties shall grant to each other full access to the records and relevant personnel to allow each of them to make evaluations under this Article 3.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

4.1 Valid Organization.

(a) Seller is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified or licensed to do business as a foreign entity in all states where it is necessary and required to be so qualified or licensed in order to perform the obligations and effect the transactions contemplated by the Transaction Documents to which it is a party, except where the failure to be so qualified or licensed would not reasonably be expected to cause a Material Adverse Effect.

(b) The Entities are limited liability companies duly formed, validly existing and in good standing under the laws of the State of Delaware, and are duly qualified or licensed to do business as a foreign entity in all states where it is necessary and required to be so qualified or licensed in order to has all requisite limited liability company power and authority, to own or otherwise hold and operate its assets except where the failure to be so qualified or licensed would not reasonably be expected to cause a Material Adverse Effect.

4.2 Capitalization as to Entities.

(a) The Lucerne 1 Interests constitute 100% of the outstanding ownership interests in Lucerne 1 and the Lucerne 2 Interests constitute 100% of the outstanding ownership interests in Lucerne 2.

(b) Neither Entity is a party to any written or oral agreement for, and have not granted or issued, or agreed to grant or issue, to any Person any option or right for, the purchase, subscription, allotment or issue of any unissued interests, units or other securities of the Entities. The Entities have no subsidiaries nor own equity interests in any other Person.

4.3 Authorization. Seller has full limited partnership power and authority to enter into the Transaction Documents to which Seller is a party and carry out the transactions contemplated thereby. The Entities have full limited liability company power and authority to enter into the Transaction Documents to which each is a party and carry out the transactions contemplated thereby. This Purchase Agreement has been duly executed and delivered by Seller. The Transaction Documents constitute, or upon execution and delivery will constitute, as applicable, valid and binding agreements of Seller and the Entities, as applicable, enforceable against Seller and such Entity, as applicable, in accordance with their terms, except (a) as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights, and (b) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding for the same may be brought.

4.4 Consents, Approvals, Authorizations and Governmental Regulations.

(a) Except as set forth on Schedule 4.4, no consent, approval of or by, or filing with or notice to any other Person, including any Governmental Authority, is required with respect to Seller or the Entities in connection with the execution, delivery or enforceability of the Transaction Documents or the consummation of the transactions provided for hereby, except where the failure to obtain such consent or approval, make such filing or give such notice would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

(b) Except as set forth in Schedule 4.4, (i) all material Permits of all Governmental Authorities required or necessary for Seller and at Closing, the Entities to own and operate the Assets in the places and in the manner currently owned or operated, have been obtained, and are in full force and effect, (ii) Seller and its Affiliates have received no written notification concerning, and there are no violations that are in existence with respect to the Permits, and (iii) no Proceeding is pending or threatened with respect to the revocation or limitation of any of the Permits. Notwithstanding anything herein to the contrary, the provisions of this Section 4.4(b) shall not relate to or cover any matter relating to or arising out of any Environmental Laws (an "Environmental Matter"), which shall be governed by Section 4.14.

4.5 No Violation. Neither the execution and delivery of the Transaction Documents nor the performance by Seller of its obligations under this Purchase Agreement nor the consummation of the transactions contemplated by this Purchase Agreement will, assuming receipt of the consents set forth on Schedule 4.4, (a) violate any provision of the respective governing documents of Seller or the Entities, (b) violate, constitute a breach of or result in the creation or imposition of any lien or encumbrance upon the Lucerne Interests or the Assets under any agreement or commitment to which Seller or an Entity is a party or by which Seller or the Entities are bound or otherwise, or (c) to the Knowledge of Seller, violate any statute or law or any judgment, decree, order, regulation or rule of any Governmental Authority to which Seller or the Entities are subject, except where such violation of any provision in clauses (b) and (c) would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

4.6 Title to the Lucerne Interests; Encumbrance. The Lucerne Interests constitute all of the limited liability company interests in the Entities. Seller has good and valid title to the Lucerne Interests free and clear of all liens, security interests and encumbrances created by Seller, and such Lucerne Interests are duly authorized, validly issued, fully paid, and nonassessable. Without limiting the generality of the foregoing, the Lucerne Interests are not subject to any voting trust, shareholder agreement, or similar agreement and were not issued in violation of any pre-emptive rights.

(b) As of Closing, the Entities will not have any Subsidiaries or own, directly or indirectly, any equity interest in any other Person.

4.7 Environmental Matters. Except as set forth in Schedule 4.7:

(a) to Seller's Knowledge, Seller, its Affiliates and the Entities, and to Seller's Knowledge any predecessors in interest to the Real Property Interests, have not caused or allowed the generation, use, treatment, manufacture, storage, or disposal of Hazardous Materials at, on or from the Assets, except in accordance with all applicable Environmental Laws;

(b) to Seller's Knowledge, there has been no release of any Hazardous Materials, and to Seller's Knowledge by any predecessor in interest to the Assets, of any Hazardous Materials at, on, from or underlying any of the Real Property Interests other than such releases that (i) are not required to be reported to a Governmental Authority, (ii) have been reported to the appropriate Governmental Authority, or (iii) were in compliance with applicable Environmental Laws;

(c) to Seller's Knowledge, Seller and at Closing, the Entities have secured all permits

required under Environmental Laws for the ownership, use and operation of the Assets and Seller and at Closing, the Entities are in compliance with such permits;

(d) Seller, its Affiliates and the Entities have not received written inquiry or notice of any actual or threatened Claim related to or arising under any Environmental Law relating to the Assets;

(e) Neither Seller nor the Entities are currently operating or required to be operating any of the Assets under any compliance order, a decree or agreement, any consent decree or order, or corrective action decree or order issued by or entered into with any Governmental Authority under any Environmental Law or any Law regarding health or safety in the work place;

(f) Seller, and to Seller's Knowledge all predecessors in interest to the Real Property Interests, have owned, used and operated the Assets in compliance with Environmental Laws, except for any non-compliance which has been remediated and brought into compliance with Environmental Laws; and

(g) to Seller's Knowledge, none of the off-site locations where Hazardous Materials from any of the Assets have been transported, stored, treated, recycled, disposed of or released has been designated as a facility that is subject to a Claim under the Environmental Laws..

4.8 Litigation; Compliance with Laws. There is no legal, equitable, bankruptcy, administrative or other action or proceeding pending or, to the Knowledge of Seller, threatened against Seller with respect to the Lucerne Interests owned by it, or against the Entities, the property or the assets of the Entities, before any arbitrator or Governmental Authority. There is no injunction, restraining order or Proceeding pending against Seller or the Entities or that restrains or prohibits the consummation of the transactions contemplated by this Purchase Agreement. There is no To the Knowledge of Seller, the Entities and the assets owned by each have been owned and operated in compliance with applicable laws, except for any non-compliance which has been timely brought into compliance therewith.

4.9 Material Contracts. The Material Contracts constitute all contracts entered into by an Entity or by Seller with respect to the Assets and the Lucerne Interests or that are material to the business of the Entities taken as a whole. Seller has not received as of the Effective Date notice of breach or default under of any Material Contract which breach or default has not been cured or remedied. Each Material Contract is in full force and effect and constitutes a legal, valid and binding obligation of Seller, and to the Knowledge of Seller, each other party thereto, enforceable in accordance with its terms. Except where such breaches or defaults would not have, individually or in the aggregate, a Material Adverse Effect, there does not exist (a) any breach or default by the Seller and (b) to the Knowledge of Seller, any breach or default by any other Person.

4.10 No Broker. Seller has not retained or employed any broker, finder, or similar agent, or otherwise taken any action in connection with the negotiations relating to this Purchase Agreement and the transactions contemplated hereby in a manner so as to give rise to any claims against Buyer or the Entities for any brokerage commission, finder's fee or other similar payment.

4.11 Real Property and Rights of Way. Schedule 4.11 contains a list of all Real Property Interests owned by each Entity. To Seller's Knowledge, the Real Property Interests owned by the Entities are all of the Real Property Interests necessary for Seller and at Closing, the Entities to own, use and operate the Assets as the Assets are currently owned, used and operated. Each Entity has title to each parcel of real property comprising the Real Property Interests free and clear of all Liens or preferential or similar rights to purchase except (i) Permitted Liens, (ii) zoning and building restrictions, easements, covenants, rights of way and other similar restrictions of record, or (iii) any condition that may be shown by a current, accurate survey or that would be apparent as part of a physical inspection of the Real

Property Interests or of any land register or other public register pertaining thereto made prior to the Closing.

4.12 Personal Property. Each Entity has title to its Personal Property free and clear of all Liens except Permitted Liens.

4.13 Taxes. (a) Except with respect to ad valorem Taxes for the year in which Closing occurs, all Taxes due and owing or claimed to be due and owing (whether such claim is asserted before or after the Effective Time) from or against each Entity or Seller arising from or related to the Assets, or the operation thereof, prior to the Effective Time have been or will be timely paid in full; and

(b) The Seller is not under Tax audit or Tax examination by any Governmental Authority with respect to the Assets. There are no Claims now pending against Seller with respect to the Assets, or threatened against Seller with respect to the Assets with respect to any Tax or any matters under discussion with any Governmental Authority relating to any Tax.

4.14 No Foreign Person. Seller is not a "foreign person" as defined in Section 1445 of the Code and in any regulations promulgated thereunder.

4.15 Intellectual Property.

(a) Neither Seller nor either Entity has received any written notice of infringement, misappropriation or conflict with respect to Intellectual Property from any Person with respect to the ownership, use or operation of the Assets; and

(b) To Seller's Knowledge the ownership, use and operation of the Assets have not infringed, misappropriated or otherwise conflicted with any patents, patent applications, patent rights, trademarks, trademark applications, service marks, service mark applications, copyrights, trade names, unregistered copyrights or trade secrets of any other Person.

4.16 Employee Matters. At no time prior to the Closing Date will either Entity have had any employees.

4.17 Benefit Plan Liabilities. At no time prior to the Closing Date will either Entity have maintained any Benefit Plans and neither Entity has any liability with respect to any Benefit Plans.

4.18 Bank Accounts. Except as set forth on Schedule 4.18, neither Entity has any accounts or safe-deposit boxes with banks, trust companies, savings and loan associations, or other financial institutions.

4.19 Undisclosed Liabilities. To Seller's Knowledge, there are no liabilities or obligations of either Entity (whether known or unknown and whether accrued, absolute, contingent or otherwise) and there are no facts or circumstances that would reasonably be expected to result in any such liabilities or obligations, other than (i) liabilities or obligations disclosed in Schedule 4.19, and (ii) current liabilities incurred in the Ordinary Course of Business.

4.20 No Other Representations or Warranties; Schedules. Seller makes no other express or implied representation or warranty with respect to the Entities, the Assets, or the transactions contemplated by this Purchase Agreement, and disclaims any other representations or warranties. The disclosure of any matter or item in any schedule to this Purchase Agreement shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1 Valid Organization. Buyer is a limited partnership, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified or licensed to do business in all states where it is necessary and required to be so qualified or licensed in order to perform the obligations and effect the transactions contemplated by this Purchase Agreement, except where the failure to be so qualified or licensed would not reasonably be expected to cause a Material Adverse Effect.

5.2 Authorization. Buyer has all requisite power and authority to enter into this Purchase Agreement, to carry out the transactions contemplated hereby and to acquire and own the Lucerne Interests. This Purchase Agreement is a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except (a) as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights, and (b) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding for the same may be brought.

5.3 Consents. Except as set forth on Schedule 5.3, no consent, approval of or by, or filing with or notice to any other Person, including any Governmental Authority, is required with respect to Buyer in connection with the execution, delivery or enforceability of this Purchase Agreement or the consummation of the transactions provided for hereby, except where the failure to obtain such consent or approval, make such filing or give such notice would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

5.4 No Violation. Neither the execution and delivery of this Purchase Agreement nor the performance by Buyer of its obligations under this Purchase Agreement, nor the consummation of the transactions contemplated by this Purchase Agreement will, assuming receipt of the consents set forth in Schedule 5.3: (a) violate any provision of the constituent organizational documents of Buyer, or (b) to the knowledge of Buyer, violate any statute or law or any judgment, decree, order, permit, regulation or rule of any court or Governmental Authority to which Buyer is subject or any contract to which Buyer is a party or by which it is bound.

5.5 Litigation. There is no legal, equitable, bankruptcy, administrative or other action or proceeding pending or, to the knowledge of Buyer, threatened against Buyer before any arbitrator or Governmental Authority, which questions or challenges the validity of this Purchase Agreement or any action taken or to be taken by Buyer pursuant to this Purchase Agreement or in connection with the transactions contemplated by this Purchase Agreement, and Buyer does not know of any such action, proceeding or investigation which is probable of assertion.

5.6 Acquisition as Investment. Buyer is acquiring the Lucerne Interests for its own account as an investment without the present intent to sell, transfer or otherwise distribute the same to any other Person, other than to an Affiliate. Buyer has made, independently and without reliance on Seller (except to the extent that Buyer has relied on the representations and warranties of Seller expressly set forth in this Purchase Agreement), its own analysis of the Entities for the purpose of acquiring the Lucerne Interests and Buyer has had reasonable and sufficient access to documents, other information and materials as it considers appropriate to make its evaluations. Buyer acknowledges that the Lucerne Interests are not registered under the Securities Act of 1933, as amended (the "*1933 Act*") and that none of the Lucerne Interests may be transferred, except as permitted under the 1933 Act and applicable state securities laws pursuant to registration or an applicable exemption under the 1933 Act. Buyer is an "accredited investor" as defined under Rule 501 promulgated under the 1933 Act.

5.7 No Broker. Buyer has not retained or employed any broker, finder, or similar agent, or

otherwise taken any action in connection with the negotiations relating to this Purchase Agreement and the transactions contemplated hereby in a manner so as to give rise to any claims against Seller for any brokerage commission, finder's fee or other similar payment.

5.8 No Knowledge of Misrepresentations or Omissions. Buyer has no Knowledge that any representation or warranty of Seller contained in this Purchase Agreement or any agreement contemplated hereby is not true and correct in all material respects, and Buyer has no Knowledge of any material errors in, or material omissions from, the Exhibits and Schedules to this Purchase Agreement or the schedules, exhibits or attachments to any agreement contemplated hereby.

ARTICLE 6
CERTAIN DISCLAIMERS

6.1 "AS IS, WHERE IS". NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS PURCHASE AGREEMENT, IT IS THE EXPLICIT INTENT OF EACH OF THE PARTIES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE (WHETHER EXPRESS OR IMPLIED), AT LAW OR IN EQUITY, WITH RESPECT TO THE PROPERTY OR THE ASSUMED OBLIGATIONS, AND SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, CONDITION OR FITNESS FOR A PARTICULAR PURPOSE OR ORDINARY PURPOSE OR ANY REPRESENTATION OR WARRANTY AS TO VALUE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL CONVEY TO THE ENTITIES THE ASSETS IN THEIR PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES OR WARRANTIES (WHETHER EXPRESS OR IMPLIED), AS TO TITLE, QUALITY, MERCHANTABILITY OR FITNESS FOR BUYER'S INTENDED USE OR PURPOSE OR A PARTICULAR USE OR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER, IN ALL CASES EXCEPT AS EXPRESSLY PROVIDED HEREIN, OR IN THE TRANSACTION DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED AT THE CLOSING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY. BUYER AGREES TO ACCEPT THE PROPERTY "AS-IS", "WHERE-IS", IN ITS PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES OR WARRANTIES (WHETHER EXPRESS OR IMPLIED), AS TO ITS TITLE, QUALITY, MERCHANTABILITY OR FITNESS FOR BUYER'S INTENDED USE OR PURPOSE OR A PARTICULAR USE OR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER, IN ALL CASES, EXCEPT AS EXPRESSLY PROVIDED HEREIN, OR IN THE DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED AT THE CLOSING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY. ALL REPRESENTATIONS AND WARRANTIES (WHETHER EXPRESS OR IMPLIED), AT LAW OR IN EQUITY, OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN, ARE EXCLUDED. SELLER DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY OTHER REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (WHETHER ORALLY OR IN WRITING) TO BUYER OR THE OTHER MEMBERS OF BUYER GROUP, INCLUDING WITH RESPECT TO SELLER, ENTITIES, THE LUCERNE INTERESTS, THE ASSETS, OR THE ASSUMED OBLIGATIONS. IN ENTERING INTO THIS PURCHASE AGREEMENT, BUYER HAS HAD THE OPPORTUNITY TO CONDUCT SUCH INVESTIGATION AS IT CONSIDERED APPROPRIATE.

6.2 Title to Real Property Interests. Except as set forth in Section 4.11, Buyer acknowledges that Seller does not makes any warranty or representation, either express or implied, (a) as to title to, or

any encumbrances of or on, any Real Property Interests, or (b) as to the completeness or contiguity of any Real Property Interests. Seller shall provide or cause to be provided for inspection, at Buyer's request, any instruments and conveyances in Seller's possession or control which evidence Seller's right, title and interests in and to the Lucerne Interests.

6.3 Certain Disclaimers. Except as otherwise expressly set forth in this Purchase Agreement and the instruments, documents and agreements referred to herein or executed in connection with the transactions contemplated hereby:

(a) Buyer expressly acknowledges that neither Seller nor any other Person has made any representation or warranty, express or implied, at law or in equity, as to the accuracy or completeness of any information regarding Seller, the Lucerne Interests, the Assumed Obligations, except as expressly set forth in this Purchase Agreement or in the documents and agreements executed and delivered at the Closing in connection with the transactions contemplated hereby, and Buyer further agrees that neither Seller nor any other Person shall have or be subject to any liability to Buyer or to any other Person resulting from the distribution to Buyer and the other members of Buyer Group, or its or their use of, and Buyer agrees that it shall be deemed to have not relied for any purpose on, any such information, document or material made available to Buyer, including management presentations or any other form in expectation of the transactions contemplated by this Purchase Agreement, and Buyer acknowledges it is not relying on any such information;

(b) Buyer expressly acknowledges (i) the disclaimers of Seller, including those set forth in Sections 6.1 and 6.3(a) above, and (ii) that there are uncertainties inherent in any estimates, projections and other forecasts and plans provided by Seller to Buyer Group, including management presentations or any other form in expectation of the transactions contemplated by this Purchase Agreement, and Buyer acknowledges it is not relying on any such information, that Buyer is aware of and familiar with such uncertainties and that Buyer takes full responsibility for making its own evaluation of the adequacy and accuracy of any such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts) in connection with the transactions contemplated by this Purchase Agreement. Accordingly, Seller makes no representations or warranties with respect to such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts). Buyer acknowledges that it has had sufficient opportunity to make whatever investigation it has deemed necessary and advisable for purposes of determining whether or not to enter into this Purchase Agreement.

ARTICLE 7
COVENANTS

7.1 Conduct of Business. Seller covenants and agrees that from and after the execution of this Agreement and until the Closing:

(a) Without the prior written consent of Buyer, (i) Seller will not, and will not permit the Entities to sell, transfer, assign, convey or otherwise dispose of any Assets other than (A) the transfer of the Excluded Assets; (B) the sale of inventory in the Ordinary Course of Business or (C) the sale or other disposition of equipment or other Personal Property which is replaced with equipment or other Personal Property of comparable or better value and utility; (ii) except for the existing Lucerne 2 Plant, modify in any respect the Assets that will require a capital expenditure in excess of $1,000,000 except for previously approved projects; (iii) make any adverse change in its sales, credit or collection terms and conditions relating to the Assets; (iv) do any act or omit to do any act which will cause a material breach in any Contract; or (v) unless disputed in good faith, fail to pay when due all amounts owed under the Contracts;

(b) Without the prior written consent of Buyer, Seller will not allow the Entities to create or permit the creation of any Lien on any Asset other than Permitted Encumbrances;

7.2 Casualty Loss.. Seller shall promptly notify Buyer of any Casualty Loss of which Seller becomes aware prior to the Closing. If a Casualty Loss occurs and such Casualty Loss would reasonably be expected to have a Material Adverse Effect (a "*Material Casualty Loss*"), Buyer shall have the right to extend the Closing Date for up to forty-five (45) days for the purpose of repairing or replacing the Assets destroyed or damaged by the Material Casualty Loss. The costs to repair or replace the Assets destroyed or damaged by the Material Casualty Loss shall be borne by Seller. Any insurance, condemnation or taking proceeds as a result of a Casualty Loss occurring prior to Closing shall be for the account of Seller, and each Party shall execute such assignments, releases, resolutions or other documents as may be necessary to vest such proceeds as set forth above.

7.3 Access, Information and Access Indemnity.

(a) Prior to Closing, Seller will make available at Seller's offices to Buyer and Buyer's authorized representatives for examination as Buyer may reasonably request, all Records; *provided*, *however*, such material shall not include (i) any proprietary data which relates to another business of Seller or its Affiliates and is not primarily used in connection with the continued ownership, use or operation of the Assets, (ii) any information subject to Third Party confidentiality agreements for which a consent or waiver cannot be secured by Seller or its Affiliates after reasonable efforts, or (iii) any information which, if disclosed, would violate an attorney-client privilege or would constitute a waiver of rights as to attorney work product or attorney-client privileged communications.

(b) Subject to subsection (a) above, Seller shall permit Buyer and Buyer's authorized representatives to consult with employees of Seller and its Affiliates during the business hours of 8:00 a.m. to 5:00 p.m. (local time), Monday through Friday and to conduct, at Buyer's sole risk and expense, inspections and inventories of the Assets and to examine all Records over which Seller and its Affiliates have control. Seller shall also coordinate, in advance, with Buyer to allow site visits and inspections at the field sites on Saturdays unless operational conditions would reasonably prohibit such access.

(c) BUYER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD THE SELLER'S INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND LOSSES OCCURRING ON OR TO THE ASSETS CAUSED BY THE ACTS OR OMISSIONS OF BUYER, BUYER'S AFFILIATES OR ANY PERSON ACTING ON BUYER'S OR ITS AFFILIATES' BEHALF IN CONNECTION WITH ANY DUE DILIGENCE CONDUCTED PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT PRIOR TO CLOSING, INCLUDING ANY SITE VISITS AND ENVIRONMENTAL SAMPLING; PROVIDED, HOWEVER, THE FOREGOING OBLIGATION OF BUYER SHALL NOT APPLY WITH RESPECT TO ANY ENVIRONMENTAL CONDITIONS TO THE EXTENT EXISTING PRIOR TO THE CONDUCT OF SUCH DUE DILIGENCE WHICH ARE DISCOVERED DURING SUCH DUE DILIGENCE. Buyer shall comply in all material respects with all rules, regulations, policies and instructions issued by Seller or any Third Party operator regarding Buyer's actions prior to Closing while upon, entering or leaving any property included in the Assets, including any insurance requirements that Seller may impose on contractors authorized to perform work on any property owned or operated by Seller.

7.4 Limitation on Casualty Losses and Other Matters. Notwithstanding any provision herein to the contrary, if either Party reasonably determines that the anticipated aggregate value of any Casualty Losses and a good faith estimate of Seller's liability with respect to breaches of representations and warranties of which either Seller or Buyer has provided notice to the other prior to Closing, exceeds $3,000,000, then such Party shall provide written notice to the other of such determination together with

the notifying Party's calculations of the estimated costs, payments, reductions and liabilities supporting such determination. Notwithstanding Section 9.1(c) upon the other Party's receipt of such notice, the Party receiving the notice shall have the right to terminate this Agreement at any time prior to Closing upon ten (10) days written notice to the other Party.

7.5 Supplements to Exhibits and Schedules. Seller may, from time to time, by written notice to Buyer at any time prior to the Closing Date, supplement or amend the Exhibits and Schedules to correct any matter that would constitute a breach of any representation or warranty of Seller herein contained. Buyer shall have a minimum of five (5) Business Days to review such supplement or amendment and the Closing shall be extended as required to allow Buyer to do so; *provided, however*, if Buyer reasonably determines that any individual new disclosure item set forth in any such supplement or amendment would increase the amount of the Assumed Obligations by more than $100,000, then Buyer shall notify Seller of such determination together with Buyer's calculations of such increase in the amount of the Assumed Obligations. Promptly upon Seller's receipt of such written notice, the Parties shall endeavor in good faith to agree to a value to be paid by Seller to Buyer therefor or other mutually agreeable remedy to address the matters which are the subject of such supplement(s) and amendment(s) to the Exhibits and Schedules. If within fifteen (15) days of Seller's receipt of such written notice, the Parties have not agreed to a value to be paid by Seller to Buyer therefore or another mutually agreeable remedy, Buyer shall have the right to terminate this Agreement at any time during the five (5) Business Days following the expiration of such fifteen (15) day period by provision of written notice to Seller. Notwithstanding any other provision hereof, if the Closing occurs, any such supplement or amendment will be effective to cure and correct for all purposes any breach of any representation or warranty that would have existed if such supplement or amendment had not been made.

7.6 Tax Covenants; Preparation of Tax Returns. Seller shall prepare and file, or cause to be prepared and filed, all Tax Returns required to be filed by the Entities and also shall cause the Entities to pay the Taxes due with respect thereto; *provided, however*, that the Buyer shall promptly reimburse Seller for the portion of such Taxes attributable to the ownership of the Lucerne Interests after the Closing Date, to the extent not accrued in the Final Settlement Statement. The Parties shall cause Seller to allow the Buyer to review, comment upon and reasonably approve without undue delay any Tax Return at any time during the twenty (20) day period immediately preceding the filing of such Tax Return.

7.7 Like-Kind Exchange. Seller shall have the right at any time prior to closing to assign all or a portion of its rights (but not its obligations) under this Purchase Agreement to a qualified intermediary in order to accomplish the transactions contemplated by this Purchase Agreement in a manner that would comply, either in whole or in part, with the requirements of a like-kind exchange pursuant to Section 1031 of the Code. If Seller assigns its rights under this Purchase Agreement for this purpose, Seller shall provide Buyer with prior written notice and Buyer agrees that, if so requested by Seller, it will (a) provide a written acknowledgement of Seller's assignment of its rights in this Purchase Agreement for the sole purpose herein described and (b) pay the Purchase Price into a qualified escrow or qualified trust account at closing as directed in writing by Seller. Any assignment of this Purchase Agreement to a qualified intermediary shall not release Seller from any of its liabilities or obligations to Buyer under this Purchase Agreement. Seller shall be solely responsible to designate and obtain exchange property and to otherwise comply with Section 1031 of the Code. The rights of the Parties shall not be affected by any determination that the transaction does not qualify as a like-kind exchange.

7.8 Confidentiality.

(a) Buyer acknowledges that all information provided to any of it and its Affiliates (including for the avoidance of doubt their respective directors, officers, employees, counsel, auditors, accountants, agents, advisors and other representatives) by Seller (including for the avoidance of doubt,

their respective directors, officers, employees, counsel, auditors, accountants, agents, advisors and other representatives) is confidential.

(b) Buyer agrees that, from and after the Effective Date, Buyer shall, and shall cause its Affiliates (including for the avoidance of doubt their respective directors, officers, employees, counsel, auditors, accountants, agents, advisors and other representatives) to keep the Seller Information confidential, except to the extent that disclosure of any such Seller Information is requested or required by law (by oral questions, interrogatories, requests for information or other documents in legal proceedings, subpoena, civil investigative demand or any other similar legal process) or legal or administrative process or authorized by Seller or reasonably occurs in connection with disputes over the terms of this Purchase Agreement. The provisions of this Section 7.8 shall not apply to any information, documents or materials which are in the public domain or shall come into the public domain, other than by reason of a breach by Buyer of its obligations hereunder. Furthermore, notwithstanding the foregoing, Buyer shall be permitted to disclose the Seller Information to any of its Affiliates, investors, employees, officers, representatives (such as counsel, auditors or consultants) and board members, *provided* that such Affiliates and other Persons comply with the terms of this Section 7.8(a).

7.9 Records. For a period of seven (7) years following the Closing Date, Buyer shall use Commercially Reasonable Efforts to provide to Seller (and their counsel, auditors, accountants, agents, advisors or other representatives) reasonable access to and permission to make copies of any books, records or accounts relating to the Lucerne Interests through and including the Closing Date in Buyer's possession and control (and if not in Buyer's possession or control, then Buyer shall provide reasonable assistance to the Entities in favor of providing the same) at Seller's expense. Seller shall consult with Buyer so that such visits do not unreasonably interfere with Buyer's post-Closing normal operations. Buyer shall not destroy or dispose of any such books, records and accounts for a period of at least seven (7) years after the Closing Date without first giving reasonable prior notice thereof and offering to surrender to Seller such books, records and accounts which Buyer may intend to destroy or dispose of.

7.10 Consents. Each Party shall use its Commercially Reasonable Efforts to cause the transactions contemplated by this Purchase Agreement to be consummated and, without limiting the generality of the foregoing, to make all filings with and give all notices to, Governmental Authorities and other Third Parties which may be necessary or reasonably required in connection with the consummation of the transactions contemplated by this Purchase Agreement; *provided*, *however*, notwithstanding any other provisions of this Purchase Agreement, it shall be Buyer's sole responsibility and Buyer shall use its reasonable efforts to obtain all consents, authorizations, and approvals of or by, and to make all filings with or notices to, (i) Third Parties which may be necessary or reasonably required in order for Buyer to obtain rights to any Material Contract, and (ii) Governmental Authorities to consummate the transactions contemplated by this Purchase Agreement; *provided* in each case that Seller agrees to reasonably cooperate with Buyer in Buyer's efforts to obtain such consents.

7.11 Litigation Assistance. After the Closing Date and until the seventh (7th) anniversary thereof, each Party shall use Commercially Reasonable Efforts to provide such assistance as the other Party may from time to time reasonably request in connection with the preparation of Tax Returns required to be filed, any audit or other examination by any taxing authority, any judicial or administrative proceeding relating to liability for Taxes, or any claim for refund in respect of such Taxes or in connection with any Third Party litigation and proceedings or liabilities related to the Lucerne Interests, the Assets, the Assumed Obligations or the Excluded Liabilities; *provided* that nothing herein shall require the assisting Party to create, recreate, generate or obtain, in connection with rendering such assistance, any records, analyses or other documents not then in the possession or control of such assisting Party. The requesting Party shall reimburse the assisting Party for the out-of-pocket costs incurred by the assisting

Party.

7.12 Further Assurance. On and after the Closing Date, the Parties shall cooperate and use their respective Commercially Reasonable Efforts to take or cause to be taken all appropriate actions and do, or cause to be done, all things necessary or appropriate to make effective the transactions contemplated hereby, including the execution of any additional assignment or similar documents or instruments of transfer of any kind, the obtaining of consents which may be reasonably necessary or appropriate to carry out any of the provisions hereof and the taking of all such other actions as such party may reasonably be requested to take by the other party hereto from to time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and contemplated transactions.

ARTICLE 8
BUYER'S CONDITIONS TO CLOSING

The obligations of Buyer under this Purchase Agreement to close the purchase and sale of the Lucerne Interests shall be subject to the satisfaction or waiver by Buyer of each of the following conditions:

8.1 Representations and Warranties True. The representations and warranties of Seller contained in this Purchase Agreement shall be in all material respects true and accurate as of the Closing Date, except for (a) representations and warranties that speak as of a specific date or time (which need only be materially true and correct as of such date or time), and (b) changes permitted or contemplated by this Purchase Agreement.

8.2 Performance. Seller shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions required by this Purchase Agreement to be performed or complied with by Seller on or prior to the Closing Date.

8.3 Consents. All consents and approvals set forth on Schedule 8.3 that are necessary for Seller to sell the Lucerne Interests shall have been obtained.

8.4 Litigation. No action or proceeding shall have been brought by any Governmental Authority or other Person (and not subsequently dismissed, or settled or otherwise terminated) against Seller or Buyer seeking to restrain, prohibit or otherwise restrain or make illegal the consummation of the sale of the Lucerne Interests by Seller to Buyer as contemplated hereby.

8.5 Closing Deliverables. Seller shall have delivered to Buyer the executed documents to be delivered by it as provided in Section (b) in the forms attached hereto as Exhibits C, D, E, and F.

8.6 Material Adverse Effect. No event shall have occurred which would result in a Material Adverse Effect.

ARTICLE 9
SELLER'S CONDITIONS TO CLOSING

The obligations of Seller under this Purchase Agreement to close the purchase and sale of the Lucerne Interests shall be subject to the satisfaction or waiver by Seller of each of the following conditions:

9.1 Representations and Warranties True. The representations and warranties of Buyer contained in this Purchase Agreement shall be in all material respects true and accurate as of the Closing Date, except for (a) representations and warranties that speak as of a specific date or time (which need

only be materially true and correct as of such date or time), and (b) changes permitted or contemplated by this Purchase Agreement.

9.2 Performance. Buyer shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions required by this Purchase Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

9.3 Consents. All consents and approvals set forth on Schedule 9.3 that are necessary for Buyer to own the Lucerne Interests shall have been obtained.

9.4 Litigation. No action or proceeding shall have been brought by any Governmental Authority or other Person (and not subsequently dismissed, or settled or otherwise terminated) against Seller or Buyer seeking to restrain, prohibit or otherwise restrain or make illegal the consummation of the sale of the Lucerne Interests by Seller to Buyer as contemplated hereby.

9.5 Purchase Price and Undertakings. Buyer shall have delivered by wire transfer to the Seller (or its designee) the Purchase Price pursuant to Section 2.2.

9.6 Closing Deliverables. Buyer shall have delivered to Seller the executed documents provided in Section (b) in the forms attached hereto as Exhibits C, D, E, and F.

ARTICLE 10
CLOSING

10.1 Closing. The consummation of the purchase and sale of the Lucerne Interests contemplated by this Purchase Agreement (the "*Closing*") shall be held on the Closing Date at the offices of Seller, or such other place as the Parties may agree in writing.

10.2 Closing Date. The "*Closing Date*" shall be March 28, 2014, or such other time as the Parties may agree, subject to the satisfaction or waiver of the Closing conditions set forth in Article 8 and Article 9. The Closing shall be effective at the Effective Time.

ARTICLE 11
TERMINATION

11.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned as follow:

(a) Seller and Buyer may elect to terminate this Agreement at any time prior to the Closing by mutual written consent thereof;

(b) Either Seller or Buyer by written notice to the other may terminate this Agreement if the Closing shall not have occurred on or before April 30, 2014; *provided*, *however*, that neither Party may terminate this Agreement if such Party is at such time in material breach of any provision of this Agreement;

(c) Seller and Buyer may each terminate this Agreement at any time on or prior to the Closing if either Buyer, on the one hand, or Seller, on the other hand, shall have materially breached any representations, warranties or covenants thereof herein contained (without giving effect to any qualification as to materiality or Material Adverse Effect contained therein) with the sum of such breach or breaches reasonably expected to have a Material Adverse Effect and the same is not cured within thirty (30) days after receipt of written notice thereof from the applicable non-breaching Party; *provided*, *however*, that neither Party may terminate this Agreement if such Party is at such time in material breach of any representations, warranties or covenants of such Party; and

(d) In addition to the foregoing, any Party may terminate this Agreement to the extent such termination is expressly authorized by another provision of this Agreement.

11.2 Effect of Termination Prior to Closing. If Closing does not occur as a result of any Party exercising its right to terminate pursuant to Section 11.1, then no Party shall have any further rights or obligations under this Agreement, except that (i) nothing herein shall relieve any Party from any liability for any willful breach of this Agreement, and (ii) the provisions of Article 14 shall survive any termination of this Agreement.

ARTICLE 12
INDEMNIFICATION

12.1 Indemnification.

(a) Indemnification Obligation of Seller. Subject to the provisions of this Article 12 (including Section 12.2), from and after the Closing Date, Seller agrees to indemnify and hold harmless Buyer and its Affiliates and its and their officers, directors, employees, partners, members, agents, representatives and contractors (collectively, "*Buyer Group*") from and against any and all Losses incurred by Buyer Group which result from, relate to or arise out of the following:

(i) any breach or inaccuracy in any representation or warranty (without giving effect to any qualification as to materiality or Material Adverse Effect contained therein) of Seller contained in Article 4 of this Purchase Agreement;

(ii) any material breach by Seller of any covenant or other obligation of Seller contained in this Purchase Agreement;

(iii) the Excluded Assets; or

(iv) the Excluded Liabilities.

(b) Indemnification Obligation of Buyer. Subject to the provisions of this Article 12 (including Section 12.2), from and after the Closing Date, Buyer agrees to indemnify and hold harmless Seller and its officers, directors, employees, partners, members, agents, representatives and contractors (collectively, "*Seller Group*") from and against any and all Losses (other than the Excluded Assets and Excluded Liabilities which are retained by Seller) incurred by Seller Group which result from, relate to or arise out of the following:

(i) any material breach or inaccuracy of any representation or warranty (without giving effect to any qualification as to materiality or Material Adverse Effect contained therein) of Buyer contained in Article 5 of this Purchase Agreement;

(ii) any material breach by Buyer of any covenant or other obligation of Buyer contained in this Purchase Agreement; or

(iii) the Assumed Obligations.

12.2 Limitations on Liability.

(a) Deductible and Cap. Seller shall not have any indemnification obligations for Buyer Group's Losses under Section 12.1(a)(i) unless the aggregate total of such Losses exceeds $1,000,000 and then only to the extent such Losses exceed $1,000,000; *provided* that in calculating Buyer Group's aggregate total Losses, individual Losses with respect to a single incident or matter in amounts less than $100,000 shall be disregarded. Furthermore, in no event shall Seller's aggregate liability for

indemnification under Section 12.1(a)(i) exceed $10,000,000. The limitations on indemnification set forth in this Section 12.2(a) shall not apply to Losses related to any breach of Seller's Fundamental Representations; *provided* that in no event shall Seller's aggregate liability for indemnification with respect to all claims hereunder including for Losses related to any breach of by Seller of its Fundamental Representations exceed an amount equal to the Purchase Price.

(b) Timeliness. Neither Party shall have an obligation to indemnify the other Party with respect to a matter if such other Party fails to deliver written notification of a claim for indemnification under Section 12.3(a) for such matter before the expiration of the applicable survival period set forth in Section 12.4.

(c) No Knowledge. Buyer shall not be entitled to indemnification under this Article 12 if it had knowledge prior to or on the Closing Date of the breach of any representation, warranty, covenant, agreement or obligation with respect to which Buyer is seeking indemnification under this Article 12. A Party shall promptly notify the other Party of any breach of any representation, warranty, covenant or agreement of the other Party made hereunder of which such Party has knowledge prior to or on the Effective Date.

12.3 Other Provisions Relating to Indemnification.

(a) Notices, etc. Each Person entitled to indemnification pursuant to this Purchase Agreement (the "*Indemnified Party*") shall, upon obtaining knowledge of facts indicating that it may have a basis for a claim for indemnification hereunder, including receipt by it of notice of any demand, assertion, claim or proceeding by any Third Party (any such Third Party proceeding being referred to as a "*Third Party Action*") with respect to any matter as to which it may be entitled to indemnity hereunder, give prompt notice thereof in writing to the Person obligated hereunder to provide such indemnification (the "*Indemnifying Party*"), together with a statement including as much detail as is reasonably available under the circumstances, identifying the basis of and facts underlying such claim and a good faith estimate of the Indemnified Party's Losses.

(b) Right to Contest and Defend. The Indemnifying Party shall be given the opportunity, at its cost and expense, to contest and defend by all appropriate legal proceedings any Third Party Action with respect to which it is called upon to indemnify the Indemnified Party under the provisions of this Purchase Agreement; *provided, however*, that notice of the intention to contest and defend shall be delivered by the Indemnifying Party to the Indemnified Party within thirty (30) days following receipt of the notice provided for in Section 12.3(a) above. Any Third Party Action which the Indemnifying Party elects to contest and defend may be conducted in the name and on behalf of the Indemnifying Party or the Indemnified Party as may be appropriate. Such Third Party Action shall be conducted by counsel employed by the Indemnifying Party, but the Indemnified Party shall have the right to participate in such Third Party Action and to be represented by counsel of its own choosing at its cost and expense; *provided* that, if the defendant(s) in any Third Party Action include both the Indemnifying Party and the Indemnified Party, and the Indemnified Party shall have reasonably concluded that (i) there may be legal defenses available to it that are inconsistent with those defenses available to the Indemnifying Party, or (ii) if there is a conflict of interest that would prevent counsel for the Indemnifying Party from also representing the Indemnified Party (clauses (i) and (ii) collectively, "*Differences or Conflicts*"), then the Indemnified Party shall have the right to engage separate counsel at the cost and expense of the Indemnifying Party. If the Indemnified Party joins in any such Third Party Action, the Indemnifying Party shall have full authority, absent any Differences or Conflicts, to determine all action to be taken with respect thereto. At any time after the commencement of defense of any Third Party Action, the Indemnifying Party may request the Indemnified Party to agree in writing to the abandonment of such contest or to the payment, compromise or settlement by the Indemnifying Party of the asserted Third Party

Action, which consent, absent any Differences or Conflicts, shall not be unreasonably withheld; *provided, however*, that such consent of the Indemnified Party shall not be required in the event the payment, compromise or settlement by the Indemnifying Party of the asserted Third Person Action (i) involves only the payment of money, and not the imposition of injunctive or other equitable relief, (ii) unconditionally releases the Indemnified Party from all liability arising out of such Third Person Action, and (iii) does not include a statement as to or an admission of fault on the part of the Indemnified Party.

(c) Cooperation. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any Third Party Action which the Indemnifying Party elects to contest or, if appropriate, in making any counterclaim against the Person asserting the Third Party Action, or any cross-complaint against any Person; *provided* that the Indemnifying Party shall reimburse the Indemnified Party for any reasonable expenses incurred by it in so cooperating at the request of the Indemnifying Party.

(d) Right to Participate. The Indemnified Party agrees to afford the Indemnifying Party and its counsel the opportunity, at the Indemnifying Party's expense, to be present at, and to participate in, conferences with all Persons asserting any Third Party Action against the Indemnified Party and conferences with representatives of or counsel for such Persons.

(e) Duty to Mitigate. The Parties shall have a duty to mitigate any Losses to which a right of indemnity applies hereunder.

(f) Exclusive Remedy. From and after the Closing Date, the indemnification provisions contained in this Article 12 shall constitute the sole remedy of the Parties for all claims arising from or relating to this Purchase Agreement or any of the instruments or transactions contemplated hereby (other than any remedies that are expressly set forth in any ancillary agreement referred to herein).

(g) Severability of Indemnification Provisions. If any indemnity obligation set forth in this Article 12 or the application of any part thereof is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction under applicable law, then, but only in such event, such indemnity obligation or part thereof shall be modified, read, construed and enforced to the maximum extent permitted by law, and any remaining obligations or part thereof of such indemnity obligation that is valid and enforceable shall remain in full force and effect and be binding on the Parties.

12.4 Survival of Provisions and Indemnification Obligations.

(a) The representations and warranties of the Parties set forth in Article 4 and Article 5 of this Purchase Agreement shall survive the Closing for one (1) year from the Closing; *provided, however*, that the Fundamental Representations of the Parties shall survive the Closing indefinitely.

(b) The covenants and the indemnification obligations (other than with respect to the representations and warranties of the Parties, which shall be governed by Section 12.4(a) above) of the Parties set forth in this Purchase Agreement shall survive the Closing as follows:

(i) in the case of covenants of the Parties (other than the covenants set forth in Section 7.8(a)), until the first (1st) anniversary of the Closing Date, or otherwise in accordance with their terms;

(ii) in the case of the covenants of the Parties set forth in Section 7.8(a), until the third (3rd) anniversary of the Closing Date; and

(iii) in the case of the indemnification obligations of the Parties set forth in Sections 12.1(a)(iii), 12.1(a)(iv) and 12.1(b)(iii), indefinitely.

(c) Notwithstanding the foregoing, in the event a claim for indemnification is made in accordance with the provisions hereof on or before the expiration of the applicable survival period for the provision under which such claim is made, the obligations of the Indemnifying Party shall continue as to such claim until it has been finally resolved.

12.5 Purchase Price Adjustment. The Parties agree to treat all payments made pursuant to this Article 12 as adjustments to the Purchase Price for Tax purposes, except as otherwise required by law following a final determination by the United States Internal Revenue Service or a Governmental Authority with competent jurisdiction.

ARTICLE 13
TAXES AND CHARGES

13.1 Transfer Taxes. If and to the extent that any transfer, excise, stamp, sales, or other taxes are or become due and payable in connection with the transfer of the Lucerne Interests pursuant to this Purchase Agreement, any such taxes shall be paid by Buyer. Seller and Buyer shall use Commercially Reasonable Efforts to assist and cooperate with each other in connection with establishing the applicability of any exemption from any transfer taxes.

ARTICLE 14
MISCELLANEOUS PROVISIONS

14.1 Damages. Notwithstanding anything herein to the contrary, neither Party shall be liable for consequential, incidental, exemplary, special, indirect or punitive damages (including lost profits, loss of production, diminution in value or other damages attributable to business interruption) arising under or in connection with this Purchase Agreement. The exclusion of consequential, incidental, indirect, special or punitive damages as set forth in the preceding sentence shall not apply to any such damages sought by Third Parties against an Indemnified Party in connection with Losses for which indemnification is owed pursuant to Article 12.

14.2 Amendment and Modification. Subject to applicable law, this Purchase Agreement may only be amended, modified and supplemented by written agreement of the Parties to this Purchase Agreement.

14.3 Waiver of Compliance. Any failure of any Seller, on the one hand, or Buyer, on the other hand, to comply with an obligation, covenant, agreement or condition contained in this Purchase Agreement may be expressly waived in writing by the non-failing Party, but such waiver or failure to insist upon strict compliance shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

14.4 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been given if delivered by hand, courier service, transmitted by facsimile, or mailed, certified or registered mail with postage prepaid:

(a) If to Seller, to the address first given for them, with a copy to:

DCP Midstream, LP
370 17th Street, Suite 2500
Denver, CO 80202
Attn: Wouter T. van Kempen, Chairman of the Board, President and CEO
Telephone No: 303-605-1610
Facsimile No: 303-605-2225

with a copy to:

DCP Midstream, LP
370 17th Street, Suite 2500
Denver, CO 80202
Attn: Brent Backes, Group Vice President, General Counsel and Secretary
Telephone No: 303-605-1730
Facsimile No: 303-605-2226

or such other Person or address as Seller shall furnish Buyer in writing.

(b) If to Buyer, to:

DCP Midstream Partners, LP
370 17th Street, Suite 2500
Denver, CO 80202
Attn: William S. Waldheim, President
Telephone No.: 303-633-2220
Facsimile No: 303-605-2225

with a copy to:

DCP Midstream Partners, LP
370 17th Street, Suite 2500
Denver, Colorado 80202
Attn: Michael S. Richards, Vice President, General Counsel and Secretary
Telephone No.: 303-633-2912
Facsimile No.: 303-633-2921

or to such other Person or address as Buyer shall furnish to Seller in writing.

14.5 Assignment. This Purchase Agreement and all of the provisions of this Purchase Agreement shall be binding upon and inure to the benefit of the Parties to this Purchase Agreement and their respective successors and permitted assigns, but neither Party may assign this Purchase Agreement nor any of the rights, interests or obligations under this Purchase Agreement without the prior written consent of the other Party. Notwithstanding any assignment by a Party hereunder, the assigning Party shall in all events remain primarily liable for the performance of all of its obligations hereunder, unless the other Party consents in writing and the proposed assignee expressly assumes as a condition to such assignment all of the assigning Party's performance obligations hereunder. In the event a Party or any subsequent (direct or indirect) assignee of a Party assigns this Purchase Agreement or any of its rights or interests under Article 12 of this Purchase Agreement to a Third Party pursuant to the terms hereof and the assigning Party is thereby released, the assigning Party shall no longer have any rights to make a claim for indemnification under Article 12 following such assignment. Any purported assignment in violation of this Section 14.5 shall be voidable at the option of the non-assigning Party or Parties.

14.6 No Third Party Beneficiaries. Except as provided in Article 6 and Article 12, this Purchase Agreement is solely for the benefit of Seller and Buyer and their respective successors and assigns, and nothing in this Purchase Agreement shall confer any rights upon any other Person.

14.7 GOVERNING LAW. THIS PURCHASE AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, EXCLUDING ANY CHOICE OF LAW RULES WHICH MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER

JURISDICTION.

14.8 Consent to Jurisdiction. For purposes of enforcement of any arbitration awards pursuant to Article 15, Seller and Buyer (a) irrevocably submits to the exclusive jurisdiction of any Colorado state court in Denver, Colorado, or the United States District Court sitting in Denver, Colorado, and (b) irrevocably waives any objection that it may now or hereafter have to the laying of venue in such forums and agrees not to plead or claim that any action in such forums would be inconvenient. EACH PARTY WAIVES IRREVOCABLY ANY AND ALL RIGHTS IT MAY HAVE TO TRIAL BY JURY.

14.9 Counterparts. This Purchase Agreement may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

14.10 Exhibits and Headings. Information set forth in any Exhibit or Schedule to this Purchase Agreement is deemed to have been disclosed for all purposes of this Purchase Agreement. The headings contained in this Purchase Agreement are inserted for convenience only, do not constitute a part of this Purchase Agreement, and are in no way to be construed as a limitation on the scope of particular sections to which they refer.

14.11 Entire Agreement. This Purchase Agreement (including the Exhibits, Schedules, and other documents and ancillary agreements referred to herein, which form a part of this Purchase Agreement) embodies the entire agreement and understanding of the Parties in respect of the subject matter contained herein and therein and supersedes all prior and contemporaneous agreements and understandings between the Parties with respect to such subject matter. There are no, and neither Party shall have any remedies or causes of action (whether in contract or in tort) for any, restrictions, promises, statements, warranties, covenants or undertakings with respect to the transactions contemplated hereby and thereby, other than those expressly set forth or referred to in this Purchase Agreement.

14.12 Representation By Counsel; No Strict Construction. Buyer and Seller acknowledge that each of them has been represented by counsel in connection with the negotiation of this Purchase Agreement and the transactions contemplated hereby and that the language used in this Purchase Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Purchase Agreement against the Party that drafted it has no application and is expressly waived.

14.13 Severability. Whenever possible, each provision or part thereof of this Purchase Agreement shall be interpreted in such manner as to be valid and effective under applicable law, but if any provision or part thereof of this Purchase Agreement or the application of any such provision or part thereof to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or part thereof.

14.14 Time of Essence. With regard to all rights and obligations of the Parties and all dates and time periods set forth or referred to in this Purchase Agreement, time is of the essence.

14.15 Acknowledgement of Parties; Conspicuousness. EACH OF THE PARTIES SPECIFICALLY ACKNOWLEDGES AND AGREES (A) THAT IT HAS A DUTY TO READ THIS PURCHASE AGREEMENT AND THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS HEREOF, AND (B) THAT IT HAS IN FACT READ THIS PURCHASE AGREEMENT AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS PURCHASE AGREEMENT. EACH PARTY FURTHER

AGREES THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY SUCH PROVISIONS OF THIS PURCHASE AGREEMENT ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISIONS OR THAT SUCH PROVISIONS ARE NOT "CONSPICUOUS".

ARTICLE 15
DISPUTE RESOLUTION

15.1 Dispute Resolution. In the event that any Arbitrable Dispute arises, the Parties shall first seek to resolve such disputes by negotiations as provided in this Article 15 between senior representatives who have authority to settle the controversy.

(a) Notification. When an Arbitrable Dispute exists, a Party has the right to give the other Party written notice of the Arbitrable Dispute.

(b) Meeting Between Senior Representatives. Senior representatives of the Parties shall meet at a mutually acceptable time and place within fifteen (15) days after a Party's receipt of the notice of the Arbitrable Dispute in order to exchange relevant information and to attempt to resolve the matter. If a senior representative intends to be accompanied to a meeting by an attorney, he or she shall give the other Party's senior representative at least three (3) Business Days' notice of such intention so that he or she also can be accompanied by an attorney. If a Party's senior representative does not meet with the other Party's senior representative within such fifteen (15) day period, the other Party may, at such Party's sole option, either proceed to mediation under Section 15.2 or proceed directly to arbitration under Section 15.3.

(c) Confidentiality. All negotiations are confidential and shall be treated as compromise and settlement negotiations under the United States Federal Rules of Evidence.

15.2 Mediation. If the Arbitrable Dispute has not been resolved within thirty (30) days after a Party's receipt of the notice provided in Section 15.1(a), either Party may initiate mediation of the Arbitrable Dispute by sending the other Party a written request that the Arbitrable Dispute be mediated. The Party receiving such a written request will promptly respond to the requesting Party so that both Parties can jointly select a neutral and impartial mediator and schedule the mediation session. The dispute shall be mediated before a neutral, third party mediator applying by reference the Commercial Mediation Procedures of the American Arbitration Association within thirty (30) days after a Party's receipt of the written request for mediation. If, within thirty (30) days after a Party's receipt of the mediation notice, the Parties do not jointly select such mediator or do not schedule a mediation session or attend the scheduled mediation session, or if the mediation session conducted pursuant to this Section 15.2 does not result in a resolution of the dispute in question within three (3) Business Days after such conclusion of the mediation session, then either Party may proceed to arbitration under Section 15.3.

15.3 Arbitration. Any Arbitrable Dispute not resolved by agreement of the Parties pursuant to Section 15.1 or pursuant to Section 15.2 shall be resolved exclusively through final and binding arbitration using three (3) arbitrators applying by reference the Commercial Arbitration Rules (the "*AAA Rules*") of the American Arbitration Association (the "*AAA*") as in effect on the date such dispute arises, as supplemented to the extent necessary to determine any procedural appeal questions by the Federal Arbitration Act (Title 9 of the United States Code). If there is any inconsistency between the provisions of this Purchase Agreement and the AAA Rules or the Federal Arbitration Act, the provisions of this Purchase Agreement shall control.

(a) Arbitration must be initiated within the applicable time limits set forth in this Purchase Agreement and not thereafter or if no time limit is given in this Purchase Agreement, within the

time period allowed by the applicable statute of limitations; *provided, however*, that if a Party files a notice of Arbitrable Dispute within the applicable time limits or limitations period but such Arbitrable Dispute is not resolved before the expiration of the applicable time limits or limitations period, the time period for initiating arbitration for that specific Arbitrable Dispute shall be extended for ninety (90) calendar days. Arbitration, if initiated, must be initiated by a Party ("*Claimant*") sending written notice on the other Party ("*Respondent*") that the Claimant elects to refer the Arbitrable Dispute to binding arbitration.

(b) Notwithstanding anything in Section 15.1 or Section 15.2 to the contrary, if either Party deems that time is of the essence in resolving the Arbitrable Dispute, it may initiate arbitration and seek interim measures, if appropriate, and then comply with the provisions for negotiations and mediation as long as they are fully completed before the commencement of the final hearing on the merits in the arbitration proceeding.

(c) Claimant's notice initiating arbitration must identify the arbitrator Claimant has appointed. The Respondent shall respond to Claimant within thirty (30) days after receipt of Claimant's notice, identifying the arbitrator Respondent has appointed. If the Respondent does not name an arbitrator within the thirty (30) day period, the AAA will name the arbitrator for Respondent's account within thirty (30) days after expiration of such period. The two (2) arbitrators so appointed or named shall select a third arbitrator within thirty (30) days after the second arbitrator has been appointed or named. If the two (2) appointed or named arbitrators cannot reach agreement upon the third (3rd) arbitrator within the thirty (30) day period, the AAA shall promptly name an independent arbitrator to act as the third (3rd) arbitrator. At least one (1) arbitrator shall be a retired or former state or federal judge. The Parties each shall pay one-half (1/2) of the compensation and expenses of the arbitrators. All arbitrators must (a) be neutral persons who have never been officers, directors, employees, or consultants or had other business or personal relationships (except acting as arbitrator) with the Parties or any of their Affiliates, officers, directors or employees, and (b) have experience in or be knowledgeable about the matters in dispute. The location of all arbitration proceedings will be Houston, Texas.

(d) The Parties and the arbitrators shall proceed diligently so that the award can be made as promptly as possible. If the amount in controversy is less than or equal to One Million Dollars ($1,000,000), the hearing shall commence within forty-five (45) Business Days after the selection of the third arbitrator. If the amount in controversy exceeds One Million Dollars ($1,000,000), the hearing shall commence at such time as agreed by the Parties and the arbitrators but no later than three (3) months after the selection of the third (3rd) arbitrator. Expedited discovery will be permitted if and as agreed by the Parties. If the Parties are unable to agree, the arbitrators shall resolve any discovery disputes consistent with the AAA Rules. Any matter involving an amount in controversy in excess of One Million Dollars ($1,000,000) shall be treated as a large, complex commercial case as per the AAA Rules.

(e) Except as provided in the Federal Arbitration Act, the decision of the arbitrators shall be binding on and non-appealable by the Parties. In rendering any decision or award, the arbitrators must abide by all terms and conditions of this Purchase Agreement, including the exclusion of consequential, incidental, indirect, special and punitive damages set forth in Section 14.1 and the covenant set forth in Section 15.3(f).

(f) The Parties shall each bear their own costs and expenses (including attorneys' fees) incurred in arbitrating any Arbitrable Dispute.

* * * * *

IN WITNESS WHEREOF, **DCP MIDSTREAM, LP** and **DCP MIDSTREAM PARTNERS, LP** have caused this Purchase Agreement to be executed by their respective, duly authorized representatives as of the day and year first written above.

DCP MIDSTREAM, LP, A DELAWARE LIMITED PARTNERSHIP

By: /s/ D. Robert Sadler
Name: D. Robert Sadler
Title: Vice President

DCP MIDSTREAM PARTNERS, LP, A DELAWARE LIMITED PARTNERSHIP

By: DCP Midstream GP, LP
Its: General Partner

By: DCP Midstream GP, LLC
Its: General Partner

By: /s/ William S. Waldheim
Name: William S. Waldheim
Title: President

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 333-182642, 333-182116 and 333-189346 on Form S-3 and Registration Statement No. 333-142271 on Form S-8 of DCP Midstream Partners, LP of our report dated February 20, 2014, relating to the consolidated financial statements of DCP Sand Hills Pipeline, LLC, appearing in this Current Report on Form 8-K of DCP Midstream Partners, LP dated February 26, 2014.

We also consent to the incorporation by reference in Registration Statement Nos. 333-182642, 333-182116 and 333-189346 on Form S-3 and Registration Statement No. 333-142271 on Form S-8 of DCP Midstream Partners, LP of our report dated February 20, 2014, relating to the consolidated financial statements of DCP Southern Hills Pipeline, LLC, appearing in this Current Report on Form 8-K of DCP Midstream Partners, LP dated February 26, 2014.

/s/ Deloitte & Touche LLP
Denver, Colorado
February 26, 2014

Exhibit 99.1

DCP SOUTHERN HILLS PIPELINE, LLC

Consolidated Financial Statements

As of and for the Years Ended December 31, 2013 and 2012, and for the Period from Inception (June 21, 2011) to December 31, 2011

Deloitte & Touche LLP
Suite 3600
555 Seventeenth Street
Denver, CO 80202-3942
USA

Tel: +1 303 292 5400
Fax: +1 303 312 4000
www.deloitte.com

INDEPENDENT AUDITORS' REPORT
To the Members of
DCP Southern Hills Pipeline, LLC
Denver, Colorado

We have audited the accompanying consolidated financial statements of DCP Southern Hills Pipeline, LLC (the "Company"), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and for the period from June 21, 2011 (date of inception) to December 31, 2011, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DCP Southern Hills Pipeline, LLC as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended, and for the period from June 21, 2011 (date of inception) to December 31, 2011, in accordance with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

February 20, 2014

DCP SOUTHERN HILLS PIPELINE, LLC
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31,	
	2013	**2012**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2.1	$ 20.2
Accounts receivable:		
Trade	2.2	0.2
Affiliates	1.3	0.2
Other	0.2	—
Total current assets	5.8	20.6
Property, plant and equipment, net	966.4	768.0
Total assets	$ 972.2	$ 788.6
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable:		
Trade and other	$ 2.9	$ —
Affiliates	0.5	3.1
Accrued capital expenditures	9.3	30.4
Accrued taxes	4.8	—
Accrued liabilities and other	1.3	1.2
Total current liabilities	18.8	34.7
Other long-term liabilities	1.0	0.1
Total liabilities	19.8	34.8
Total members’ equity	952.4	753.8
Total liabilities and members’ equity	$ 972.2	$ 788.6

See Notes to Consolidated Financial Statements.

DCP SOUTHERN HILLS PIPELINE, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(millions)

	Year ended December 31,		For the Period from Inception (June 21, 2011) to December 31, 2011
	2013	2012	
Operating revenues:			
Transportation	$ 0.1	$ —	$ —
Transportation - affiliates	15.7	—	—
Total operating revenues	15.8	—	—
Operating costs and expenses:			
Purchases - affiliates	0.4	—	—
Operating and maintenance expense	6.0	0.5	—
Depreciation expense	9.8	—	—
General and administrative expense	1.2	0.4	0.2
General and administrative expense - affiliates	5.0	—	—
Total operating costs and expenses	22.4	0.9	0.2
Operating loss	(6.6)	(0.9)	(0.2)
Income tax expense	(0.2)	—	—
Net loss	$ (6.8)	$ (0.9)	$ (0.2)

See Notes to Consolidated Financial Statements.

DCP SOUTHERN HILLS PIPELINE, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(millions)

	DCP LP Holdings, LLC	Phillips 66 Southern Hills LLC	Spectra Energy Southern Hills Holding, LLC	Members' Equity
Balance, June 21, 2011 (date of inception)	$ —	$ —	$ —	$ —
Contributions from members, net	411.8	—	—	411.8
Net loss	(0.2)	—	—	(0.2)
Balance, December 31, 2011	411.6	—	—	411.6
Contributions from members, net	262.3	—	—	262.3
Net loss attributable to January 1, 2012 to November 15, 2012 (prior to sale of ownership interests in DCP Southern Hills Pipeline, LLC)	(0.7)	—	—	(0.7)
Acquisition of ownership interest in DCP Southern Hills Pipeline, LLC	(434.8)	217.4	217.4	—
Contributions from members, net	27.0	34.2	34.2	95.4
Return of investment to members	(14.6)	—	—	(14.6)
Net loss attributable to November 16, 2012 to December 31, 2012	(0.2)	—	—	(0.2)
Balance, December 31, 2012	250.6	251.6	251.6	753.8
Contributions from members, net	69.4	69.5	69.5	208.4
Distributions to members	(1.0)	(1.0)	(1.0)	(3.0)
Net loss	(2.2)	(2.3)	(2.3)	(6.8)
Balance, December 31, 2013	$ 316.8	$ 317.8	$ 317.8	$ 952.4

See Notes to Consolidated Financial Statements.

DCP SOUTHERN HILLS PIPELINE, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Year ended December 31,		For the Period from Inception (June 21, 2011) to December 31, 2011
	2013	2012	
OPERATING ACTIVITIES:			
Net loss	$ (6.8)	$ (0.9)	$ (0.2)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation expense	9.8	—	—
Change in operating assets and liabilities:			
Accounts receivable	(0.7)	(0.4)	—
Accounts payable	(1.8)	2.2	—
Other current assets	(0.2)	—	—
Other current liabilities	2.7	1.0	—
Other long-term liabilities	0.3	0.1	—
Net cash provided by (used in) operating activities	3.3	2.0	(0.2)
INVESTING ACTIVITIES:			
Capital expenditures	(227.8)	(324.9)	(11.6)
Acquisition of Seaway Products Pipeline asset	—	—	(400.0)
Proceeds from sale of assets	1.0	—	—
Net cash used in investing activities	(226.8)	(324.9)	(411.6)
FINANCING ACTIVITIES:			
Proceeds from sale of two-thirds equity interests	—	434.8	—
Contributions from members	285.8	357.7	411.8
Distributions to members	(3.0)	—	—
Return of investment to members	(77.4)	(449.4)	—
Net cash provided by financing activities	205.4	343.1	411.8
Net change in cash and cash equivalents	(18.1)	20.2	—
Cash and cash equivalents, beginning of period	20.2	—	—
Cash and cash equivalents, end of period	$ 2.1	$ 20.2	$ —

See Notes to Consolidated Financial Statements.

DCP SOUTHERN HILLS PIPELINE, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2013 and 2012, and
for the Period from Inception (June 21, 2011) to December 31, 2011

1. Description of Business and Basis of Presentation

DCP Southern Hills Pipeline, LLC, with its consolidated subsidiary, or Southern Hills, we, our, the Company, or us, is engaged in the business of transporting natural gas liquids, or NGLs. The Southern Hills pipeline consists of approximately 800 miles of pipeline. The Southern Hills pipeline provides takeaway service from the Midcontinent to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub.

We are a limited liability company owned approximately one-third by DCP LP Holdings, LLC, a 100% owned subsidiary of DCP Midstream, LLC, or DCP Midstream, and approximately one-third by Phillips 66 Southern Hills LLC, a 100% owned subsidiary of Phillips 66, and approximately one-third by Spectra Energy Southern Hills Holding, LLC, a 100% owned subsidiary of Spectra Energy Partners, LP, or Spectra Energy Partners. Throughout these consolidated financial statements, DCP Midstream, Phillips 66 and Spectra Energy Partners will together be referenced as the members. DCP Midstream is a joint venture owned 50% by Phillips 66 and 50% by Spectra Energy Corp.

On November 15, 2012, Phillips 66 and Spectra Energy Corp contributed approximately $434.8 million to Southern Hills, representing the acquisition of a two-thirds interest in us, which was distributed to DCP Midstream on the same date as a capital expenditure reimbursement. Prior to November 15, 2012, we were owned 100% by DCP Midstream.

The Company allocates revenues, costs, and expenses in accordance with the terms of the Second Amended and Restated LLC Agreement, which became effective on September 3, 2013, or the LLC Agreement, to each of the three members based on each member's ownership interest. Under terms of the LLC Agreement, the members are required to fund capital calls necessary to fund the capital requirements of the Company, including capital expansion and working capital requirements. The necessary capital calls are determined based on estimated capital activity each month, and are reconciled to actual spending on a quarterly basis. Based on this analysis, any excess cash calls are refunded to the members as part of the quarterly distribution, and such refunds are shown with contributions, net, within the consolidated statements of changes in equity. Under the terms of the LLC Agreement, cash calls and cash distributions from operations are allocated to the members based upon each member's respective ownership interest.

Since our inception on June 21, 2011, we devoted substantially all of our efforts to constructing the Southern Hills pipeline. The Southern Hills pipeline was placed into service in June 2013. Accordingly, we have commenced our planned principal operations and are no longer considered to be in the development stage for the year ended December 31, 2013.

The consolidated financial statements include the accounts of Southern Hills and its 100% owned subsidiary and have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. Intercompany balances and transactions have been eliminated. Transactions between us and the members have been identified in the consolidated financial statements as transactions between affiliates.

2. Summary of Significant Accounting Policies

Use of Estimates - Conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. Although these estimates are based on management's best available knowledge of current and expected future events, actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include all cash balances and investments in highly liquid financial instruments purchased with an original stated maturity of 90 days or less and temporary investments of cash in short-term money market securities.

Allowance for Doubtful Accounts - Management estimates the amount of required allowances for the potential non-collectability of accounts receivable generally based upon the number of days past due, past collection experience and consideration of other relevant factors. However, past experience may not be indicative of future collections and therefore additional charges could be incurred in the future to reflect differences between estimated and actual collections. There was no allowance for doubtful accounts as of December 31, 2013 or 2012.

Distributions - Under the terms of the LLC Agreement, we are required to make quarterly distributions to the members based on Available Cash, as the term is defined in the LLC Agreement. Distributions are paid pursuant to the members' respective ownership percentages at the date the distributions are due. During the year ended December 31, 2013, we declared and paid distributions totaling $3.0 million. No distributions were paid to the members during the year ended December 31, 2012 or during the period from inception (June 21, 2011) to December 31, 2011.

Estimated Fair Value of Financial Instruments - The fair value of cash and cash equivalents, accounts receivable and accounts payable included in the consolidated balance sheets are not materially different from their carrying amounts because of the short-term nature of these instruments. We may invest available cash balances in short-term money market securities. As

of December 31, 2013 and 2012, we invested $2.0 million and $20.1 million, respectively, in short-term money market securities which are included in cash and cash equivalents in our consolidated balance sheets. Given that the value of the short-term money market securities is publicly traded and market prices are readily available, these investments are considered Level 1 fair value measurements.

Concentration of Credit Risk - Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and accounts receivable. We derive the majority of our revenue from transportation fees earned from DCP Midstream and its affiliates. We extend credit to customers and other parties in the normal course of business and have established various procedures to manage our credit exposure, including initial credit approvals, credit limits and rights of offset.

Property, Plant and Equipment - Property, plant and equipment are recorded at historical cost. The cost of maintenance and repairs, which are not significant improvements, are expensed when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Asset Retirement Obligations - Asset retirement obligations, or AROs, relate primarily to the contractual obligations relating to the retirement or abandonment of our transportation pipelines, obligations related to right-of-way easement agreements, and contractual leases for land use. We adjust our ARO each quarter for any liabilities incurred or settled during the period, accretion expense and any revisions to the estimated cash flows. Asset retirement obligations associated with tangible long-lived assets are recorded at fair value in the period in which they are incurred, if a reasonable estimate of fair value can be made, and added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the life of the asset. The liability is determined using a risk-free interest rate and accretes due to the passage of time based on the time value of money until the obligation is settled. None of our assets are legally restricted for purposes of settling AROs.

Long-Lived Assets - We periodically evaluate whether the carrying value of long-lived assets has been impaired when circumstances indicate the carrying value of those assets may not be recoverable. This evaluation is based on undiscounted cash flow projections. The carrying amount is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. We consider various factors when determining if these assets should be evaluated for impairment, including but not limited to:

- a significant adverse change in legal factors or business climate;
- a current-period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset;
- an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset;
- significant adverse changes in the extent or manner in which an asset is used, or in its physical condition;
- a significant adverse change in the market value of an asset; or
- a current expectation that, more likely than not, an asset will be sold or otherwise disposed of before the end of its estimated useful life.

If the carrying value is not recoverable, the impairment loss is measured as the excess of the asset’s carrying value over its fair value. We assess the fair value of long-lived assets using commonly accepted techniques, and may use more than one method, including, but not limited to, recent third party comparable sales and discounted cash flow models. Significant changes in market conditions resulting from events such as the condition of an asset or a change in management’s intent to utilize the asset would generally require management to reassess the cash flows related to the long-lived assets.

Revenue Recognition - We generate the majority of our revenues from fee-based arrangements. The revenues we earn are for long-term contracts relating to the transportation of NGLs and generally are not dependent on commodity prices. Certain demand contracts state that we will collect our monthly fee based on committed volumes, regardless of the actual volumes transported. In some instances, revenue is deferred for any payments received in excess of actual volumes transported, and revenue is recognized once the committed volumes are transported, or certain contractual provisions have expired, and all other revenue recognition criteria are met. As of December 31, 2013, there were no significant deferred amounts associated with these demand contracts.

We recognize revenues under the four revenue recognition criteria, as follows:

- *Persuasive evidence of an arrangement exists* - Our customary practice is to enter into a written contract.
- *Delivery* - Delivery is deemed to have occurred when the services are rendered.

- *The fee is fixed or determinable* - We negotiate the fee for our services at the outset of our fee-based arrangements. In these arrangements, the fees are nonrefundable.
- *Collectability is reasonably assured* - Collectability is evaluated on a customer-by-customer basis. New and existing customers are subject to a credit review process, which evaluates the customers' financial position (for example, credit metrics, liquidity and credit rating) and their ability to pay. If collectability is not considered probable at the outset of an arrangement in accordance with our credit review process, revenue is not recognized until the cash is collected.

Revenue for services provided, but not invoiced, is estimated each month. These estimates are generally based on preliminary throughput measurements and contract data.

Significant Customers - DCP Midstream and its affiliates were significant customers in 2013, contributing to substantially all of our operating revenues in 2013.

Environmental Expenditures - Environmental expenditures are expensed or capitalized as appropriate, depending upon the future economic benefit. Expenditures that relate to an existing condition caused by past operations and that do not generate current or future revenue are expensed. Liabilities for these expenditures are recorded on an undiscounted basis when environmental assessments and/or clean-ups are probable and the costs can be reasonably estimated.

Income Taxes - We are structured as a limited liability company, which is a pass-through entity for federal income tax purposes. As a limited liability company, we do not pay federal income taxes. Instead, our income or loss for tax purposes is allocated to each of the members for inclusion in their respective tax returns. Consequently, no provision for federal income taxes has been reflected in these consolidated financial statements. We are subject to the Texas margin tax, which is treated as a state income tax. We follow the asset and liability method of accounting for state income taxes. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences between the consolidated financial statement carrying amounts and the tax basis of the assets and liabilities. For the year ended December 31, 2013, deferred state income tax expense totaled $0.1 million and current state income tax expense totaled $0.1 million. We had no deferred state income tax expense or current state income tax expense for the year ended December 31, 2012 and for the period from June 21, 2011 (date of inception) to December 31, 2011.

3. Agreements and Transactions with Affiliates

DCP Midstream, LLC

Prior to November 15, 2012, we participated in DCP Midstream's cash management program. As a result, we had no cash balances during that period and all of our cash management activity was performed by DCP Midstream on our behalf, including collection of receivables and payment of payables, which were recorded as contributions from members, net and are included in equity from DCP Midstream on the accompanying consolidated balance sheets.

Under the LLC Agreement, we are required to reimburse DCP Midstream for any direct costs or expenses (other than general and administration services) incurred by DCP Midstream on our behalf. Additionally, we pay DCP Midstream an annual service fee of $5.0 million, for centralized corporate functions provided by DCP Midstream on our behalf, including legal, accounting, cash management, insurance administration and claims processing, risk management, health, safety and environmental, information technology, human resources, credit, payroll, taxes and engineering. These expenses are included in general and administrative expense - affiliates in the consolidated statements of operations. Except with respect to the annual service fee, there is no limit on the reimbursements we make to DCP Midstream under the LLC Agreement for other expenses and expenditures incurred or payments made on our behalf.

We have entered into transportation agreements with DCP Midstream, which became effective in June 2013. Under the terms of these 15-year agreements, DCP Midstream has committed to transporting volumes at rates defined in our tariffs.

Summary of Transactions with Affiliates

The following table summarizes our transactions with affiliates:

	Year ended December 31,		For the Period from Inception (June 21, 2011) to December 31, 2011
	2013	2012	
	(millions)		
DCP Midstream, LLC and its affiliates:			
Transportation, processing and other	$ 15.7	$ —	$ —
Purchases of natural gas and NGLs	$ 0.4	$ —	$ —
General and administrative expense	$ 5.0	$ —	$ —

We had balances with affiliates as follows:

	December 31,	
	2013	2012
	(millions)	
DCP Midstream, LLC and its affiliates:		
Accounts receivable	$ 1.3	$ 0.2
Accounts payable	$ (0.5)	$ (3.1)

4. Property, Plant and Equipment

Property, plant and equipment by classification is as follows:

		December 31,	
	Depreciable Life	2013	2012
		(millions)	
Transmission systems	20 - 50 Years	$ 963.9	$ —
Other	3 - 30 Years	0.4	0.4
Land		2.0	2.0
Construction work in progress		9.9	765.6
Property, plant and equipment		976.2	768.0
Accumulated depreciation		(9.8)	—
Property, plant and equipment, net		$ 966.4	$ 768.0

Depreciation expense was $9.8 million for the year ended December 31, 2013. We had no depreciation expense during the year ended December 31, 2012 and for the period from inception (June 21, 2011) to December 31, 2011.

On October 31, 2011, we closed on the $400.0 million acquisition of the Seaway Products Pipeline Company from ConocoPhillips. This 580-mile common carrier pipeline was converted from refined products service to an NGL pipeline, which will ship NGLs from Kansas, Oklahoma and Texas to the NGL market hub at Mont Belvieu, Texas.

Asset Retirement Obligations - As of December 31, 2013 we had $0.6 million of AROs included in other long-term liabilities in our consolidated balance sheets. For the year ended December 31, 2013, accretion expense was less than $0.1 million. Accretion expense is recorded within operating and maintenance expense in our consolidated statements of operations.

5. Commitments and Contingent Liabilities

Litigation - We are not party to any significant legal proceedings, but are a party to various administrative and regulatory proceedings and commercial disputes that may arise in the ordinary course of our business. Management currently believes that the ultimate resolution of the foregoing matters, taken as a whole, and after consideration of amounts accrued, insurance coverage or other indemnification arrangements, will not have a material adverse effect on our results of operations, financial position, or cash flows.

General Insurance - Insurance for Southern Hills is written in the commercial markets and through affiliate companies, which management believes is consistent with companies engaged in similar commercial operations with similar assets. Our insurance coverage includes: (1) general liability; (2) excess liability insurance above the established primary limits for general liability; and (3) property insurance. All coverage is subject to certain limits and deductibles, the terms and conditions of which are common for companies with similar types of operations.

Environmental - The operation of pipelines for transporting NGLs is subject to stringent and complex laws and regulations pertaining to health, safety and the environment. As an owner or operator of these facilities, we must comply with United States laws and regulations at the federal, state and local levels that relate to air and water quality, hazardous and solid waste storage, management, transportation and disposal, and other environmental matters. The cost of planning, designing, constructing and operating pipelines must incorporate compliance with environmental laws and regulations and safety standards in accordance with U.S. Department of Transportation and the Pipeline and Hazardous Materials Administration. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and potentially criminal enforcement measures, including citizen suits, which can include the assessment of monetary penalties, the imposition of remedial requirements, the issuance of injunctions or restrictions on operations. Management believes that, based on currently known information, compliance with these laws and regulations will not have a material adverse effect on our results of operations, financial position or cash flows.

We make expenditures in connection with environmental matters as part of our normal operations. As of December 31, 2013 and 2012, environmental liabilities included in our consolidated balance sheets as other current liabilities amounted to less than $0.1 million and $0.6 million, respectively. As of December 31, 2013 and 2012, environmental liabilities included in our consolidated balance sheet as other long-term liabilities amounted to $0.3 million and $0.1 million, respectively.

6. Supplemental Cash Flow Information

	Year ended December 31,		For the Period from Inception (June 21, 2011) to December 31, 2011
	2013	2012	
	(millions)		
Non-cash investing and financing activities:			
Property, plant and equipment acquired with accrued liabilities	$ 11.8	$ 31.3	$ 2.0
Other non-cash additions of property, plant and equipment, net	$ 3.1	$ 0.2	$ —

7. Subsequent Events

We have evaluated subsequent events occurring through February 20, 2014, the date the consolidated financial statements were issued.

Exhibit 99.2

DCP SAND HILLS PIPELINE, LLC

Consolidated Financial Statements

As of and for the Years Ended December 31, 2013 and 2012, and for the Period from Inception (February 2, 2011) to December 31, 2011

Deloitte & Touche LLP
Suite 3600
555 Seventeenth Street
Denver, CO 80202-3942
USA

Tel: +1 303 292 5400
Fax: +1 303 312 4000
www.deloitte.com

INDEPENDENT AUDITORS' REPORT
To the Members of
DCP Sand Hills Pipeline, LLC
Denver, Colorado

We have audited the accompanying consolidated financial statements of DCP Sand Hills Pipeline, LLC (the "Company"), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and for the period from February 2, 2011 (date of inception) to December 31, 2011, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DCP Sand Hills Pipeline, LLC as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended, and for the period from February 2, 2011 (date of inception) to December 31, 2011, in accordance with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

February 20, 2014

DCP SAND HILLS PIPELINE, LLC
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31,	
	2013	**2012**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 36.0	$ 6.6
Accounts receivable:		
Affiliates	7.3	2.6
Trade and other	3.4	—
Other	0.1	—
Total current assets	46.8	9.2
Property, plant and equipment, net	1,198.6	809.2
Other long-term assets	1.4	—
Total assets	$ 1,246.8	$ 818.4
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable:		
Affiliates	$ 0.3	$ 0.3
Trade and other	2.0	1.0
Deferred revenues:		
Affiliates	18.3	—
Third party	8.1	—
Distributions payable to members	24.9	—
Accrued taxes	5.4	—
Accrued capital expenditures	9.2	32.2
Accrued liabilities and other	1.4	0.1
Total current liabilities	69.6	33.6
Deferred income taxes	0.4	—
Other long-term liabilities	1.2	—
Total liabilities	71.2	33.6
Total members' equity	1,175.6	784.8
Total liabilities and members' equity	$ 1,246.8	$ 818.4

See Notes to Consolidated Financial Statements.

DCP SAND HILLS PIPELINE, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(millions)

	Year ended December 31,		For the Period from Inception (February 2, 2011) to December 31, 2011
	2013	2012	
Operating revenues:			
Transportation - affiliates	$ 38.7	$ 0.1	$ —
Transportation	7.5	—	—
Total operating revenues	46.2	0.1	—
Operating costs and expenses:			
Purchases	1.0	—	—
Operating and maintenance expense	7.0	0.4	—
Depreciation expense	16.2	0.1	—
General and administrative expense - affiliates	5.0	—	—
General and administrative expense	2.2	0.7	0.1
Total operating costs and expenses	31.4	1.2	0.1
Operating income (loss)	14.8	(1.1)	(0.1)
Income tax expense	(0.7)	—	—
Net income (loss)	$ 14.1	$ (1.1)	$ (0.1)

See Notes to Consolidated Financial Statements.

DCP SAND HILLS PIPELINE, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(millions)

	DCP Midstream, LP	Phillips 66 Sand Hills LLC	Spectra Energy Sand Hills Holding, LLC	Total Members' Equity
Balance, February 2, 2011 (date of inception)	$ —	$ —	$ —	$ —
Contributions from members, net	150.3	—	—	150.3
Net loss	(0.1)	—	—	(0.1)
Balance, December 31, 2011	150.2	—	—	150.2
Contributions from members, net	554.8	—	—	554.8
Net loss attributable to January 1, 2012 to November 15, 2012 (prior to sale of ownership interests in DCP Sand Hills Pipeline, LLC)	(0.6)	—	—	(0.6)
Acquisition of ownership interest in DCP Sand Hills Pipeline, LLC	(450.4)	225.2	225.2	—
Contributions from members, net	27.0	36.5	36.5	100.0
Return of investment to members	(19.1)	—	—	(19.1)
Net loss attributable to November 16, 2012 to December 31, 2012	(0.3)	(0.1)	(0.1)	(0.5)
Balance, December 31, 2012	261.6	261.6	261.6	784.8
Contributions from members, net	134.7	134.8	134.8	404.3
Distributions to members	(9.2)	(9.2)	(9.2)	(27.6)
Net income	4.7	4.7	4.7	14.1
Balance, December 31, 2013	$ 391.8	$ 391.9	$ 391.9	$ 1,175.6

See Notes to Consolidated Financial Statements.

DCP SAND HILLS PIPELINE, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Year ended December 31,		For the Period from Inception (February 2, 2011) to December 31, 2011
	2013	2012	
OPERATING ACTIVITIES:			
Net income (loss)	$ 14.1	$ (1.1)	$ (0.1)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	16.2	0.1	—
Change in operating assets and liabilities:			
Accounts receivable	(7.7)	(4.4)	—
Accounts payable	0.4	0.5	—
Deferred revenues	26.4	—	—
Other current assets	(0.1)	—	—
Other long-term assets	(1.4)	—	—
Other current liabilities	5.8	0.1	—
Other long-term liabilities	0.8	—	—
Net cash provided by (used in) operating activities	54.5	(4.8)	(0.1)
INVESTING ACTIVITIES:			
Capital expenditures	(427.6)	(564.3)	(150.2)
Acquisition of Odessa Pipeline Asset	—	(60.0)	—
Proceeds from sale of assets	0.9	—	—
Net cash used in investing activities	(426.7)	(624.3)	(150.2)
FINANCING ACTIVITIES:			
Proceeds from sale of two-thirds equity interests	—	450.4	—
Contributions from members	516.4	654.8	150.3
Return of investment to members	(91.4)	(469.5)	—
Distributions to members	(23.4)	—	—
Net cash provided by financing activities	401.6	635.7	150.3
Net change in cash and cash equivalents	29.4	6.6	—
Cash and cash equivalents, beginning of period	6.6	—	—
Cash and cash equivalents, end of period	$ 36.0	$ 6.6	$ —

See Notes to Consolidated Financial Statements.

1. Description of Business and Basis of Presentation

DCP Sand Hills Pipeline, LLC, with its consolidated subsidiary, or Sand Hills, we, our, the Company, or us, is engaged in the business of transporting natural gas liquids, or NGLs. The Sand Hills pipeline consists of approximately 720 miles of 20-inch pipeline, and will ramp up to a capacity of more than 200,000 barrels per day after completion of planned pump stations. The Sand Hills pipeline is a common carrier pipeline which provides takeaway service from plants in the Permian and the Eagle Ford basins to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub.

We are a limited liability company owned approximately one-third by DCP Midstream, LP, a 100% owned subsidiary of DCP Midstream, LLC, or DCP Midstream, and approximately one-third by Phillips 66 Sand Hills LLC, a 100% owned subsidiary of Phillips 66, and approximately one-third by Spectra Energy Sand Hills Holding, LLC, a 100% owned subsidiary of Spectra Energy Partners, LP, or Spectra Energy Parnters. Throughout these financial statements, DCP Midstream, Phillips 66 and Spectra Energy Partners will together be referenced as the members. DCP Midstream is a joint venture owned 50% by Phillips 66 and 50% by Spectra Energy Corp.

On November 15, 2012, Phillips 66 and Spectra Energy Corp contributed approximately $450.4 million to Sand Hills, representing the acquisition of a two-thirds interest in us, which was distributed to DCP Midstream on the same date as a capital expenditure reimbursement. Prior to November 15, 2012, we were owned 100% by DCP Midstream.

The Company allocates revenues, costs, and expenses in accordance with the terms of the Second Amended and Restated LLC Agreement, which became effective on September 3, 2013, or the LLC Agreement, to each of the three members based on each member's ownership interest. Under terms of the LLC Agreement, the members are required to fund capital calls necessary to fund the capital requirements of the Company, including capital expansion and working capital requirements. The necessary capital calls are determined based on estimated capital activity each month, and are reconciled to actual spending on a quarterly basis. Based on this analysis, any excess cash calls are refunded to the members as part of the quarterly distribution, and such refunds are shown with contributions, net, within the consolidated statements of changes in equity. Under the terms of the LLC Agreement, cash calls and cash distributions from operations are allocated to the members based upon each member's respective ownership interest.

Since our inception on February 2, 2011, we devoted substantially all of our efforts to constructing the Sand Hills pipeline. Certain segments of the Sand Hills pipeline were placed into service in late 2012, but did not generate significant revenues. The Sand Hills pipeline was placed into service in June 2013. Accordingly, we have commenced our planned principal operations and are no longer considered to be in the development stage for the year ended December 31, 2013.

The consolidated financial statements include the accounts of Sand Hills and its 100% owned subsidiary and have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. Intercompany balances and transactions have been eliminated. Transactions between us and the members have been identified in the consolidated financial statements as transactions between affiliates.

2. Summary of Significant Accounting Policies

Use of Estimates - Conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. Although these estimates are based on management's best available knowledge of current and expected future events, actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include all cash balances and investments in highly liquid financial instruments purchased with an original stated maturity of 90 days or less and temporary investments of cash in short-term money market securities.

Allowance for Doubtful Accounts - Management estimates the amount of required allowances for the potential non-collectability of accounts receivable generally based upon the number of days past due, past collection experience and consideration of other relevant factors. However, past experience may not be indicative of future collections and therefore additional charges could be incurred in the future to reflect differences between estimated and actual collections. There was no allowance for doubtful accounts as of December 31, 2013 or 2012.

Distributions - Under the terms of the LLC Agreement, we are required to make quarterly distributions to the members based on Available Cash, as the term is defined in the LLC Agreement. Distributions are paid pursuant to the members' respective ownership percentages at the date the distributions are due. During the year ended December 31, 2013, we declared distributions totaling $27.6 million. No distributions were paid to the members during the year ended December 31, 2012 or during the period from inception (February 2, 2011) to December 31, 2011.

Estimated Fair Value of Financial Instruments - The fair value of cash and cash equivalents, accounts receivable and

accounts payable included in the consolidated balance sheets are not materially different from their carrying amounts because of the short-term nature of these instruments. We may invest available cash balances in short-term money market securities. As of December 31, 2013 and 2012, we invested $11.0 million and $6.5 million, respectively, in short-term money market securities which are included in cash and cash equivalents in our consolidated balance sheets. Given that the value of the short-term money market securities is publicly traded and market prices are readily available, these investments are considered Level 1 fair value measurements.

Concentration of Credit Risk - Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and accounts receivable. We derive the majority of our revenue from transportation fees earned from DCP Midstream and its affiliates and ConocoPhillips. We extend credit to customers and other parties in the normal course of business and have established various procedures to manage our credit exposure, including initial credit approvals, credit limits and rights of offset.

Property, Plant and Equipment - Property, plant and equipment are recorded at historical cost. The cost of maintenance and repairs, which are not significant improvements, are expensed when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Asset Retirement Obligations - Asset retirement obligations, or AROs, relate primarily to the contractual obligations relating to the retirement or abandonment of our transportation pipelines, obligations related to right-of-way easement agreements, and contractual leases for land use. We adjust our ARO each quarter for any liabilities incurred or settled during the period, accretion expense and any revisions to the estimated cash flows. Asset retirement obligations associated with tangible long-lived assets are recorded at fair value in the period in which they are incurred, if a reasonable estimate of fair value can be made, and added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the life of the asset. The liability is determined using a risk-free interest rate and accretes due to the passage of time based on the time value of money until the obligation is settled. None of our assets are legally restricted for purposes of settling AROs.

Long-Lived Assets - We periodically evaluate whether the carrying value of long-lived assets has been impaired when circumstances indicate the carrying value of those assets may not be recoverable. This evaluation is based on undiscounted cash flow projections. The carrying amount is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. We consider various factors when determining if these assets should be evaluated for impairment, including but not limited to:

- a significant adverse change in legal factors or business climate;
- a current-period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset;
- an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset;
- significant adverse changes in the extent or manner in which an asset is used, or in its physical condition;
- a significant adverse change in the market value of an asset; or
- a current expectation that, more likely than not, an asset will be sold or otherwise disposed of before the end of its estimated useful life.

If the carrying value is not recoverable, the impairment loss is measured as the excess of the asset’s carrying value over its fair value. We assess the fair value of long-lived assets using commonly accepted techniques, and may use more than one method, including, but not limited to, recent third party comparable sales and discounted cash flow models. Significant changes in market conditions resulting from events such as the condition of an asset or a change in management’s intent to utilize the asset would generally require management to reassess the cash flows related to the long-lived assets.

Revenue Recognition - We generate the majority of our revenues from fee-based arrangements. The revenues we earn are for long-term contracts relating to the transportation of NGLs and generally are not dependent on commodity prices. Certain demand contracts state that we will collect our monthly fee based on committed volumes, regardless of the actual volumes transported. In some instances, revenue is deferred for any payments received in excess of actual volumes transported and revenue is recognized once the committed volumes are transported, or certain contractual provisions have expired, and all other revenue recognition criteria are met.

We recognize revenues under the four revenue recognition criteria, as follows:

- *Persuasive evidence of an arrangement exists* - Our customary practice is to enter into a written contract.
- *Delivery* - Delivery is deemed to have occurred when the services are rendered.

- *The fee is fixed or determinable* - We negotiate the fee for our services at the outset of our fee-based arrangements. In these arrangements, the fees are nonrefundable.
- *Collectability is reasonably assured* - Collectability is evaluated on a customer-by-customer basis. New and existing customers are subject to a credit review process, which evaluates the customers' financial position (for example, credit metrics, liquidity and credit rating) and their ability to pay. If collectability is not considered probable at the outset of an arrangement in accordance with our credit review process, revenue is not recognized until the cash is collected.

Revenue for services provided, but not invoiced, is estimated each month. These estimates are generally based on preliminary throughput measurements and contract data.

Significant Customers - DCP Midstream and its affiliates and ConocoPhillips were significant customers in 2013. The following table summarizes our significant customer information for the year ended December 31, 2013.

Percentage of Total Operating Revenue by Customer:	
DCP Midstream and its affiliates	83%
ConocoPhillips	12%

Environmental Expenditures - Environmental expenditures are expensed or capitalized as appropriate, depending upon the future economic benefit. Expenditures that relate to an existing condition caused by past operations and that do not generate current or future revenue are expensed. Liabilities for these expenditures are recorded on an undiscounted basis when environmental assessments and/or clean-ups are probable and the costs can be reasonably estimated.

Income Taxes - We are structured as a limited liability company, which is a pass-through entity for federal income tax purposes. As a limited liability company, we do not pay federal income taxes. Instead, our income or loss for tax purposes is allocated to each of the members for inclusion in their respective tax returns. Consequently, no provision for federal income taxes has been reflected in these consolidated financial statements. We are subject to the Texas margin tax, which is treated as a state income tax. We follow the asset and liability method of accounting for state income taxes. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences between the consolidated financial statement carrying amounts and the tax basis of the assets and liabilities. For the year ended December 31, 2013, deferred state income tax expense totaled $0.4 million and current state income tax expense totaled $0.3 million. We had no deferred state income tax expense or current state income tax expense for the year ended December 31, 2012 and for the period from inception (February 2, 2011) to December 31, 2011.

3. Agreements and Transactions with Affiliates

DCP Midstream, LLC

Prior to November 15, 2012, we participated in DCP Midstream's cash management program. As a result, we had no cash balances during that period and all of our cash management activity was performed by DCP Midstream on our behalf, including collection of receivables and payment of payables, which were recorded as contributions from members, net and are included in equity from DCP Midstream on the accompanying consolidated balance sheets.

Under the LLC Agreement, we are required to reimburse DCP Midstream for any direct costs or expenses (other than general and administration services) incurred by DCP Midstream on our behalf. Additionally, we pay DCP Midstream an annual service fee of $5.0 million, for centralized corporate functions provided by DCP Midstream on our behalf, including legal, accounting, cash management, insurance administration and claims processing, risk management, health, safety and environmental, information technology, human resources, credit, payroll, taxes and engineering. These expenses are included in general and administrative expense - affiliates in the consolidated statements of operations. Except with respect to the annual service fee, there is no limit on the reimbursements we make to DCP Midstream under the LLC Agreement for other expenses and expenditures incurred or payments made on our behalf.

We have entered into transportation agreements with DCP Midstream, which became effective in June 2013. Under the terms of these 15-year agreements, DCP Midstream has committed to transporting volumes at rates defined in our tariffs.

Summary of Transactions with Affiliates

The following table summarizes our transactions with affiliates:

	Year ended December 31,		For the Period from Inception (February 2, 2011) to December 31, 2011
	2013	2012	
	(millions)		
DCP Midstream, LP and its affiliates:			
Transportation, processing and other	$ 38.7	$ 0.1	$ —
General and administrative expense	$ 5.0	$ —	$ —

We had balances with affiliates as follows:

	December 31,	
	2013	2012
	(millions)	
DCP Midstream, LP and its affiliates:		
Accounts receivable	$ 7.3	$ 2.6
Accounts payable	$ (0.3)	$ (0.3)
Deferred revenue	$ (18.3)	$ —

4. Property, Plant and Equipment

Property, plant and equipment by classification is as follows:

		Year ended December 31,	
	Depreciable Life	2013	2012
		(millions)	
Transmission systems	20 - 50 Years	$ 1,205.0	$ 84.8
Other	3 - 30 Years	1.0	—
Land		0.2	0.2
Construction work in progress		8.7	724.3
Property, plant and equipment		1,214.9	809.3
Accumulated depreciation		(16.3)	(0.1)
Property, plant and equipment, net		$ 1,198.6	$ 809.2

Depreciation expense for the years ended December 31, 2013 and 2012 was $16.2 million and $0.1 million, respectively. We had no depreciation expense for the period from inception (February 2, 2011) to December 31, 2011.

On February 27, 2012, we closed on the $60.0 million acquisition of the Odessa pipeline from a third-party in a transaction accounted for as an asset acquisition. The Odessa pipeline consists of 60 miles of 20-inch pipeline, which was converted from gas to NGL service and connected to the Sand Hills pipeline.

Asset Retirement Obligations - As of December 31, 2013 we had $0.8 million of AROs included in other long-term liabilities in our consolidated balance sheets. For the year ended December 31, 2013, accretion expense was less than $0.1 million. Accretion expense is recorded within operating and maintenance expense in our consolidated statements of operations.

5. Commitments and Contingent Liabilities

Litigation - We are not party to any significant legal proceedings, but are a party to various administrative and regulatory proceedings and commercial disputes that may arise in the ordinary course of our business. Management currently believes that the ultimate resolution of the foregoing matters, taken as a whole, and after consideration of amounts accrued, insurance coverage or other indemnification arrangements, will not have a material adverse effect on our results of operations, financial position, or cash flows.

General Insurance - Insurance for Sand Hills is written in the commercial markets and through affiliate companies, which management believes is consistent with companies engaged in similar commercial operations with similar assets. Our insurance coverage includes: (1) general liability; (2) excess liability insurance above the established primary limits for general liability; and (3) property insurance. All coverage is subject to certain limits and deductibles, the terms and conditions of which are common for companies with similar types of operations.

Environmental - The operation of pipelines for transporting NGLs is subject to stringent and complex laws and regulations pertaining to health, safety and the environment. As an owner or operator of these facilities, we must comply with United States laws and regulations at the federal, state and local levels that relate to air and water quality, hazardous and solid waste storage, management, transportation and disposal, and other environmental matters. The cost of planning, designing, constructing and operating pipelines must incorporate compliance with environmental laws and regulations and safety standards in accordance with U.S. Department of Transportation and the Pipeline and Hazardous Materials Administration. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and potentially criminal enforcement measures, including citizen suits, which can include the assessment of monetary penalties, the imposition of remedial requirements, the issuance of injunctions or restrictions on operations. Management believes that, based on currently known information, compliance with these laws and regulations will not have a material adverse effect on our results of operations, financial position or cash flows.

Operating Leases - We utilize assets under operating leases in several areas of operations. Consolidated rental expense, including leases with no continuing commitment, was $1.9 million for the year ended December 31, 2013. Rental expense for leases with escalation clauses is recognized on a straight line basis over the initial lease term.

Minimum rental payments under our various operating leases in the year indicated are as follows:

Minimum Rental Payments (millions)	
2014	3.5
2015	3.5
2016	3.5
2017	1.8
Total	$ 12.3

6. Supplemental Cash Flow Information

	Year ended December 31,		For the Period from Inception (February 2, 2011) to December 31, 2011
	2013	2012	
	(millions)		
Non-cash investing and financing activities:			
Distributions payable to members	$ 24.9	$ —	$ —
Property, plant and equipment acquired with accrued liabilities	$ 10.7	$ 34.7	$ 12.7
Other non-cash additions of property, plant and equipment, net	$ 2.3	$ 0.2	$ —

7. Subsequent Events

We have evaluated subsequent events occurring through February 20, 2014, the date the consolidated financial statements were issued.

Exhibit 99.3

UNAUDITED DCP MIDSTREAM PARTNERS, LP
PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

References to we, us or our, refer to DCP Midstream Partners, LP and its consolidated subsidiaries (the “Partnership”). On February 25, 2014, the Partnership entered into a contribution agreement with DCP Midstream, LLC (“Midstream”), DCP Midstream GP, LP and DCP LP Holdings, LLC, both 100% owned subsidiaries of Midstream; and a purchase and sale agreement with DCP Midstream, LP, a 100% owned subsidiary of Midstream. Midstream agreed to contribute to the Partnership (i) a 33.33% membership interest in each of two separate NGL pipeline entities, DCP Southern Hills Pipeline, LLC ("Southern Hills") and DCP Sand Hills Pipeline, LLC ("Sand Hills"); and (ii) the remaining 20% interest in DCP SC Texas GP, an entity in which the Partnership currently owns an 80% controlling interest (the “Contribution”). Pursuant to the purchase and sale agreement, the Partnership agreed to purchase (i) a 100% interest in a 35 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado ("Lucerne 1"); and (ii) a 100% interest in a 200 MMcf/d cryogenic natural gas processing plant also located in Weld County, Colorado, which is currently under construction ("Lucerne 2") (the “Purchase,” and collectively with the Contribution, the “Transaction”). Total consideration for the Transaction at closing is expected to be $1,220 million, subject to certain working capital and other customary adjustments, which will consist of (i) $995 million in cash, and (ii) common units of the Partnership having an aggregate value of $225 million. The Partnership intends to finance the Transaction and related fees and expenses, as well as any funds required to satisfy working capital adjustments associated with the Transaction, by accessing the capital markets, through borrowings under our revolving credit facility or commercial paper program, or by entering into a term loan. The Partnership may also access the capital markets to repay amounts borrowed under our revolving credit facility, commercial paper program, or a term loan entered into to finance a portion of the consideration for the Transaction. The Partnership estimates additional expenditures of approximately $180 million to complete Lucerne 2. The Transaction is expected to close in March 2014, subject to customary closing conditions. There can be no assurance that the Transaction will be completed in the anticipated time frame, or at all, or that anticipated benefits of the Transaction will be realized. Each of the components of the Transaction are discussed further below.

Southern Hills is engaged in the business of transporting natural gas liquids ("NGLs"), and consists of approximately 800 miles of pipeline, with an expected capacity of 175 MBbls/d after completion of planned pump stations. Southern Hills provides NGL takeaway service from the Midcontinent to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub. The Southern Hills pipeline began taking flows in the first quarter of 2013 and was placed into service in June 2013.

Sand Hills is also engaged in the business of transporting NGLs. Sand Hills consists of approximately 720 miles of pipeline, with an expected initial capacity of 200 MBbls/d after completion of pump stations. Sand Hills provides NGL takeaway service from the Permian and Eagle Ford basins to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub. The Sand Hills pipeline began taking flows in the fourth quarter of 2012 and was placed into service in June 2013.

DCP SC Texas GP consists of six cryogenic natural gas processing plants, including the Goliad plant that was placed into service in February 2014, with total capacity of approximately 960 MMcf/d, three NGL fractionators and approximately 6,000 miles of natural gas gathering transmission lines.

Lucerne 1 is a 35 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado. The Partnership will enter into a long-term fee-based natural gas processing agreement with Midstream, which is expected to provide a fixed demand charge on 75% of the capacity of Lucerne 1, and a throughput fee on all volumes processed at Lucerne 1.

Lucerne 2 has an expected in-service date in the third quarter of 2015. The Partnership will assume all of the remaining costs to complete this project. In addition, the Partnership will enter into a ten-year, fee-based natural gas processing agreement with Midstream that is effective once Lucerne 2 is placed into service. At that time, the processing agreement with Lucerne 1 will be terminated and the new processing agreement is expected to provide a fixed demand charge on 75% of the capacity of both plants, and a throughput fee on all volumes processed at Lucerne 1 and Lucerne 2.

The transfer of assets between Midstream and the Partnership represents a transfer of assets between entities under common control, as Midstream is the owner of the Partnership’s general partner. The unaudited pro forma condensed consolidated financial statements present the impact of the operations described above on our financial position and results of operations of the Transaction described above, except for the results of Lucerne 1 and Lucerne 2, since these were determined to be acquisitions of assets rather than "businesses," as defined under the Securities and Exchange Commission's Rule 11-01(d) of Regulation S-X. Subsequent to the closing of the Purchase, however, the financial statements of the Partnership will be retrospectively revised to include historical results of Lucerne 1, since the acquisition of Lucerne 1 constitutes the acquisition of a "business" under United States Generally Accepted Accounting Principles.

The unaudited pro forma condensed consolidated financial statements as of and for the year ended December 31, 2013 have been prepared based on certain pro forma adjustments to our audited financial statements set forth in our Annual Report on Form 10-K for the year ended December 31, 2013 filed on February 26, 2014 with the United States Securities and Exchange Commission. The unaudited pro forma condensed consolidated financial statements are qualified in their entirety by reference to such historical

consolidated financial statements and related notes contained therein, and should be read in conjunction with the accompanying notes and with the historical consolidated financial statements and related notes thereto.

The unaudited pro forma condensed consolidated balance sheet as of December 31, 2013 has been prepared as if the Contribution had occurred on that date. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2013 has been prepared as if the Contribution had occurred on January 1, 2013. Since the Contribution represents a transaction between entities under common control, the historical values of the acquired assets and liabilities are carried forward.

The pro forma adjustments are based upon currently available information and certain estimates and assumptions; therefore, actual results may differ from the pro forma adjustments. Management believes, however, that the assumptions provide a reasonable basis for presenting the significant effects of the Contribution and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma condensed consolidated financial statements may not be indicative of the results that would have actually occurred if we had owned a 33.33% interest in each of Southern Hills and Sand Hills, and the remaining 20% interest in DCP SC Texas GP during the period presented.

DCP MIDSTREAM PARTNERS, LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2013
(Millions)

	DCP Midstream Partners, LP	DCP Southern Hills Pipeline, LLC	DCP Sand Hills Pipeline, LLC	Pro Forma Adjustments - Elimination	Pro Forma Adjustments - Other		DCP Midstream Partners, LP Pro Forma
		(a)	(b)	(c)			
ASSETS							
Current assets:							
Cash and cash equivalents	$ 12	$ 2	$ 36	$ (38)	$ —		$ 12
Accounts receivable	342	4	11	(15)	—		342
Other	149	—	—	—	—		149
Total current assets	503	6	47	(53)	—		503
Property, plant and equipment, net	3,005	966	1,199	(2,165)	—		3,005
Goodwill and intangible assets, net	283	—	—	—	—		283
Investments in unconsolidated affiliates	627	—	—	—	727	(d)	1,354
Other long-term assets	108	—	1	(1)	—		108
Total assets	4,526	972	1,247	(2,219)	727		5,253
LIABILITIES AND EQUITY							
Current liabilities:							
Accounts payable	$ 275	3	2	(5)	—		275
Other	447	16	67	(83)	—		447
Total current liabilities	722	19	69	(88)	—		722
Long-term debt	1,590	—	—	—	504	(e)	2,094
Other long-term liabilities	41	1	2	(3)	—		41
Total liabilities	2,353	20	71	(91)	504		2,857
Commitments and contingent liabilities							
Equity:							
Members' equity	—	952	1,176	(2,128)	—		—
Limited partners (common units)	1,948	—	—	—	225	(f)	2,365
					391	(g)	
					(199)	(h)	
General partner	8	—	—	—	—		8
Accumulated other comprehensive loss	(11)	—	—	—	—		(11)
Total partners' equity	1,945	952	1,176	(2,128)	417		2,362
Non-controlling interests	228	—	—	—	(194)	(k)	34
Total equity	2,173	952	1,176	(2,128)	223		2,396
Total liabilities and equity	$ 4,526	$ 972	$ 1,247	$ (2,219)	$ 727		$ 5,253

DCP MIDSTREAM PARTNERS, LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Millions, except per unit amounts)

	DCP Midstream Partners, LP	DCP Southern Hills Pipeline, LLC	DCP Sand Hills Pipeline, LLC	Pro Forma Adjustments - Elimination	Pro Forma Adjustments - Other		DCP Midstream Partners, LP Pro Forma
		(a)	(b)	(c)			
Total operating revenues	$ 2,980	$ 16	$ 46	$ (62)	$ —		$ 2,980
Operating costs and expenses:							
Purchases of natural gas, propane and NGLs	2,381	—	1	(1)	—		2,381
Operating and maintenance expense	211	6	7	(13)	—		211
Depreciation and amortization expense	93	10	16	(26)	—		93
General and administrative expense	62	7	7	(14)	—		62
Other expense	8	—	—	—	—		8
Total operating costs and expenses	2,755	23	31	(54)	—		2,755
Operating income (loss)	225	(7)	15	(8)	—		225
Interest expense	(52)	—	—	—	(7)	(i)	(59)
Earnings from unconsolidated affiliates	33	—	—	—	3	(j)	36
Income (loss) before income taxes	206	(7)	15	(8)	(4)		202
Income tax expense	(8)	—	(1)	1	—		(8)
Net income (loss)	198	(7)	14	(7)	(4)		194
Net income attributable to noncontrolling interests	(17)	—	—	—	13	(k)	(4)
Net income (loss) attributable to partners	181	(7)	14	(7)	9		190
Net income attributable to predecessor operations	(6)						(6)
General partner interest in net income	(70)						(81)
Net income allocable to limited partners	$ 105						$ 103
Net income per limited partner unit — basic and diluted	$ 1.34						$ 1.12
Weighted-average limited partner units outstanding — basic and diluted	78.4				4.6	(f)	91.6
					8.6	(g)	

NOTES TO UNAUDITED DCP MIDSTREAM PARTNERS, LP
PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements present the impact on our financial position and results of operations of our acquisition (the “Contribution”) from DCP Midstream, LLC (“Midstream”) of (i) a 33.33% interest in each of two separate NGL pipeline entities, DCP Southern Hills Pipeline, LLC ("Southern Hills") and DCP Sand Hills Pipeline, LLC ("Sand Hills"); and (ii) a 20% interest in DCP SC Texas GP, an entity in which we currently own an 80% controlling interest. The unaudited pro forma condensed consolidated financial statements exclude the impact of the 100% interest in the construction work in progress for a 200 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado ("Lucerne 2"); and a 100% interest in a 35 MMcf/d cryogenic natural gas processing plant also located in Weld County, Colorado ("Lucerne 1"), since these were determined to be acquisitions of assets rather than "businesses," as defined under the Securities and Exchange Commission's Rule 11-01(d) of Regulation S-X. The unaudited pro forma condensed consolidated financial statements as of and for the year ended December 31, 2013 have been prepared based on certain pro forma adjustments to our audited financial statements set forth in our Annual Report on Form 10-K for the year ended December 31, 2013, filed on February 26, 2014 with the United States Securities and Exchange Commission. The unaudited pro forma condensed consolidated financial statements are qualified in their entirety by reference to such historical consolidated financial statements and related notes contained therein, and should be read in conjunction with the accompanying notes and with the historical consolidated financial statements and related notes thereto.

The unaudited pro forma condensed consolidated balance sheet as of December 31, 2013 has been prepared as if the Contribution had occurred on that date. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2013 has been prepared as if the Contribution had occurred on January 1, 2013. Since the Contribution represents a transaction between entities under common control, the historical values of the acquired assets and liabilities are carried forward.

The pro forma adjustments are based upon currently available information and certain estimates and assumptions; therefore, actual results may differ from the pro forma adjustments. Management believes, however, that the assumptions provide a reasonable basis for presenting the significant effects of the Contribution and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma condensed consolidated financial statements may not be indicative of the results that would have actually occurred if we had owned a 33.33% interest in each of Southern Hills and Sand Hills, and the remaining 20% interest in DCP SC Texas GP during the period presented.

The pro forma condensed consolidated financial statements reflect the Contribution as follows:

- the assumed issuance of 4,604,994 common units to Midstream and its subsidiaries, and 8,604,754 common units to the public to finance the Contribution;
- the assumed borrowing of $504 million under our existing credit facility to finance the Contribution;
- the contribution of a 33.33% interest in each of Southern Hills and Sand Hills which will both be accounted for under the equity method; and
- the contribution of the remaining 20% interest in DCP SC Texas GP, an entity in which we currently own an 80% controlling interest, which will eliminate the impact of noncontrolling interests currently reported in our financial statements.

Note 2. Pro Forma Adjustments and Assumptions

(a) Reflects 100% of historical results of Southern Hills.

(b) Reflects 100% of historical results of Sand Hills.

(c) Reflects adjustments to eliminate the activity and operating assets and liabilities of Southern Hills and Sand Hills, as our 33.33% interest in each of these entities will be accounted for under the equity method of accounting.

(d) Reflects a 33.33% interest in the historical cost of each of Southern Hills and Sand Hills. This Contribution will be recorded at Midstream’s cost as it is considered to be a transaction among entities under common control.

(e) Reflects assumed proceeds to us from borrowings of $504 million under our revolving credit facility to finance the Contribution. Consistent with our overall targeted debt and equity ratio to finance our growth, the proposed financing of the Contribution is assumed to consist of 45% from borrowings and 55% from the sale of common units. Actual debt and equity that will be used to finance the Contribution may be different than the assumed ratio.

(f) Reflects the assumed issuance of 4,604,994 common units to Midstream and its subsidiaries totaling $225 million. Pursuant to the contribution agreement, the Partnership has agreed to issue, as partial consideration for the Contribution, (i) $50 million of its common units to GP LP, (ii) $70 million of its common units to Holdings, and (iii) $105 million of its common units to Midstream. In each case, the number of the Partnership’s common units to be issued shall be determined by dividing the dollar amount to be issued by the volume weighted average price of the Partnership’s common units on the

New York Stock Exchange during the ten trading days ending two trading days prior to the closing date for the Contribution. For purposes of calculating the number of common units to be issued for the Contribution, a unit price of $48.86 was used, which was the closing price of our common units on February 19, 2014. The actual common unit price for the financing of the Contribution may be different than our assumptions.

(g) Reflects the assumed issuance of 8,604,754 common units to the public totaling $391 million in net proceeds. Consistent with our overall targeted debt and equity ratio to finance our growth, the proposed financing of the Contribution is assumed to consist of 45% from borrowings and 55% from the sale of common units. Actual debt and equity that will be used to finance the Contribution may be different than the assumed ratio. For purposes of calculating the number of common units to be issued for the Contribution, a unit price of $48.86 was used, which was the closing price of our common units on February 19, 2014, less estimated offering costs and underwriting discounts of $29 million. The actual common unit price, offering costs and underwriting discounts for the financing of the Contribution may be different than our assumptions.

(h) Reflects the excess consideration paid to Midstream for (1) the 33.33% interest in each of Southern Hills and Sand Hills; and (2) the remaining 20% interest in DCP SC Texas GP. The consideration was assigned as follows, subject to additional customary post-closing adjustments (in millions):

Aggregate consideration	$	1,120
Less: Historical cost		921
Adjustment to limited partners' equity for excess consideration	$	199

(i) Reflects the expected increase in interest expense associated with the incremental debt for the Contribution. We used a weighted average interest rate of 1.45% to calculate the increase in interest expense.

The effect of a 0.125% variance in interest rates on pro forma interest expense would have been approximately $1 million annually.

(j) Reflects the increase in earnings from unconsolidated affiliates associated with the contribution of the 33.33% interest in each of Southern Hills and Sand Hills.

(k) Reflects the elimination of the 20% noncontrolling interest in DCP SC Texas GP.

Note 3. Pro Forma Net Income or Loss Per Limited Partner Unit

Our net income or net loss is allocated to the general partner and the limited partners in accordance with their respective ownership percentages, after allocating Available Cash generated during the period in accordance with our partnership agreement.

Securities that meet the definition of a participating security are required to be considered for inclusion in the computation of basic earnings per unit using the two-class method. Under the two-class method, earnings per unit is calculated as if all of the earnings for the period were distributed under the terms of the partnership agreement, regardless of whether the general partner has discretion over the amount of distributions to be made in any particular period, whether those earnings would actually be distributed during a particular period from an economic or practical perspective, or whether the general partner has other legal or contractual limitations on its ability to pay distributions that would prevent it from distributing all of the earnings for a particular period.

These required disclosures do not impact our overall net income or loss or other financial results; however, in periods in which aggregate net income exceeds certain distribution levels, it will have the impact of reducing net income per limited partner unit, or LPU.

Basic and diluted net income or loss per LPU is calculated by dividing limited partners' interest in pro forma net income or loss, by the weighted average number of outstanding LPUs during the period, assuming the 13,209,748 limited partner units issued in connection with the Contribution as if issued on January 1, 2013.

News Release

www.dcppartners.com

Investor Relations Contact: Andrea Attel
Phone: 303-605-1741
Cell: 720-235-6433

February 26, 2014

DCP MIDSTREAM PARTNERS ANNOUNCES A DROPDOWN AND ORGANIC GROWTH PROJECT TOTALING $1.4 BILLION AND REPORTS RECORD FOURTH QUARTER AND YEAR END 2013 RESULTS

- **$1.15 billion immediately accretive dropdown from DCP Midstream**
- **200 MMcf/d Lucerne 2 plant, an organic growth project, with a total estimated cost of $250 million**
- **Record 2013 annual Distributable Cash Flow of $296 million, an increase of 64 percent over 2012**
- **Record fourth quarter 2013 Adjusted EBITDA of $104 million and Distributable Cash Flow of $79 million**
- **Thirteenth consecutive quarterly distribution increase now at $2.93 per unit annualized**

DENVER - DCP Midstream Partners, LP (NYSE: DPM), or the Partnership, today reported financial results for the three and twelve months ended December 31, 2013. The table below reflects the results for the three and twelve months ended December 31, 2013 and 2012 on a consolidated basis and for the 2012 periods as originally reported.

FOURTH QUARTER AND YEAR TO DATE 2013 SUMMARY RESULTS

	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012 (3)	As Reported in 2012	2013 (3)	2012 (3)(4)	As Reported in 2012
	(Unaudited)					
	(Millions, except per unit amounts)					
Net income attributable to partners(1)(5)	$ 28	$ 70	$ 64	$ 181	$ 198	$ 168
Net income per limited partner unit - basic and diluted(1)(5)	$ 0.09	$ 0.87	$ 0.87	$ 1.34	$ 2.28	$ 2.28
Adjusted EBITDA(2)(5)	$ 104	$ 98	$ 86	$ 365	$ 302	$ 252
Adjusted net income attributable to partners(2)	$ 63	$ 68	$ 62	$ 217	$ 177	$ 147
Adjusted net income per limited partner unit(2) - basic and diluted	$ 0.49	$ 0.83	$ 0.83	$ 1.80	$ 1.89	$ 1.89
Distributable cash flow(2)(5)	$ 79	$ **	$ 68	$ 296	$ **	$ 180

(1) Includes non-cash commodity derivative mark-to-market losses of $35 million and gains of $2 million for the three months ended December 31, 2013 and 2012, respectively. Includes non-cash commodity derivative mark-to-market losses of $37 million and gains of $21 million for the twelve months ended December 31, 2013 and 2012, respectively.

(2) Denotes a financial measure not presented in accordance with U.S. generally accepted accounting principles, or GAAP. Each such non-GAAP financial measure is defined below under “Non-GAAP Financial Information”, and each is reconciled to its most directly comparable GAAP financial measures under “Reconciliation of Non-GAAP Financial Measures” below.

(3) Includes our 80 percent interest in the Eagle Ford system, retrospectively adjusted. We acquired a 33.33 percent interest in the Eagle Ford system in November 2012, and a 46.67 percent interest in March 2013. Transfers of net assets between entities under common control are accounted for as if the transactions had occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information similar to the pooling method. In addition, results are presented as originally reported in 2012 for comparative purposes.

(4) Includes our 100 percent interest in Southeast Texas, retrospectively adjusted. We acquired a 33.33 percent interest in Southeast Texas in January 2011, and a 66.67 percent interest in March 2012. Transfers of net assets between entities under common control are accounted for as if the transactions had occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information similar to the pooling method. In addition, results are presented as originally reported in 2012 for comparative purposes.

(5) The Partnership recognized no lower of cost or market adjustments during the three months ended December 31, 2013 and 2012, respectively, and $4 million and $19 million of lower of cost or market adjustments during the twelve months ended December 31, 2013 and 2012, respectively.

** Distributable cash flow has not been calculated under the pooling method.

DROPDOWN TRANSACTION AND ORGANIC GROWTH PROJECT IN THE DJ BASIN

The Partnership announced a $1.15 billion immediately accretive dropdown from DCP Midstream, the owner of the Partnership's general partner, the largest dropdown in DPM's history.

Included in the dropdown are the following:

- A one-third interest in the 720-mile, fee-based Sand Hills natural gas liquids (NGL) pipeline, transporting NGLs from both DCP and third party plants in the Permian Basin and Eagle Ford Shale to facilities along the Texas Gulf Coast and the Mont Belvieu market hub. With an initial capacity of 200,000 barrels per day (Bbls/d) the pipeline will have the ability to ramp up to capacity of 350,000 Bbls/d after the completion of planned pump stations.
- A one-third interest in the 800-mile, fee-based Southern Hills NGL pipeline, which has an expected capacity of 175,000 Bbls/d after completion of planned pump stations. Southern Hills provides NGL takeaway service from the Midcontinent to the Mont Belvieu market hub.
- The remaining 20 percent interest in the Eagle Ford system, bringing the Partnership's ownership interest to 100 percent. The Eagle Ford system includes seven integrated plants with total processing capacity of 1.2 billion cubic feet per day (Bcf/d), including the 100 percent owned Eagle plant and Goliad plant which was recently placed into service.

- Lucerne 1, a 35 million cubic feet per day (MMcf/d) cryogenic natural gas processing plant located in the prolific DJ Basin. The plant includes a long-term fee-based processing agreement with DCP Midstream providing a fixed demand charge, along with a throughput fee on all volumes processed.

The Partnership also announced an organic growth project, the Lucerne 2 plant, a 200 MMcf/d plant which is currently under construction. Once in service, the plant includes a 10-year fee-based processing agreement with DCP Midstream providing a fixed demand charge, along with a throughput fee on all volumes processed. The Lucerne 2 plant will be a deep-cut cryogenic, natural gas processing plant in the rapidly expanding, liquids-rich DJ Basin that is part of the growing Niobrara shale formation. Once in service, the Partnership will own approximately 50 percent of the 800 million cubic feet per day of total capacity in the DJ basin owned and operated by the DCP enterprise. The Lucerne plants will be connected to the Front Range Pipeline for NGL takeaway to the Mont Belvieu market hub. The Lucerne 2 plant is expected to be placed into service in mid 2015. The Partnership estimates additional expenditures of approximately $180 million after the transaction closes to complete this project.

These transactions are subject to certain closing conditions and working capital and other customary closing adjustments. The transactions are expected to close in March 2014.

CEO AND CHAIRMAN’S PERSPECTIVE

“With this transaction, we have now firmly established the Partnership as a fully integrated midstream provider and with the two NGL pipelines, the Partnership now accesses the rapidly expanding Permian basin and Granite Wash and SCOOP areas of the Midcontinent,” said Wouter van Kempen, CEO and chairman of the Partnership, and CEO and chairman of DCP Midstream. “Executing on our growth for growth strategy as a DCP enterprise, we have doubled the size of the Partnership in the past few years, and we continue to be focused on being a premier operator delivering value to our customers and unitholders.”

PRESIDENT'S PERSPECTIVE

“We are hitting on all cylinders; not only did we just deliver record results for 2013, we are also excited to announce this transaction as it includes both solid fee-based assets that are accretive to unit holders as well as a great organic growth opportunity in the prolific DJ Basin," said Bill Waldheim, president of the Partnership. "With the addition of these primarily fee-based assets

we are well positioned to deliver sustainable distribution growth and long-term value to our unitholders."

2013 AND RECENT HIGHLIGHTS

In addition to delivering on our distributable cash flow and distribution growth forecasts, we successfully executed on our 2013 business plan.

- We achieved our distribution growth forecast which represents a 6 percent increase over the 2012 declared distribution rate
- 2013 distributable cash flow of $296 million is up 64 percent from 2012
- We continue executing on our growth strategy with both dropdowns and quality organic growth projects. In 2013, we completed over $1 billion of dropdowns, including
    - an additional 47 percent interest in the Eagle Ford system
    - the 110 MMcf/d O'Connor plant, with the 160 MMcf/d expansion nearing completion
    - a one-third interest in the 435-mile, 150,000 Bbl/d Front Range NGL pipeline
- The 583-mile Texas Express NGL pipeline commenced operations October 31, 2013 with initial capacity of 280,000 Bbls/d, expandable to 400,000 Bbls/d. The Partnership owns a 10 percent interest, which is operated by Enterprise
- In February 2014, the 435-mile Front Range NGL pipeline and 200 MMcf/d Goliad plant were placed into service
    - The Front Range Pipeline has 150,000 Bbls/d of capacity, is owned one-third by the Partnership and is operated by Enterprise
    - Our 200 MMcf/d Goliad plant is part of our Eagle Ford system and is our seventh plant in the Eagle Ford Shale, including the Eagle plant, where 400 MMcf/d of processing capacity has been added in just the last year. The Goliad plant is connected to Sand Hills pipeline for NGL takeaway to Mont Belvieu

CONSOLIDATED FINANCIAL RESULTS

Consolidated results are shown using the pooling method of accounting, which includes results associated with DCP Midstream's ownership interests in the Eagle Ford system and Southeast Texas during its periods of ownership. While the Partnership hedges the majority of its commodity risk, prior period results reflect DCP Midstream's unhedged portion of its ownership interest in the Eagle Ford system and Southeast Texas during those periods.

Adjusted EBITDA for the three months ended December 31, 2013 increased to $104 million from $98 million for the three months ended December 31, 2012, reflecting increased volumes on our Eagle Ford and East Texas systems and growth from the operation of our fee-based O'Connor plant, partially offset by higher operating expenses primarily as a result of growth and asset reliability expenditures. Adjusted EBITDA for the three months ended December 31, 2012 included a significant recovery of the non-cash lower of cost or market price adjustment (LCM Adjustment) for our wholesale propane logistics segment that was recorded in the second quarter of 2012.

Adjusted EBITDA for the year ended December 31, 2013 increased to $365 million from $302 million for the year ended December 31, 2012. These results reflect increased volumes on our Eagle Ford and East Texas systems and growth from the operation of our fee based O'Connor plant, partially offset by lower commodity prices on the unhedged portion of the Eagle Ford and Southeast Texas systems associated with DCP Midstream's ownership and hedge settlement timing on storage and higher operating expenses primarily as a result of growth and asset reliability expenditures. These results also reflect the dropdown of the Mont Belvieu fractionators and higher volumes and margins in NGL Logistics and Wholesale Propane.

On January 28, 2014, the Partnership announced a quarterly distribution of $0.7325 per limited partner unit. This represents an increase of 1.7 percent over the last quarterly distribution and an increase of 6.2 percent over the distribution declared in the fourth quarter of 2012. Our distributable cash flow of $79 million for the three months ended December 31, 2013, provided a 0.96 times distribution coverage ratio adjusted for the timing of actual distributions paid during the quarter. The 2013 distribution coverage ratio on a cash paid basis was approximately 1.1 times.

OPERATING RESULTS BY BUSINESS SEGMENT

Natural Gas Services - Adjusted segment EBITDA increased to $90 million for the three months ended December 31, 2013, from $69 million for the three months ended December 31, 2012, reflecting increased volumes on our Eagle Ford and East Texas systems and growth from the operation of our fee-based O'Connor plant, partially offset by higher operating expenses primarily as a result of growth and asset reliability expenditures.

Adjusted segment EBITDA increased to $308 million for the year ended December 31, 2013, from $291 million for the year ended December 31, 2012, reflecting increased volumes on our

Eagle Ford and East Texas systems and growth from the operation of our fee-based O'Connor plant, partially offset by lower commodity prices on the unhedged portion of the Eagle Ford and Southeast Texas systems associated with DCP Midstream's ownership, hedge settlement timing on storage, lower volumes across certain of our assets and higher operating expenses primarily as a result of growth and asset reliability expenditures.

Results are shown using the pooling method of accounting, which includes the additional 47 percent of the Eagle Ford system since the date of acquisition on November 1, 2012, and 80 percent of the Eagle Ford system for the ten months ended October 31, 2012. Results also include 67 percent of Southeast Texas for the three months ended March 31, 2012. These results reflect the unhedged portion of the Eagle Ford system and Southeast Texas associated with DCP Midstream's ownership interest during those periods.

NGL Logistics - Adjusted segment EBITDA of $19 million for the three months ended December 31, 2013, was relatively flat compared to $20 million for the three months ended December 31, 2012, reflecting a non-cash write off of a discontinued construction project, partially offset by higher results from the Mont Belvieu fractionators.

Adjusted segment EBITDA increased to $85 million for the year ended December 31, 2013, from $59 million for the year ended December 31, 2012. These results reflect the July 2012 dropdown of the Mont Belvieu fractionators, higher throughput on certain of our pipelines and higher margins at the Marysville storage facility.

Wholesale Propane Logistics - Adjusted segment EBITDA decreased to $10 million for the three months ended December 31, 2013, from $27 million for the three months ended December 31, 2012. Results for the three months ended December 31, 2012 included a significant recovery of the LCM Adjustment that was recorded in the second quarter of 2012 and higher unit margins associated with favorable hedging.

Adjusted segment EBITDA increased to $34 million for the year ended December 31, 2013, from $26 million for the year ended December 31, 2012. The 2013 results reflect increased unit margins and the exporting of propane from the Chesapeake terminal in the first quarter of 2013, partially offset by a non-cash write off of a discontinued construction project. 2012 results reflect reduced demand due to the industry’s excess inventory as a result of near record warm weather.

CORPORATE AND OTHER

Interest expense for the three and twelve months ended December 31, 2013 increased due to higher debt levels, partially offset by higher capitalized interest.

CAPITALIZATION

At December 31, 2013, the Partnership had $1,590 million of long-term debt outstanding comprised of senior notes and $335 million of short-term debt outstanding under our commercial paper program. Total available revolver capacity was $664 million. Our leverage ratio pursuant to our credit facility for the quarter ended December 31, 2013, was approximately 3.9 times. Our effective interest rate on our overall debt position, as of December 31, 2013, was 3.4 percent.

COMMODITY DERIVATIVE ACTIVITY

The objective of our commodity risk management program is to protect downside risk in our distributable cash flow. We utilize mark-to-market accounting treatment for our commodity derivative instruments. Mark-to-market accounting rules require companies to record currently in earnings the difference between their contracted future derivative settlement prices and the forward prices of the underlying commodities at the end of the accounting period. Revaluing our commodity derivative instruments based on futures pricing at the end of the period creates assets or liabilities and associated non-cash gains or losses. Realized gains or losses from cash settlement of the derivative contracts occur monthly as our physical commodity sales are realized or when we rebalance our portfolio. Non-cash gains or losses associated with the mark-to-market accounting treatment of our commodity derivative instruments do not affect our distributable cash flow.

For the three months ended December 31, 2013, commodity derivative activity and total revenues included non-cash losses of $35 million. This compares to non-cash gains of $2 million for the three months ended December 31, 2012. Net hedge cash settlements for the three months ended December 31, 2013, were receipts of $13 million. Net hedge cash settlements for the three months ended December 31, 2012, were receipts of $18 million.

For the year ended December 31, 2013, commodity derivative activity and total revenues included non-cash losses of $37 million. This compares to non-cash gains of $21 million for the year ended December 31, 2012. Net hedge cash settlements for the year ended December 31, 2013, were receipts of $54 million. Net hedge cash settlements for the year ended December

31, 2012, were receipts of $49 million. While our earnings will continue to fluctuate as a result of the volatility in the commodity markets, our commodity derivative contracts mitigate a substantial portion of the risk of weakening commodity prices thereby stabilizing distributable cash flows.

EARNINGS CALL

DCP Midstream Partners will hold a conference call to discuss fourth quarter results on Thursday, Februrary 27, 2014, at 9:00 a.m. ET. The dial-in number for the call is 1-800-708-4539
in the United States or 1-847-619-6396 outside the United States. The conference confirmation number for login is 36550042. A live webcast of the call can be accessed on the Investor section of DCP Midstream Partners' website at www.dcppartners.com. The call will be available for replay one hour after the end of the conference until Midnight ET, on March 18, 2014, by dialing 1-888-843-7419 in the United States or 1-630-652-3042 outside the United States. The replay conference number is 36550042. A replay, transcript and presentation slides in PDF format will also be available by accessing the Investor section of the Partnership's website.

NON-GAAP FINANCIAL INFORMATION

This press release and the accompanying financial schedules include the following non-GAAP financial measures: distributable cash flow, adjusted EBITDA, adjusted segment EBITDA, adjusted net income attributable to partners, adjusted net income allocable to limited partners, and adjusted net income per limited partner unit. The accompanying schedules provide reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures. The Partnership's non-GAAP financial measures should not be considered in isolation or as an alternative to its financial measures presented in accordance with GAAP, including operating revenues, net income or loss attributable to partners, net cash provided by or used in operating activities or any other measure of liquidity or financial performance presented in accordance with GAAP as a measure of operating performance, liquidity or ability to service debt obligations and make cash distributions to unitholders. The non-GAAP financial measures presented by us may not be comparable to similarly titled measures of other companies because they may not calculate their measures in the same manner.

We define distributable cash flow as net cash provided by or used in operating activities, less maintenance capital expenditures, net of reimbursable projects, plus or minus adjustments for non-cash mark-to-market of derivative instruments, proceeds from divestiture of assets, net income attributable to noncontrolling interests net of depreciation and income tax, net changes in operating assets and liabilities, and other adjustments to reconcile net cash provided by or used in operating activities. Historical distributable cash flow is calculated excluding the impact of retrospective adjustments related to any acquisitions presented under the pooling method. Maintenance capital expenditures are cash expenditures made to maintain our cash flows, operating or earnings capacity. These expenditures add on to or improve capital assets owned, including certain system integrity, compliance and safety improvements. Maintenance capital expenditures also include certain well connects, and may include the acquisition or construction of new capital assets. Non-cash mark-to-market of derivative instruments is considered to be non-cash for the purpose of computing distributable cash flow because settlement will not occur until future periods, and will be impacted by future changes in commodity prices and interest rates. Distributable cash flow is used as a supplemental liquidity and performance measure by the Partnership's management and by external users of its financial statements, such as investors, commercial banks, research analysts and others, to assess the Partnership's ability to make cash distributions to its unitholders and its general partner.

We define adjusted EBITDA as net income or loss attributable to partners less interest income, noncontrolling interest in depreciation and income tax expense and non-cash commodity derivative gains, plus interest expense, income tax expense, depreciation and amortization expense and non-cash commodity derivative losses. The commodity derivative non-cash losses and gains result from the marking to market of certain financial derivatives used by us for risk management purposes that we do not account for under the hedge method of accounting. These non-cash losses or gains may or may not be realized in future periods when the derivative contracts are settled, due to fluctuating commodity prices. We define adjusted segment EBITDA for each segment as segment net income or loss attributable to partners less non-cash commodity derivative gains for that segment, plus depreciation and amortization expense and non-cash commodity derivative losses for that segment, adjusted for any noncontrolling interest on depreciation and amortization expense for that segment. The Partnership's adjusted EBITDA equals the sum of its adjusted segment EBITDAs, plus general and administrative expense.

Adjusted EBITDA is used as a supplemental liquidity and performance measure and adjusted segment EBITDA is used as a supplemental performance measure by the Partnership's management and by external users of its financial statements, such as investors, commercial banks, research analysts and others to assess:

- financial performance of the Partnership's assets without regard to financing methods, capital structure or historical cost basis;
- the Partnership's operating performance and return on capital as compared to those of other companies in the midstream energy industry, without regard to financing methods or capital structure;
- viability and performance of acquisitions and capital expenditure projects and the overall rates of return on investment opportunities;
- performance of the Partnership's business excluding non-cash commodity derivative gains or losses; and
- in the case of Adjusted EBITDA, the ability of the Partnership's assets to generate cash sufficient to pay interest costs, support its indebtedness, make cash distributions to its unitholders and general partner, and finance maintenance capital expenditures.

We define adjusted net income attributable to partners as net income attributable to partners, plus non-cash derivative losses, less non-cash derivative gains. Adjusted net income per limited partner unit is then calculated from adjusted net income attributable to partners. These non-cash derivative losses and gains result from the marking to market of certain financial derivatives used by us for risk management purposes that we do not account for under the hedge method of accounting. Adjusted net income attributable to partners and adjusted net income per limited partner unit are provided to illustrate trends in income excluding these non-cash derivative losses or gains, which may or may not be realized in future periods when derivative contracts are settled, due to fluctuating commodity prices.

ABOUT DCP MIDSTREAM PARTNERS

DCP Midstream Partners, LP (NYSE: DPM) is a midstream master limited partnership engaged in the business of gathering, compressing, treating, processing, transporting, storing and selling natural gas; producing, fractionating, transporting, storing and selling NGLs and condensate; and transporting, storing and selling propane in wholesale markets. DCP Midstream Partners, LP is managed by its general partner, DCP Midstream GP, LP, which in turn is managed by its general partner, DCP Midstream GP, LLC which is 100 percent owned by DCP Midstream, LLC, a joint venture between Phillips 66 and Spectra Energy. For more information, visit the DCP Midstream Partners, LP website at www.dcppartners.com.

CAUTIONARY STATEMENTS

This press release may contain or incorporate by reference forward-looking statements as defined under the federal securities laws regarding DCP Midstream Partners, LP, including projections, estimates, forecasts, plans and objectives. Although management believes that expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. In addition, these statements are subject to certain risks, uncertainties and other assumptions that are difficult to predict and may be beyond the Partnership's control. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership's actual results may vary materially from what management anticipated, estimated, projected or expected.

The key risk factors that may have a direct bearing on the Partnership's results of operations and financial condition are described in detail in the Partnership's annual and quarterly reports most recently filed with the Securities and Exchange Commission and other such matters discussed in the "Risk Factors" section of the Partnership's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. Investors are encouraged to closely consider the disclosures and risk factors contained in the Partnership's annual and quarterly reports filed from time to time with the Securities and Exchange Commission. The forward looking statements contained herein speak as of the date of this announcement. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Information contained in this press release is unaudited, and is subject to change.

DCP MIDSTREAM PARTNERS, LP
FINANCIAL RESULTS AND
SUMMARY BALANCE SHEET DATA
(Unaudited)

	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
	(Millions, except per unit amounts)					
Sales of natural gas, propane, NGLs and condensate	$ 743	$ 557	$ 376	$ 2,695	$ 2,459	$ 1,466
Transportation, processing and other	81	75	54	268	232	185
(Losses) gains from commodity derivative activity, net	(22)	20	20	17	70	70
Total operating revenues	802	652	450	2,980	2,761	1,721
Purchases of natural gas, propane and NGLs	(655)	(488)	(328)	(2,381)	(2,177)	(1,301)
Operating and maintenance expense	(59)	(48)	(31)	(211)	(193)	(123)
Depreciation and amortization expense	(25)	(22)	(14)	(93)	(89)	(64)
General and administrative expense	(15)	(18)	(12)	(62)	(74)	(46)
Other expense	(5)	—	—	(8)	—	—
Total operating costs and expenses	(759)	(576)	(385)	(2,755)	(2,533)	(1,534)
Operating income	43	76	65	225	228	187
Interest expense	(12)	(10)	(10)	(52)	(42)	(42)
Earnings from unconsolidated affiliates	10	9	12	33	26	29
Income tax expense	(6)	—	—	(8)	(1)	(1)
Net income attributable to noncontrolling interests	(7)	(5)	(3)	(17)	(13)	(5)
Net income attributable to partners	28	70	64	181	198	168
Net income attributable to predecessor operations	—	(6)	—	(6)	(33)	(3)
General partner's interest in net income	(20)	(12)	(12)	(70)	(41)	(41)
Net income allocable to limited partners	$ 8	$ 52	$ 52	$ 105	$ 124	$ 124
Net income per limited partner unit — basic	$ 0.09	$ 0.87	$ 0.87	$ 1.34	$ 2.28	$ 2.28
Weighted-average limited partner units outstanding — basic	87.8	60.5	60.5	78.4	54.5	54.5

	December 31, 2013	December 31, 2012	As Reported December 31, 2012
	(Millions)		
Cash and cash equivalents	$ 12	$ 2	$ 1
Other current assets	491	366	308
Property, plant and equipment, net	3,005	2,550	1,727
Other long-term assets	1,018	685	936
Total assets	$ 4,526	$ 3,603	$ 2,972
Current liabilities	$ 722	$ 345	$ 234
Long-term debt	1,590	1,620	1,620
Other long-term liabilities	41	44	35
Partners' equity	1,945	1,405	1,048
Noncontrolling interests	228	189	35
Total liabilities and equity	$ 4,526	$ 3,603	$ 2,972

DCP MIDSTREAM PARTNERS, LP
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Unaudited)

	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
	(Millions, except per unit amounts)					
Reconciliation of Non-GAAP Financial Measures:						
Net income attributable to partners	$ 28	$ 70	$ 64	$ 181	$ 198	$ 168
Interest expense	12	10	10	52	42	42
Depreciation, amortization and income tax expense, net of noncontrolling interests	29	20	14	95	83	63
Non-cash commodity derivative mark-to-market	35	(2)	(2)	37	(21)	(21)
Adjusted EBITDA	104	98	86	365	302	252
Interest expense	(12)	(10)	(10)	(52)	(42)	(42)
Depreciation, amortization and income tax expense, net of noncontrolling interests	(29)	(20)	(14)	(95)	(83)	(63)
Other	—	—	—	(1)	—	—
Adjusted net income attributable to partners	63	$ 68	62	217	$ 177	147
Maintenance capital expenditures, net of noncontrolling interest portion and reimbursable projects	(7)		(6)	(23)		(18)
Distributions from unconsolidated affiliates, net of earnings	(3)		1	6		—
Depreciation and amortization, net of noncontrolling interests	23		14	87		62
Impact of minimum volume receipt for throughput commitment	(6)		(6)	—		—
Discontinued construction projects	4		—	8		—
Adjustment to remove impact of pooling	—		—	(6)		(17)
Other	5		3	7		6
Distributable cash flow[1]	$ 79		$ 68	$ 296		$ 180
Adjusted net income attributable to partners	$ 63	$ 68	$ 62	$ 217	$ 177	$ 147
Adjusted net income attributable to predecessor operations	—	(6)	—	(6)	(33)	(3)
Adjusted general partner's interest in net income	(20)	(12)	(12)	(70)	(41)	(41)
Adjusted net income allocable to limited partners	$ 43	$ 50	$ 50	$ 141	$ 103	$ 103
Adjusted net income per limited partner unit - basic and diluted	$ 0.49	$ 0.83	$ 0.83	$ 1.80	$ 1.89	$ 1.89
Net cash provided by (used in) operating activities	$ 60	$ (70)	$ (34)	$ 324	$ 82	$ 125
Interest expense	12	10	10	52	42	42
Distributions from unconsolidated affiliates, net of earnings	3	—	(1)	(6)	—	—
Net changes in operating assets and liabilities	8	168	117	(8)	219	115
Net income attributable to noncontrolling interests, net of depreciation and income tax	(9)	(8)	(3)	(23)	(20)	(7)
Discontinued construction projects	(4)	—	—	(8)	—	—
Non-cash commodity derivative mark-to-market	35	(2)	(2)	37	(21)	(21)
Other, net	(1)	—	(1)	(3)	—	(2)
Adjusted EBITDA	$ 104	$ 98	$ 86	$ 365	$ 302	$ 252
Interest expense	(12)		(10)	(52)		(42)
Maintenance capital expenditures, net of noncontrolling interest portion and reimbursable projects	(7)		(6)	(23)		(18)
Distributions from unconsolidated affiliates, net of earnings	(3)		1	6		—
Adjustment to remove impact of pooling	—		—	(6)		(17)
Discontinued construction projects	4		—	8		—
Other	(7)		(3)	(2)		5
Distributable cash flow[1]	$ 79		$ 68	$ 296		$ 180

(1) Distributable cash flow has not been calculated under the pooling method.

DCP MIDSTREAM PARTNERS, LP
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
SEGMENT FINANCIAL RESULTS AND OPERATING DATA
(Unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2013	As Reported in 2012	2013	As Reported in 2012
	(Millions, except as indicated)			
Reconciliation of Non-GAAP Financial Measures:				
Distributable cash flow	$ 79	$ 68	$ 296	$ 180
Distributions declared	$ 86	$ 54	$ 309	$ 199
Distribution coverage ratio - declared	0.92 x	1.25 x	0.96 x	0.91 x
Distributable cash flow	$ 79	$ 68	$ 296	$ 180
Distributions paid	$ 82	$ 53	$ 277	$ 181
Distribution coverage ratio - paid	0.96 x	1.29 x	1.07 x	0.99 x

	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
	(Millions, except as indicated)					
Natural Gas Services Segment:						
Financial results:						
Segment net income attributable to partners	$ 32	$ 66	$ 54	$ 193	$ 237	$ 180
Non-cash commodity derivative mark-to-market	36	(15)	(15)	36	(20)	(20)
Depreciation and amortization expense	24	20	12	85	81	55
Noncontrolling interests on depreciation and income tax	(2)	(2)	—	(6)	(7)	(2)
Adjusted segment EBITDA	$ 90	$ 69	$ 51	$ 308	$ 291	$ 213
Operating and financial data:						
Natural gas throughput (MMcf/d)	2,308	2,168	1,725	2,270	2,322	1,667
NGL gross production (Bbls/d)	129,538	106,827	74,253	118,578	112,032	65,610
Operating and maintenance expense	$ 52	$ 41	$ 24	$ 180	$ 162	$ 92
NGL Logistics Segment:						
Financial results:						
Segment net income attributable to partners	$ 18	$ 19	$ 19	$ 79	$ 53	$ 53
Depreciation and amortization expense	1	1	1	6	6	6
Adjusted segment EBITDA	$ 19	$ 20	$ 20	$ 85	$ 59	$ 59
Operating and financial data:						
NGL pipelines throughput (Bbls/d)	87,324	81,120	81,120	89,361	78,508	78,508
Operating and maintenance expense	$ 3	$ 3	$ 3	$ 16	$ 16	$ 16
Wholesale Propane Logistics Segment:						
Financial results:						
Segment net income attributable to partners	$ 11	$ 14	$ 14	$ 31	$ 25	$ 25
Non-cash commodity derivative mark-to-market	(1)	12	12	1	(1)	(1)
Depreciation and amortization expense	—	1	1	2	2	2
Adjusted segment EBITDA	$ 10	$ 27	$ 27	$ 34	$ 26	$ 26
Operating and financial data:						
Propane sales volume (Bbls/d)	22,007	21,297	21,297	19,553	19,111	19,111
Operating and maintenance expense	$ 4	$ 4	$ 4	$ 15	$ 15	$ 15

DCP MIDSTREAM PARTNERS, LP
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Unaudited)

	Q113	Q213	Q313	Q413	Twelve months ended December 31, 2013
	(Millions, except as indicated)				
Net income (loss) attributable to partners	$ 52	$ 102	$ (1)	$ 28	$ 181
Maintenance capital expenditures, net of noncontrolling interest portion and reimbursable projects	(7)	(3)	(6)	(7)	(23)
Depreciation and amortization expense, net of noncontrolling interests	19	21	24	23	87
Non-cash commodity derivative mark-to-market	10	(58)	50	35	37
Distributions from unconsolidated affiliates, net of earnings	3	3	3	(3)	6
Impact of minimum volume receipt for throughput commitment	2	2	2	(6)	—
Discontinued construction projects	4	—	—	4	8
Adjustment to remove impact of pooling	(6)	—	—	—	(6)
Other	—	1	—	5	6
Distributable cash flow	$ 77	$ 68	$ 72	$ 79	$ 296
Distributions declared	$ 69	$ 72	$ 82	$ 86	$ 309
Distribution coverage ratio - declared	1.12x	0.94x	0.88x	0.92x	0.96x
Distributable cash flow	$ 77	$ 68	$ 72	$ 79	$ 296
Distributions paid	$ 54	$ 69	$ 72	$ 82	$ 277
Distribution coverage ratio - paid	1.43x	0.99x	1.00x	0.96x	1.07x