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): July 1, 2007

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 Number)	(IRS Employer Identification No.)

370 17th Street, Suite 2775 **Denver, Colorado**	**80202**
(Address of principal executive offices)	(Zip Code)

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

(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:

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

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

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

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

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Item 1.01 Entry into a Material Definitive Agreement.

On July 1, 2007, DCP Midstream Partners, LP (the "Partnership") acquired from DCP Midstream, LLC ("DCP LLC"), and two of its wholly-owned subsidiaries, DCP LP Holdings, LP ("Holdings") and DCP Midstream GP, LP (the "General Partner" and together with DCP LLC and Holdings referred to as "DCP") the following interests (the "Transaction"): (i) a 40% limited liability company interest in Discovery Producer Services LLC, and (ii) a 25% limited liability company interest in DCP East Texas Holdings, LLC ("East Texas"). The Transaction was completed in accordance with the Contribution Agreement, dated May 23, 2007 (the "Contribution Agreement"), between the Partnership and DCP, previously reported on the Partnership's Current Report on Form 8-K dated May 25, 2007. The description of the Contribution Agreement contained in the Form 8-K filed on May 25, 2007 is incorporated herein by reference and the Contribution Agreement filed in such Form 8-K as Exhibit 10.1 is incorporated herein by reference.

In connection with the Transaction, the Partnership or wholly-owned subsidiaries of the Partnership, entered into the material definitive agreements described below in this item.

Omnibus Agreement Amendment

On July 1, 2007, in connection with the Transaction, DCP LLC, the Partnership, the General Partner, DCP Midstream GP, LLC, and DCP Midstream Operating, LP, amended the Third Amendment to Omnibus Agreement between the parties by entering into the Fourth Amendment to Omnibus Agreement (the "Fourth Amendment"). The Fourth Amendment increases the annual fee the Partnership pays to DCP LLC by $158,000 for incremental general and administrative expenses DCP LLC provides to the Partnership.

The Fourth Amendment is attached as Exhibit 10.2 to this report and is incorporated by reference into this report in its entirety.

East Texas LLC Agreement

In connection with the Transaction, as of July 1, 2007, DCP Assets Holding, LP, a wholly-owned subsidiary of the Partnership, and DCP LLC, entered into the Amended and Restated Limited Liability Company Agreement for East Texas (the "East Texas LLC Agreement"). This agreement governs the ownership and management of East Texas.

The East Texas LLC Agreement provides for the management of East Texas by a management committee consisting of representatives of the members. The representatives to the management committee will have voting power that corresponds to the ownership interest of the owner they represent. Except for certain significant matters that are specified in the East Texas LLC Agreement, all actions and decisions relating to East Texas require the approval of the management committee representatives that represent a majority interest. East Texas is required under the East Texas LLC Agreement to make distributions of available cash at least quarterly to its owners. The management committee, by majority approval, will determine the amount of such distributions. DCP LLC will be the operator of East Texas in accordance with the East Texas LLC Agreement. Under the East Texas LLC Agreement, East Texas will be required to reimburse DCP LLC as the operator for all direct and indirect expenses it incurs or payments its makes on behalf of East Texas and all other expenses allocable to East Texas or otherwise incurred by East Texas in connection with operating East Texas' business.

Both members of East Texas will be subject to reciprocal rights of first offer under the East Texas LLC Agreement. Accordingly, prior to selling all or a portion of its respective interest in East Texas, that member will be required to first offer its membership interest to the other member.

The East Texas LLC Agreement is attached as Exhibit 10.3 to this report and is incorporated by reference into this report in its entirety.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On July 1, 2007, the Partnership completed the Transaction, as described in Item 1.01 and 3.02 of this report which are incorporated by reference into this item in their entirety. The total purchase price paid by the Partnership in the Transaction was approximately $272.3 million consisting of (i) $27.0 million worth of the Partnership's common units representing 620,404 common units, (ii) $0.6 million worth of the Partnership's general partner equivalent units representing 12,661 general partner equivalent units, and (iii) $244.7 million in cash. The Partnership financed the cash portion of the purchase price with the Partnership's existing credit facility and intends to ultimately fund the Transaction with a combination of debt and equity. The purchase price is subject to standard closing adjustments.

DCP LLC and its affiliates own directly or indirectly approximately 37.4% of the limited partner units of the Partnership, and own 100% of the General Partner of the Partnership. These affiliations create a conflict of interest in the General Partner. As a result of this conflict, the board of directors of DCP Midstream GP, LLC, the general partner of the General Partner, submitted the Transaction for resolution of the conflict to the conflicts committee of the board of directors, a committee consisting entirely of independent directors. Acting pursuant to the provisions of the partnership agreement of the Partnership, the conflicts committee reviewed the Transaction and, with the assistance of independent financial and legal advisors, determined that the Transaction was fair to the Partnership, approved the Transaction and recommended approval of the Transaction to the full board of directors. After receiving the approval and recommendation of the conflicts committee, the board of directors approved the Transaction.

The description of the Contribution Agreement contained in the Form 8-K filed on May 25, 2007 is incorporated herein by reference and the Contribution Agreement filed in such Form 8-K as Exhibit 10.1 is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

On July 1, 2007, the Partnership issued approximately $27.0 million of the Transaction consideration to Holdings in the form of 620,404 common units representing limited partner interests in the Partnership. The private placement of these common units with Holdings pursuant to the Contribution Agreement is being made in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof.

Item 7.01. Regulation FD Disclosure.

On July 2, 2007, the Partnership issued a press release announcing the Transaction. A copy of the press release is furnished and attached as Exhibit 99.2 hereto and is incorporated herein by reference.

A copy of the press release is being furnished and is attached as Exhibit 99.2 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 "filed" for the purpose of Section 18 of the 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 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 consolidated financial statements of Discovery Producer Services LLC as of December 31, 2006 and 2005, and for the years ended December 31, 2006, 2005 and 2004, and unaudited consolidated financial statements of Discovery Producer Services LLC as of March 31, 2007, and for the three months ended March 31, 2007 and 2006, are attached hereto as Exhibit 99.3, and are incorporated herein by reference.

Audited combined financial statements of The East Texas Midstream Business as of December 31, 2006 and 2005, and for the years ended December 31, 2006, 2005 and 2004, and unaudited combined financial statements of the East Texas Midstream Business as of March 31, 2007, and for the three months ended March 31, 2007 and 2006, are attached hereto as Exhibit 99.4, and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed consolidated financial statements of the Partnership as of March 31, 2007, and for the three months ended March 31, 2007, and for the years ended December 31, 2006, 2005 and 2004, are attached hereto as Exhibit 99.5, and are incorporated herein by reference.

(c) Not applicable.

(d) Exhibits.

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SIGNATURES

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.

DCP Midstream Partners, LP

By: DCP Midstream GP, LP
its General Partner

By: DCP Midstream GP, LLC
its General Partner

Date: July 2, 2007

/s/ Thomas E. Long

Name: Thomas E. Long
Title: Vice President and Chief Financial Officer

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EXHIBIT INDEX

Exhibit Number	Description
+ Exhibit 10.1	Contribution Agreement, dated May 23, 2007, between DCP LP Holdings, LP, DCP Midstream, LLC, DCP Midstream GP, LP and DCP Midstream Partners, LP (incorporated by reference to Exhibit 10.1 to DCP Midstream Partners, LP's Current Report on Form 8-K filed with the SEC on May 25, 2007).
Exhibit 10.2	Fourth Amendment to Omnibus Agreement, dated July 1, 2007, among DCP Midstream, LLC, DCP Midstream Partners, LP, DCP Midstream GP, LP, DCP Midstream GP, LLC, and DCP Midstream Operating, LP.
Exhibit 10.3	Amended and Restated Limited Liability Company Agreement of DCP East Texas Holdings, LLC, dated July 1, 2007, between DCP Midstream, LLC and DCP Assets Holding, LP.
Exhibit 23.1	Consent of Ernst & Young LLP on Discovery Producer Services LLC's Consolidated Financial Statements as of December 31, 2006 and 2005 and for the years ended December 31, 2006, 2005 and 2004.
Exhibit 23.2	Consent of Deloitte & Touche LLP on East Texas Midstream Business' Combined Financial Statements as of December 31, 2006 and 2005 and for the years ended December 31, 2006, 2005 and 2004.
+ Exhibit 99.1	Press release of DCP Midstream Partners, LP dated May 23, 2007 (incorporated by reference to Exhibit 99.1 to DCP Midstream Partners, LP's Current Report on Form 8-K filed with the SEC on May 25, 2007).
Exhibit 99.2	Press release of DCP Midstream Partners, LP dated July 2, 2007.
Exhibit 99.3	Audited and unaudited historical consolidated financial statements of Discovery Producer Services LLC.
Exhibit 99.4	Audited and unaudited historical combined financial statements of the East Texas Midstream Business.
Exhibit 99.5	Unaudited pro forma condensed consolidated financial statements of DCP Midstream Partners, LP.

+ Incorporated by reference.

Exhibit 10.2

FOURTH AMENDMENT
TO
OMNIBUS AGREEMENT

This Fourth Amendment to Omnibus Agreement (this "Amendment") is dated as of July 1, 2007 and entered into by and among DCP Midstream, LLC, a Delaware limited liability Company, formerly known as Duke Energy Field Services, LLC ("DCP Midstream"), DCP Midstream GP, LLC, a Delaware limited liability company ("DCP GP"), DCP Midstream GP, LP, a Delaware limited partnership (the "General Partner"), DCP Midstream Partners, LP, a Delaware limited partnership (the "MLP"), and DCP Midstream Operating, LP (the "OLP"). The above-named entities are sometimes referred to in this Amendment each as a "Party" and collectively as the "Parties".

RECITALS

A. The Parties entered into that certain Omnibus Agreement dated as of December 7, 2005, as amended by that certain First Amendment to Omnibus Agreement dated April 1, 2006, as further amended by that certain Second Amendment to Omnibus Agreement dated November 1, 2006, and as further amended by that certain Third Amendment to Omnibus Agreement dated May 9, 2007 (together referred to as the "Omnibus Agreement") (capitalized terms used but not defined herein shall have the meaning given thereto in the Omnibus Agreement).

B. The Parties desire to amend Section 3.3 of the Omnibus Agreement to adjust the fixed general and administrative expenses to take into account the ownership interest in Discovery Producer Services LLC acquired by the MLP in the transaction set forth in that certain Contribution Agreement among DCP LP Holdings, LP, DCP Midstream, the General Partner and the MLP dated as of May 23, 2007 (the "Discovery Contribution Agreement").

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

1. **Omnibus Agreement Amendment**. The Omnibus Agreement is hereby amended by replacing Section 3.3(a) in its entirety with the following:

"The amount for which DEFS shall be entitled to reimbursement from the Partnership Group pursuant to Section 3.1(b) for general and administrative expenses associated with the original assets that were part of the MLP's initial public offering shall be a fixed fee equal to $4.8 million through calendar year 2006 (the "IPO G&A Expenses Limit"). After calendar year 2006, the IPO G&A Expenses Limit shall be increased annually by the percentage increase in the Consumer Price Index – All Urban Consumers, U.S. City Average, Not Seasonally Adjusted for the applicable year (the "CPI Adjustment"). The amount for which DEFS shall be entitled to reimbursement from the Partnership Group pursuant to Section 3.1(b) for general and administrative expenses associated with the contribution of the GSR assets to the MLP in the Contribution Agreement shall be a

fixed fee equal to $2.0 million for calendar years 2006 and 2007 (the "GSR G&A Expenses Limit"), but shall be prorated for calendar year 2006 based on the number of days remaining in calendar year 2006 following the Closing Date (as that term is defined in the Contribution Agreement). The amount for which DEFS shall be entitled to reimbursement from the Partnership Group pursuant to Section 3.1(b) for general and administrative expenses associated with the acquisition of the Anadarko assets by the MLP in the Anadarko Purchase and Sale Agreement shall be a fixed fee equal to $200,000 for calendar year 2007 (the "Anadarko G&A Expenses Limit"), but shall be prorated for calendar year 2007 based on the number of days remaining in calendar year 2007 following the Closing Date (as that term is defined in the Anadarko Purchase and Sale Agreement). The amount for which DEFS shall be entitled to reimbursement from the Partnership Group pursuant to Section 3.1(b) for general and administrative expenses associated with the acquisition of the Discovery interests by the MLP in the Discovery Contribution Agreement shall be a fixed fee equal to $158,000 for calendar year 2007 (the "Discovery G&A Expenses Limit"), but shall be prorated for calendar year 2007 based on the number of days remaining in calendar year 2007 following the Closing Date (as that term is defined in the Discovery Contribution Agreement). After calendar year 2007, the GSR G&A Expenses Limit, the Anadarko G&A Expenses Limit, and the Discovery G&A Expenses Limit shall be increased by the CPI Adjustment. In the event that the Partnership Group makes any additional acquisitions of assets or businesses or the business of the Partnership Group otherwise expands following the date of this Agreement, then the IPO G&A Expenses Limit, the GSR G&A Expenses Limit, the Anadarko G&A Expenses Limit and/or the Discovery G&A Expenses Limit shall be appropriately increased in order to account for adjustments in the nature and extent of the general and administrative services by DEFS to the Partnership Group, with any such increase subject to the approval of both the Special Committee of DCP GP's Board of Directors and DEFS. For time periods after calendar year 2008, DEFS and the General Partner will determine the amount of general and administrative expenses that will be properly allocated to the Partnership in accordance with the terms of the Partnership Agreement.

2. **Acknowledgement**. Except as amended hereby, the Omnibus Agreement shall remain in full force and effect as previously executed, and the Parties hereby ratify the Omnibus Agreement as amended hereby.

3. **Counterparts**. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties hereto and delivered (including by facsimile) to the other Parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EACH OF THE UNDERSIGNED, intending to be legally bound, has caused this Amendment to be duly executed and delivered to be effective as of the date first above written, regardless of the actual date of execution of this Amendment.

DCP MIDSTREAM, LLC

By: /s/ Brian S. Frederick
Name: Brian S. Frederick
Title: Vice President, Planning and Corporate Development

DCP MIDSTREAM GP, LLC

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

DCP MIDSTREAM GP, LP
By: DCP MIDSTREAM GP, LLC, its general partner

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

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

DCP MIDSTREAM OPERATING, LP

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

Exhibit 10.3

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF DCP EAST TEXAS HOLDINGS, LLC
DATED JULY 1, 2007
BETWEEN
DCP MIDSTREAM, LLC
AND
DCP ASSETS HOLDING, LP

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AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF DCP EAST TEXAS HOLDINGS, LLC

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (the "Agreement"), dated as of July 1, 2007, by and between DCP MIDSTREAM, LLC (the "Midstream Member"), a Delaware limited liability company, and DCP ASSETS HOLDING, LP (the "MLP Member"), a Delaware limited liability company.

ARTICLE 1
SUBJECT MATTER, DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Subject Matter. This Agreement amends and restates the Limited Liability Company Agreement of DCP East Texas Holdings, LLC, a Delaware limited liability company (the "Company") dated as of March 23, 2007 (the "Initial Agreement"), by the Midstream Member, as sole member.

1.2 Definitions. For purposes of this Agreement, including the Schedules hereto, the meanings herein assigned to them and the capitalized terms defined elsewhere in this Agreement, by inclusion in quotation marks and parentheses, shall have the meanings so ascribed to them.

"Adjusted Capital Account" means the Capital Account maintained for each Member as of the end of each taxable year of the Company, a) increased by any amount that such Member is obligated to restore under the standards set by Regulations section 1.704-1(b)(2)(ii)(c) or is deemed obligated to restore pursuant to the penultimate sentences of Regulations sections 1.704-2(g)(1) and 1.704-2(i)(5), and b) decreased by (i) the amount of all losses and deductions that, as of the end of such taxable year, are reasonably expected to be allocated to such Member in subsequent years under sections 704(e)(2) and 706(d) of the Code and Regulations section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such taxable year, are reasonably expected to be made to such Member in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Member's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum chargeback pursuant to Section 4.1(d) or 4.1(e)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of the Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjusted Property" means any property of the Company, the Carrying Value of which has been adjusted pursuant to Section 3.4(d).

"Affiliate" means with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with

such specified Person or, in the case of a Person that is a limited partnership, an “Affiliate” shall include any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with the general partner of such limited partnership. For the purposes of this definition, “control” means the ownership, directly or indirectly, of more than 50% of the Voting Stock, of such Person; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Agreed Rate” means the lesser of (a) the rate publicly announced by Wachovia Bank, National Association, New York, New York (or any successor bank) from time to time as its prime rate, plus one percent (1%) and (b) the maximum rate permitted by applicable law.

“Agreed Value” of any Contributed Property or Adjusted Property means the fair market value of such property or other considerations at the time of contribution as determined by the Company (but only in the absence of a negotiated determination of fair market value between the Members, in which case such negotiated value shall be accepted as the Agreed Value) using such reasonable methods of valuation as it may adopt. In the absence of a negotiated value between the Members (if such negotiated allocation exists, the negotiated allocation will be conclusive), the Company shall, in its sole discretion, use such method as it deems reasonable and appropriate to allocate the aggregate Agreed Value of Contributed Properties or Adjusted Property in a single or integrated transaction among such properties on a basis proportional to their fair market value.

“Agreement” has the meaning ascribed to such term in the preamble.

“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 Members 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.

“Available Cash” means, with respect to any Distribution Period ending prior to the dissolution or liquidation of the Company, and without duplication:

(a) the sum of (i) all cash and cash equivalents of the Company on hand at the end of such Distribution Period, determined in the reasonable discretion of the Management Committee, and (ii) all additional cash and cash equivalents of the Company on hand on the date of determination of Available Cash with respect to such Distribution Period, less

(b) the amount of any cash reserves that is necessary or appropriate in the reasonable discretion of the Management Committee to (i) provide for the proper conduct of the business of the Company (including reserves for future

capital expenditures and for anticipated future credit needs of the Company) subsequent to such Distribution Period or (ii) comply with applicable Law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Company is a party or by which it is bound or its assets are subject; *provided*, *however*, that distributions made by the Company or cash reserves established, increased or reduced after the end of such Distribution Period but on or before the date of determination of Available Cash with respect to such Distribution Period shall be deemed to have been made, established, increased or reduced, for purposes of determining Available Cash, within such Distribution Period if the Management Committee so determines.

Notwithstanding the foregoing, "Available Cash" with respect to the Distribution Period in which a liquidation or dissolution of the Company occurs and any subsequent Distribution Period shall equal zero.

"Bankruptcy" means (i) the filing of any petition or the commencement of any suit or proceeding by an individual or entity pursuant to Bankruptcy Law seeking an order for relief, liquidation, reorganization or protection from creditors, (ii) the entry of an order for relief against an individual or entity pursuant to Bankruptcy Law, or (iii) the appointment of a receiver, trustee or custodian for a substantial portion individual's or entity's assets or property, provided such order for relief, liquidation, reorganization or protection from creditors is not dismissed within sixty (60) days after such appointment of a receiver, trustee or custodian.

"Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state Law for the relief of debtors.

"Book-Tax Disparity" means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property, and the adjusted basis thereof for federal income tax purposes as of such date. A Member's share of the Company's Book Tax Disparities in all Contributed Property or Adjusted Property will be reflected by the difference between such Member's Capital Account balance as maintained pursuant to Section 3.4 and the hypothetical balance of such Member's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles. The determination of Book Tax Disparity and a Member's share thereof shall be determined consistently with Regulations section 1.704-3(d).

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in the State of Colorado are permitted or required to close.

"Capital Account" means the capital account maintained for each Member for the purposes of section 704(b) of the Code as described in Section 3.4.

"Capital Contribution" means, with respect to any Member, the amount of capital contributed by such Member to the Company in accordance with Article 3 of this Agreement.

"Carrying Value" means (a) with respect to Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions relating to such property changed to the Members' Capital Accounts, and (b) with respect to any other Company property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Section 3.4(d) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Company properties, as deemed appropriate by the Company.

"Certificates" have the meaning ascribed to such term in Section 12.17.

"Certificate of Formation" means the certificate of formation of the Company, as amended or restated from time to time, filed in the Office of the Secretary of State of the State of Delaware in accordance with the Delaware Act.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning ascribed to such term in Section 1.1.

"Company Assets" means the assets and properties owned, leased or used by the Company in its business, including without limitation, all of the partnership interests in FCV, ELP and DETG, which collectively own and operate certain midstream gathering, compression, dehydrating, processing and fractionating assets located in Panola, Harrison, Shelby, and Rusk Counties, Texas, and Caddo and DeSoto Parishes, Louisiana.

"Company Indemnitee" has the meaning ascribed to such term in Section 6.1.

"Company Minimum Gain" means the amount determined pursuant to Treasury Regulations section 1.704-2(d).

"Contributed Property" means each property or other asset, in such form as may be permitted by the Delaware Act, but excluding cash or cash equivalents, contributed to the Company by a Member. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 3.4(d), such property shall no longer constitute a Contributed Property for the purposes of Section 4.2, but shall be deemed an Adjusted Property for such purposes.

"Default" has the meaning ascribed to such term in Section 9.1.

"Defaulting Member" has the meaning ascribed to such term in Section 9.1.

"Delaware Act" means the Delaware Limited Liability Company Act, 6 Del. Code §§ 18-101, et seq., as amended from time to time.

"DETG" shall mean DCP East Texas Gathering, LP, a Delaware limited partnership.

"Distribution Period" means a period equal to a fiscal quarter of the Company or such shorter portion thereof, as determined from time to time by majority vote of the Management Committee.

"Economic Risk of Loss" has the meaning set forth in Regulations section 1.752-2(a).

"ELP" shall mean EasTrans Limited Partnership, a Texas limited partnership.

"Equity" means common stock in the case of a corporation, membership interest in the case of a limited liability company, a partnership interest in the case of a partnership or other similar interest in the case of another Person.

"FCV" means Fuels Cotton Valley Gathering, LP, a Delaware limited partnership.

"Fiscal Year" means (i)the period of time commencing on the effective date of the Initial Agreement and ending on December 31, 2007, in the case of the first Fiscal Year of the Company or (ii) in the case of subsequent Fiscal Years of the Company, any subsequent twelve (12) month period commencing January 1 and ending on December 31.

"GAAP" means generally accepted accounting principles in the United States of America.

"GAAP Capital Account" means the capital account maintained in accordance with GAAP for purposes of the annual financial statements referred to in Section 11.2.

"Governmental Body" means a government organization, subdivision, court, agency or authority thereof, whether foreign or domestic.

"Indemnified Party" has the meaning ascribed to such term in Section 6.3.

"Indemnifying Party" has the meaning ascribed to such term in Section 6.3.

"Initial Agreement" has the meaning ascribed to such term in Section 1.1.

"Interest" means the ownership interest of a Member in the Company (which shall be considered intangible personal property for all purposes) consisting of (i) such Member's right to receive its Percentage Interest of the Company's profits, losses,

allocations and distributions, (ii) such Member's right to vote or grant or withhold consents with respect to matters related to the Company as provided herein or in the Delaware Act and (iii) such Member's other rights and privileges as herein provided.

"Internal Transfer" has the meaning ascribed to such term in Section 8.1.

"Internal Transferee" has the meaning ascribed to such term in Section 8.1.

"Laws" means all applicable statutes, laws, rules, regulations, orders, ordinances, judgments and decrees of any Governmental Body, including the common or civil law of any Government Body.

"Liabilities" has the meaning ascribed to such term in Section 6.1.

"Majority" means one or more Members having between them more than 50% of the Interests of all Members entitled to vote.

"Make-Whole Amount" has the meaning ascribed to such term in Section 8.6(b).

"Management Committee" means the committee comprised of the individuals designated by the Members pursuant to Section 5.2 hereof and all other individuals who may from time to time by duly appointed by the Members to serve as representatives of such committee in accordance with the provisions hereof, in each case so long as such individual shall continue in such capacity in accordance with the terms hereof. References herein to the Management Committee shall refer to such individuals collectively in their capacity as representatives on such committee.

"Marketed Interest" has the meaning ascribed to such term in Section 8.3.

"Member Indemnitee" has the meaning ascribed to such term in Section 6.2.

"Members" means the Midstream Member, the MLP Member and any other Persons who are admitted as Members in the Company pursuant to this Agreement, but does not include any Person who has ceased to be a Member in the Company.

"Midstream Member" has the meaning ascribed to such term in the preamble.

"Minimum Gain Attributable to a Member Nonrecourse Debt" means the amount determined in accordance with the principles of Regulations section 1.704-2(i)(3).

"MLP" means DCP Midstream Partners, LP, a Delaware limited partnership.

"MLP Member" has the meaning ascribed to such term in the preamble.

"MLP Partnership Agreement" means the Second Amended and Restated Agreement of the Limited Partnership of the MLP, dated November 1, 2006, as it may be amended and restated from time to time.

"Monetary Default" has the meaning ascribed to such term in Section 9.1.

"Negotiation Period" has the meaning ascribed to such term in Section 8.3.

"Net Agreed Value" means (i) in the case of any Contributed Property, the fair market value of such property reduced by any liabilities either assumed by the Company upon such contribution or to which such property is subject when contributed, and (ii) in the case of any property distributed to a Member by the Company, the Company's Carrying Value of such property at the time such property is distributed, reduced by any indebtedness either assumed by such Member upon such distribution or to which such property is subject at the time of distribution as determined under section 752 of the Code.

"Net Income" means, for any taxable period, the excess, if any, of the Company's items of income and gain for such taxable period over the Company's items of loss and deduction for such taxable period. The items included in the calculation of Net Income shall be determine in accordance with Section 3.4(b) and shall not include any items specifically allocated under Section 4.1(d) through 4.1(j). For purposes of Section 4.1(a) and (b), in determining whether Net Loss has been allocated to any member for any previous taxable period, any Unrealized Gain or Unrealized Loss allocated pursuant to Section 3.4(d) shall be treated as an item of gain or loss to be allocated pursuant to Section 4.1.

"Net Loss" means, for any taxable period, the excess, if any, of the Company's items of loss and deduction for such taxable period over the Company's items of income and gain for such taxable period. The items included in the calculation of Net Loss shall be determined in accordance with Section 3.4(b) and shall not include any items specifically allocated under Sections 4.1(d) through 4.1(j). For purposes of Sections 4.1(a) and (b), in determining whether Net Loss has been allocated to any Member for any previous taxable period, any Unrealized Gain or Unrealized Loss allocated pursuant to Section 3.4(d) shall be treated as an item of gain or loss to be allocated pursuant to Section 4.1.

"Nonrecourse Built-in Gain" means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or negative hedge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Members pursuant to Section 4.2(b)(i)(A) or 4.2(b)(ii)(A) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"Nonrecourse Debt" has the meaning set forth in Regulations section 1.704-2(b)(4).

"Nonrecourse Deductions" means any and all items of loss, deduction, or expenditure (described in section 705(a)(2)(B) of the Code) that, in accordance with the principles of Regulations section 1.704-2(b)(i) are attributable to a Nonrecourse Liability.

"Nondefaulting Member" has the meaning ascribed to such term in Section 9.1.

"Non-selling Member" has the meaning ascribed to such term in Section 8.3.

"Notice of Dispute" has the meaning ascribed to such term in Section 12.11.

"Operator" has the meaning ascribed to such term in Section 7.1.

"Parent" means (a) with respect to the Midstream Member, DCP Midstream, LLC, a Delaware limited liability company, (b) with respect to the MLP Member, the MLP.

"Percentage Interest" means, with respect to a Member, the percentage set forth opposite such Member's name on Schedule 3.1, subject to adjustment pursuant to a transfer of an Interest by a Member or the issuance of new Interests by the Company, in either case, in compliance with the terms of this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust, estate, unincorporated organization or Governmental Body.

"Purchase Notice" has the meaning ascribed to such term in Section 8.3.

"Recapture Income" means any gain recognized by the Company (computed without regard to any adjustment required by section 734 or 743 of the Code) upon the disposition of any property or asset of the Company, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"Record Date" means the dated established by the Members from time to time for determining the identity of Members entitled to receive any distribution pursuant to Section 4.3.

"Regulations" means the U.S. Treasury Regulations promulgated under the Code, as in effect from time to time.

"Residual Gain" or "Residual Loss" means any item of gain or loss, as the case may be, of the Company recognized for federal income tax purposes resulting from a sale, exchange or other disposition of a Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated to Section 4.2(b)(i)(A) or 4.2(b)(ii)(A), to eliminate Book Tax Disparities.

"Sale Offer" has the meaning ascribed to such term in Section 8.3.

"Section 708 Termination" has the meaning ascribed to such term in Section 8.6(b).

"Selling Member" has the meaning ascribed to such term in Section 8.3.

"Tax Matters Partner" has the meaning ascribed to such term in Section 11.4.

"Third Party Action" has the meaning ascribed to such term in Section 6.3.

"Unrealized Gain" attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 3.4(d) or 3.4(e) as of such date). In determining such Unrealized Gain, the aggregate cash amount and fair market value of a Company asset (including cash or cash equivalents) shall be determined by the Company and agreed to by the Members using such reasonable method of valuation as it may adopt.

"Unrealized Loss" attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 3.4(d) or 3.4(e) as of such date) over (b) the fair market value of such property as of such date. In determining such Unrealized Loss, the aggregate cash amount and fair market value of a Company asset (including cash or cash equivalents) shall be determined by the Company and agreed to by the Members using such reasonable method of valuation as it may adopt.

"Voting Stock" means the securities or other ownership interest in any Person which have ordinary voting power under ordinary circumstances or the election of directors (or the equivalent) of such Person.

1.3 Rules of Construction. For purposes of this Agreement, including the Exhibits and Schedules hereto:

(a) General. Unless the context otherwise requires, (i) "or" is not exclusive; (ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP; (iii) words in the singular include the plural and words in the plural include the singular; (iv) words in the masculine include the feminine and words in the feminine include the masculine; (v) any date specified for any action that is not a Business Day shall be deemed to mean the first Business Day after such date; (vi) a reference to a Member includes its successors and permitted assigns; and (vii) any reference to $ or dollars shall be a reference to U.S. dollars.

(b) Articles and Sections. Reference to Articles and Sections are, unless otherwise specified, to Articles and Sections of this Agreement.

1.4 MLP Partnership Agreement. Notwithstanding any other provision of this Agreement, the Members agree that to the extent any provision of this Agreement contradicts with or is in conflict with any provision of the MLP Partnership Agreement, the provisions of the MLP Partnership Agreement shall control.

ARTICLE 2
ORGANIZATION AND CONDUCT OF BUSINESS

2.1 Company. Subject to the terms and conditions of this Agreement, the Members hereby agree to operate and manage the Company, a limited liability company organized pursuant to the Delaware Act, which shall engage in the business described herein.

2.2 Continuation of Company. The parties hereto hereby continue the Company, which is that certain limited liability company formed on March 23, 2007, upon the filing of a Certificate of Formation in the Office of Secretary of State of the State of Delaware in accordance with the requirements of the Delaware Act. From time to time, the Company shall file such further certificates of formation, qualifications to do business, fictitious name certificates or make filings in such jurisdictions as may be necessary or appropriate in connection with the conduct of the Company's business or to provide notification of the limitation of liability of the Members under applicable law.

2.3 Purpose. The business and purposes of the Company shall be (i) to own and operate the Company Assets and (ii) to engage in such other business activities that may be undertaken by a limited liability company under the Delaware Act as the Members may from time to time determine; *provided, however*, that the Members determine, as of the date of the acquisition or commencement of such other business activity, that such activity (a) generates "qualifying income" (as such term is defined pursuant to section 7704 of the Code) or (b) enhances the operations of an activity of the Company that generates qualifying income.

2.4 Place of Business. The principal place of business of the Company shall be 370 17th Street, Suite 2500, Denver, Colorado 80202 or such other place as the Members may from time to time determine. The registered office of the Company in the State of Delaware shall be 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, and the registered agent for service of process on the Company shall be The Corporation Trust Company, whose business address is the same as the Company's registered office (or such other registered office and registered agent as the Members may from time to time select).

2.5 Term. The Company shall continue indefinitely unless dissolved in accordance with Section 10.1.

2.6 Business Opportunities; No Implied Duty. Except as may be provided in the MLP Partnership Agreement, the Members and their respective Affiliates may engage, directly or indirectly, without the consent of the other Members or the Company, in other business opportunities, transactions, ventures or other arrangements of any nature or description, independently or with others, including without limitation business of a nature which may be competitive with or the same as or similar to the business of the Company, regardless of the geographic location of such business, and without any duty or obligation to account to the other Members or the Company in connection therewith.

ARTICLE 3
CAPITAL STRUCTURE

3.1 Percentage Interests. The Percentage Interests of the Members on the date hereof are set forth on Schedule 3.1 hereto. Upon the transfer by a Member of all or a portion of such Member's Interest pursuant to Article 8 or the issuance of new Interests by the Company in compliance with this Agreement, Schedule 3.1 shall be updated to reflect the Percentage Interests of the Members effective upon such transfer or issuance.

3.2 Capital Contributions. The Members shall make Capital Contributions of cash, property or services as they determine and approve pursuant to Section 5.4. If the Members determine and approve pursuant to Section 5.4 that cash Capital Contributions should be made for any purpose, the Members shall make such cash Capital Contributions in proportion to their respective Percentage Interests in such amounts and on such dates as the Members may determine. The Management Committee shall issue a written request to each Member for payment of such cash Capital Contributions on such due dates and in such amounts; provided, that the due date for any such cash Capital Contribution shall be no less that 5 days after the date such written request is issued to the Members. All Capital Contributions received by the Company after the due date specified in such written request shall be accompanied by interest on such overdue amounts, which interest shall be payable to the Company and shall accrue from and after such specified dates until paid at the Agreed Rate.

3.3 No Voluntary Contributions; Interest. No Member shall make any Capital Contributions to the Company except pursuant to this Article 3. No Member shall be entitled to interest on its Capital Contribution.

3.4 Capital Accounts. A separate Capital Account shall be established and maintained for each Member in accordance with Regulations section 1.704(b)(2)(iv), Section 4.1 and following terms and conditions:

(a) Increases and Decreases. Each Member's Capital Account shall be (i) increased by (A) the amount of cash or cash equivalent Capital Contributions made by such Member, (B) the Net Agreed Value of non-cash assets contributed as Capital Contributions by such Member, and (C) allocations to such Member of Company income and gain (or items thereof), including, without limitation, income and gain exempt from tax and income and gain described in Regulations

section 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Regulations section 1.704-1(b)(4)(i); and (ii) shall be decreased by (A) the amount of cash or cash equivalents distributed to such Member by the Company, (B) the Net Agreed Value of any non-cash assets or other property distributed to such Member by the Company, and (C) allocations to such Member of Company losses and deductions (or items thereof), including losses and deductions described in Regulations section 1.704-1(b)(2)(iv)(g) (but excluding losses or deductions described in Regulations section 1.704-1(b)(4)(i) or (iii)).

(b) Computation of Amounts. For purposes of computing the amount of any item of income, gain, loss or deduction to be reflected in the Members' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including, without limitation, any method of depreciation, cost recovery or amortization used for that purpose), provided that:

(i) All fees and other expenses incurred by the Company to promote the sale of (or to sell) any interest that can neither be deducted nor amortized under section 709 of the Code, if any, shall, for purposes of Capital Account maintenance, but treated as an item of deduction at the time such fees and other expenses are required and shall be allocated between the Members pursuant to Sections 4.1 and 4.2.

(ii) Except as otherwise provided in Regulations section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction shall be made without regard to any election under section 754 of the Code which may be made by the Company and, as to those items described in section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for federal income tax purposes.

(iii) Any income, gain or loss attributable to the taxable disposition of any Company property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Company's Carrying Value with respect to such property as of such date.

(iv) In accordance with the requirements of section 704(b) of the Code, any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property shall be determined as if the adjusted basis of such property of the date it was acquired by the Company was equal to the Agreed Value of such property on the date if was acquired by the Company. Upon an adjustment pursuant to Section 3.4(d) or 3.4(e) to the Carrying Value of any Company property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such property shall be determined (A) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately

following such adjustment and (B) using a rate of depreciation, cost recovery or amortization derived from the same method or useful life (or, if applicable, the meaning useful life) as is applied for federal income tax purposes; provided, however, that if the asset has a zero adjusted basis for federal income tax purposes, depreciation, cost recovery or amortization deductions shall be determined using any reasonable method that the Company may adopt.

(c) Transferees. A transferee of all or a part of a Member's Interest shall succeed to all or the transferred part of the Capital Account of the transferring Member.

(d) Contributed Unrealized Gains and Losses. Consistent with the provisions of the Regulations section 1.704-1(b)(2)(iv)(f), on an issuance of additional Interests for cash or Contributed Property, the Capital Accounts of all Members and the Carrying Value of each Company property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property immediately prior to such issuance and had been allocated to the Members at such time pursuant to Section 4.1.

(e) Distributed Unrealized Gains and Losses. In accordance with Regulations section 1.704-1(b)(2)(iv)(f), immediately prior to any distribution to a Member of any Company property (other than a distribution of cash or cash equivalents that are not in redemption or retirement of a Member's Interest), the Capital Accounts of all Members and the Carrying Value of each Company property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property, as if such Unrealized Gain or Unrealized Loss had been recognized in a sale of such property immediately prior to such distribution for an amount equal to its fair market value (which shall be determined by the Company using any valuation method it deems reasonable under the circumstances), and had been allocated to the Members at such time, pursuant to Section 4.1.

(f) Code Compliance. Notwithstanding any provision in this Agreement to the contrary, each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Regulations thereunder, including without limitation (i) the adjustments permitted or required by Code section 704(b) and, to the extent applicable, the principles expressed on Code section 704(c) and (ii) the adjustments required to maintain capital accounts in accordance with the "substantial economic effect test" set forth in the Regulations under Code section 704(b).

3.5 Return of Capital. No Member shall have the right to demand a return of such Member's Capital Contributions (or the balance of such Member's Capital Account). Further, no Member has the right (i) to demand and receive any distribution from the

Company in any form other than cash or (ii) to bring an action of partition against the Company or its property. Neither the Members nor the Management Committee shall have any personal liability for the repayment of the Capital Contributions from Members. No Member is required to contribute or to lend any cash or property to the Company to enable the Company to return any other Member's Capital Contribution.

ARTICLE 4
ALLOCATIONS AND DISTRIBUTIONS

4.1 Allocations for Capital Account Purposes. For purposes of maintaining the Capital Accounts and in determining the rights of the Members between themselves, the Company's items of income, gain, loss and deduction (computed in accordance with Section 3.4(b)) shall be allocated between the Members in each taxable year or portion thereof (an "allocation period") as provided herein below.

(a) Net Income. All items of income, gain, loss and deduction taken into account in computing Net Income for such allocation period shall be allocated to each of the Members in accordance with its respective Percentage Interest.

(b) Net Losses. All items of income, gain, loss and deduction taken into account in computing Net Losses for such allocation period shall be allocated to each Member in accordance with its respective Percentage Interest; *provided*, *however*, that Net Losses shall not be allocated pursuant to this Section 4.1(b) to the extent that such allocation would cause a Member to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account).

(c) Nonrecourse Liabilities. For the purposes of Regulations section 1.752-3(a)(3), the Members agree that Nonrecourse Liabilities of the Company in excess of the sum of (A) the amount of Company Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated between the Members in accordance with their respective Percentage Interests.

(d) Company Minimum Gain Chargeback. Notwithstanding the other provisions of this Section 4.1, except as provided in Regulations section 1.704-2(f)(2) through(5), if there is a net decrease in Company Minimum Gain during any Company taxable year, each Member shall be allocated items of Company income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Regulations sections 1.704-2(f)(6) and (g)(2) and section 1.704(j)(2)(i), or any successor provisions. For purposes of this Section 4.1(d), each Member's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 4.1 with respect to such taxable year (other than an allocation pursuant to Section 4.1(h) or (i)).

(e) Chargeback of Minimum Gain Attributable to Member Nonrecourse Debt. Notwithstanding the other provisions of this Section 4.1 (other than Section 4.1(d), except as provided in Regulations section 1.704-2(i)(4)), if there is a net decrease in Minimum Gain Attributable to Member Nonrecourse Debt during any Company taxable period, any Member with a share of Minimum Gain Attributable to Member Nonrecourse Debt at the beginning of such taxable period shall be allocated items of Company income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Regulations sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 4.1, such Member's Adjusted Capital Account balance shall be determined and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 4.1, other than Sections 4.1(d), (h) and (i), with respect to such taxable period.

(f) Qualified Income Offset. If any Member unexpectedly receives adjustments, allocations or distributions described in Regulations section 1.704-1(b)(2)(ii)(d)(4) through (6) (or any successor provisions), items of Company income and gain shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations promulgated under section 704(b) of the Code; the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible unless such deficit balance is otherwise eliminated pursuant to Section 4.1(d) or 4.1(e).

(g) Gross Income Offset. If any Member has a deficit balance in its Adjusted Capital Account at the end of any Company taxable period which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provisions of this Agreement and (ii) the amount such Member is deemed obligated to restore pursuant to the penultimate sentences of Regulations sections 1.704-2(g)(1) and 1.704-2(i)(5), such Member shall be specifically allocated items of Company gross income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 4.1(g) shall be made only if and to the extent that such Member would have a deficit balance in its Adjusted Capital Account after all other allocations provided in this Section 4.1 have been tentatively made as if this Section 4.1(g) was not in the Agreement.

(h) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year shall be allocated to the Members in accordance with their respective Percentage Interests. If the Company determines in its good faith discretion that the Company's Nonrecourse Deductions must be allocated in a different ration to satisfy the safe harbor requirements of the Regulations promulgated under section 704(b) of the Code, the Company is authorized, upon notice to the Members, to revise the prescribed ration to the numerically closest ration which does satisfy the requirements.

(i) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any taxable year shall be allocated 100% to the Member that bears the Economic Risk of Loss for such Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations section 1.704-2(i) (or any successor provision). If more than one Member bears the Economic Risk of Loss of respect to a Member Nonrecourse Debt, such Member Nonrecourse Deductions attributable thereto shall be allocated between such Members ratably in proportion to their respective shares of such Economic Risk of Loss.

(j) Code Section 754 Adjustments. To the extent an adjustment tax basis of any Company asset pursuant to section 734(b) or 743(b) of the Code is required, pursuant to Regulations section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustments to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Regulations.

4.2 Allocations for Tax Purposes. The Members agree as follows:

(a) Allocations of Gain, Loss, etc. Except as otherwise provided herein, for federal income tax purposes, each item of income, gain loss and deduction which is recognized by the Company for federal income tax purposes shall be allocated between the Members in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 4.1 hereof.

(b) Book-Tax Disparities. In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss depreciation, amortization and cost recovery deductions shall be allocated for federal income tax purposes between the Members as follows:

(i) In the case of a Contributed Property, (A) such items of income, gain, loss, depreciation, amortization and cost recovery deductions attributable thereto shall be allocated between the Members in the manner provided under section 704(c) of the Code and section 1.704-3(d) of the Regulations (i.e. the "remedial method") that takes into account the variation between the Agreed Value of such property and its adjusted basis at the time of contribution; and (B) any item of Residual Gain or Residual Loss attributable thereto shall be allocated between the Members in the same manner as its correlative of "book" gain or loss is allocated pursuant to Section 4.1.

(ii) In the case of an Adjusted Property, (A) such items of shall be allocated between the Members in a manner consistent with the principles of section 704(c) of the Code and section 1.704-3(d) of the Regulations (i.e. the "remedial method") to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 3.4(d) or (e), unless such property was originally a Contributed Property, in which case such items shall be allocated between the Members in a manner consistent with Section 4.2(b)(i); and (B) any item of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated between the Members in the same manner as its correlative item "book" gain or loss is allocated pursuant to Section 4.1.

(c) Conventions/Allocations. For the proper administration of the Company, the Company shall (i) adopt such conventions as it deems appropriate in determining the amount of depreciation, amortization and cost recovery deductions; and (ii) amend the provisions of this Agreement as appropriate to reflect the proposal or promulgation of Regulations under section 704(b) or section 704(c) of the Code. The Company may adopt such conventions, make such allocations and make such amendments to this Agreement as provided in Section 4.2(c) only if such conventions, allocations or amendments are consistent with section 704 of the Code.

(d) Section 743(b). The Company may determine to depreciate the portion of an adjustment under section 743(b) of the Code attributable to unrealized appreciation in any Adjusted Property (to the extent of the unamortized Book-Tax Disparity) using a predetermined rate derived from the depreciation method and useful life applied to the Company's common basis of such property, despite the inconsistency of such method with Regulations section 1.167(c)-1(a)(6), or any successor provisions. If the Company determines that such reporting position cannot reasonably be taken, the Company may adopt any reasonable depreciation convention that would not have a material adverse effect on the Members.

(e) Recapture Income. Any gain allocated to the Members upon the sale or other taxable disposition of any Company asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 4.2 be characterized as Recapture Income in the same proportions and the same extent as such Members (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(f) Section 754. All items of income, gain, loss, deduction and credit recognized by the Company for federal income tax purposes and allocated by the Members in accordance with the provisions hereof shall be determined without regard to any election under section 754 of the Code which may be made by the Company; provided, however, that such allocations, once made, shall be adjusted

as necessary or appropriate to take into account those adjustments permitted or required by sections 734 and 743 of the Code.

4.3 Distributions. Within 30 days following the end of each Distribution Period, an amount equal to 100% of Available Cash with respect to such Distribution Period shall, subject to section 18-607 of the Delaware Act, be distributed in accordance with this Article 4 by the Company to the Members in accordance with their respective Percentage Interests.

ARTICLE 5
MANAGEMENT

5.1 The Management Committee. The business and affairs of the Company shall be managed by or under the direction of the Members acting through the Management Committee, subject to the delegation of powers and duties to officers of the Company and other Persons as provided for by resolution of the Management Committee.

5.2 Composition; Removal and Replacement of Representative. The Management Committee shall be comprised of one or more representatives designated by each Member. Each Member shall designate by written notice to the other Members its representatives to serve on the Management Committee and alternates to serve in such representatives' absences. Each representative and alternate shall serve at the pleasure of such Member and shall represent and bind such Member with respect to any matter. Alternates may attend all Management Committee meetings but shall have no vote at such meetings except in the absence of the representative for whom he is the alternate. Upon the death, resignation or removal for any reason of any representative or alternate of a Member, the appointing Member shall promptly appoint a successor.

5.3 Officers. The Management Committee may appoint employees of Members or their Affiliates to serve as officers of the Company, and such officers may include but not be limited to a president, one or more vice presidents, a treasurer and a secretary.

5.4 Voting. All decisions, approvals and other actions of any Member under this Agreement shall be effected by vote of its representative on the Management Committee. The Management Committee representative of each Member shall have one vote equal to the Percentage Interest of the Member appointing such representative and shall exercise such vote on behalf of such appointing Member in connection with all matters under this Agreement.

(a) All decisions and actions with respect to the Company and its business shall be made and taken by the affirmative vote of the Member or Members holding a Majority acting through their representative on the Management Committee, except as provided in clauses (b) and (c) of this Section 5.4.

(b) In the case of those matters set forth on Schedule 5.4, any decision or action with respect to such matters shall be made and taken by unanimous affirmative vote of Members acting through their representatives on the Management Committee; *provided*, that the approval of any such matter set forth on Schedule 5.4 by the MLP Member shall not require, and shall not be inferred to require, that such matter be referred to, considered or approved by the conflicts committee of the board of directors of the general partner of the MLP Member, it being understood that conflicts of interest, if any, shall be addressed in the manner provided in the MLP Partnership Agreement.

(c) Notwithstanding clauses (a) and (b) of this Section 5.4, if (i) a material breach or default under a material agreement of the Company, (ii) a default or failure to make payment of an obligation of the Company or a failure to take other action is likely to result in the imposition of a lien upon or a seizure or other collection action against a material asset or assets of the Company or (iii) a failure to comply with an order of a Governmental Body having jurisdiction directed to the Company, in each case, would be reasonably likely to have a material adverse effect on the business, operations or financial condition of the Company, any Member may require all of the Members to make a Capital Contribution pursuant to Section 3.2 hereof to cure such default, pay such obligation, comply with such order or take other action in connection therewith by delivering written notice of the other Member of its intent to require a Capital Contribution pursuant to this Section 5.4(c); *provided*, the aggregate amount of such required Capital Contribution may be no more than the minimum amount necessary to prevent a default, seizure or noncompliance of the type described in clauses (i), (ii) and (iii) of this paragraph.

5.5 Meetings of Management Committee. The Members agree as follows:

(a) Scheduling. Meetings of the Management Committee shall occur when called by any member of the Management Committee. The member calling the meeting shall provide notice of and an agenda for the Management Committee meeting to all representatives at least 10 Business Days prior to the dates of such meetings, provided that the business matters to be acted upon at any such meeting shall not be limited to the matters included on such agenda.

(b) Conduct of Business. The Management Committee shall conduct its meetings in accordance with such rules as it may from time to time establish and the secretary shall keep minutes of its meetings and issue resolutions evidencing the actions taken by it. Upon the request of any Member, the secretary shall provide such Member with copies of such minutes and resolutions. Management Committee representatives may attend meetings and vote either in person or through duly authorized written proxies. Unless otherwise agreed, all meetings of the Management Committee shall be held at the principal office of the Company or by conference telephone or similar means of communication by

which all representatives can participate in the meeting. Any action of the Management Committee may be taken without a meeting by unanimous written consent of the representatives.

(c) Quorum. At meetings of the Management Committee representatives of (i) Members holding a Majority present in person, by conference telephone or by written proxy and entitled to vote, shall constitute a quorum for the transaction of business for purposes for considering matters under Section 5.4(a) and (ii) all of the Members present in person, by conference telephone or by written proxy and entitled to vote, shall constitute a quorum for the transaction of business for purposes of considering matters under Section 5.4(b).

5.6 Remuneration. The Management Committee representative and alternate employed by each Member shall receive no compensation from the Company for performing services in such capacity. Each Member shall be responsible for the payment of the salaries, benefits, retirement allowances and travel and lodging expenses for its Management Committee representatives or alternates.

5.7 Individual Action by Members. No individual Member, solely by reason of its status as such, has any right to transact any business for the Company or any authority of power to sign for or bind the Company unless such power or authority has been expressly delegated to such Member in accordance with this Agreement; *provided, however*, that with respect to the enforcement of the Company's rights under any contract between the Company and a Member or an Affiliate of a Member, any and all actions necessary to enforce the Company's rights thereunder shall be taken exclusively by the Members who are not, or whose Affiliate is not, party to such contract. Further, each individual Member shall have the right to participate in audits by the Company of the Affiliates of another Member which audits are made pursuant to contracts between the Company and such Affiliates.

ARTICLE 6
INDEMNIFICATION; LIMITATIONS ON LIABILITY

6.1 Indemnification by the Company. The Company shall indemnify and hold harmless each Member, the Management Committee representatives and alternates of each Member and the officers of the Company (each individually, a "Company Indemnitee") from and against any and all losses, claims, demands, costs, damages, liabilities, expenses of any nature (including reasonable attorneys' fees and disbursements), judgments, fines, settlements, and other amounts actually and reasonably incurred by such Company Indemnitee and arising from any threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative or other, including any appeals to which a Company Indemnitee was or is a party or is threatened to be made a party (collectively, "Liabilities"), arising out of or incidental to the business of the Company or such Company Indemnitee's status as a Member, Management Committee representative or

alternate of a Member or an officer of the Company; provided, however, that the Company shall not indemnify and hold harmless any Company Indemnitee for any Liabilities which are due to actual fraud or willful misconduct of such Company Indemnitee.

(a) Rights of Company Indemnitee. Reasonable expenses incurred by a Company Indemnitee in defending any claim, demand, action, suit or proceeding subject to this Section 6.1 shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by the Company by or on behalf of such Company Indemnitee to repay such amounts if ultimately determined that such Company Indemnitee is not entitled to be indemnified as authorized in this Section 6.1. The indemnification provided by this Section 6.1 shall inure solely to the benefit of the Company Indemnitee and his heirs, successors, assigns and administrators and shall be deemed to create any rights for the benefit of any other Persons.

6.2 Indemnification by the Members. Each Member shall indemnify and hold harmless the Company, the other Members and their respective Management Committee representatives and alternates and the officers of the Company (each individually, a "Member Indemnitee") for any and all Liabilities that result solely from the actual fraud or willful misconduct of such Member, its Management Committee representatives and alternates or any officer of the Company employed by such Member or its Affiliates.

6.3 Defense of Action. Promptly after receipt by a Company Indemnitee or a Member Indemnitee (either an "Indemnified Party") of a notice of any pending or threatened claim, demand action, suit, proceeding or investigation made or instituted by a Person other than another Indemnified Party (a "Third Party Action"), such Indemnified Party shall, if a claim in respect thereof is to be made by such Indemnified Party against a Person providing indemnification pursuant to Sections 6.1 or 6.2 ("Indemnifying Party"), give notice thereof to the Indemnifying Party. The Indemnifying Party, at its own expense may elect to assume the defense of any such Third Party Action through its own counsel on behalf of the Indemnified Party (with full right of subrogation to the Indemnified Party's rights and defenses). The Indemnified Party may employ separate counsel in any such Third Party Action and participate in the defense thereof; but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless the Indemnified Party shall have been advised by its counsel that there may be one or more legal defenses available to it which are different from or additional to those available to this Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume the defense of such Third Party Action on behalf of the Indemnified Party), it being understood, however, that the Indemnifying Party shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for the Indemnified Parties, and such fees shall be designated in writing by the Indemnified Parties. All fees and expenses for any such separate counsel shall be paid

periodically as incurred. The Indemnifying Party shall not be liable for any settlement of any such Third Party Action effected without its consent unless the Indemnifying Party shall elect in writing not to assume the defense thereof or fails to prosecute diligently such defense and fails after written notice from the Indemnified Party to promptly remedy the same, in which case, the Indemnified Party without waiving any rights to indemnification hereunder may defend such Third Party Action and enter into any good faith settlement thereof without prior written consent from the Indemnifying Party. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, effect any settlement of any such Third Party Action unless such settlement includes an unconditional release of the Indemnified Party from all Liabilities that are the subject of such Third Party Action. The Members agree to cooperate in any defense or settlement of any such Third Party Action and to give each other reasonable access to all information relevant thereto. The Members will similarly cooperate in the prosecution of any claim or lawsuit against any third party. If, after the Indemnifying Party elects to assume the defense of a Third Party Action, it is determined pursuant to the Dispute Resolution procedures described in Section 12.11 that the Indemnified Party is not entitled to indemnification with respect thereto, the Indemnifying Party shall discontinue the defense thereof, and if any fees or expenses for separate counsel to represent the Indemnified Party were paid by the Indemnifying Party, the Indemnified Party shall promptly reimburse the Indemnifying Party for the full amount thereof.

6.4 Limited Liability of Members. No Member shall be personally liable for any debts, liabilities or obligations of the Company, provided that each Member shall be responsible (i) for the making of any Capital Contribution required to be made to the Company by such Member pursuant to the terms hereof and (ii) for the amount of any distribution made to such Member that must be returned to the Company pursuant to the Delaware Act.

ARTICLE 7
OPERATION OF COMPANY

7.1 Operator. Subject to this Article 7, the Members agree to appoint the Midstream Member as the initial operator of the Company (the "Operator") and Midstream Member accepts such appointment and agrees to act in such capacity. From time to time, the Management Committee may appoint a successor operator of the Company. The Operator shall be responsible for the day-to-day operation, maintenance and repair of the Company Assets and the managerial and administrative duties relating thereto. Subject to Section 5.4 and item 10 on Schedule 5.4, the Operator, in its sole discretion, may subcontract with another Person, including an Affiliate, to perform the activities required to comply with the responsibilities as operator hereunder; *provided* any such subcontract shall not relieve the Operator of such responsibilities.

7.2 Expenses. The Operator shall be reimbursed on a monthly basis, or such other basis as the Operator may determine, for (a) all direct and indirect costs and expenses it incurs or payments it makes on behalf of the Company (including salary, bonus, incentive compensation and other amounts paid to any Person including Affiliates

of the Operator to perform services for the Company or for the Operator in the discharge of its duties in such capacity), and (b) all other costs and expenses allocable to the Company or otherwise incurred by the Operator in connection with operating the Company's business (including the Company's allocable share of general and administrative costs and expenses (G&A) borne by the Operator and its Affiliates). The Operator shall maintain or cause to be maintained accurate records of such costs and expenses, and upon written request, the Operator shall permit a Member to inspect, or shall provide such requesting Member with a copy of such records. The amount for which the Operator shall be entitled to reimbursement from the Company for G&A shall be as follows: (a) for calendar year 2007, $8,012,000 (prorated for calendar year 2007 based on the number of days remaining in calendar year 2007 following the date hereof), (b) for calendar year 2008, $8,012,000, increased by the applicable annual percentage increase in the Consumer Price Index — All Urban Consumers, U.S. City Average, Not Seasonally Adjusted for the applicable year, and (c) for periods after calendar year 2008, an amount mutually agreed upon. If the Company makes any acquisitions of assets or businesses or the business of the Company otherwise expands prior to December 31, 2008, then G&A shall be reasonably increased in order to account for adjustments in the nature and extent of the general and administrative services provided by the Operator to the Company. Reimbursements pursuant to this Section 7.2 shall be in addition to any reimbursement due the Operator as a result of indemnification pursuant to Section 6.1.

7.3 Reimbursement for Insurance. The Company shall reimburse the Operator for all expenses it incurs or payment it makes on behalf of the Company for insurance, including (a) insurance coverage with respect to the Company; (b) insurance coverage with respect to claims related to fiduciary obligations of officers, directors, and control persons of the Company as and if applicable; and (c) insurance coverage with respect to claims under federal and state securities laws.

7.4 Accounts. The Management Committee shall establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company's name with such financial institutions and firms it may determine. The Company may not commingle the Company's funds with the funds of any other Person. All such accounts shall be and remain the property of the Company and all funds shall be received, held and disbursed for the purposes specified in this Agreement.

ARTICLE 8
TRANSFER OF INTERESTS

8.1 Restrictions on Transfer. The Members agree as follows:

(a) Consent. Subject to Sections 8.1(b) and 8.1(c) and except as provided in Section 8.3(c), no Member may at any time sell, assign, transfer, convey, merge, consolidate, reorganize or otherwise dispose of all or any part of such Member's interest without the express written consent of the other Members, which consent may be granted or withheld by any such other Members in its absolute discretion; *provided, however*, that subject to Sections 8.1(b) and 8.1(c),

and upon notice to the other Members, any Member may transfer its respective Interest to one or more Persons (an "Internal Transferee") wholly owned directly or indirectly by the ultimate parent of such Member (an "Internal Transfer") without the consent of the other Members, and such Internal Transferee shall be admitted as a Member.

(b) Certain Prohibited Transfers. No Member shall transfer all or any part of its Interest if such transfer (i) (either considered alone or in the aggregate with prior transfers by the same Member or any other Members) would result in the termination of the Company for federal income tax purposes; (ii) would result in violation of the Delaware Act or any other applicable Laws; or (iii) would result in a default under or termination of an existing financial agreement to which the Company is a party or acceleration of debt thereunder.

(c) Defaulting Members. No Defaulting Member may transfer its Interest except (i) as expressly provided under Article 8, and (ii) with the consent of the Nondefaulting Members.

(d) Effect of Prohibited Transfers. Any offer or purported transfer of a Member's Interest in violation of the terms of this Agreement shall be void.

8.2 Possible Additional Restrictions on Transfer. Notwithstanding anything to the contrary contained in this Agreement, in the event of (i) the enactment (or imminent enactment) of any legislation, (ii) the publication of any temporary or final Regulations, (iii) any ruling by the Internal Revenue Service or (iv) any judicial decision that in any such case, in the opinion of counsel, would result in the taxation of the Company for federal income tax purposes as a corporation or would otherwise subject the Company to being taxed as an entity for federal income tax purposes, this Agreement shall be deemed to impose such restrictions on the transfer of a Member's Interest as may be required, in the opinion of counsel to the Company, to prevent the Company from being taxed as a corporation or otherwise being taxed as an entity for federal income tax purposes, and the Members thereafter shall amend this Agreement as necessary or appropriate to impose such restrictions.

8.3 Right of First Offer. The Members agree as follows:

(a) Initial Offer to Members. If a Member (the "Selling Member") desires to sell or otherwise transfer all or a portion of its Interest (the "Marketed Interest") other than pursuant to an Internal Transfer, such Selling Member shall submit to each of the other Members (the "Non-Selling Members") a good faith offer (a "Sale Offer"), which Sale Offer shall include a form of acquisition agreement that specifies the form and amount of consideration to be received and the other material terms on which the Selling Member proposes to sell the Marketed Interest. Upon receipt of a Sale Offer, a Non-Selling Member interested in purchasing all of such Marketed Interest shall deliver written notice (a "Purchase Notice") to the Selling Member within 20 days of receipt of such

Sale Offer (the "Notice Period"). Upon the expiration of such Notice Period, the Selling Member and any Non-Selling Members that have timely delivered a Purchase Notice to the Selling Member shall have 45 days (the "Negotiation Period") to negotiate and enter into a definitive agreement pursuant to which such Non-Selling Member(s) will acquire the Marketed Interest. If the parties enter into a definitive agreement within such Negotiation Period, the Non-Selling Member shall acquire the Marketed Interest pursuant to the terms of such definitive agreement. The closing under any such definitive agreement may occur after the expiration of such Negotiation Period. If more than one Non-Selling Member delivers a Purchase Notice to the Selling Member, each such Non-Selling Member shall be entitled to acquire a pro rata portion of the Marketed Interest determined by dividing such Non-Selling Member's Percentage Interest by the aggregate Percentage Interests of all of the Non-Selling Members that delivered a Purchase Notice.

(b) Negotiation with Third Party. If (i) no Non-Selling Member delivers a Purchase Notice to the Selling Member prior to the expiration of the Notice Period, (ii) the Non-Selling Member(s) and the Selling Member are unable to enter into a definitive agreement prior to the expiration of the Negotiation Period, or (iii) a definitive agreement is timely entered into but is subsequently terminated prior to closing, then the Selling Member shall have 120 days to market, offer, negotiate and consummate the sale of the Marketed Interest to a third party; *provided*, *however*, the Selling Member may not consummate any such sale to a third party unless (i) the acquisition consideration to be paid by such third party is at least equal in value to the consideration set forth in the Sale Offer and (ii) the other terms and provisions of such sale are not materially more favorable to such third party than the terms and provisions contained in the Sale Offer. If the Selling Member is unable to consummate the sale of the Marketed Interest to a third party within in the 120-day period referred to in the immediately preceding sentence, such Selling Member must make another Sale Offer to each of the Non-Selling Members, as provided in Section 8.3(a), and otherwise comply with the provisions of this Section 8.3 in order to sell such Marketed Interest.

(c) Applicability of Transfer Restrictions. All transfers pursuant to this Section 8.3 must comply with the restrictions on transfers set forth in Sections 8.1 and 8.2, except that a transfer to a third party after compliance with this Section 8.3 shall not require the consent of the Non-Selling Members and the restriction in Section 8.1(b)(i) shall not apply.

8.4 Substituted Members. As of the effectiveness of any transfer of an Interest permitted under this Agreement, (i) any transferee acquiring the Interest of a Member shall be deemed admitted as a substituted Member with respect to the Interest transferred, and (ii) such substituted Member shall be entitled to the rights and powers and subject to the restrictions and liabilities of the transferring Member with respect to the Interest so acquired. No purported transfer of an Interest in violation of the terms of this Agreement (including any transfer occurring by operation of Law) shall vest the

purported transferee with any rights, powers or privileges hereunder, and no such purported transferee shall be deemed a Member hereunder for any purposes or have any right to vote or consent with respect to Company matters, to inspect Company records, to maintain derivative proceedings, to maintain any action for an accounting or to exercise any other rights of a Member hereunder or under the Delaware Act.

8.5 Documentation; Validity of Transfer. No purported transfer of a Member's Interest shall be effective as to the Company or the other Members unless and until the applicable provisions of Sections 8.1, 8.2 and 8.3 have been satisfied and such other Members have received a document in a form acceptable to such other Members executed by both the transferring Member (or its legal representative) and the transferee. Such document shall include: (i) the notice address of the transferee and such transferee's express agreement to be bound by all the terms and conditions of this Agreement with respect to the Interest being transferred; (ii) the Interests of the transferring Member and the transferee after the transfer; and (iii) representations and warranties from both the transferring Member and the transferee that the transfer was made in accordance with all applicable Laws (including state and federal securities Laws) and the terms and conditions of this Agreement. Each transfer shall be effective against the Company and the other Members as of the first Business Day of the calendar month immediately succeeding the Company's receipt of the document required by this Section 8.5, and the applicable requirements of Section 8.1, 8.2 and 8.3 have been met.

8.6 Covenant Not to Withdraw or Dissolve.

(a) Notwithstanding any provision of the Delaware Act, each Member hereby agrees that it has entered into this Agreement based on the expectation that all Members will continue as Members and carry out the duties and obligations undertaken by them hereunder. Except as otherwise expressly required or permitted hereby, each Member hereunder covenants and agrees not (i) to take any action to file a certificate of dissolution or its equivalent with respect to itself, (ii) take any action that would cause a Bankruptcy of such Member, (iii) withdraw or attempt to withdraw from the Company, expect as otherwise expressly permitted by this Agreement or the Delaware Act, (iv) exercise any power under the Delaware Act to dissolve the Company, (v) transfer all or any portion of its Interest, except as expressly provided herein, or (vi) demand a return of such Member's contributions or profits (or a bond or other security for the return of such contribution or profits), in each case without the consent of the other Members.

(b) Prior to any Member causing or permitting an interest in itself to be transferred such that, after the transfer, the Company would be considered to have terminated within the meaning of section 708 of the Code "Section 708 Termination", the transferring Member or its designee must provide written notice and offer to pay to each other Member prior to the transfer in cash the amount (the "Make-Whole Amount") necessary to hold that other Member harmless against any deferral of state or federal income tax depreciation or other increase in

liability for such tax (including any change in the present value of such liability) that such Section 708 Termination would cause. Any such payment shall be due and payable immediately upon the consummation of such transfer. For purposes of calculating the Make-Whole Amount, such other Member(s) will be treated as if they are corporations for federal and state income tax purposes. In the case of any transfer to which this Section 8.6(b) applies, the Make-Whole Amount for each Member entitled to be paid that amount will be computed on a net present value basis using: (i) the Agreed Rate in effect on the date of payment and (ii) the highest marginal applicable state and federal corporate income tax rates for the year of payment. Using those same highest marginal rates, the amount that is determined pursuant to the preceding sentence will be grossed up such that the increased amount reduced by the state and federal income tax that are deemed paid by reason of the receipt thereof is equal to the amount that is determined pursuant to the preceding sentence. If the applicable state income tax is deductible for federal income tax purposes, effect will be given to that deduction in calculating the Make-Whole Amounts.

ARTICLE 9
DEFAULT

9.1 Events of Default. If any of the following events occur:

(a) the Bankruptcy, insolvency, dissolution, liquidation, death, retirement, resignation, termination, expulsion of a Member or the occurrence of any other event under the Delaware Act which terminates the continued membership of a Member in the Company;

(b) all or any part of the Interest of Member is seized by a creditor of such Member, and the same is not released from seizure or bonded out within 30 days from the date of the notice of seizure;

(c) a Member (i) fails to provide any Capital Contribution request by a Member pursuant to Section 5.4(c) or as otherwise required by Article 3, (ii) fails to indemnify or reimburse the other Members for the liabilities and obligations as set forth in this Agreement, or (iii) fails to perform or fulfill when due any other material financial or monetary obligation imposed on such Member in this Agreement and, in each case, such failure continues for 15 days or such shorter period as may be specified for a Default under such agreement relating to borrowed money (each of the foregoing, a "Monetary Default");

(d) a Member Defaults or otherwise fails to perform or fulfill any material covenant, provision or obligation (other than financial or monetary obligations, which are covered in Section 9.1(c)) under this Agreement or any agreement relating to borrowed money to which the Company is a party and such failure continues for 30 days or such shorter period as may be specified for a Default under such agreement relating to borrowed money; or

(e) a Member transfers or attempts to transfer all or any portion of its Interest in the Company other than in accordance with the terms of this Agreement;

then a "Default" hereunder shall be deemed to have occurred. The Member with respect to which one or more events of Default has occurred shall be referred to as the "Defaulting Member", and the other Member shall be referred to as the "Nondefaulting Member."

9.2 Consequence of a Default. The Members agree that upon the occurrence of a Default, the rights of the Nondefaulting Member and Defaulting Member shall be as follows:

(a) Suspension of Certain Rights Upon Monetary Default. Notwithstanding anything in this Agreement to the contrary, no distribution shall be made to any Defaulting Member who is in Monetary Default, and the voting rights under this Agreement of any Defaulting Member who is in Monetary Default shall be transferred to the Nondefaulting Member. So long as any Monetary Default is continuing, the Defaulting Member assigns to the Nondefaulting Member (i) its rights to receive any and all distributions under this Agreement, and such distributions shall be payable to the Nondefaulting Member as reimbursements for losses, damages, costs and expense resulting directly or indirectly from such Monetary Default and (ii) its voting rights under this Agreement. If the Defaulting Member shall dispute whether an event of Default has occurred, or the amount of the loss, damage, cost or expense incurred by the Nondefaulting Member as a consequence of a Monetary Default, the matter shall be submitted promptly to the dispute resolution procedure provided for in Section 12.11 hereof.

(b) Options of Nondefaulting Member Upon Any Event of Default. The Nondefaulting Member may, but is not obligated to, take one or more of the following actions upon the occurrence of a Default:

(i) cure the Default (including, if applicable, by making a cover payment) and cause the cost of such cure to be charged against a special loan account established for the Defaulting Member until the entire amount of such costs plus interest on the unpaid balance in accordance with Section 3.2 shall have been paid or reimbursed to the Nondefaulting Member from any subsequent distributions made pursuant to this Agreement to which the Defaulting Member would otherwise have been entitled, which amounts shall be paid first as interest and then principal, until the cost is paid in full; or

(ii) exercise any other rights and remedies available at law or in equity, subject to Section 12.11.

ARTICLE 10
DISSOLUTION AND LIQUIDATION

10.1 Dissolution. The Company shall be dissolved upon the earliest to occur of the following:

(a) all or substantially all of the Company's assets and properties have been sold and reduced to cash;

(b) the written consent of each Member; or

(c) entry of a decree of judicial dissolution of the Company under Section 18-802 of the Delaware Act.

The Members expressly recognize the right of the Company to continue in existence upon the occurrence of a Default specified in Section 9.1(a) unless the Nondefaulting Members elect to dissolve the Company pursuant to this Section 10.1.

10.2 Liquidation. The Members agree as follows:

(a) Procedures. Upon dissolution of the Company, the Management Committee, or if there are no remaining Management Committee representatives, such Person as is designated by the Members (the remaining Management Committee or such Person being herein refereed to as the "Liquidator") shall proceed to wind up the business and affairs of the Company in accordance with the terms hereof and the requirements of the Delaware Act. A reasonable amount of time shall be allowed for the period of winding up in light of prevailing market conditions and so as to avoid undue loss in connection with any sale of Company assets. This Agreement shall remain in full force and effect during the period of winding up.

(b) Distributions. In connection with the winding up of the Company, the Company Assets or proceeds thereof shall be distributed as follows:

(i) To creditors, including Members who are creditors, to the extent otherwise permitted by Law, in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for the payment thereof) other than liabilities for which reasonable provision for payment has been make and liabilities to Members and former Members under sections 18-601 and 18-604 of the Delaware Act;

(ii) To Members and former Members in satisfaction of liabilities for distributions under sections 18-601 and 18-604 of the Delaware Act; and

(iii) all remaining Company Assets shall be distributed to the Members as follows:

(A) the Liquidator may sell any or all Company Assets to any Person, including to one or more Members (other than any Member in Default at the time of dissolution), and any resulting gain or loss from each sale shall be computed and allocated to the Capital Accounts of the Members in accordance with Article 4;

(B) with respect to all Company Assets that have not been sold, the fair market value of such Company Assets (as determined by the Liquidator using any method of valuation as it, using its best judgment, deems reasonable) shall be determined and the Capital Accounts of the Members shall be adjusted in accordance with Article 4 to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in such Company Assets that have not been reflected in the Capital Accounts previously would be allocated between the Members if there were a taxable disposition of such Company Assets for their fair market value on the date of distribution;

(C) Company Assets shall be distributed between the Members ratably in proportion to each Member's positive Capital Account balances, as determined after taking into account all Capital Account adjustments for the taxable year of the Company during which the liquidation of the Company occurs (other than those made by reason of this clause (C)); and in each case, those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation); and

(D) All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses and liabilities shall be allocated to the distributee pursuant to this Section 10.2(b)(iii). This distribution of Company Assets to a Member in accordance with the provisions of this Section 10.2(b)(iii) constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Interest in and to all the Company Assets.

(c) Capital Account Deficits; Termination. To the extent that any Member has a deficit in its Capital Account, upon dissolution of the Company, such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute any amounts to the Company to bring the balance of such Member's Capital Account to zero. Following the completion of the winding up of the affairs of the Company and the distribution of Company Assets, the Company shall be deemed terminated and the Liquidator shall file a certificate of

cancellation in the Office of the Secretary of State of Delaware as required by the Delaware Act.

ARTICLE 11
FINANCIAL MATTERS

11.1 Books and Records. The Company shall maintain or cause to be maintained accurate and complete books and records, on the accrual basis, in accordance with GAAP (which, having been adopted, shall not be changed without the prior written consent of the Members), showing all costs, expenditures, sales, receipts, assets, liabilities, profits and losses and all other records necessary, convenient or incidental to recording the Company's business and affairs; *provided, however*, that the Member's Capital Accounts shall be maintained in accordance with Article 3, and the books and records will include sufficient information to identify capital expenditures split between growth and maintenance capital (maintenance capital defined as cash expenditures which add to or improve capital assets owned or acquired or construct new capital assets if such expenditures are made to maintain, including over the long term, the operating capacity or revenues). All of such books and records of the Company shall be open to inspection by each Member or its designated representative at the inspecting Member's expense at a reasonable time during business hours and shall be audited every year by a joint audit team consisting of representatives from each Member. Each Member shall be responsible for all costs incurred by or associated with its respective representatives on such joint audit team.

11.2 Financial Reports; Budget.

(a) No later than 25 days following the last day of each month, the Company shall cause each Member to be furnished with an unaudited balance sheet and income statement as of the end of such month, prepared in accordance with normal month-end closing procedures. No later than 25 days following the last day of each calendar quarter, the Company shall cause each Member to be furnished with a balance sheet, an income statement and a statement of cash flows for, or as of the end of such calendar quarter. The Management Committee shall cause each Member to be furnished with audited financial statements no later than 60 days following the last day of each fiscal year, including a balance sheet, an income statement, a statement of cash flows, and a statement of changes in each Member's GAAP Capital Account as of the end of the immediately preceding Fiscal Year. The Management Committee also may cause to be prepared or delivered such other reports as it may deem in its sole judgment, appropriate. The Company shall bear the costs of the preparation of the reports and financial statements referred to in this Section 11.2(a).

(b) Upon request of a Member, the Company will prepare and deliver to any such Member or its Parent all of such additional financial statements, notes thereto and additional financial information not prepared pursuant to Section 11.2(a) above as may be required in order for such Member or Parent to comply

with its reporting requirements under (i) the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, (ii) the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder and (iii) any national securities exchange or automated quotation system, in each case, on a timely basis. All of such financial statements must be prepared in accordance with GAAP and, upon the request of a Member, be audited or reviewed by independent public accountants. The requesting Member shall bear the incremental costs of the preparation of the reports and financial statements for and by the independent public accountants.

(c) Prior to the beginning of each fiscal year, the Company shall prepare and submit to the Management Committee for approval by unanimous vote a business plan for the upcoming fiscal year, including capital and operating expense budgets and operating income projections; *provided*, that the unanimous vote of the Management Committee shall not be required for the Company with respect to items not covered by such business plan unless otherwise required by Schedule 5.4.

11.3 Accounts. The Company shall establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company's name with such financial institutions and firms as the Management Committee may determine. The Company may not commingle the Company's funds with the funds of any other Person. All such accounts shall be and remain the property of the Company and all funds received, held and disbursed for the purposes specified in this Agreement.

11.4 Tax Matters. The Members agree as follows:

(a) Tax Matters Partner. The Midstream Member shall be designated as the "Tax Matters Partner" pursuant to section 6231(a)(7) of the Code and the Regulations promulgated thereunder. The Tax Matters Partner shall be responsible for all tax compliance and audit functions related to federal, state and local tax returns of the Company. The Tax Matters Partner is specifically directed and authorized to take whatever steps such Member, in its discretion, deems necessary or desirable to perfect such designation, including filing any forms or documents with the Internal Revenue Service and taking such other action as may be from time to time required. The Tax Matters Partner shall not be liable to the Company or the Members for act or omission taken or suffered by it in its capacity as Tax Matters Partner in good faith in the belief that such act or omission is in accordance with the directions of the Management Committee; provided that such act or omission is not in willful violation of this Agreement and does not constitute fraud or a willful violation of law.

(b) Tax Information. Upon written request of the Tax Matters Partner, the Company and each Member shall furnish to the Tax Matters Partner, all pertinent information in its possession relating to the Company operations that is

necessary to enable the Tax Matters Partner to file all federal, state and local tax returns of the Company in a manner to meet all applicable tax filing deadlines.

(c) Tax Elections. The Company shall make the following elections on the appropriate tax returns:

(i) to adopt the accrual method of accounting;

(ii) an election pursuant to section 754 of the Code; and

(iii) any other election that a Majority may deem appropriate.

It is the expressed intention of the Members hereunder to be treated as a partnership for federal and state tax purposes. Neither the Company nor any Member may make an election for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of the subtitle A of the Code or any similar provisions of applicable state law, and no provision of this Agreement shall be construed to sanction or approve such an election.

(d) Notices. The Tax Matters Partner shall take such action as may be necessary to cause each Member to become a “notice partner” within the meaning of section 6223 of the Code and shall inform each Member of all significant matters that may come to its attention in its capacity as Tax Matters Partner by giving notice thereof on or before the tenth Business Day after becoming aware thereof and, within that time, shall forward to each Member copies of all significant written communications it may receive in that capacity. The Tax Matters Partner may not take any action contemplated by sections 6222 and 6232 of the Code without the consent of a Majority.

(e) Filing of Returns. The Tax Matters Partner shall file all tax returns in a timely manner, provide all Members, upon request, access to accounting and tax information and schedules as shall be necessary for the preparation of such Member of its income tax returns and such Member’s tax information reporting requirements, provide all Members with a draft of the return for their review and comment and provide all Members with a final return for the preparation for their federal and state returns in a manner to meet all applicable tax filing deadlines.

ARTICLE 12
MISCELLANEOUS

12.1 Notices. All notices, consents, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or delivered on the date of receipt if (a) delivered personally; (b) telecopied or telexed with transmission confirmation; (c) mailed by registered or certified mail return receipt request; or (d) delivered by a recognized commercial courier to the Member as

follows (or such other address as any Member shall have last designated by written notice to the other Members):

If to the Company, notices shall be made to Midstream Member so long as it remains the Operator (and then to the successor Operator):

DCP East Texas Holdings, LLC
370 17th Street, Suite 2500
Denver, Colorado 80202
Fax: 303-605-2226
Phone: 303-595-1630
Attention: Group Vice President and General Counsel

If to the Midstream Member:

DCP East Texas Holdings, LLC
370 17th Street, Suite 2500
Denver, Colorado 80202
Fax: 303-605-2226
Phone: 303-595-1630
Attention: Group Vice President and General Counsel

If to the MLP Member:

DCP Midstream Partners, LP
370 17th Street, Suite 2775
Denver, Colorado 80202
Telephone: (303) 633-2900
Facsimile: (303) 633-2921
Attention: President; and with a copy to General Counsel

12.2 Amendment. This Agreement, including this Section 12.2 and the Schedules hereto, shall not be amended or modified except by an instrument in writing signed by or on behalf of all of the Members.

12.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the Laws of the State of Delaware as applied to contracts made and performed within the State of Delaware, without regard to principles of conflict of Laws.

12.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Members and their respective successors and permitted assigns.

12.5 No Third Party Rights. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person or entity not party to this Agreement, except (i) the Company Indemnitees and Member Indemnitees are third

party beneficiaries to Article 6 of this Agreement and their rights are subject to the terms of such Article 6 and (ii) as provided in Section 11.2(b).

12.6 Counterparts. This Agreement may be executed 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.

12.7 Invalidity. If any of the provisions of this Agreement, including the Schedules, is held invalid or unenforceable, such invalidity or unenforceability shall not affect in any way the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable, the Members shall attempt to agree on a valid or enforceable provision which shall be a reasonable substitute for such invalid or unenforceable provision in light of the tenor of this Agreement and, on so agreeing, shall incorporate such substitute provision in this Agreement.

12.8 Entire Agreement. This Agreement, including the Schedules, contains the entire agreement between the Members hereto with respect to the subject matter hereof and all prior or contemporaneous understandings and agreements shall merge herein. There are no additional terms, whether consistent or inconsistent, oral or written, which are intended to be part of the Members' understandings which have not been incorporated into this Agreement or the Schedules.

12.9 Expenses. Except as the Members may otherwise agree or as otherwise provided herein, each Member shall bear its respective fees, costs and expenses in connection with this Agreement and the transactions contemplated hereby.

12.10 Waiver. No waiver by any Member, whether express or implied, of any right under any provision of this Agreement shall constitute a waiver of such Member's right at any other time or a waiver of such Member's rights under any other provision of this Agreement unless it is made in writing and signed by the President or a Vice President of the Member waiving the condition. No failure by any Member hereto to take any action with respect to any breach of this Agreement or Default by another Member shall constitute a waiver for the former Member's right to enforce any provision of this Agreement or to take action with respect to such breach or Default or any subsequent breach or Default by such later Member.

12.11 Dispute Resolution and Arbitration.

(a) Negotiation. In the event of any Arbitral Dispute, the Members shall promptly seek to resolve any such Arbitral Dispute by negotiations between senior executives of the Members who have authority to settle the Arbitral Dispute. When a Member believes there is an Arbitral Dispute under this Agreement that Member will give the other Member written notice of the Arbitral Dispute. Within 15 days after receipt of such notice, the receiving Member shall submit a written response. Both the notice and response shall include (i) a statement of each Member'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 Member. If the Arbitral Dispute involves a claim arising out of the actions of any Person not a Member or an Affiliate, or an employee or agent of a Member or an Affiliate for purposes of this Agreement, the receiving Member shall have such additional time as necessary, not to exceed an additional 30 days, to investigate the Arbitral Dispute before submitting a written response. The executives shall meet at a mutually acceptable time and place within 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 executives shall be given at least 5 Business Days' notice of such intention and may also be accompanied by an attorney.

(b) Failure to Resolve. If the Arbitral Dispute has not been resolved within 60 days after the date of the response given pursuant to Section 12.11(a) above, or such additional time, if any, that the Members mutually agree to in writing, or if a Member receiving such notice denies the applicability of the provisions of Section 12.11(a) or otherwise refuses to participate under the provisions of Section 12.11(a), either Member may initiate binding arbitration pursuant to the provisions of Section 12.11(c) below.

(c) 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 12.11(c) and the Arbitration Rules or the Federal Arbitration Act, the terms of this Section 12.11(c) will control the rights and obligations of the Members.

(ii) Arbitration shall be initiated by a Member serving written notice, via certified mail, on the other Member that the first Member elects to refer the Arbitral Dispute to binding arbitration before a neutral panel of 3 arbitrators having expertise in the matters in controversy, along with a statement of the matter in controversy. Within 15 days after receipt of such demand for arbitration, the receiving Member shall submit its response to the other Member along with a statement of any further matters in controversy. The Members will then have 15 days to submit responses concerning any additional matters in controversy identified by the receiving Member. If the Members are not able to agree on three arbitrators within 30 days of such 15 day period, either Member may request the Chief U.S. District Court Judge for the District of Colorado, or such other person designated by such judge, to select one or more arbitrators as soon as possible. If the Judge declines to appoint an arbitrator, appointment shall be made, upon application of either Member, 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 through the foregoing procedures.

(iii) The Members each agree to submit to the arbitrators its respective desired outcome and request for award, together with any supporting data that was used in developing its outcome and request, no later than 30 days following the selection of the arbitrators. The arbitrators shall be required to select one Member's desired outcome and requested award and the arbitrators shall have no right or authority to alter the desired outcome and requested award selected.

(iv) The hearing will be conducted in Denver, Colorado, no later than 30 days after the Members have submitted their desired outcomes and requests for award to the arbitrators. At the hearing the Members shall present such evidence and witnesses as they may choose, with or without counsel. The Members and the arbitrators should proceed diligently and in good faith in order that the award may be made as promptly as possible.

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

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

(vii) Pre-hearing discovery shall be limited to a reasonable exchange of documents between the Members, within the maximum number of documents specified by the arbitrators, and shall not include depositions of any Person nor the use of subpoenas to compel testimony. The arbitrators may take a Member's cooperation or lack of cooperation in furnishing information to the arbitrators and the other Member into account in reaching their decision. Except as provided within this subsection, 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.

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

(ix) The Members hereby request that the arbitrators render their decision within 15 days following conclusion of the hearing.

(x) The defenses of statute of limitations and laches shall be tolled from and after the date a Member gives the other Member written notice of an Arbitral Dispute as provided in Section 12.11(a) above until such time as the Arbitral Dispute has been resolved pursuant to Section 12.11(a), or an arbitration award has been entered pursuant to this Section 12.11(c).

(d) Recovery of Costs and Attorneys' Fees. If arbitration arising out of this Agreement is initiated by either Member, the decision of the arbitrators may include the award of court costs, fees and expenses of such arbitration (including reasonable attorneys' fees).

(e) Choice of Forum. If, despite the Members' 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 Members hereby consent to the jurisdiction of, the federal or state courts situated in the City and County of Denver, State of Colorado.

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

(g) Settlement Proceedings. All aspects of any settlement proceedings, including discovery, testimony and other evidence, negotiations and communications pursuant to this Section 12.11, briefs and the award shall be held confidential by each Member and the arbitrators, and shall be treated as compromise and settlement negotiations for the purposes of the Federal and State Rules of Evidence.

12.12 Disclosure. Each Member is acquiring its Interest in the Company based upon its own independent investigation, and the exercise by such Member of its rights and the performance of its obligations under this Agreement are based upon its own investigation, analysis and expertise. Each Member's acquisition of its Interest in the Company is being made for its own account for investment, and not with a view to the sale or distribution thereof.

12.13 Brokers and Finder. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any Person acting on behalf of any Member in such manner as to give rise to any valid claim against any Member for any brokerage or finder's commission, fee or similar compensation.

12.14 Further Assurances. The Members shall provide to each other such information with respect to the transactions contemplated hereby as may be reasonably requested and shall execute and deliver to each other such further documents and take such further action as may be reasonably contemplated herein.

12.15 Section Headings. The section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the interpretation of any provision hereof.

12.16 Waiver of Certain Damages. Each of the Members (individually, and on behalf of the Company) waives any right to recover any damages, including

consequential or punitive damages, in excess of actual damages from any other Member or the Company in connection with a default under this Agreement.

12.17 Certificates of Interest. Upon the request of either Member, the Interests of the Members in the Company shall be represented by Certificates ("Certificates"), which shall certify the Percentage Interest held by such Member. Subject to the laws of Delaware and the terms of this Agreement, Interests in the Company shall be transferable only upon the books of the Company by the holders thereof, upon surrender and cancellation of certificates for such Interest transferred, with a duly execute assignment and power of transfer endorsed thereon or attached thereto, and with such proof of the authenticity of the signature to such assignment and power of transfer as the Company or its agents may reasonably require. All transfers and assignments shall be subject to the provisions of Article 8 and the other provisions of this Agreement. The Company may issue a new certificate in place of any certificate previously issued by it and alleged to have been lost, stolen or destroyed.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement to be effective as of the date first written herein.

DCP MIDSTREAM, LLC

By: /s/ Brian S. Frederick
Name: Brian S. Frederick
Title: Vice President, Planning and Corporate Development

DCP ASSETS HOLDING, LP

By: /s/ Greg K. Smith
Name: Greg K. Smith
Title: Vice President, Business Development and Director

SCHEDULE 3.1
to that
AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF DCP EAST TEXAS HOLDINGS, LLC
DATED JULY 1, 2007
BETWEEN
DCP MIDSTREAM, LLC
AND
DCP ASSETS HOLDING, LP

Member	Percentage Interest
DCP Midstream, LLC	75%
DCP Assets Holding, LP	25%

SCHEDULE 5.4
to that
AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF DCP EAST TEXAS HOLDINGS, LLC
DATED JULY 1, 2007
BETWEEN
DCP MIDSTREAM, LLC
AND
DCP ASSETS HOLDING, LP

Pursuant to Section 5.4(b), the following is a list of matters requiring unanimous vote of the Management Committee for approval:

1. The sale, assignment, transfer, lease or other disposition of all or any portion of the Company Assets for consideration in excess of $20,000,000 in the aggregate.

2. The purchase or other acquisition of any asset or business of, any equity interest in, or any investment in, any Person for consideration in excess of $20,000,000 in the aggregate.

3. The Company canceling, compromising, waiving, releasing or settling of any right, claim or lawsuit for an amount in excess of $20,000,000.

4. The undertaking by the Company of any capital project in excess of $20,000,000, other than (a) reasonable capital expenditures in connection with any emergency or force majeure events or (b) as contemplated by the capital budget prepared and approved in accordance with the provisions of Section 11.2.

5. The issuance, incurrence, guarantee or assumption of any indebtedness or letter of credit by the Company except guaranties and letters of credit of ordinary course of business contracts, and indebtedness and letters of credit necessary for the day-to-day operation, maintenance and repair of the Company Assets.

6. The issuance or sale of any equity interest of the Company or any option, warrant or other security convertible into or exercisable for any equity interests of the Company.

7. The redemption, repurchase or other acquisition of any equity interest of the Company.

8. The Company making any distributions (whether in cash or otherwise) with respect to the Membership Interests (except as provided in Section 4.3).

9. The Company entering into, amending, terminated, canceling or renewing any material contracts outside the ordinary course of business.

10. The Company engaging in any transaction with an Affiliate of the Company; *provided*, that the foregoing shall not apply to transactions or contracts in effect on the date of this Agreement, or ordinary course of business transactions on commercially reasonable terms for the provision of natural gas or natural gas liquids gathering, processing, treating, compressing, storing, transporting, terminaling, trading or marketing services or for the purchase of power, natural gas or natural gas liquids for fuel or system requirements.

11. The Company merging or consolidating with another Person.

12. The Company making any loan to any Person (other than extensions of credit to customers in the ordinary course of business and inter-company loans under DCP Midstream, LLC's cash management system).

13. A call for capital contributions by the Members, except as provided in Section 5.4(c) of the Agreement.

14. Any amendment to this Agreement or the Certificate of Formation of the Company.

15. Any liquidation, dissolution, recapitalization or other winding up of the Company.

16. The Company making any material change in any method of accounting or accounting principles, practices or policies, other than those required by GAAP or applicable law.

17. The Company making, amending or revoking any material election with respect to taxes.

18. Acquiring, commencing or conducting any activity or business that may generate income for federal income tax purposes that may not be "qualifying income" (as such term is defined pursuant to section 7704 of the Code.)

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the registration statement on Form S-3 (No. 333-142278) and related Prospectus of DCP Midstream Partners, LP, and Form S-8 (No. 333-142271) of DCP Midstream Partners, LP of our report dated March 5, 2007, with respect to the consolidated financial statements of Discovery Producer Services LLC, included in the Current Report (Form 8-K) dated July 2, 2007, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Tulsa, Oklahoma

June 29, 2007

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement No. 333-142278 on Form S-3 and Registration Statement No. 333-142271 on Form S-8 of DCP Midstream Partners, LP of our report dated June 29, 2007, (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the preparation of the combined financial statements of the East Texas Midstream Business from the separate records maintained by DCP Midstream, LLC) relating to the combined financial statements of the East Texas Midstream Business as of December 31, 2006 and 2005 and for the three years in the period ended December 31, 2006 appearing in this Current Report on Form 8-K under the Securities and Exchange Act of 1934.

/s/ Deloitte & Touche LLP

Denver, Colorado
June 29, 2007

Exhibit 99.2

July 2, 2007

MEDIA AND INVESTOR RELATIONS CONTACT:	Karen L. Taylor
Phone:	303/633-2913
24-Hour:	303/809-9160

DCP MIDSTREAM PARTNERS COMPLETES $270 MILLION ACQUISITION FROM GENERAL PARTNER

DENVER — DCP Midstream Partners, LP (NYSE: DPM), or the Partnership, has completed its previously announced acquisition of partial ownership interests in DCP East Texas Holdings, LLC and Discovery Producer Services LLC from DCP Midstream, LLC, the owner of the Partnership's general partner, for consideration of $270 million prior to customary purchase price adjustments. The acquisition was effective July 1, 2007 and will be immediately accretive to the Partnership's unitholders on a per-unit basis. The Partnership will finance the transaction with a combination of debt and equity.

The transaction includes a 25 percent non-operated ownership interest in DCP East Texas Holdings, LLC (East Texas). East Texas is an integrated gas gathering and processing complex located primarily in Panola County, Texas, and is comprised of the following assets:

- a natural gas processing complex with total processing capacity of 780 million cubic feet per day (MMcf/d);
- approximately 900 miles of gas gathering pipelines with over 1,500 receipt points and over 25,000 horsepower of compression; and
- the Carthage Hub, with an aggregate delivery capacity of 1.5 billion cubic feet per day, which delivers residue gas to multiple interstate and intrastate pipelines.

East Texas will continue to be operated by DCP Midstream, LLC.

The transaction also includes DCP Midstream, LLC's 40 percent non-operated ownership interest in Discovery Producer Services LLC (Discovery Partnership). The Discovery Partnership, operated by the Williams Companies (NYSE: WMB), offers a full

range of wellhead to market services to both onshore and offshore natural gas producers. The assets are primarily located in the eastern Gulf of Mexico and Lafourche Parish, La., and consist of the following:

- 270 miles of deepwater Gulf of Mexico gathering and FERC-regulated transmission pipelines;
- the 600 MMcf/d LaRose gas processing plant; and
- the 32,000 barrel per day Paradis fractionator.

“We are excited about the continued growth of the Partnership and the opportunities that we believe will accompany the Partnership’s increasing operating footprint,” said Mark Borer, president and CEO of the Partnership. “We’ve closed strategic acquisitions valued in excess of $500 million within the last eight months. We continue to execute on all aspects of our Optimize-Build-Acquire growth strategy.”

DCP Midstream Partners, LP (NYSE: DPM) is a midstream master limited partnership that gathers, processes, transports and markets natural gas and natural gas liquids and is a leading wholesale distributor of propane. DCP Midstream Partners, LP is managed by its general partner, DCP Midstream GP, LLC, which is wholly owned by DCP Midstream, LLC, a joint venture between Spectra Energy and ConocoPhillips. For more information, visit the DCP Midstream Partners, LP Web site at http://www.dcppartners.com.

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 our 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. Among the key risk factors that may have a direct bearing on the Partnership's results of operations and financial condition are:

- *the level and success of natural gas drilling around our assets and our ability to connect supplies to our gathering and processing systems in light of competition;*
- *our ability to grow through acquisitions, asset contributions from our parents, or organic growth projects, and the successful integration and future performance of such assets;*
- *our ability to access the debt and equity markets;*
- *fluctuations in oil, natural gas, propane and other NGL prices;*
- *our ability to purchase propane from our principal suppliers for our wholesale propane logistics business; and*
- *the credit worthiness of counterparties to our transactions.*

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 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.

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Exhibit 99.3

DISCOVERY PRODUCER SERVICES LLC

CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2007 AND DECEMBER 31, 2006 AND 2005 AND

FOR THE PERIODS ENDED MARCH 31, 2007 AND 2006 AND DECEMBER 31, 2006, 2005 AND 2004

Report of Independent Auditors

To the Management Committee of
Discovery Producer Services LLC

We have audited the accompanying consolidated balance sheets of Discovery Producer Services LLC as of December 31, 2006 and 2005, and the related consolidated statements of income, members' capital, and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Discovery Producer Services LLC at December 31, 2006 and 2005, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Tulsa, Oklahoma
March 5, 2007

DISCOVERY PRODUCER SERVICES LLC

CONSOLIDATED BALANCE SHEETS

	March 31, 2007 (Unaudited)	December 31, 2006	December 31, 2005
	(In thousands)		
ASSETS			
Current assets:			
Cash and cash equivalents	$ 30,934	$ 37,583	$ 21,378
Trade accounts receivable:			
Affiliate	12,102	11,986	31,448
Other	8,353	6,838	13,975
Insurance receivable	13,161	12,623	476
Inventory	445	576	924
Other current assets	2,633	4,235	2,324
Total current assets	67,628	73,841	70,525
Restricted cash	19,865	28,773	44,559
Property, plant, and equipment, net	375,970	355,304	344,743
Total assets	$ 463,463	$ 457,918	$ 459,827
LIABILITIES AND MEMBERS' CAPITAL			
Current liabilities:			
Accounts payable:			
Affiliate	$ 4,574	$ 7,017	$ 12,970
Other	30,170	23,618	23,160
Accrued liabilities	5,913	5,119	6,205
Other current liabilities	5,415	4,805	2,735
Total current liabilities	46,072	40,559	45,070
Noncurrent accrued liabilities	3,810	3,728	1,121
Commitments and contingent liabilites (Note 7)			
Members' capital	413,581	413,631	413,636
Total liabilities and members' capital	$ 463,463	$ 457,918	$ 459,827

See accompanying notes to consolidated financial statements.

DISCOVERY PRODUCER SERVICES LLC

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March31,		(In thousands) Years Ended December 31,		
	2007	2006	2006	2005	2004
	(Unaudited)				
Revenues:					
Product sales:					
Affiliate	$ 43,466	$ 44,259	$ 148,385	$ 70,848	$ 57,838
Third-party	—	—	—	4,271	1,611
Gas and condensate transportation services:					
Affiliate	173	2,641	3,835	2,104	3,966
Third-party	3,568	3,303	14,668	13,302	12,052
Gathering and processing services:					
Affiliate	894	5,886	8,605	3,912	6,962
Third-party	4,124	5,258	19,473	25,806	14,168
Other revenues	256	773	2,347	2,502	3,279
Total revenues	52,481	62,120	197,313	122,745	99,876
Costs and expenses:					
Product cost and shrink replacement:					
Affiliate	21,290	31,871	66,890	19,103	423
Third-party	12,228	9,679	52,662	45,364	44,932
Operating and maintenance expenses:					
Affiliate	1,321	1,110	5,276	3,739	3,098
Third-party	5,094	3,712	17,773	6,426	14,756
Depreciation and accretion	6,483	6,379	25,562	24,794	22,795
Taxes other than income	316	287	1,114	1,151	1,382
General and administrative expenses — affiliate	544	690	2,150	2,053	1,424
Other (income) expense, net	(1)	(7)	283	(33)	(54)
Total costs and expenses	47,275	53,721	171,710	102,597	88,756
Operating income	5,206	8,399	25,603	20,148	11,120
Interest income	(661)	(626)	(2,404)	(1,685)	(550)
Foreign exchange (gain) loss	(216)	(427)	(2,076)	1,005	—
Gain on the sale of property, plant, and equipment	(468)	—	—	—	—
Income before cumulative effect of change in accounting principle	6,551	9,452	30,083	20,828	11,670
Cumulative effect of change in accounting principle	—	—	—	(176)	—
Net income	$ 6,551	$ 9,452	$ 30,083	$ 20,652	$ 11,670

See accompanying notes to consolidated financial statements.

DISCOVERY PRODUCER SERVICES LLC

CONSOLIDATED STATEMENT OF MEMBERS' CAPITAL

	Williams Energy, L.L.C.	Williams Partners Operating L.L.C.	DCP Midstream, LLC	Eni BB Pipelines LLC	Total
			(In thousands)		
Balance at December 31, 2003	$ 189,987	$ —	$ 126,650	$ 63,338	$ 379,975
Net income	5,835	—	3,890	1,945	11,670
Balance at December 31, 2004	195,822	—	130,540	65,283	391,645
Contributions	16,269	24,400	7,634	—	48,303
Distributions	(30,030)	(1,280)	(15,654)	—	(46,964)
Net income	8,063	4,651	6,909	1,029	20,652
Sale of Eni's 16.67% interest to Williams Energy, L.L.C.	66,312	—	—	(66,312)	—
Sale of Williams Energy, L.L.C.'s 40% interest to Williams Partners Operating L.L.C.	(142,761)	142,761	—	—	—
Sale of Williams Energy, L.L.C.'s 6.67% interest to DCP Midstream, LLC	(25,869)	—	25,869	—	—
Balance, December 31, 2005	87,806	170,532	155,298	—	413,636
Contributions	800	1,600	11,109	—	13,509
Distributions	(10,798)	(16,400)	(16,400)	—	(43,598)
Net income	6,017	12,033	12,033	—	30,083
Balance at December 31, 2006	83,825	167,765	162,040	—	413,630
Contributions (unaudited)	—	—	2,400	—	2,400
Distributions (unaudited)	(1,800)	(3,600)	(3,600)	—	(9,000)
Net income (unaudited)	1,311	2,620	2,620	—	6,551
Balance at March 31, 2007 (unaudited)	$ 83,336	$ 166,785	$ 163,460	$ —	$ 413,581

See accompanying notes to consolidated financial statements.

DISCOVERY PRODUCER SERVICES LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2007 (Unaudited)	Three Months Ended March 31, 2006 (Unaudited)	Years Ended December 31, 2006	Years Ended December 31, 2005	Years Ended December 31, 2004
	(In thousands)				
OPERATING ACTIVITIES:					
Net income	$ 6,551	$ 9,452	$ 30,083	$ 20,652	$ 11,670
Cumulative effect of change in accounting principle	—	—	—	176	—
Adjustments to reconcile to cash provided by operations:					
Depreciation and accretion	6,483	6,379	25,562	24,794	22,795
Gain on the sale of property, plant and equipment	(468)	—	—	—	—
Cash provided (used) by changes in assets and liabilities:					
Trade accounts receivable	(1,631)	23,590	26,599	(35,263)	(1,658)
Insurance receivable	(538)	(3,389)	(12,147)	(476)	—
Inventory	131	57	348	(84)	(240)
Other current assets	1,602	475	(1,911)	(1,012)	(1)
Accounts payable	(12,533)	(19,153)	(6,062)	29,355	1,256
Accrued liabilities	794	521	(1,086)	(7,992)	2,469
Other current liabilities	610	583	2,070	664	(668)
Net cash provided by operating activities	1,001	18,515	63,456	30,814	35,623
INVESTING ACTIVITIES:					
Decrease (increase) in restricted cash	8,908	2,700	15,786	(44,559)	—
Property, plant, and equipment:					
Capital expenditures	(27,351)	(2,546)	(33,516)	(12,906)	(46,701)
Proceeds from sale of property, plant and equipment	751	—	—	—	—
Change in accounts payable — capital expenditures	16,642	454	568	(8,532)	7,586
Net cash provided (used) by investing activities	(1,050)	608	(17,162)	(65,997)	(39,115)
FINANCING ACTIVITIES:					
Distributions to members	(9,000)	(13,598)	(43,598)	(46,964)	—
Capital contributions	2,400	7,383	13,509	48,303	—
Net cash provided (used) by financing activities	(6,600)	(6,215)	(30,089)	1,339	—
Increase (decrease) in cash and cash equivalents	(6,649)	12,908	16,205	(33,844)	(3,492)
Cash and cash equivalents at beginning of period	37,583	21,378	21,378	55,222	58,714
Cash and cash equivalents at end of period	$ 30,934	$ 34,286	$ 37,583	$ 21,378	$ 55,222

See accompanying notes to consolidated financial statements.

DISCOVERY PRODUCER SERVICES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Information as of March 31, 2007 and for the three months ended March 31, 2007 and 2006 is unaudited

Note 1. Organization and Description of Business

Our company consists of Discovery Producer Services LLC ("DPS"), a Delaware limited liability company formed on June 24, 1996, and its wholly owned subsidiary, Discovery Gas Transmission LLC ("DGT"), a Delaware limited liability company formed on June 24, 1996. DPS was formed for the purpose of constructing and operating a 600 million cubic feet per day ("MMcf/d") cryogenic natural gas processing plant near Larose, Louisiana and a 32,000 barrel per day ("bpd") natural gas liquids fractionator plant near Paradis, Louisiana. DGT was formed for the purpose of constructing and operating a natural gas pipeline from offshore deep water in the Gulf of Mexico to DPS's gas processing plant in Larose, Louisiana. The pipeline has a design capacity of 600 MMcf/d and consists of approximately 173 miles of pipe. DPS has since connected several laterals to the DGT pipeline to expand its presence in the Gulf. Herein, DPS and DGT are collectively referred to in the first person as "we," "us" or "our" and sometimes as "the Company".

Until April 14, 2005, we were owned 50% by Williams Energy, L.L.C. (a wholly owned subsidiary of The Williams Companies, Inc.), 33.33% by DCP Midstream, LLC ("DCP Midstream"), formerly Duke Energy Field Services, LLC and 16.67% by Eni BB Pipeline, LLC ("Eni"). Williams Energy, L.L.C is our operator. Herein, The Williams Companies, Inc. and its subsidiaries are collectively referred to as "Williams."

On April 14, 2005, Williams acquired the 16.67% ownership interest in us, which was previously held by Eni. As a result, we became 66.67% owned by Williams and 33.33% owned by DCP Midstream.

On August 22, 2005, we distributed cash of $44 million to the members based on 66.67% ownership by Williams and 33.33% ownership by DCP Midstream.

On August 23, 2005, Williams Partners Operating LLC (a wholly owned subsidiary of Williams Partners L.P.) ("WPZ") acquired a 40% interest in us, which was previously held by Williams. As a result, we became 40% owned by WPZ, 26.67% owned by Williams and 33.33% owned by DCP Midstream. In connection with this acquisition, Williams, DCP Midstream and WPZ amended our limited liability company agreement including provisions for (1) quarterly distributions of available cash, as defined in the amended agreement and (2) pursuit of capital projects for the benefit of one or more of our members when there is not unanimous consent.

On December 22, 2005, DCP Midstream acquired 6.67% interest in us, which was previously held by Williams. As a result, we became 40% owned by WPZ, 20% owned by Williams and 40% owned by DCP Midstream.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation. The consolidated financial statements have been prepared based upon accounting principles generally accepted in the United States and include the accounts of DPS and its wholly owned subsidiary, DGT. Intercompany accounts and transactions have been eliminated. The accompanying unaudited interim consolidated financial statements include all normal recurring adjustments that, in the opinion of management, are necessary to present fairly our financial position at March 31, 2007, and the results of operations and cash flows for the three months ended March 31, 2006 and 2007.

Reclassifications. Certain prior years amounts have been reclassified to conform with the current year presentation. Certain revenues, expenses, and liabilities for the year ended December 31, 2006 have been reclassified as affiliate transactions due to the affiliate relationship with DCP Midstream. Capitalized labor and projects fees for 2006 were also reclassified. See Note 3.

Use of Estimates. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Estimates and assumptions used in the calculation of asset retirement obligations are, in the opinion of management, significant to the underlying amounts included in the consolidated financial statements. It is reasonably possible that future events or information could change those estimates.

Cash and Cash Equivalents. Cash and cash equivalents include demand and time deposits, certificates of deposit and other marketable securities with maturities of three months or less when acquired.

Trade Accounts Receivable. Trade accounts receivable are carried on a gross basis, with no discounting, less an allowance for doubtful accounts. No allowance for doubtful accounts is recognized at the time the revenue that generates the accounts receivable is recognized. We estimate the allowance for doubtful accounts based on existing economic conditions, the financial condition of the customers, and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for doubtful accounts only after all collection attempts have been exhausted. There was no allowance for doubtful accounts at December 31, 2006 and 2005.

Note 2. Summary of Significant Accounting Policies (continued)

Insurance Receivable. Expenditures incurred for the repair of the pipeline and onshore facilities damaged by Hurricane Katrina in 2005, which are probable of recovery when incurred, are recorded as insurance receivable. Expenditures up to the insurance deductible and amounts subsequently determined not to be recoverable are expensed.

Gas Imbalances. In the course of providing transportation services to customers, DGT may receive different quantities of gas from shippers than the quantities delivered on behalf of those shippers. This results in gas transportation imbalance receivables and payables which are recovered or repaid in cash, based on market-based prices, or through the receipt or delivery of gas in the future. Imbalance receivables and payables are included in Other current assets and Other current liabilities in the Consolidated Balance Sheets. Settlement of imbalances requires agreement between the pipelines and shippers as to allocations of volumes to specific transportation contracts and the timing of delivery of gas based on operational conditions. In accordance with its tariff, DGT is required to account for this imbalance (cash-out) liability/receivable and refund or invoice the excess or deficiency when the cumulative amount exceeds $400,000. To the extent that this difference, at any year end, is less than $400,000, such amount would carry forward and be included in the cumulative computation of the difference evaluated at the following year end.

Inventory. Inventory includes fractionated products at our Paradis facility and is carried at the lower of cost or market.

Restricted Cash. Restricted cash within non-current assets relates to escrow funds contributed by our members for the construction of the Tahiti pipeline lateral expansion. The restricted cash is classified as non-current because the funds will be used to construct a long-term asset. The restricted cash is primarily invested in short-term money market accounts with financials institutions.

Property, Plant, and Equipment. Property, plant, and equipment are carried at cost. We base the carrying value of these assets on estimates, assumptions and judgments relative to capitalized costs, useful lives and salvage values. The natural gas and natural gas liquids maintained in the pipeline facilities necessary for their operation (line fill) are included in property, plant, and equipment.

Depreciation of DPS's facilities and equipment is computed primarily using the straight-line method with 25-year lives. Depreciation of DGT's facilities and equipment is computed using the straight-line method with 15-year lives.

We record an asset and a liability equal to the present value of each expected future asset retirement obligation ("ARO"). The ARO asset is depreciated in a manner consistent with the depreciation of the underlying physical asset. We measure changes in the liability due to passage of time by applying an interest method of allocation. This amount is recognized as an increase in the carrying amount of the liability and as a corresponding accretion expense included in operating income.

Revenue Recognition. Revenue for sales of products are recognized in the period of delivery and revenues from the gathering, transportation and processing of gas are recognized in the period the service is provided based on contractual terms and the related natural gas and liquid volumes. DGT is subject to Federal Energy Regulatory Commission ("FERC") regulations, and accordingly, certain revenues collected may be subject to possible refunds upon final orders in pending cases. DGT records rate refund liabilities considering regulatory proceedings by DGT and other third parties, advice of counsel, and estimated total exposure as discounted and risk weighted, as well as collection and other risks. There was no rate refund liabilities accrued at December 31, 2006 or 2005.

Impairment of Long-Lived Assets. We evaluate long-lived assets for impairment on an individual asset or asset group basis when events or changes in circumstances indicates that, in our management's judgment, the carrying value of such assets may not be recoverable. When such a determination has been made, we compare our management's estimate of undiscounted future cash flows attributable to the assets to the carrying value of the assets to determine whether impairment has occurred. If an impairment of the carrying value has occurred, we determine the amount of the impairment recognized in the financial statements by estimating the fair value of the assets and recording a loss for the amount that the carrying value exceeds the estimated fair value.

Accounting for Repair and Maintenance Costs. We expense the cost of maintenance and repairs as incurred. Expenditures that enhance the functionality or extend the useful lives of the assets are capitalized and depreciated over the remaining useful life of the asset.

Note 2. Summary of Significant Accounting Policies (continued)

Income Taxes. For federal tax purposes, we have elected to be treated as a partnership with each member being separately taxed on its ratable share of our taxable income. This election, to be treated as a pass-through entity, also applies to our wholly owned subsidiary, DGT. Therefore, no income taxes or deferred income taxes are reflected in the consolidated financial statements.

Foreign Currency Transactions. Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains or losses which are reflected in the Consolidated Statements of Income.

Recent Accounting Standards. In January 2006, Williams adopted Statement of Financial Accounting Standard (“SFAS”) No. 123, “Share-Based Payment.” Accordingly payroll costs directly charged to us by Williams and general and administrative costs allocated to us by Williams (see Note 3) include such compensation costs beginning January 1, 2006. The cost is charged to us through specific allocations of certain employees if they directly support our operations. Our adoption of this Statement did not have a material impact on our Consolidated Financial Statements.

In January 2006, we adopted SFAS No. 151, “Inventory Costs, an Amendment of ARB No. 43, Chapter 4.” The Statement amends Accounting Research Bulletin (“ARB”) No. 43, Chapter 4, “Inventory Pricing,” to clarify that abnormal amounts of certain costs should be recognized as current period charges and that the allocation of overhead costs should be based on the normal capacity of the production facility. Our adoption of this Statement did not have a material impact on our Consolidated Financial Statements.

In January 2006, we adopted SFAS No. 153, “Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29.” The Statement amends APB Opinion No. 29, “Accounting for Nonmonetary Transactions.” The guidance in APB Opinion No. 29 is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged but includes certain exceptions to that principle. SFAS No. 153 amends APB Opinion No. 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The impact of this Statement on our Financial Statements was not material.

In September 2006, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 157, “Fair Value Measurements.” This Statement establishes a framework for fair value measurements in the financial statements by providing a single definition of fair value, provides guidance on the methods used to estimate fair value and increases disclosures about estimates of fair value. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 and is generally applied prospectively. We will assess the impact of this Statement on our Consolidated Financial Statements.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115”. SFAS No. 159 establishes a fair value option permitting entities to elect the option to measure eligible financial instruments and certain other items at fair value on specified election dates. Unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. The fair value option may be applied on an instrument-by-instrument basis, with a few exceptions, is irrevocable and is applied only to entire instruments and not to portions of instruments. SFAS No. 159 is effective as of the beginning of the first fiscal year beginning after November 15, 2007 and should not be applied retrospectively to fiscal years beginning prior to the effective date, except as permitted for early adoption. We will not adopt SFAS No. 159 prior to January 1, 2008. On the adoption date, an entity may elect the fair value option for eligible items existing at that date and the adjustment for the initial remeasurement of those items to fair value should be reported as a cumulative effect adjustment to the opening balance of retained earnings. We continue to assess whether to apply the provisions of SFAS No. 159 to eligible financial instruments in place on the adoption date and the related impact on our Consolidated Financial Statements.

Note 3. Related Party Transactions

We have no employees. Pipeline and plant operations are performed under operation and maintenance agreements with Williams. Under these agreements, we reimburse Williams for direct payroll and employee benefit costs incurred on our behalf. Most costs for materials, services and other charges are third-party charges and are invoiced directly to us. Additionally, we purchase a portion of the natural gas from Williams to meet our fuel and shrink requirements at our processing plant. These purchases are made at market rates at the time of purchase. These costs are included in Operating and maintenance expenses — affiliate and Product costs and shrink replacement — affiliate on the Consolidated Statements of Income. Also included in our Operating and maintenance expenses — affiliate is rental expense resulting from a 10 year leasing agreement for pipeline capacity from Texas Eastern Transmission, LP (DCP Midstream’s affiliate), as part of our Market Expansion project which began in June 2005.

Note 3. Related Party Transactions (continued)

We pay Williams a monthly operation and management fee to cover the cost of accounting services, computer systems and management services provided to us. This fee is presented as General and administrative expenses—affiliate on the Consolidated Statements of Income.

We also pay Williams a project management fee to cover the cost of managing capital projects. This fee is determined on a project by project basis and is capitalized as part of the construction costs. A summary of the payroll costs and project fees charged to us by Williams and capitalized are as follows:

	For the Three Months Ended March 31, 2007	2006	Years Ended December 31, 2006	2005	2004
			(In thousands)		
Capitalized labor	$ 60	$ 103	$ 373	$ 115	$ 288
Capitalized project fee	609	—	538	351	854
	$ 669	$ 103	$ 911	$ 466	$ 1,142

We have various business transactions with our members and other subsidiaries and affiliates of our members. We sell the NGLs to which we take title and excess gas to Williams. Revenues associated with these activities are reflected as Product sales — affiliate on the Consolidated Statements of Income. These transactions are conducted at current market prices for the products. In 2006, we had transactions with DCP Midstream's affiliate, Texas Eastern Corporation. During 2005, we had transactions with DCP Midstream's affiliates, Texas Eastern Corporation and ConocoPhillips Company. These transactions primarily included processing and sales of natural gas liquids and transportation of gas and condensate. We have business transactions with Eni that primarily include processing and transportation of gas and condensate. The following table summarizes these related-party revenues during 2006, 2005 and 2004.

	Years Ended December 31, 2006	2005	2004
		(In thousands)	
Williams	$ 148,543	$ 70,848	$ 57,838
Texas Eastern Corporation	12,282	2,663	—
Eni*	—	2,830	10,928
ConocoPhillips	—	523	—
Total	$ 160,825	$ 76,864	$ 68,766

* Through April 14, 2005

Note 4. Property, Plant, and Equipment

Property, plant, and equipment consisted of the following at December 31, 2006 and 2005:

	Years Ended December 31, 2006	2005
	(In thousands)	
Property, plant, and equipment:		
Construction work in progress	$ 37,259	$ 5,444
Buildings	4,434	4,406
Land and land rights	2,491	1,530
Transportation lines	303,283	302,252
Plant and other equipment	200,990	198,837
Total property, plant, and equipment	548,457	512,469
Less accumulated depreciation	193,153	167,726
Net property, plant, and equipment	$ 355,304	$ 344,743

Note 4. Property, Plant, and Equipment (continued)

Commitments for construction and acquisition of property, plant, and equipment for the Tahiti pipeline lateral expansion are approximately $33.3 million at December 31, 2006.

Effective December 31, 2005, we adopted Financial Accounting Standards Board Interpretation (“FIN”) No. 47, “Accounting for Conditional Asset Retirement Obligations.” This Interpretation clarifies that an entity is required to recognize a liability for the fair value of a conditional ARO when incurred if the liability’s fair value can be reasonably estimated. The Interpretation clarifies when an entity would have sufficient information to reasonably estimate the fair value of an ARO. As required by the new standard, we reassessed the estimated remaining life of all our assets with a conditional ARO. We recorded additional liabilities totaling $327,000 equal to the present value of expected future asset retirement obligations at December 31, 2005. The liabilities are slightly offset by a $151,000 increase in property, plant, and equipment, net of accumulated depreciation, recorded as if the provisions of the Interpretation had been in effect at the date the obligation was incurred. The net $176,000 reduction to earnings is reflected as a cumulative effect of a change in accounting principle for the year ended 2005. If the Interpretation had been in effect at the beginning of 2004, the impact to our income from continuing operations and net income would have been immaterial.

Our obligations relate to an offshore platform and our onshore processing and fractionation facilities. At the end of the useful life of each respective asset, we are legally or contractually obligated to dismantle the offshore platform, remove the onshore facilities and related surface equipment and restore the surface of the property.

A rollforward of our asset retirement obligation for 2006 and 2005 is presented below.

	Years Ended December 31, 2006	2005
	(In thousands)	
Balance at January 1	$ 1,121	$ 702
Accretion expense	135	92
Estimate revisions	2,472	—
FIN No. 47 revisions	—	327
Balance at December 31	$ 3,728	$ 1,121

Note 5. Leasing Activities

We lease the land on which the Paradis fractionator plant and the Larose processing plant are located. The initial terms of the leases are 20 years with renewal options for an additional 30 years. We entered into a ten-year leasing agreement for pipeline capacity from Texas Eastern Transmission, LP, as part of our Market Expansion project which began in June 2005 (see Note 7). The lease includes renewal options and options to increase capacity which would also increase rentals. The future minimum annual rentals under these non-cancelable leases as of December 31, 2006 are payable as follows:

	(In thousands)
2007	$ 854
2008	858
2009	858
2010	858
2011	858
Thereafter	3,252
	$ 7,538

Total rent expense for 2006, 2005 and 2004, including a cancelable platform space lease and month-to-month leases, was $1,383,261, $1,059,909 and $866,000, respectively.

Note 6. Financial Instruments and Concentrations of Credit Risk

Financial Instruments Fair Value

We used the following methods and assumptions to estimate the fair value of financial instruments:

Cash and cash equivalents. The carrying amounts reported in the consolidated balance sheets approximate fair value due to the short-term maturity of these instruments.

Restricted cash. The carrying amounts reported in the consolidated balance sheets approximate fair value as these instruments have interest rates approximating market.

Concentrations of Credit Risk

Our cash equivalents and restricted cash consist of high-quality securities placed with various major financial institutions with credit ratings at or above AA by Standard & Poor's or Aa by Moody's Investor's Service.

	2006		2005	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands)			
Cash and cash equivalents	$ 37,583	$ 37,583	$ 21,378	$ 21,378
Restricted cash	28,773	28,773	44,559	44,559

At December 31, 2006 and 2005, substantially all of our customer accounts receivable result from gas transmission services for and natural gas liquids sales to our two largest customers. This concentration of customers may impact our overall credit risk either positively or negatively, in that these entities may be similarly affected by industry-wide changes in economic or other conditions. As a general policy, collateral is not required for receivables, but customers' financial condition and credit worthiness are evaluated regularly. Our credit policy and the relatively short duration of receivables mitigate the risk of uncollected receivables. We did not incur any credit losses on receivables during 2006 and 2005.

Major Customers. Williams and Eni accounted for approximately $57.8 million (58%) and $10.9 million (11%), respectively, of our total revenues in 2004, and $70.8 million (58%) and $8.5 million (7%), respectively, of our total revenues in 2005. Williams and Texas Eastern Corporation accounted for approximately $149 million (75%) and $12.2 million (6%), respectively, of our total revenues in 2006.

Note 7. Rate and Regulatory Matters and Contingent Liabilities

Rate and Regulatory Matters. Annually, DGT files a request with the FERC for a lost-and-unaccounted-for gas percentage to be allocated to shippers for the upcoming fiscal year beginning July 1. On June 1, 2006, DGT filed to maintain a lost-and-unaccounted-for percentage of zero percent for the period July 1, 2006 to June 30, 2007 and to retain the 2005 net system gains of $1.2 million that are unrelated to the lost-and-unaccounted-for gas over recovered from its shippers. By Order dated June 29, 2006 the filing was approved. As of March 31, 2007 (unaudited), December 31, 2006 and 2005, DGT has deferred amounts of $5.4 million, $4.6 million and $6 million, respectively, included in current accrued liabilities in the accompanying Consolidated Balance Sheets representing amounts collected from customers pursuant to prior years' lost and unaccounted for gas percentage and unrecognized net system gains.

On November 25, 2003, the FERC issued Order No. 2004 promulgating new standards of conduct applicable to natural gas pipelines. On August 10, 2004, the FERC granted DGT a partial exemption allowing the continuation of DGT's current ownership structure and management subject to compliance with many of the other standards of conduct. On November 17, 2006, the United States Court of Appeals for the District of Columbia Circuit vacated and remanded Order No. 2004 as applied to interstate natural gas pipelines and their affiliates. On January 9, 2007, the FERC issued an interim rule. The Interim Rule re-promulgates, on an interim basis, the standards of conduct that were not challenged before the Court. The Interim Rule applies to

Note 7. Rate and Regulatory Matters and Contingent Liabilities (continued)

the relationship between interstate natural gas pipelines and their marketing and brokering affiliates, but not necessarily to their other affiliates, such as gatherers, processors or exploration and production companies. On March 21, 2007 the FERC issued an Order on Clarification and Rehearing of the Interim Rule. The FERC clarified that the interim standards of conduct only apply to natural gas transmission providers that are affiliated with a marketing or brokering entity that conducts transportation transactions on such natural gas transmission provider's pipeline. Currently DGT's marketing or brokering affiliates do no conduct transmission transactions on DGT. On January 18, 2007, the FERC issued a Notice of Proposed Rulemaking to propose permanent regulations regarding the standards of conduct. Comments were due April 4, 2007. The FERC may enact a final rule at any time. At this stage, it cannot be determined how a final rule may or may not affect Discovery.

On July 20, 2006, DGT and DPS filed applications for Certificates of Public Convenience and Necessity for DPS to provide to DGT the use of capacity on a DPS gathering line which would be subject to a Limited Jurisdiction Certificate. The capacity would be provided to DGT under a capacity lease and would allow DGT to effectuate transportation of gas received from Texas Eastern Transmission, LP for delivery to DPS' Larose processing plant. DPS' request for a Limited Jurisdiction Certificate would permit DGT's use of DPS' non-jurisdictional gathering line for DGT's jurisdictional transportation without having DPS' gathering and processing facilities and operations becoming subject to the full panoply of the Natural Gas Act. On November 26, 2006, the Commission issued an order granting the requested Certificates. The order was limited to interruptible service. On December 14, 2006, DGT and DPS filed a request for an amendment to the Certificates to permit DGT to offer firm service on the leased capacity. The Commission approved the request by order issued on March 23, 2007.

Pogo Producing Company. On January 16, 2006, DPS and DGT received notice of a claim by POGO Producing Company ("POGO") relating to the results of a POGO audit performed first in April 2004 and then continued through August 2005. POGO claimed that DPS and DGT overcharged POGO and its working interest owners approximately $600,000 relating to condensate transportation and handling during 2000 — 2005. The underlying agreements limit audit claims to a two-year period from the date of the audit. DPS and DGT disputed the validity of the claim.

Environmental Matters. We are subject to extensive federal, state, and local environmental laws and regulations which affect our operations related to the construction and operation of our facilities. Appropriate governmental authorities may enforce these laws and regulations with a variety of civil and criminal enforcement measures, including monetary penalties, assessment and remediation requirements and injunctions as to future compliance. We have not been notified and are not currently aware of any noncompliance under the various environmental laws and regulations.

Other. We are party to various other claims, legal actions and complaints arising in the ordinary course of business. Litigation, arbitration and environmental matters are subject to inherent uncertainties. Were an unfavorable ruling to occur, there exists the possibility of a material adverse impact on the results of operations in the period in which the ruling occurs. Management, including internal counsel, 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 upon our future financial position.

Note 8. Subsequent Events (unaudited)

On January 10, 2007, we made a cash call to DCP Midstream for $2.4 million for the first quarter 2007 estimated expenditures on the Tahiti pipeline lateral expansion project.

On January 30, 2007, we made quarterly cash distributions totaling $9 million to our members.

On April 10, 2007, we made a cash call to DCP Midstream for $1.52 million for the second quarter 2007 estimated expenditures on the Tahiti pipeline lateral expansion project.

On April 30, 2007, we made quarterly cash distributions totaling $16 million to our members.

On June 20, 2007, Williams Partners Operating LLC, the operating subsidiary of Williams Partners L.P., entered into a Purchase and Sale Agreement with Williams Energy, L.L.C. and Williams Energy Services, pursuant to which the seller parties agreed to sell a 20% limited liability company interest in DPS to Williams Partners Operating LLC.

On July 1, 2007, DCP Midstream, LLC and affiliates contributed its entire 40% limited liability company interest in DPS to DCP Midstream Partners, LP.

Exhibit 99.4

THE EAST TEXAS MIDSTREAM BUSINESS

COMBINED FINANCIAL STATEMENTS

AS OF MARCH 31, 2007 AND DECEMBER 31, 2006 AND 2005 AND

FOR THE PERIODS ENDED MARCH 31, 2007 AND 2006 AND DECEMBER 31, 2006, 2005 AND 2004

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
DCP Midstream, LLC
Denver, Colorado

We have audited the accompanying combined balance sheets of the East Texas Midstream Business (the "Business"), which consist of assets which are under common ownership and common management, as of December 31, 2006 and 2005, and the related combined statements of operations, changes in net parent equity, and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the Business' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the combined financial position of the Business at December 31, 2006 and 2005, and the combined results of its operations and its combined cash flows for each of the three years in the period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

The accompanying combined financial statements have been prepared from the separate records maintained by DCP Midstream, LLC and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Business had been operated as an unaffiliated entity. Portions of certain expenses represent allocations made from, and are applicable to, DCP Midstream, LLC as a whole.

/s/ Deloitte & Touche LLP

Denver, Colorado
June 29, 2007

THE EAST TEXAS MIDSTREAM BUSINESS
COMBINED BALANCE SHEETS
($ in millions)

	March 31, 2007 (unaudited)	December 31, 2006	December 31, 2005
ASSETS			
Current assets:			
Accounts receivable:			
Trade, net of allowance for doubtful accounts of $0.2 million (unaudited), $0.2 million and $0.1 million, respectively	$ 14.9	$ 30.1	$ 22.5
Affiliates	0.2	0.1	2.5
Other	0.7	0.8	6.2
Other	0.1	0.1	0.1
Total current assets	15.9	31.1	31.3
Property, plant and equipment, net	230.0	227.5	227.2
Other non-current assets	—	—	0.1
Total assets	$ 245.9	$ 258.6	$ 258.6
LIABILITIES AND NET PARENT EQUITY			
Current liabilities:			
Accounts payable:			
Trade	$ 33.6	$ 44.4	$ 51.9
Affiliates	0.2	0.6	5.4
Other	2.3	2.6	2.9
Other	4.8	5.8	3.7
Total current liabilities	40.9	53.4	63.9
Deferred income taxes	1.8	1.8	—
Other long-term liabilities	0.5	0.5	0.7
Total liabilities	43.2	55.7	64.6
Commitments and contingent liabilities			
Net parent equity	202.7	202.9	194.0
Total liabilities and net parent equity	$ 245.9	$ 258.6	$ 258.6

See accompanying notes to combined financial statements.

THE EAST TEXAS MIDSTREAM BUSINESS
COMBINED STATEMENTS OF OPERATIONS
($ in millions)

	Three Months Ended March 31,		Year Ended December 31,		
	2007	2006	2006	2005	2004
	(unaudited)				
Operating revenues:					
Sales of natural gas, NGLs and condensate	$ 13.9	$ 57.8	$ 177.7	$ 164.7	$ 64.7
Sales of natural gas, NGLs and condensate to affiliates	75.5	78.4	286.6	365.6	308.1
Transportation and processing services	4.8	4.6	21.9	17.1	13.4
Transportation and processing services to affiliates	0.1	0.1	0.3	0.3	0.3
(Losses) gains from non-trading derivative activity — affiliates	0.1	0.1	(1.1)	(1.7)	(0.1)
Total operating revenues	94.4	141.0	485.4	546.0	386.4
Operating costs and expenses:					
Purchases of natural gas and NGLs	71.6	111.9	376.0	418.8	306.7
Purchases of natural gas and NGLs from affiliates	0.6	4.4	9.3	25.3	3.6
Operating and maintenance expense	7.4	5.8	25.2	20.2	16.3
Depreciation expense	3.7	3.5	14.6	14.0	14.4
General and administrative expense	—	—	0.2	0.1	0.3
General and administrative expense — affiliate	2.8	2.4	11.3	9.8	8.1
Total operating costs and expenses	86.1	128.0	436.6	488.2	349.4
Operating income	8.3	13.0	48.8	57.8	37.0
Income tax expense	—	—	1.8	—	—
Net income	$ 8.3	$ 13.0	$ 47.0	$ 57.8	$ 37.0

See accompanying notes to combined financial statements.

THE EAST TEXAS MIDSTREAM BUSINESS
COMBINED STATEMENTS OF CHANGES IN NET PARENT EQUITY
($ in millions)

Balance, January 1, 2004	$ 236.5
Net change in parent advances	(53.5)
Net income	37.0
Balance, December 31, 2004	220.0
Net change in parent advances	(83.8)
Net income	57.8
Balance, December 31, 2005	194.0
Net change in parent advances	(38.1)
Net income	47.0
Balance, December 31, 2006	202.9
Net change in parent advances (unaudited)	(8.5)
Net income (unaudited)	8.3
Balance, March 31, 2007 (unaudited)	$ 202.7

See accompanying notes to combined financial statements.

THE EAST TEXAS MIDSTREAM BUSINESS
COMBINED STATEMENTS OF CASH FLOWS
($ in millions)

	Three Months Ended March 31,		Year Ended December 31,		
	2007	2006	2006	2005	2004
	(unaudited)				
OPERATING ACTIVITIES:					
Net income	$ 8.3	$ 13.0	$ 47.0	$ 57.8	$ 37.0
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation expense	3.7	3.5	14.6	14.0	14.4
Deferred income taxes	—	—	1.8	—	—
Other, net	—	—	0.1	0.1	—
Change in operating assets and liabilities which provided (used) cash:					
Accounts receivable	15.2	3.2	0.3	(16.9)	2.0
Accounts payable	(11.6)	(21.0)	(12.6)	33.1	1.8
Other current assets and liabilities	0.2	(0.7)	(1.0)	1.8	—
Other non-current assets and liabilities	—	—	(0.2)	(0.1)	(0.2)
Net cash provided by (used in) operating activities	15.8	(2.0)	50.0	89.8	55.0
INVESTING ACTIVITIES:					
Capital expenditures	(7.3)	(1.5)	(12.0)	(6.1)	(1.5)
Proceeds from sales of assets	—	—	0.1	0.1	—
Net cash used in investing activities	(7.3)	(1.5)	(11.9)	(6.0)	(1.5)
FINANCING ACTIVITIES:					
Net change in parent advances	(8.5)	3.5	(38.1)	(83.8)	(53.5)
Net cash (used in) provided by financing activities	(8.5)	3.5	(38.1)	(83.8)	(53.5)
Net change in cash	—	—	—	—	—
Cash, beginning of period	—	—	—	—	—
Cash, end of period	$ —	$ —	$ —	$ —	$ —

See accompanying notes to combined financial statements.

THE EAST TEXAS MIDSTREAM BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS

1. Description of Business and Basis of Presentation

The East Texas Midstream Business, or the Business, we, our, or us, is engaged in the business of gathering, transporting, treating, compressing, processing, and fractionating natural gas and natural gas liquids, or NGLs. The operations, located near Carthage, Texas, include a natural gas processing complex with a total capacity of 780 million cubic feet per day. The facility is connected to our 845 mile gathering system, as well as third party gathering systems. The complex is adjacent to our Carthage Hub, which delivers residue gas to interstate and intrastate pipelines. The Carthage Hub, with an aggregate delivery capacity of 1.5 billion cubic feet per day, acts as a key exchange point for the purchase and sale of residue gas.

These combined financial statements and related notes present the financial position, results of operations and cash flows, and changes in net parent equity of the Business held by DCP Midstream, LLC and its subsidiaries, or Midstream. Midstream is a joint venture owned 50% by Spectra Energy Corp (which was spun off from Duke Energy Corporation on January 2, 2007) and 50% by ConocoPhillips. Midstream owns a 37% interest, including 100% of the general partner interest, in DCP Midstream Partners, LP, or Partners, prior to this contribution. Midstream will contribute a 25% interest in the Business to Partners, on July 1, 2007. As part of the closing of the contribution, the assets, liabilities and operations of the Business will reside in a new legal entity, DCP East Texas Holdings LLC. Subsequent to the acquisition by Partners, Midstream will direct our business operations. The Business is not expected to have any employees. Midstream and its affiliates' employees will be responsible for conducting our business and operating our assets.

The combined financial statements include the accounts of the Business and have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. All significant intercompany balances and transactions within the Business have been eliminated. The combined financial statements of the Business have been prepared from the separate records maintained by Midstream and may not necessarily be indicative of the conditions that would have existed, or the results of operations, if the Business had been operated as an unaffiliated entity. Because a direct ownership relationship did not exist among all the various assets comprising the Business, Midstream's net investment in the Business is shown as net parent equity, in lieu of owner's equity, in the combined financial statements. Transactions between the Business and other Midstream operations have been identified in the combined financial statements as transactions between affiliates. In the opinion of management, all adjustments have been reflected that are necessary for a fair presentation of the combined financial statements.

The combined statements of operations and cash flows for the three months ended March 31, 2007 and 2006, the combined statement of changes in net parent equity for the three months ended March 31, 2007, and the combined balance sheet as of March 31, 2007, are unaudited. These unaudited interim combined financial statements have been prepared in accordance with GAAP. In the opinion of management, the unaudited interim combined financial statements have been prepared on the same basis as the audited combined financial statements, and include all adjustments necessary to present fairly the financial position, and the results of operations and cash flows, for the respective interim periods. Interim financial results are not necessarily indicative of the results to be expected for an annual period.

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 combined 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.

Fair Value of Financial Instruments — The fair value of accounts receivable and accounts payable are not materially different from their carrying amounts, due to the short-term nature of these instruments. Unrealized gains and losses on non-trading derivative instruments are recorded at fair value.

Gas and NGL Imbalance Accounting — Quantities of natural gas or NGLs over-delivered or under-delivered related to imbalance agreements with customers, producers or pipelines are recorded monthly as other receivables or other payables using current market prices or the weighted-average prices of natural gas or NGLs at the plant or system. These balances are settled with deliveries of natural gas or NGLs, or with cash. Included in the combined balance sheets as accounts receivable — other as of March 31, 2007, and December 31, 2006 and 2005, were imbalances totaling $0.1 million (unaudited), $0.4 million and $2.6 million, respectively. Included in the combined balance sheets as accounts payable — other as of March 31, 2007, and December 31, 2006 and 2005, were imbalances totaling $1.7 million (unaudited), $2.2 million and $1.2 million.

Accounting for Risk Management and Derivative Activities and Financial Instruments — Each derivative not qualifying as a normal purchase or normal sale is recorded on a gross basis in the combined balance sheets at its fair value as unrealized gains or unrealized losses on non-trading derivative instruments — affiliates. Derivative assets and liabilities remain classified in the combined balance sheets as unrealized gains or unrealized losses on non-trading derivative instruments — affiliates at fair value until the contractual delivery period impacts earnings.

Our derivative activity includes normal purchase or normal sale contracts, and non-trading derivative instruments related to commodity prices. Normal purchase and normal sale contracts are accounted for under the accrual method and are reflected in the combined statements of operations in either sales or purchases upon settlement. Other commodity non-trading derivative instruments are accounted for under the mark-to-market method, whereby the change in the fair value of the asset or liability is recognized in the combined statements of operations in (losses) gains from non-trading derivative activity — affiliates during the current period.

Valuation — When available, quoted market prices or prices obtained through external sources are used to determine a contract's fair value. For contracts with a delivery location or duration for which quoted market prices are not available, fair value is determined based on pricing models developed primarily from historical and expected correlations with quoted market prices.

Values are adjusted to reflect the credit risk inherent in the transaction as well as the potential impact of liquidating open positions in an orderly manner over a reasonable time period under current conditions. Changes in market prices and management estimates directly affect the estimated fair value of these contracts. Accordingly, it is reasonably possible that such estimates may change in the near term.

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

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 increases due to the passage of time based on the time value of money until the obligation is settled. We recognize a liability of a conditional asset retirement obligation as soon as the fair value of the liability can be reasonably estimated. A conditional asset retirement obligation is defined as an unconditional legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity.

Impairment of 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 undiscounted sum of 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:

- 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, internally developed discounted cash flow analysis and analysis from outside advisors. 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 gathering, processing, compressing, transporting, and fractionating natural gas and NGLs. We realize revenues either by selling the residue natural gas and NGLs, or by receiving fees from the producers.

We obtain access to raw natural gas and provide our midstream natural gas services principally under contracts that contain a combination of one or more of the following arrangements.

- *Fee-based arrangements* — Under fee-based arrangements, we receive a fee or fees for one or more of the following services: gathering, compressing, treating, processing, or transporting of natural gas. Our fee-based arrangements include natural gas purchase arrangements pursuant to which we purchase raw natural gas at the wellhead, or other receipt points, at an index related price at the delivery point less a specified amount, generally the same as the fees we would otherwise charge for gathering of raw natural gas from the wellhead location to the delivery point. The revenue we earn is directly related to the volume of natural gas that flows through our systems and is not directly dependent on commodity prices. To the extent a sustained decline in commodity prices results in a decline in volumes, however, our revenues from these arrangements would be reduced.
- *Percent-of-proceeds/index arrangements* — Under percentage-of-proceeds/index arrangements, we generally purchase natural gas from producers at the wellhead, or other receipt points, gather the wellhead natural gas through our gathering system, treat and process the natural gas, and then sell the resulting residue natural gas and NGLs based on index prices from published index market prices. We remit to the producers either an agreed-upon percentage of the actual proceeds that we receive from our sales of the residue natural gas and NGLs, or an agreed-upon percentage of the proceeds based on index related prices for the natural gas and the NGLs, regardless of the actual amount of the sales proceeds we receive. Certain of these arrangements may also result in our returning all or a portion of the residue natural gas and/or the NGLs to the producer, in lieu of returning sales proceeds. Our revenues under percent-of-proceeds/index arrangements correlate directly with the price of natural gas and/or NGLs.
- *Keep-whole arrangements* — Under the terms of a keep-whole processing contract, we gather raw natural gas from the producer for processing, market the NGLs and return to the producer residue natural gas with a British thermal unit, or Btu, content equivalent to the Btu content of the raw natural gas gathered. This arrangement keeps the producer whole to the thermal value of the raw natural gas received. Under these types of contracts, we are exposed to the "frac spread." The frac spread is the difference between the value of the NGLs extracted from processing and the value of the Btu equivalent of the residue natural gas. We benefit in periods when NGL prices are higher relative to natural gas prices.

We recognize revenue for sales and services under the four revenue recognition criteria, as follows:

- *Persuasive evidence of an arrangement exists* — Our customary practice is to enter into a written contract, executed by both us and the customer.
- *Delivery* — Delivery is deemed to have occurred at the time custody is transferred, or in the case of fee-based arrangements, when the services are rendered. To the extent we retain product as inventory, delivery occurs when the inventory is subsequently sold and custody is transferred to the third party purchaser.
- *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. For other arrangements, the amount of revenue, based on contractual terms, is determinable when the sale of the applicable product has been completed upon delivery and transfer of custody.
- *Collectability is probable* — 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, cash position 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 recognized when the fee is collected.

We generally report revenues gross in the combined statements of operations, as we typically act as the principal in these transactions, take custody of the product, and incur the risks and rewards of ownership. Effective April 1, 2006, any new or amended contracts for certain sales and purchases of inventory with the same counterparty, when entered into in contemplation of one another, are reported net as one transaction. We recognize revenues for non-trading derivative activity net in the combined statements of operations as (losses) gains from non-trading derivative activity — affiliates, including mark-to-market gains and losses and financial or physical settlement.

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. Environmental liabilities as of March 31, 2007, and December 31, 2006 and 2005, included in the combined balance sheets as other current liabilities, were $0.3 million (unaudited), $0.3 million and $0.1 million, respectively. Environmental liabilities as of December 31, 2005, included in the combined balance sheets as other long-term liabilities, were $0.3 million.

Income Taxes — Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of any tax rate change on deferred taxes is recognized in the period that includes the enactment date of the tax rate change. Realizability of deferred tax assets is assessed and, if necessary, a valuation allowance is recorded to write down the deferred tax assets to their net realizable value. The Business is a member of a consolidated group. We have calculated current and deferred income taxes as if we were a separate taxpayer.

We are treated as a pass-through entity for U.S. federal income tax purposes. As such, we do not directly pay federal income taxes. The Texas legislature replaced their franchise tax with a margin tax system in May 2006. As of 2007, we are subject to the Texas margin tax, which is treated as an income tax. Accordingly, we recorded a deferred tax liability and related expense in 2006, related to the temporary differences that are expected to reverse in periods when the tax will apply.

3. Recent Accounting Pronouncements

Statement of Financial Accounting Standards, or SFAS, No. 159, The Fair Value Option for Financial Assets and Financial Liabilities—including an amendment of FAS 115, or SFAS 159 — In February 2007, the Financial Accounting Standards Board, or FASB, issued SFAS 159, which allows entities to choose, at specified election dates, to measure eligible financial assets and liabilities at fair value that are not otherwise required to be measured at fair value. If a company elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. SFAS 159 also establishes presentation and disclosure requirements designed to draw comparison between entities that elect different measurement attributes for similar assets and liabilities. SFAS 159 is effective for us on January 1, 2008. We have not assessed the impact of SFAS 159 on our combined results of operations, cash flows or financial position.

SFAS No. 157, Fair Value Measurements, or SFAS 157 — In September 2006, the FASB issued SFAS 157, which provides guidance for using fair value to measure assets and liabilities. The standard also responds to investors' requests for more information about: (1) the extent to which companies measure assets and liabilities at fair value; (2) the information used to measure fair value; and (3) the effect that fair value measurements have on earnings. SFAS 157 will apply whenever another standard requires (or permits) assets or liabilities to be measured at fair value. SFAS 157 does not expand the use of fair value to any new circumstances. SFAS 157 is effective for us on January 1, 2008. We have not assessed the impact of SFAS 157 on our combined results of operations, cash flows or financial position.

FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes*—*An Interpretation of FASB Statement 109, or FIN 48 — In July 2006, the FASB issued FIN 48, which clarifies the accounting for uncertainty in income taxes recognized in financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes.* FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The provisions of FIN 48 were effective for us on January 1, 2007, and the adoption of FIN 48 did not have a material impact on our combined results of operations, cash flows or financial position.

EITF Issue No. 04-13, Accounting for Purchases and Sales of Inventory with the Same Counterparty, or EITF 04-13 — In September 2005, the FASB ratified the EITF's consensus on Issue 04-13, which requires an entity to treat sales and purchases of inventory between the entity and the same counterparty as one transaction for purposes of applying APB Opinion No. 29, *Accounting for Nonmonetary Transactions*, or APB 29, when such transactions are entered into in contemplation of each other. When such transactions are legally contingent on each other, they are considered to have been entered into in contemplation of each other. The EITF also agreed on other factors that should be considered in determining whether transactions have been entered into in contemplation of each other. EITF 04-13 is to be applied to new arrangements that we enter into after March 31, 2006. The net impact of the adoption of EITF 04-13 for the year ended December 31, 2006, and the three months ended March 31, 2007, was a reduction of sales and purchases of approximately $44.3 million and $28.6 million (unaudited), respectively.

4. Agreements and Transactions with Affiliates

The employees supporting our operations are employees of Midstream. Costs incurred by Midstream on our behalf for salaries and benefits of operating personnel, as well as capital expenditures, maintenance and repair costs, and taxes have been directly allocated to us. Midstream also provides centralized corporate functions 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, internal audit, taxes and engineering. Midstream records the accrued liabilities and prepaid expenses for most general and administrative expenses in its financial statements, including liabilities related to payroll, short and long-term incentive plans, employee retirement and medical plans, paid time off, audit, tax, insurance and other service fees. Our share of those costs has been allocated based on Midstream's proportionate net investment (consisting of property, plant and equipment, net, equity method investment and intangibles) compared to our net investment. In management's estimation, the allocation methodologies used are reasonable and result in an allocation to us of our costs of doing business borne by Midstream.

We participate in Midstream's cash management program. As a result, we have no cash balances on the combined balance sheets and all of our cash management activity was performed by Midstream on our behalf, including collection of receivables, payment of payables, and the settlement of sales and purchases transactions with Midstream, which were recorded as parent advances and are included in net parent equity on the accompanying combined balance sheets.

We currently, and anticipate to continue to, sell to Midstream, and purchase from and sell to ConocoPhillips, in the ordinary course of business. Midstream was a significant customer during the three months ended March 31, 2007 and 2006 (unaudited), and the years ended December 31, 2006, 2005 and 2004.

Prior to December 31, 2006, we sold to and purchased from Duke Energy Corporation. On January 2, 2007, Duke Energy Corporation spun off their natural gas businesses, including their 50% ownership interest in Midstream, to Duke Energy shareholders. As a result of this transaction, Duke Energy Corporation's 50% ownership interest in Midstream was transferred to Spectra Energy Corp. Consequently, Duke Energy Corporation is not considered a related party for reporting periods after January 2, 2007. We had no significant transactions with Spectra Energy Corp.

The following table summarizes transactions with affiliates ($ in millions):

	Three Months Ended March 31,		Year Ended December 31,		
	2007	2006	2006	2005	2004
	(unaudited)				
DCP Midstream, LLC:					
Sales of natural gas, NGLs and condensate	$74.0	$71.8	$276.3	$355.2	$289.2
General and administrative expense	$ 2.8	$ 2.4	$ 11.3	$ 9.8	$ 8.1
Duke Energy Corporation:					
Sales of natural gas, NGLs and condensate	$ —	$ 6.6	$ 6.6	$ 6.7	$ 12.2
Purchases of natural gas and NGLs	$ —	$ 0.1	$ 0.1	$ 3.8	$ 1.6
ConocoPhillips:					
Sales of natural gas, NGLs and condensate	$ 1.5	$ —	$ 3.7	$ 3.7	$ 6.7
Transportation and processing services	$ 0.1	$ 0.1	$ 0.3	$ 0.3	$ 0.3
Purchases of natural gas and NGLs	$ 0.6	$ 4.3	$ 9.2	$ 21.5	$ 2.0

We had accounts receivable and accounts payable with affiliates as follows ($ in millions):

	March 31, 2007	December 31,	
		2006	2005
	(unaudited)		
Duke Energy Corporation:			
Accounts receivable	$ —	$ —	$2.4
ConocoPhillips:			
Accounts receivable	$0.2	$0.1	$0.1
Accounts payable	$0.2	$0.6	$5.4

5. Property, Plant and Equipment

A summary of property, plant and equipment is as follows ($ in millions):

	Depreciable Life	December 31, 2006	December 31, 2005
Gathering systems	15 — 30 Years	$ 70.0	$ 59.6
Processing plants	25 — 30 Years	218.4	218.1
Transportation	25 — 30 Years	34.3	34.2
General plant	3 — 5 Years	7.2	6.8
Construction work in progress		5.7	2.1
		335.6	320.8
Accumulated depreciation		(108.1)	(93.6)
Property, plant and equipment, net		$ 227.5	$ 227.2

In addition, property, plant and equipment includes $3.1 million, $0.6 million, and $0.1 million of non-cash additions for the years ended December 31, 2006, 2005 and 2004, respectively, and $0 and $0.1 million of non-cash additions for the three months ended March 31, 2007 and 2006, respectively (unaudited).

6. Risk Management and Derivative Activities, Credit Risk and Financial Instruments

We are exposed to market risks, including changes in commodity prices. We may use financial instruments such as forward contracts, swaps and futures to mitigate the effects of the identified risks. In general, we attempt to hedge risks related to the variability of future earnings and cash flows resulting from changes in applicable commodity prices. Midstream has a comprehensive risk management policy, or the Risk Management Policy, and a risk management committee, to monitor and manage market risks associated with commodity prices. Midstream's Risk Management Policy prohibits the use of derivative instruments for speculative purposes.

Commodity Price Risk — Our principal operations of gathering, processing, and transporting natural gas, and the accompanying operations of transporting and sale of NGLs create commodity price risk due to market fluctuations in commodity prices, primarily with respect to the prices of NGLs and natural gas. As an owner and operator of natural gas processing assets, we have an inherent exposure to market variables and commodity price risk. The amount and type of price risk is dependent on the underlying natural gas contracts to purchase and process raw natural gas. Risk is also dependent on the types and mechanisms for sales of natural gas, NGLs and condensate, and related products produced, processed or transported.

Credit Risk — We sell natural gas to marketing affiliates of natural gas pipelines, marketing affiliates of integrated oil companies, marketing affiliates of Midstream, national wholesale marketers, industrial end-users and gas-fired power plants. Our principal NGL customers include an affiliate of Midstream, producers and marketing companies. Concentration of credit risk may affect our overall credit risk, in that these customers may be similarly affected by changes in economic, regulatory or other factors. Where exposed to credit risk, we analyze the counterparties' financial condition prior to entering into an agreement, establish credit limits, and monitor the appropriateness of these limits on an ongoing basis. We operate under Midstream's corporate credit policy. Midstream's corporate credit policy, as well as the standard terms and conditions of our agreements, prescribe the use of financial responsibility and reasonable grounds for adequate assurances. These provisions allow Midstream's credit department to request that a counterparty remedy credit limit violations by posting cash or letters of credit for exposure in excess of an established credit line. The credit line represents an open credit limit, determined in accordance with Midstream's credit policy and guidelines. The agreements also provide that the inability of a counterparty to post collateral is sufficient cause to terminate a contract and liquidate all positions. The adequate assurance provisions also allow us to suspend deliveries, cancel agreements or continue deliveries to the buyer after the buyer provides security for payment to us in a form satisfactory to us.

Commodity Non-Trading Derivative Activity — The sale of energy related products and services exposes us to the fluctuations in the market values of exchanged instruments. On a monthly basis, we may enter into non-trading

derivative instruments in order to match the pricing terms to manage our purchase and sale portfolios. Midstream manages our marketing portfolios in accordance with their Risk Management Policy, which limits exposure to market risk.

7. Asset Retirement Obligations

Our asset retirement obligations relate primarily to the retirement of various gathering pipelines and processing facilities, obligations related to right-of-way easement agreements, and contractual leases for land use. We recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the life of the asset. The liability increases due to the passage of time based on the time value of money until the obligation is settled. Accretion expense for the three months ended March 31, 2007 and 2006 (unaudited), and the years ended December 31, 2006, 2005 and 2004 was not significant.

The asset retirement obligation is adjusted each quarter for any liabilities incurred or settled during the period, accretion expense and any revisions made to the estimated cash flows. The asset retirement obligation as of March 31, 2007, and December 31, 2006 and 2005, included in the combined balance sheets as other long-term liabilities, was $0.5 million (unaudited), $0.4 million and $0.4 million, respectively.

8. Income Taxes

In May 2006, the State of Texas enacted a new margin-based franchise tax law that replaces the existing franchise tax. This new tax is commonly referred to as the Texas margin tax. Corporations, limited partnerships, limited liability companies, limited liability partnerships and joint ventures are examples of the types of entities that are subject to the new tax. The tax is considered an income tax for purposes of adjustments to the deferred tax liability. The tax is determined by applying a tax rate to a base that considers both revenues and expenses. The Texas margin tax becomes effective for franchise tax reports due on or after January 1, 2008. The tax will be based on the margin earned during the prior calendar year.

The margin has been defined as revenues less cost of goods sold and certain other deductible expenses. The Texas margin tax is assessed at 1% of taxable margin apportioned to Texas.

The Texas margin tax is considered an income tax. GAAP requires that deferred taxes be adjusted upon enactment of new tax law, which occurred in 2006. Accordingly, we recorded a deferred tax liability and related expense of $1.8 million in 2006, related primarily to property, plant and equipment. Beginning in 2007, we are recording current expense for the Texas margin tax.

Our effective tax rate differs from statutory rates primarily due to our being treated as a pass-through entity for United States income tax purposes, while being treated as a taxable entity in Texas.

9. Commitments and Contingent Liabilities

Litigation — We are not a party to any significant legal proceedings, but are a party to various administrative and regulatory proceedings that have arisen 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 upon our combined results of operations, financial position, or cash flows.

Insurance — Effective August 2006, Midstream's insurance coverage is carried with an affiliate of ConocoPhillips and third party insurers. Prior to August 2006, Midstream carried a portion of their insurance coverage with an affiliate of Duke Energy Corporation. Midstream's insurance coverage includes: (1) commercial general public liability insurance for liabilities arising to third parties for bodily injury and property damage resulting from operations; (2) workers' compensation liability coverage to required statutory limits; (3) automobile liability insurance for all owned, non-owned and hired vehicles covering liabilities to third parties for bodily injury and property damage; (4) excess liability insurance above the established primary limits for commercial general

liability and automobile liability insurance; and (5) property insurance covering the replacement value of all real and personal property damage, including damages arising from boiler and machinery breakdowns, windstorms, earthquake, flood damage and business interruption/extra expense. All coverages are subject to certain limits and deductibles, the terms and conditions of which are common for companies with similar types of operations.

A portion of the insurance costs described above are allocated by Midstream to us through the allocation methodology described in Note 4.

Environmental — The operation of pipelines, plants and other facilities for gathering, transporting, processing, or treating natural gas, NGLs and other products 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 management and disposal, and other environmental matters. The cost of planning, designing, constructing and operating pipelines, plants, and other facilities must incorporate compliance with environmental laws and regulations and safety standards. 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, and the issuance of injunctions or restrictions on operation. Management believes that, based on currently known information, compliance with these laws and regulations will not have a material adverse effect on our combined results of operations, financial position or cash flows.

Exhibit 99.5

UNAUDITED DCP MIDSTREAM PARTNERS, LP PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated financial statements present the impact on our financial position and results of operations of our acquisition of a 25% interest in the East Texas Midstream Business from DCP Midstream, LLC, or Midstream, and 100% of Midstream's 40% interest in Discovery Producer Services LLC, or Discovery. We also acquired a non-trading derivative instrument, or the Swap, that Midstream entered into in March 2007. We paid aggregate consideration consisting of approximately $244.7 million in cash, including $2.3 million for net working capital, the issuance of 620,404 common units valued at $27.0 million and the issuance of 12,661 general partner equivalent units valued at $0.6 million. The general partner equivalent units were issued in order for Midstream to maintain its 2% general partner interest. The pro forma financial statements as of March 31, 2007, and for the three months ended March 31, 2007, and for the years ended December 31, 2006, 2005 and 2004, have been prepared based on certain pro forma adjustments to our historical consolidated financial statements set forth in our Annual Report on Form 10-K for the year ended December 31, 2006, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, as filed with the Securities and Exchange Commission, and are qualified in their entirety by reference to such historical consolidated financial statements and related notes contained in those reports. The unaudited pro forma condensed consolidated financial statements 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 March 31, 2007, has been prepared as if this transaction had occurred on that date. The unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2007, and for the years ended December 31, 2006, 2005 and 2004, have been prepared as if this transaction had occurred on January 1, 2004. Midstream entered into the Swap in March 2007; therefore, the pro forma adjustments related to the Swap only impact the balance sheet as of March 31, 2007 and the statement of operations for the three months ended March 31, 2007. Since this is a transaction between entities under common control, the pro forma financial statements are combined on an "as if" pooling basis. Accordingly, the historic impact 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 adjustments will differ from the pro forma adjustments. Management believes, however, that the assumptions provide a reasonable basis for presenting the significant effects of the transaction as contemplated, 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 actually would have occurred if we had owned our interest in the East Texas Midstream Business and Discovery during the periods presented.

DCP MIDSTREAM PARTNERS, LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
MARCH 31, 2007
($ in millions)

	DCP Midstream Partners, LP	The East Texas Midstream Business	Discovery Producer Services LLC	Pro Forma Adjustments — Elimination (a)	Pro Forma Adjustments — Other	DCP Midstream Partners, LP Pro Forma
ASSETS						
Current assets:						
Cash and cash equivalents	$ 29.4	$ —	$ 30.9	$ (30.9)	$ 244.7**(b)**	$ 29.4
					(244.7)**(c)**	
Accounts receivable	68.1	15.8	33.6	(49.4)	—	68.1
Other	43.1	0.1	3.1	(3.2)	—	43.1
Total current assets	140.6	15.9	67.6	(83.5)	—	140.6
Restricted investments	102.0	—	19.9	(19.9)	—	102.0
Property, plant and equipment, net	193.6	230.0	376.0	(606.0)	—	193.6
Goodwill and intangible assets, net	32.0	—	—	—	—	32.0
Equity method investments	6.1	—	—	—	166.8**(c)**	172.9
Other non-current assets	5.1	—	—	—	0.3**(c)**	5.4
Total assets	$ 479.4	$ 245.9	$ 463.5	$ (709.4)	$ 167.1	$ 646.5
LIABILITIES AND PARTNERS' EQUITY						
Current liabilities:						
Accounts payable	$ 96.4	$ 36.1	$ 34.8	$ (70.9)	$ —	$ 96.4
Other	8.6	4.8	11.3	(16.1)	1.5**(c)**	10.1
Total current liabilities	105.0	40.9	46.1	(87.0)	1.5	106.5
Long-term debt	268.0	—	—	—	244.7**(b)**	512.7
Other long-term liabilities	5.0	2.3	3.8	(6.1)	1.7**(c)**	6.7
Total liabilities	378.0	43.2	49.9	(93.1)	247.9	625.9
Commitments and contingent liabilities						
Partners' equity:						
Members' capital	—	—	413.6	(413.6)	—	—
Predecessor equity	—	202.7	—	(202.7)	—	—
Common unitholders	226.1	—	—	—	27.0**(c)**	144.7
				—	(108.4)**(c)**	
Class C unitholders	(20.6)	—	—	—	—	(20.6)
Subordinated unitholders	(99.6)	—	—	—	—	(99.6)
General partner interest	(4.9)	—	—	—	0.6**(c)**	(4.3)
Accumulated other comprehensive income	0.6	—	—	—	—	0.6
Total	101.6	202.7	413.6	(616.3)	(80.8)	20.8
Less treasury units	0.2	—	—	—	—	0.2
Total partners' equity	101.4	202.7	413.6	(616.3)	(80.8)	20.6
Total liabilities and partners' equity	$ 479.4	$ 245.9	$ 463.5	$ (709.4)	$ 167.1	$ 646.5

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

DCP MIDSTREAM PARTNERS, LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2007
($ in millions, except per unit amounts)

	DCP Midstream Partners, LP	The East Texas Midstream Business	Discovery Producer Services LLC	Pro Forma Adjustments — Elimination (a)	Pro Forma Adjustments — Other	DCP Midstream Partners, LP Pro Forma
Total operating revenues	$ 240.1	$ 94.4	$ 52.5	$ (146.9)	$ (2.9)**(d)**	$ 237.2
Operating costs and expenses:						
Purchases of natural gas, propane and NGLs	210.9	72.2	33.5	(105.7)	—	210.9
Operating and maintenance expense	6.6	7.4	6.8	(14.2)	—	6.6
Depreciation and amortization expense	3.4	3.7	6.5	(10.2)	—	3.4
General and administrative expense	4.8	2.8	0.5	(3.3)	—	4.8
Total operating costs and expenses	225.7	86.1	47.3	(133.4)	—	225.7
Operating income	14.4	8.3	5.2	(13.5)	(2.9)	11.5
Interest income	1.7	—	0.7	(0.7)	—	1.7
Interest expense	(3.8)	—	—	—	(3.5)**(e)**	(7.3)
Earnings from equity method investments	0.2	—	—	—	3.8**(f)** 2.1**(g)**	6.1
Other income	—	—	0.7	(0.7)	—	—
Net income	$ 12.5	$ 8.3	$ 6.6	$ (14.9)	$ (0.5)	$ 12.0
Less:						
General partner interest in net income	(0.3)				—	(0.3)
Net income allocable to limited partners	$ 12.2				$ (0.5)	$ 11.7
Net income per limited partner unit — basic and diluted	$ 0.58					$ 0.56
Weighted-average limited partner units outstanding — basic and diluted	17.7				0.6	18.3

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

DCP MIDSTREAM PARTNERS, LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2006
($ in millions, except per unit amounts)

	DCP Midstream Partners, LP	The East Texas Midstream Business	Discovery Producer Services LLC	Pro Forma Adjustments — Elimination (a)	Pro Forma Adjustments — Other	DCP Midstream Partners, LP Pro Forma
Total operating revenues	$ 795.8	$ 485.4	$ 197.3	$ (682.7)	$ —	$ 795.8
Operating costs and expenses:						
Purchases of natural gas, propane and NGLs	700.4	385.3	119.6	(504.9)	—	700.4
Operating and maintenance expense	23.7	25.2	24.1	(49.3)	—	23.7
Depreciation and amortization expense	12.8	14.6	25.6	(40.2)	—	12.8
General and administrative expense	21.0	11.5	2.4	(13.9)	—	21.0
Total operating costs and expenses	757.9	436.6	171.7	(608.3)	—	757.9
Operating income	37.9	48.8	25.6	(74.4)	—	37.9
Interest income	6.3	—	2.4	(2.4)	—	6.3
Interest expense	(11.5)	—	—	—	(14.0)**(e)**	(25.5)
Earnings from equity method investments	0.3	—	—	—	16.9**(f)** 11.8**(g)**	29.0
Other income	—	—	2.1	(2.1)	—	—
Income before income taxes	33.0	48.8	30.1	(78.9)	14.7	47.7
Income tax expense	—	1.8	—	(1.8)	—	—
Net income	$ 33.0	$ 47.0	$ 30.1	$ (77.1)	$ 14.7	$ 47.7
Less:						
Net loss attributable to predecessor operations	2.3				—	2.3
General partner interest in net income	(0.7)				(0.3)	(1.0)
Net income allocable to limited partners	$ 34.6				$ 14.4	$ 49.0
Net income per limited partner unit — basic and diluted	$ 1.90					$ 2.31
Weighted-average limited partner units outstanding — basic and diluted	17.5				0.6	18.1

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

DCP MIDSTREAM PARTNERS, LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2005
($ in millions, except per unit amounts)

	DCP Midstream Partners, LP	The East Texas Midstream Business	Discovery Producer Services LLC	Pro Forma Adjustments — Elimination (a)	Pro Forma Adjustments — Other	DCP Midstream Partners, LP Pro Forma
Total operating revenues	$ 1,144.3	$ 546.0	$ 122.7	$ (668.7)	$ —	$ 1,144.3
Operating costs and expenses:						
Purchases of natural gas, propane and NGLs	1,047.3	444.1	64.5	(508.6)	—	1,047.3
Operating and maintenance expense	22.4	20.2	11.3	(31.5)	—	22.4
Depreciation and amortization expense	12.7	14.0	24.8	(38.8)	—	12.7
General and administrative expense	14.2	9.9	2.0	(11.9)	—	14.2
Total operating costs and expenses	1,096.6	488.2	102.6	(590.8)	—	1,096.6
Operating income	47.7	57.8	20.1	(77.9)	—	47.7
Interest income	0.5	—	1.7	(1.7)	—	0.5
Interest expense	(0.8)	—	—	—	(11.5)**(e)**	(12.3)
Earnings from equity method investments	0.4	—	—	—	10.8**(f)** 14.5**(g)**	25.7
Other income	—	—	(1.0)	1.0	—	—
Income before income taxes	47.8	57.8	20.8	(78.6)	13.8	61.6
Income tax expense	3.3	—	—	—	—	3.3
Income before cumulative effect of change in accounting principle	44.5	57.8	20.8	(78.6)	13.8	58.3
Cumulative effect of change in accounting principle	—	—	(0.2)	0.2	—	—
Net income (loss)	$ 44.5	$ 57.8	$ 20.6	$ (78.4)	$ 13.8	$ 58.3
Less:						
Net income attributable to predecessor operations	(39.8)				(12.3)	(52.1)
General partner interest in net income	(0.1)				—	(0.1)
Net income allocable to limited partners	$ 4.6				$ 1.5	$ 6.1
Net income per limited partner unit — basic and diluted	$ 0.20					$ 0.23
Weighted-average limited partner units outstanding — basic and diluted	17.5				0.6	18.1

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

DCP MIDSTREAM PARTNERS, LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2004
($ in millions)

	DCP Midstream Partners, LP	The East Texas Midstream Business	Discovery Producer Services LLC	Pro Forma Adjustments — Elimination (a)	Pro Forma Adjustments — Other	DCP Midstream Partners, LP Pro Forma
Total operating revenues	$ 834.0	$ 386.4	$ 99.9	$ (486.3)	$ —	$ 834.0
Operating costs and expenses:						
Purchases of natural gas, propane and NGLs	760.6	310.3	45.4	(355.7)	—	760.6
Operating and maintenance expense	19.8	16.3	19.2	(35.5)	—	19.8
Depreciation and amortization expense	14.7	14.4	22.8	(37.2)	—	14.7
General and administrative expense	8.7	8.4	1.4	(9.8)	—	8.7
Total operating costs and expenses	803.8	349.4	88.8	(438.2)	—	803.8
Operating income	30.2	37.0	11.1	(48.1)	—	30.2
Interest income	—	—	0.6	(0.6)	—	—
Interest expense	—	—	—	—	(6.8)**(e)**	(6.8)
Earnings from equity method investments	0.6	—	—	—	7.8**(f)** 9.3**(g)**	17.7
Impairment of equity method investment	(4.4)	—	—	—	—	(4.4)
Other income	—	—	—	—	—	—
Income before income taxes	26.4	37.0	11.7	(48.7)	10.3	36.7
Income tax expense	2.5	—	—	—	—	2.5
Net income (loss)	$ 23.9	$ 37.0	$ 11.7	$ (48.7)	$ 10.3	$ 34.2
Less:						
Net (income) loss attributable to predecessor operations	(23.9)				(10.3)	(34.2)
Net income allocable to limited partners	$ —				$ —	$ —

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

NOTES TO UNAUDITED DCP MIDSTREAM PARTNERS, LP
PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

Unless the context clearly indicates otherwise, references in this report to “we,” “our,” “us” or like terms refer to DCP Midstream Partners, LP, or Partners. The historical financial information is derived from our historical consolidated financial statements. The pro forma adjustments have been prepared as if we acquired the 25% interest in the East Texas Midstream Business, 100% of Midstream’s 40% interest in Discovery, and the Swap, on March 31, 2007, for the balance sheet, and on January 1, 2004, for the statements of operations. Midstream entered into the Swap in March 2007; therefore, the pro forma adjustments related to the Swap only impact the balance sheet as of March 31, 2007 and the statement of operations for the three months ended March 31, 2007. Since this is a transaction between entities under common control, the pro forma financial statements are combined on an “as if” pooling basis. Accordingly, the historic cost of the acquired assets and liabilities are carried forward.

The pro forma condensed consolidated financial statements reflect the following transactions:

- the borrowing of $244.7 million under our existing credit facility to finance the acquisition;
- the acquisition of the 25% interest in the East Texas Midstream Business and 100% of Midstream’s 40% interest in Discovery;
- the acquisition of the Swap. In March 2007, Midstream entered into a crude oil swap, a non-trading derivative, to mitigate a portion of the price risk from July 2007 through December 2012. The Swap is for approximately 1.9 million barrels at $66.72 per barrel; and
- the distribution to Midstream of the aggregate consideration consisting of approximately $244.7 million in cash, including $2.3 million for net working capital, and the issuance of 620,404 common units and 12,661 general partner equivalent units. The general partner equivalent units were issued in order for Midstream to maintain its 2% general partner interest.

As a result of this transaction, Partners’ omnibus services agreement with Midstream increased by $0.2 million annually for incremental general and administrative expenses, subject to annual increases in the Consumer Price Index.

Note 2. Pro Forma Adjustments and Assumptions

(a) Reflects adjustments to eliminate 100% of the activity of the East Texas Midstream Business and Discovery, as Partners will account for these investments under the equity method.

(b) Reflects $244.7 million of proceeds to us from borrowings under our existing credit facility.

(c) Reflects the acquisition from Midstream of 25% of the East Texas Midstream Business, 100% of Midstream's 40% interest in Discovery, and the Swap, along with the related distribution to Midstream of the aggregate consideration. This acquisition will be recorded at historical cost as it is considered a transaction between entities under common control. The consideration was allocated as follows, subject to customary purchase price adjustments ($ in millions):

Cash consideration	$ 244.7
Common units	27.0
General partner equivalent units	0.6
Aggregate consideration	272.3
Historical cost of interest in the East Texas Midstream Business	(50.7)
Historical cost of interest in Discovery	(116.1)
Historical cost of the Swap	2.9
Adjustment to net parent equity for excess consideration	$ 108.4

The historical cost of the interest in Discovery includes the net difference between the carrying amount of Discovery and the underlying equity of Discovery, or the Outside Basis. As of March 31, 2007, the Outside Basis in Discovery was a deficit of $47.4 million.

The historical cost of the Swap consists of a non-current asset of $0.3 million, a current liability of $1.5 million and a long-term liability of $1.7 million.

The adjustment to net parent equity was allocated to the common units. The value of the common units and general partner equivalent units above was based on the average market value of Partners' common units for the ten days prior to the announcement of this transaction.

(d) Reflects losses from non-trading derivative activity — affiliates associated with the acquisition of the Swap.

(e) Reflects the increase in interest expense associated with the incremental debt for the acquisition described in (b) above. The following presents the weighted average interest rates used to calculate the increase in interest expense for the respective periods ($ in millions):

	Weighted Average Interest Rate
Three months ended March 31, 2007	5.71%
Year ended December 31, 2006	5.71%
Year ended December 31, 2005	4.71%
Year ended December 31, 2004	2.79%

The effect of a 0.125% variance in interest rates on pro forma interest expense would have been approximately $0.3 million annually.

(f) Reflects the increase in earnings from equity method investments associated with the acquisition of the 40% interest in Discovery. The increase in earnings from equity method investments includes amortization of the Outside Basis in Discovery. The following presents the increase in earnings from equity method investments for the respective periods ($ in millions):

	Three Months Ended March 31, 2007	Year Ended December 31, 2006	2005	2004
Our share of Discovery's historical net income	$ 2.6	$ 12.0	$ 6.9	$ 3.9
Amortization of the Outside Basis	1.2	4.9	3.9	3.9
Increase in earnings from equity method investments	$ 3.8	$ 16.9	$ 10.8	$ 7.8

(g) Reflects the increase in earnings from equity method investments associated with the acquisition of the 25% interest in the East Texas Midstream Business.

Note 3. Pro Forma Net Income Per Limited Partner Unit

Our net income is allocated to the general partner and the limited partners, including the holders of the subordinated units, in accordance with their respective ownership percentages, after giving effect to incentive distributions paid to the general partner.

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 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. This result occurs as a larger portion of our aggregate earnings, as if distributed, is allocated to the incentive distribution rights of the general partner, even though we make distributions on the basis of available cash and not earnings. In periods in which our aggregate net income per unit does not exceed certain distribution levels, there is no impact on our calculation of earnings per LPU. During the three months ended March 31, 2007 and the years ended December 31, 2006 and 2005, our pro forma aggregate net income per unit exceeded certain distribution levels, and as a result we allocated $1.4 million, $7.2 million and $1.9 million, respectively, in additional earnings to the general partner.

Basic and diluted net income per LPU is calculated by dividing limited partners' interest in pro forma net income, less pro forma general partner incentive distributions as described above, by the pro forma weighted average number of outstanding LPUs during the period, assuming each of the following were outstanding since January 1, 2005:

- 10,357,143 common units and 7,142,857 subordinated units issued in connection with our December 2005 initial public offering; and
- 620,404 common units issued in connection with this transaction.

The following table illustrates our calculation of pro forma net income per LPU ($ in millions, except per unit amounts):

	Three Months Ended March 31, 2007	Year Ended December 31, 2006	2005
Pro forma net income	$ 12.0	$ 47.7	$ 58.3
Less: net loss (income) attributable to predecessor operations	—	2.3	(52.1)
Pro forma net income attributable to partnership	12.0	50.0	6.2
Less: general partner interest in net income	(0.3)	(1.0)	(0.1)
Pro forma limited partners' interest in net income	11.7	49.0	6.1
Less: additional earnings allocated to general partner	(1.4)	(7.2)	(1.9)
Pro forma net income available to limited partners	$ 10.3	$ 41.8	$ 4.2
Pro forma net income per LPU — basic and diluted	$ 0.56	$ 2.31	$ 0.23