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**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): **June 5, 2013**

**Summit Midstream Partners, LP**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-35666**  
(Commission  
File Number)

**45-520503**  
(IRS Employer  
Identification No.)

**2100 McKinney Avenue  
Suite 1250**

**Dallas, Texas 75201**

(Address of principal executive offices) (Zip Code)

Registrants' telephone number, including area code: **(214) 242-1955**

**Not applicable.**

(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 1.01 Entry Into a Material Definitive Agreement.**

### **Bison Midstream Contribution Agreement**

On June 4, 2013, Summit Midstream Partners, LP (“SMLP”) entered into a Contribution Agreement (the “Contribution Agreement”) with Bison Midstream, LLC (“Bison Midstream”) and Summit Midstream Partners Holdings, LLC (the “Partners Holdings”), a wholly owned direct subsidiary of Summit Midstream Partners, LLC (“Summit Investments”), pursuant to which SMLP acquired all of the issued and outstanding membership interests of Bison Midstream for a total purchase price of \$250 million, subject to customary working capital adjustments (the “Bison Acquisition”). Bison Midstream was formed by Partners Holdings to hold certain associated natural gas gathering assets that serve exploration and production customers in the Bakken Shale Play in Mountrail and Burke counties in North Dakota (the “Bison Midstream system”).

The Contribution Agreement generally contains customary representations, warranties and covenants of SMLP and Partners Holdings. Partners Holdings, on the one hand, and SMLP, on the other, have agreed to indemnify each other and their respective affiliates, officers, directors and other representatives against certain losses resulting from any breach of their representations, warranties or covenants contained in the Contribution Agreement, subject to certain limitations and survival periods. Partners Holdings’ indemnity obligations related to the Bison Midstream system generally terminate on February 14, 2014; provided, however that certain of these indemnity obligations do not terminate until June 4, 2014.

The Bison Midstream system was placed into service in 2011, and provides a takeaway solution for associated natural gas production in the Bakken Shale Play. Bison Midstream currently serves seven customers, and is in the process of expanding throughput capacity from 19 MMcf/d to 30 MMcf/d to accommodate growing volumes from its customers. The expansion is estimated to be completed by the end of 2013. As of March 31, 2013, the Bison Midstream system consisted of approximately 271 miles of pipeline and 5,950 horsepower of compression across six compressor stations. The Bison Midstream system provides gathering, compression and dehydration services pursuant to long-term, primarily fee-based gathering agreements. The gathering agreements include long-term acreage dedications that cover approximately 676,480 acres in the aggregate. As of March 31, 2013, the gas gathering agreements contain remaining minimum volume commitments totaling 31 Bcf with remaining terms that range from three years to seven years.

Natural gas gathered on the Bison Midstream system is compressed, dehydrated and delivered to the Aux Sable Palermo Plant for conditioning and subsequently discharged to downstream pipelines that deliver the gas for further processing in the Chicago area. For the three months ended March 31, 2013, the Bison Midstream system gathered an average of approximately 16 MMcf/d from seven producers. For the three months ended March 31, 2013, on a pro forma basis, SMLP generated \$36.7 million of adjusted EBITDA. For the year ended December 31, 2012, on a pro forma basis, SMLP generated \$119.1 million of adjusted EBITDA. For a definition of adjusted EBITDA and a reconciliation of adjusted EBITDA to its most directly comparable financial measures calculated in accordance with GAAP, please see Exhibit 99.1, which is filed as an exhibit to this current report on Form 8-K and is incorporated by reference herein.

As described in Item 2.01 below, SMLP closed the Bison Acquisition on June 4, 2013. Immediately prior to the closing of the Bison Acquisition, Partners Holdings owned a 72% limited partner interest in SMLP and a 100% ownership interest in Summit Midstream GP, LLC, the general partner of SMLP (the “General Partner”). Terms of the Bison Acquisition were unanimously approved by the Board of Directors (the “Board”) of the General Partner, and by the Board’s Conflicts Committee, which consists entirely of independent directors.

The description of the Contribution Agreement above does not purport to be complete and is qualified in its entirety by reference to the complete text of the Contribution Agreement, a copy of which is filed as Exhibit 10.1 and is incorporated herein by reference. A copy of the press release announcing the Bison Acquisition is attached as Exhibit 99.2 and is incorporated herein by reference.

### **Mountaineer Midstream Purchase and Sale Agreement**

On June 4, 2013, SMLP entered into a Purchase and Sale Agreement (the “Purchase Agreement”) with MarkWest Liberty Midstream & Resources, L.L.C., an affiliate of MarkWest Energy Partners, LP (“MarkWest”), pursuant to which SMLP acquired (the “Mountaineer Acquisition”) certain natural gas gathering assets that serve exploration and production customers in the Marcellus Shale Play in Doddridge County, West Virginia (the “Mountaineer Midstream system”). The total purchase price for the Mountaineer Midstream system will be \$210 million. SMLP expects to fund the Mountaineer Acquisition with (i) borrowings of \$110 million under the Credit Facility (as defined below) and (ii) approximately \$100 million in proceeds from 3,107,698 common units that will be sold to Summit Midstream Partners Holdings, LLC and 63,422 general partner units that will be sold to the General Partner in connection with the closing of the Mountaineer Acquisition. The common units and the general partner

units to be issued to Summit Midstream Holdings, LLC and the General Partner, respectively, were valued based on the volume weighted daily average price of SMLP's common units for the five trading days prior to entry into the Unit Purchase Agreement (as defined below).

The Mountaineer Midstream system provides gas gathering and compression services pursuant to a long-term, fee-based agreement with Antero Resources LLC as the anchor customer. The Mountaineer Midstream system consists of four high pressure pipelines totaling approximately 40 miles and two compressor stations with approximately 21,000 horsepower of compression. The system can deliver up to 550 MMcf/d of natural gas into MarkWest's Sherwood processing complex.

The Purchase Agreement generally contains customary representations, warranties and covenants of SMLP and MarkWest. MarkWest, on the one hand, and SMLP, on the other, have agreed to indemnify each other and their respective affiliates, officers, directors and other representatives against certain losses resulting from any breach of their representations, warranties or covenants contained in the Purchase Agreement, subject to customary limitations and survival periods. MarkWest also has agreed to indemnify SMLP for certain specified retained liabilities. In connection with the Mountaineer Acquisition, SMLP and its affiliates, on the one hand, and MarkWest and its affiliates, on the other, have agreed to certain business restrictions with respect to gathering and processing natural gas produced in Doddridge County, West Virginia.

The Mountaineer Acquisition is expected to close on or before June 30, 2013. There can be no assurance that the Mountaineer Acquisition will close in the anticipated time frame or at all.

A copy of the press release announcing the entry into the Purchase Agreement is attached as Exhibit 99.2 and is incorporated herein by reference.

#### **Accordion Exercise**

On June 4, 2013, Summit Midstream Holdings, LLC, a direct, wholly owned subsidiary of SMLP ("Summit Holdings"), exercised its option to increase the available commitments under its Amended and Restated Credit Agreement, dated as of May 7, 2012 (as amended, the "Credit Facility"), among Summit Holdings, as borrower, The Royal Bank of Scotland plc, as administrative agent (the "Agent"), and the lenders from time to time party thereto (the "Lenders"), and entered into that certain Increase Joinder (the "Joinder Agreement") among Summit Holdings, the Agent and the Lenders party thereto, pursuant to which Summit Holdings received additional commitments of \$50 million to the \$550 million senior secured revolving credit facility that matures in May 2016, resulting in aggregate commitments of \$600 million after giving effect to the Joinder Agreement.

A copy of the Joinder Agreement is attached hereto as exhibit 10.2.

#### **Unit Purchase Agreement**

To the extent required by Item 1.01 of Form 8-K, the information contained or incorporated in Item 3.02 of this Form 8-K related to the Unit Purchase Agreement is incorporated by reference in this Item 1.01.

#### **Item 2.01 Completion of Acquisition or Disposition of Assets.**

##### **Bison Acquisition**

On June 4, 2013, SMLP closed its acquisition of Bison Midstream. SMLP acquired Bison Midstream from Partners Holdings for aggregate consideration of \$250 million, which consisted of \$200 million of borrowings under the Credit Facility, 1,553,849 common units issued to Partners Holdings and 31,711 general partner units issued to the General Partner. The common units that were issued as partial consideration for the Bison Acquisition had an aggregate value at the time of closing of \$50 million, based on the volume weighted daily average price of the common units for the five trading days prior to closing.

To the extent required by Item 2.01 of Form 8-K, the information contained or incorporated in Item 1.01 of this Form 8-K relating to the Bison Acquisition is incorporated by reference in this Item 2.01.

#### **Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The disclosure set forth in Item 1.01 under "Accordion Exercise" is hereby incorporated by reference into this Item 2.03.

#### **Item 3.02 Unregistered Sales of Equity Securities**

On June 4, 2013, SMLP issued 1,553,849 common units to Partners Holdings pursuant to the Contribution Agreement as partial consideration for the Bison Assets. The common units were issued in reliance upon an exemption from the registration requirements under the Securities Act of 1933, as amended (the "Securities Act")

pursuant to Section 4(2) thereof. Pursuant to the terms of the Contribution Agreement, SMLP also issued 31,711 general partner units to the General Partner for approximately \$1 million in order for the General Partner to maintain its 2% interest.

On June 4, 2013, SMLP entered into a Unit Purchase Agreement with Partners Holdings and the General Partner (the "Unit Purchase Agreement") whereby SMLP agreed to sell 3,107,698 common units to Partners Holdings contemporaneously with the closing of the Mountaineer Acquisition. Pursuant to the terms of the Unit Purchase Agreement, SMLP will also issue 63,422 general partner units to the General Partner for approximately \$2 million in order for the General Partner to maintain its 2% interest. The issuance of the common units and the general partner units pursuant to the Unit Purchase Agreement are conditioned upon the closing of the Mountaineer Acquisition. The common units and the general partner units will be issued in reliance upon an exemption from the registration requirements under the Securities Act pursuant to Section 4(2) thereof.

To the extent required by Item 3.02 of Form 8-K, the information contained or incorporated in Item 2.01 of this Form 8-K relating to the issuance of SMLP's common units and general partner units is incorporated by reference in this Item 3.02. The description of the Contribution Agreement can be found in this report on Form 8-K and is incorporated in this Item 3.02 by reference. The Unit Purchase Agreement is filed as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by reference.

#### **Item 7.01 Regulation FD Disclosure.**

On June 4, 2013, SMLP issued a press release announcing the completion of the Bison Acquisition and the entry into the Purchase Agreement and the Unit Purchase Agreement. The press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 7.01 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The information furnished pursuant to Item 7.01 shall not be deemed an admission as to the materiality of any information in this report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

#### **Item 9.01 Financial Statements and Exhibits.**

##### **(a) Financial statements of businesses acquired.**

The audited carve-out financial statements of Bison Gas Gathering System of Bear Tracker Energy, LLC (subsequently acquired by Bison Midstream, LLC) as of and for the fiscal year ended December 31, 2012 and the related notes thereto, together with the report of Anton Collins Mitchell LLP, independent auditors, concerning those statements and related notes is filed herewith as Exhibit 99.3 and is incorporated herein by reference.

The unaudited carve-out financial statements of Bison Midstream as of March 31, 2013 and for the periods from January 1, 2013 to February 15, 2013 and February 16, 2013 to March 31, 2013 and the three months ended March 31, 2012 and the related notes thereto, is filed herewith as Exhibit 99.4 and is incorporated herein by reference.

##### **(b) Pro forma financial information.**

The pro forma financial information of SMLP to give effect to the Bison Acquisition is filed herewith as Exhibit 99.5 and incorporated herein by reference:

- Introduction
- Unaudited pro forma condensed combined balance sheet as of March 31, 2013;
- Unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2013 and for the year ended December 31, 2012; and
- Notes to unaudited pro forma condensed combined financial statements.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Contribution Agreement, dated as of June 4, 2013, by and among Summit Midstream Partners, LP, Summit Midstream Partners Holdings, LLC and Bison Midstream, LLC
10.2	Joinder Agreement, dated as of June 4, 2013, by and among Summit Midstream Holdings, LLC, The Royal Bank of Scotland plc, as Administrative Agent, and the lenders party thereto
10.3	Unit Purchase Agreement, dated as of June 4, 2013, by and between, Summit Midstream Partners, LP and Summit Midstream Partners Holdings, LLC
23.1	Consent of Anton Collins Mitchell LLP
99.1	Reconciliation of Adjusted EBITDA
99.2	Press release of Summit Midstream Partners, LP, dated as of June 4, 2013
99.3	Bison Gas Gathering System of Bear Tracker Energy, LLC (subsequently acquired by Bison Midstream, LLC) Audited Carve-Out Financial Statements as of and for the year ended December 31, 2012
99.4	Bison Midstream, LLC Unaudited Carve-Out Financial Statements as of March 31, 2013 and for the periods from January 1, 2013 to February 15, 2013 and February 16, 2013 to March 31, 2013 and the three months ended March 31, 2012
99.5	Summit Midstream Partners, LP Unaudited Pro Forma Condensed Combined Financial Statements as of March 31, 2013 and for the three months ended March 31, 2013 and for the year ended December 31, 2012

**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.

Summit Midstream Partners, LP  
(Registrant)

By: Summit Midstream GP, LLC (its general partner)

Date: June 5, 2013

/s/ Matthew S. Harrison  
Matthew S. Harrison, Senior Vice President and Chief Financial Officer

## EXHIBIT INDEX

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99.5	Summit Midstream Partners, LP Unaudited Pro Forma Condensed Combined Financial Statements as of March 31, 2013 and for the three months ended March 31, 2013 and for the year ended December 31, 2012

**CONTRIBUTION AGREEMENT**

**among**

**Summit Midstream Partners Holdings, LLC,**

**Bison Midstream, LLC**

**and**

**Summit Midstream Partners, LP,**

**dated as of June 4, 2013**

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## CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT, dated as of June 4, 2013 (this "*Agreement*"), is made and entered into by and among Summit Midstream Partners Holdings, LLC, a Delaware limited liability company ("*SMP Holdings*"), Bison Midstream, LLC, a Delaware limited liability company (the "*Company*"), and Summit Midstream Partners, LP, a Delaware limited partnership ("*Summit MLP*").

### RECITALS

WHEREAS, pursuant to that certain Purchase and Sale Agreement dated as of January 8, 2013 (the "*Original Acquisition Agreement*") among the Original Sellers (as defined herein), Bear Tracker Energy, LLC and Summit Midstream Partners, LLC (the "*Original Buyer*"), SMP Holdings acquired Meadowlark Midstream Company, LLC (formerly known as Bear Tracker Energy, LLC) ("*Meadowlark*"), which owned the Gathering System (as defined herein) and related assets used in the Business (as defined herein);

WHEREAS, Meadowlark conveyed the Gathering System and related assets used in the Business to the Company;

WHEREAS, SMP Holdings owns all of the member interests in (a) the Company and (b) Summit Midstream GP, LLC, a Delaware limited liability company ("*SM GP*");

WHEREAS, SMP Holdings is a limited partner and SM GP is the general partner of Summit MLP; and

WHEREAS, SMP Holdings desires to contribute (directly and indirectly through SM GP) to Summit MLP, and Summit MLP desires to receive as a contribution (directly and indirectly through SM GP) from SMP Holdings and to further contribute to Summit Midstream Holdings, LLC, a Delaware limited liability company and wholly-owned subsidiary of Summit MLP ("*Summit Midstream*"), all of the member interests in the Company, on the terms and subject to the conditions set forth herein.

### AGREEMENT

Now, therefore, in consideration of the premises and the mutual representations, warranties, covenants and agreements in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

#### ARTICLE I DEFINITIONS AND CONSTRUCTION

1.1 *Definitions.* As used in this Agreement, the following capitalized terms have the meanings set forth below:

"*1933 Act*" has the meaning given to it in [Section 5.6](#).

“**Affiliate**” means, with respect to any Person, a Person directly or indirectly controlling, controlled by or under common control with such Person. In this context “control” means the possession, directly or indirectly, through one or more intermediaries, by any Person or group (within the meaning of Section 13(d)(3) under the United States Securities Exchange Act of 1934) of the power or authority, through ownership of voting securities, by contract or otherwise, to control or direct the management and policies of the entity; *provided, however*, that for purposes of this Agreement and any other agreements and/or instruments entered into in connection herewith, (i) Summit MLP and its subsidiaries are not Affiliates of SMP Holdings and its other Affiliates and (ii) prior to the Closing, the Company is an Affiliate of SMP Holdings and at and after the Closing, the Company is a subsidiary of Summit MLP and thus not an Affiliate of SMP Holdings.

“**Agreement**” has the meaning given to it in the Preamble.

“**Allocation Schedule**” has the meaning given to it in [Section 6.2\(f\)](#).

“**Asserted Liability**” has the meaning given to it in [Section 7.5\(a\)](#).

“**Assets**” of any Person means all properties of every kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible and wherever situated), including the goodwill related thereto, operated, owned or leased by such Person.

“**Business**” means the ownership and operation of the Gathering System and other activities conducted by the Company or Meadowlark that are incidental thereto.

“**Business Day**” means a day other than Saturday, Sunday or any day on which banks located in the State of New York or the State of Texas are authorized or obligated to close.

“**Cash**” means money, currency or a credit balance in a deposit account at a financial institution, net of checks outstanding as of the time of determination.

“**Cash Equivalents**” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition, (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition and, at the time of acquisition, having the highest rating obtainable from either Standard & Poor’s Corporation or Moody’s Investors Service, Inc., (c) commercial paper issued by any bank or any bank holding company owning any bank maturing no more than one year from the date of its creation and, at the time of acquisition, having the highest rating obtainable from either Standard & Poor’s Corporation or Moody’s Investors Service, Inc., and (d) certificates of deposit or bankers’ acceptances maturing within one year from the date of acquisition issued by any commercial bank organized under the Laws of the United States of America having combined capital and surplus of not less than \$500,000,000.

“**Charter Documents**” means with respect to any Person that is not a natural person, the articles of incorporation or organization, memorandum of association, articles of association and

by-laws, the limited partnership agreement, the partnership agreement or the limited liability company agreement or such other organizational documents of such Person which establish the legal personality of such Person.

“**Claim**” means any demand, claim, action, investigation or Proceeding.

“**Claims Notice**” has the meaning given to it in [Section 7.5\(a\)](#).

“**Closing**” has the meaning given to it in [Section 2.3](#).

“**Closing Date**” means the date on which Closing occurs.

“**Closing Payment**” has the meaning given to it in [Section 2.2\(c\)](#).

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Common Unit**” has the meaning given to it in the Summit MLP Partnership Agreement.

“**Common Unit Consideration**” means 1,553,849 Common Units.

“**Company**” has the meaning given to it in the Preamble.

“**Company Consents**” has the meaning given to it in [Section 3.4\(b\)](#).

“**Company Contribution and Assignment Agreement**” means an agreement in the form attached hereto as [Exhibit A](#) evidencing the contribution and assignment to Summit MLP and the further contribution and assignment to Summit Midstream of the Company Interests.

“**Company Interests**” means 100% of the Equity Interests in the Company.

“**Company Warranty Breach**” has the meaning given to it in [Section 7.2\(a\)](#).

“**Conflicts Committee**” means the conflicts committee of the board of directors of SM GP.

“**Consideration**” has the meaning given to it in [Section 2.2](#).

“**Contract**” means any legally binding contract, lease, license, evidence of indebtedness, mortgage, indenture, purchase order, binding bid, letter of credit, security agreement or arrangement, in each case, whether written or oral.

“**Dispute**” has the meaning given to it in [Section 7.9\(a\)](#).

“**Due Diligence Information**” has the meaning given to it in [Section 5.8\(b\)](#).

“**Environmental Law**” means any and all federal, state and local Laws pertaining to protection of the environment or the release, discharge or disposal of Hazardous Material, as in effect on the date hereof, in any and all jurisdictions in which the Gathering System operate or are located, including the Clean Air Act, the Federal Water Pollution Control Act, the Oil

Pollution Act of 1990, the Rivers and Harbors Act of 1899, the Safe Drinking Water Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Hazardous and Solid Waste Amendments Act of 1984, the Toxic Substances Control Act, and comparable state and local counterparts.

“**Environmental Permits**” means any Permit issued pursuant to Environmental Laws.

“**Equity Interests**” means capital stock, partnership or membership interests or units (whether general or limited), and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing entity.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**Estimated Working Capital Adjustment**” means SMP Holdings’ good faith estimate of the Working Capital Adjustment as of the close of business on the Business Day immediately preceding the Closing Date.

“**Fundamental Representations**” has the meaning given to it in [Section 7.1](#).

“**GAAP**” means generally accepted accounting principles in the United States, applied on a consistent basis.

“**Gathering System**” means the gathering system described in [Exhibit B](#).

“**General Partner Unit**” has the meaning given to it in the Summit MLP Partnership Agreement.

“**General Partner Unit Consideration**” means 31,711 General Partner Units.

“**Governmental Authority**” means any applicable federal, state or local governmental authority, agency, board, commission, court or official in the United States.

“**Hazardous Material**” means each substance designated or classified as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law.

“**Income Tax**” means any federal, state, local or foreign Tax measured by or imposed on net income.

“**Indebtedness**” means, with respect to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money, including all principal, interest, premiums, fees, expenses, overdrafts and, to the extent required to be carried on a balance sheet prepared in accordance with GAAP penalties with respect thereto, whether short-term or long-term, and whether secured or unsecured, or with respect to deposits or advances of any kind (other than deposits and advances of any Person relating to the purchase of products or services from the Company in the ordinary course of business), (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities, (c) all

obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or bankers' acceptances or similar instruments, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (e) all guarantees, whether direct or indirect, by such Person of indebtedness of others or indebtedness of any other Person secured by any assets of such Person, and (f) all other obligations of a Person which would be required to be shown as indebtedness on a balance sheet of such Person prepared in accordance with GAAP.

**"Indemnified Tax Claim"** has the meaning given to it in Section 6.2(h).

**"Intellectual Property Rights"** means material rights in any of the following to the extent subject to protection under applicable Law: (a) trademarks, service marks and trade names; (b) patents; (c) copyrights; (d) internet domain names; (e) trade secrets and other proprietary and confidential information; and (f) any registrations or applications for registration for any of the foregoing.

**"Knowledge"** when used in a particular representation or warranty in this Agreement with respect to the Company or SMP Holdings, means the actual knowledge (as opposed to any constructive or imputed knowledge) of Steve Newby, Brad Graves, Brock Degeyter, Matt Harrison and Jesse Wood, after reasonable inquiry of the officers of the Company.

**"Laws"** means all laws, statutes, rules, regulations, ordinances, court orders and other pronouncements having the effect of law of any Governmental Authority.

**"Lien"** means any mortgage, pledge, deed of trust, assessment, security interest, charge, lien, encumbrance, option, warranty, purchase right, lease or other similar property interest.

**"LLC Agreement"** means the Limited Liability Company Agreement of the Company dated as of May 23, 2013.

**"Loss"** means any and all judgments, losses, liabilities, amounts paid in settlement, damages, fines, penalties, deficiencies, expenses (including interest, court costs, reasonable fees of attorneys, accountants and other experts or other reasonable expenses of litigation or other Proceedings or of any Claim, default or assessment); *provided, however,* that any claim for Loss under the indemnities in Article VII (a) shall be reduced by any payment (including payments on account of insurance of the Company) actually received from a third party or otherwise actually recovered from third parties and (b) shall be net of any associated net benefits actually realized and arising in connection with such Loss, including any associated net Tax benefits described in Section 7.11. For all purposes in this Agreement, the term "*Losses*" shall not include any Non-Reimbursable Damages.

**"Material Adverse Effect"** means any change, event, circumstance, development or occurrence that, individually or in the aggregate with all other changes, events, circumstances, developments and occurrences, is materially adverse to (a) the business, operations, Assets, liabilities or financial condition of the Company, (b) the validity or enforceability of this Agreement or (c) the rights and remedies of or benefits available to the Parties under this Agreement, but excluding any of the foregoing resulting from (i) general economic conditions, (ii) changes or conditions generally affecting the U.S. economy or financial markets, (iii)



execution of this Agreement and the announcement thereof, (iv) any act or omission by the Company taken as required by or permitted under this Agreement or with prior written consent of Summit MLP or (v) any act or omission of Summit MLP, except to the extent any of the changes, events, circumstances, developments or occurrences referred to in clause (i) or (ii) above disproportionately impact the Company as compared to other companies in the industries and geographical area in which the Company operates.

“**Material Contracts**” has the meaning given to it in Section 3.15(a).

“**Meadowlark**” has the meaning given to it in the Recitals.

“**Net Working Capital**” means, as of a particular date or time, (a) the sum of the current assets of the Company other than Cash and Cash Equivalents less (b) the current liabilities of the Company. Notwithstanding anything in this Agreement to the contrary, the following items will be excluded from the calculation of Net Working Capital: (i) any accrued Tax payable that is not either (A) payable with respect to a Pre-Closing Period or (B) the portion of a Tax payable with respect to a Straddle Period that is allocated to the period ending on the Closing Date pursuant to Section 6.2(b), (ii) any accounts payable related to capital expenditures, (iii) any current deferred revenue, (iv) any deferred Tax assets and deferred Tax liabilities and (v) any net change in deposits on property, plant and equipment for the period beginning June 1, 2013 and ending on the close of business on the Business Day immediately preceding the Closing Date. For illustrative purposes only, attached as Schedule 1.1 is a sample calculation of Net Working Capital prepared by the Parties as of March 31, 2013.

“**Net Working Capital Target**” means \$0.

“**Non-Company Affiliate**” means any Affiliate of SMP Holdings, except for the Company.

“**Non-Reimbursable Damages**” has the meaning given to it in Section 7.7(b).

“**Original Acquisition Agreement**” has the meaning given to it in the Recitals.

“**Original Buyer**” has the meaning given to it in the Recitals.

“**Original Sellers**” means GSO Capital Opportunities Fund LP, GSO COF Bear Tracker LLC and Bear Tracker Investments, LLC.

“**Parties**” means each of Summit MLP and SMP Holdings.

“**Permits**” means all permits, licenses or authorizations from any Governmental Authority.

“**Permitted Lien**” means (a) any Lien for Taxes not yet due or delinquent, (b) any Lien arising in the ordinary course of business by operation of Law with respect to a liability that is not yet due or delinquent, (c) all matters that are disclosed in the deed or instrument conveying such property that have been made available to Summit MLP, (d) purchase money Liens arising in the ordinary course of business, (e) any other imperfection or irregularity of title or other Lien

that would not reasonably be expected to materially interfere with the conduct of the Business, (f) zoning, planning and other similar limitations and restrictions and all rights of any Governmental Authority to regulate a property, (g) the terms and conditions of the Permits or the Contracts of the Company, (h) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security Laws, (k) any Lien to be released on or prior to Closing and (l) the other matters identified on Schedule 1.1-PL.

“**Person**” means any natural person, corporation, general partnership, limited partnership, limited liability company, unlimited liability corporation, proprietorship, other business organization, trust, union, association or Governmental Authority.

“**Personal Property**” has the meaning given to it in Section 3.10.

“**Plan**” means, whether written or oral, each “employee benefit plan” within the meaning of Section 3(3) of ERISA (including “multiemployer plans” within the meaning of Section 3(37) of ERISA) and any and all employment, deferred compensation, change in control, severance, termination, loan, employee benefit, retention, bonus, pension, profit sharing, savings, retirement, welfare, incentive compensation, stock or equity-based compensation, stock purchase, stock appreciation, collective bargaining, fringe benefit, vacation, paid time off, sick leave or other similar agreements, plans, programs, policies, understandings or arrangements.

“**Pre-Closing Period**” means any Tax period ending on or before the Closing Date.

“**Proceeding**” means any complaint, lawsuit, action, suit or other proceeding at Law or in equity or order or ruling, in each case by or before any Governmental Authority or arbitral tribunal.

“**Real Property**” means the real property owned in fee or leased, used or held for use by the Company.

“**Records**” has the meaning given to it in Section 7.8.

“**Release**” means any release, spill, emission, leaking, pumping, injection, disposal or discharge of any Hazardous Materials into the environment, to the extent prohibited under applicable Environmental Laws.

“**Representatives**” means, as to any Person, its officers, directors, employees, managers, members, partners, shareholders, owners, counsel, accountants, financial advisers and consultants.

“**Schedules**” means the disclosure schedules prepared by SMP Holdings and attached to this Agreement.

“**SM GP**” has the meaning given to it in the Recitals.

“**SMP Holdings**” has the meaning given to it in the Preamble.

“**SMP Holdings Approvals**” has the meaning given to it in Section 4.4(b).

“**SMP Holdings Group**” means SMP Holdings and any of its Affiliates.

“**SMP Holdings Taxes**” means any and all Taxes imposed on the Company or for which the Company may otherwise be liable for any Pre-Closing Period and for the portion of any Straddle Period ending on the Closing Date (determined in accordance with Section 6.2(b); *provided* that no such Tax will constitute a SMP Holdings Tax (a) to the extent such Tax was included as a current liability in the final determination of Net Working Capital or (b) for which Summit MLP will be liable under Section 6.2(c).

“**SMP Holdings Warranty Breach**” has the meaning given to it in Section 7.2(b).

“**Straddle Period**” means any period relating to the computation of Taxes that begins on or before and ends after the Closing Date.

“**Summit Midstream**” has the meaning given to it in the Recitals.

“**Summit MLP**” has the meaning given to it in the Preamble.

“**Summit MLP Partnership Agreement**” means the First Amended and Restated Agreement of Limited Partnership of Summit MLP dated as of October 3, 2012.

“**Summit MLP Warranty Breach**” has the meaning given to it in Section 7.3(a).

“**Taxes**” means (a) all taxes, charges, fees, imposts, levies or other assessments or fees of any kind, including income, corporate, capital, excise, property, sales, use, turnover, unemployment, social security, disability, withholding, real property, personal property, environmental (including any tax imposed by Section 59A of the Code), transfer, registration, value added and franchise taxes, deductions, withholdings and customs duties, imposed by any Governmental Authority, and including any interest or penalty imposed with respect thereto; and (b) any liability for the payment of any amounts of the type described in clause (a) as a result of the operation of law or any express or implied obligation to indemnify any other Person.

“**Tax Claim**” means any action, suit, arbitration, investigation, inquiry, hearing, request for information or filing, audit, examination, claim, demand, dispute, assessment, proposed adjustment or proceeding (whether administrative, regulatory or otherwise, or whether oral or in writing) with respect to Taxes or any Tax Returns of the Company.

“**Tax Returns**” means any return, report, rendition, claim for refund, statement, information return or other document (including any related or supporting information or schedule attached thereto, or amendment thereof) filed or required to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of any Taxes or the administration of any Laws relating to any Taxes.

“**Taxing Authority**” means, with respect to any Tax, the Governmental Authority or political subdivision thereof that imposes such Tax, and the agency (if any) charged with collection of such Tax for such entity or subdivision.

“*Warranty Breach*” means any Summit MLP Warranty Breach, Company Warranty Breach or SMP Holdings Warranty Breach.

“*Working Capital Adjustment*” means the difference between Net Working Capital as of the close of business on the Business Day immediately preceding the Closing Date and the Net Working Capital Target.

## 1.2 *Rules of Construction.*

(a) The exhibits and Schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes. All article, section, subsection and exhibit references used in this Agreement are to articles, sections, subsections and exhibits to this Agreement unless otherwise specified.

(b) The headings preceding the text of articles and sections included in this Agreement and the headings to the Schedules attached to this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement.

(c) If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Unless the context of this Agreement clearly requires otherwise, words importing the masculine gender shall include the feminine and neutral genders and vice versa. The words “includes” or “including” shall mean “including without limitation,” the words “hereof,” “hereby,” “herein,” “hereunder” and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular section or article in which such words appear. All currency amounts referenced herein are in United States Dollars unless otherwise specified. The singular shall include the plural and the plural shall include the singular wherever and as often as may be appropriate.

(d) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day.

(e) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP.

(f) Any reference herein to any Law, statute, rule or regulation shall be construed as referring to such Law, statute, rule or regulation as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time and references to particular provisions of a Law include a reference to the corresponding provisions of any prior or succeeding Law.

(g) Each Party acknowledges that it and its attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party or any similar rule operating against the drafter of an agreement shall not be applicable to the construction or interpretation of this Agreement.

**ARTICLE II  
CONTRIBUTION AND CLOSING**

2.1 **Contribution.** On the terms and subject to the conditions set forth in this Agreement, SMP Holdings agrees to (a) contribute and assign to Summit MLP, and Summit MLP agrees to receive and accept from SMP Holdings, at Closing, all of the Company Interests other than those being contributed by SM GP, free and clear of all Liens other than those arising under state or federal securities Laws or the LLC Agreement and (b) contribute and assign to SM GP, and cause SM GP to further contribute and assign to Summit MLP, and Summit MLP agrees to receive and accept from SM GP, at Closing, Company Interests having an aggregate value of \$1,000,000, free and clear of all Liens other than those arising under state or federal securities Laws or the LLC Agreement.

2.2 **Consideration.** The consideration for the contribution of the Company Interests is equal to the following, subject to adjustment as provided in Section 2.6 (the “**Consideration**”):

- (a) the Common Unit Consideration issued to SMP Holdings;
- (b) the General Partner Unit Consideration issued to SM GP; and
- (c) a distribution (the “**Closing Payment**”) to SMP Holdings equal to:
  - (i) \$200,000,000;
  - (ii) *plus* (if positive) or *minus* (if negative) the Estimated Working Capital Adjustment; and
  - (iii) *plus* the amount of Cash and Cash Equivalents held by the Company as of the close of business on the Business Day immediately preceding the Closing Date.

2.3 **Closing.** The consummation of the contribution of the Company Interests (the “**Closing**”) shall take place at the offices of Vinson & Elkins L.L.P., 2001 Ross Avenue, Suite 3700, Dallas, Texas 75201 at 10:00 A.M. local time, on the date hereof. All actions listed in Sections 2.4 or 2.5 that occur on the Closing Date shall be deemed to occur simultaneously at the Closing.

2.4 **Closing Deliveries by SMP Holdings to Summit MLP.** At the Closing, SMP Holdings shall deliver, or shall cause to be delivered, to Summit MLP the following:

- (a) a counterpart duly executed by SMP Holdings and SM GP of the Company Contribution and Assignment Agreement; and
- (b) a certification of non-foreign status in the form prescribed by Treasury Regulation Section 1.1445-2(b).

2.5 **Closing Deliveries by Summit MLP to SMP Holdings.** At the Closing, Summit MLP shall:

(a) deliver a wire transfer or transfers of immediately available funds (to such account or accounts of SMP Holdings as SMP Holdings shall have notified Summit MLP of at least two Business Days prior to the Closing Date) in an amount or amounts in the aggregate equal to the Closing Payment;

(b) deliver to SMP Holdings a counterpart duly executed by Summit MLP and Summit Midstream of the Company Contribution and Assignment Agreement;

(c) issue to SMP Holdings the Common Unit Consideration, in certificated or book entry form; and

(d) issue to SM GP the General Partner Unit Consideration, in certificated or book entry form.

## 2.6 *Working Capital Adjustment.*

(a) SMP Holdings and Summit MLP shall cooperate and provide each other access, including through electronic means, to SMP Holdings' and the Company's respective books and records as are reasonably requested in connection with the matters addressed in this Section 2.6. Attached as Schedule 2.6 is SMP Holdings' good faith estimate of (i) the Estimated Working Capital Adjustment and its components and (ii) the amount of Cash and Cash Equivalents to be held by the Company as of the close of business on the Business Day immediately preceding the Closing Date. For purposes of calculating Net Working Capital, all payments made at Closing pursuant to Section 6.1 shall be deemed to have been paid immediately prior to the close of business on the Business Day immediately preceding the Closing Date.

(b) Within 45 days after Closing, SMP Holdings shall provide Summit MLP with its good faith final calculation of the actual amounts for each of the estimated amounts required by Section 2.6(a), which clearly delineates any differences from such estimates together with reasonable supporting documentation. If Summit MLP disagrees with any of the calculations provided by SMP Holdings pursuant to the notice referenced in the foregoing sentence, then it shall provide SMP Holdings with written notice thereof within 30 days after receiving written notice thereof and shall include reasonable detail regarding such specific objections. If Summit MLP and SMP Holdings working in good faith are unable to agree on such disputed items on or prior to the 90<sup>th</sup> day following the Closing Date, then either Party may refer such dispute to Grant Thornton LLP or, if that firm declines to act as provided in this Section 2.6(b), another firm of independent public accountants, mutually acceptable to Summit MLP and SMP Holdings, which firm shall make a final and binding determination as to all matters in dispute on a timely basis and promptly shall notify the Parties in writing of its resolution. Such accounting firm handling the dispute resolution shall not have the power to modify or amend any term or provision of this Agreement. Each of Summit MLP and SMP Holdings shall bear and pay one-half of the fees and other costs charged by such accounting firm. If Summit MLP does not object to SMP Holdings's calculations within the time period and in the manner set forth in the first sentence of this Section 2.6(b) or accepts SMP Holdings's calculations, then such calculations as set forth in SMP Holdings's notice shall become final and binding upon the Parties for all purposes hereunder.

(c) If the sum of the Working Capital Adjustment *plus* the amount of Cash and Cash Equivalents as of the close of business on the Business Day immediately preceding the Closing Date (in each case, as agreed between Summit MLP and SMP Holdings or as determined by the above-referenced accounting firm or otherwise) is a value that is (i) greater than the estimated amount as paid by Summit MLP at Closing, then Summit MLP shall pay to SMP Holdings within five Business Days after such amounts are so agreed or determined, by wire transfer of immediately available funds to an account or accounts of SMP Holdings designated by SMP Holdings, the amount of such difference *plus* interest (at The Wall Street Journal Prime Rate as published on the Closing Date) accrued thereon from the Closing Date through and including the date of such payment or (ii) less than the estimated amount as paid by Summit MLP at Closing, then SMP Holdings shall pay to Summit MLP, within five Business Days after such amounts are agreed or determined, by wire transfer of immediately available funds to an account designated by Summit MLP, the amount of such difference *plus* interest (at The Wall Street Journal Prime Rate as published by The Wall Street Journal on the Closing Date) accrued thereon from the Closing Date through and including the date of such payment.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY**

SMP Holdings hereby represents and warrants (subject to any disclosures made on the date hereof in the Schedules) to Summit MLP as of the date hereof as follows:

**3.1 *Organization; Good Standing.***

(a) The Company is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware, and has all requisite limited liability company power and authority to own its properties and conduct the Business as it is now being conducted. The Company is duly qualified or licensed to do business in each jurisdiction in which the ownership or operation of its Assets makes such qualification or licensing necessary, except in any jurisdiction where the failure to be so duly qualified or licensed would not reasonably be expected to result in a Material Adverse Effect.

(b) True and complete copies of the Charter Documents of the Company and all amendments thereto have been furnished to Summit MLP.

**3.2 *Authority.*** The Company has the requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by the Company of this Agreement, and the performance by the Company of its obligations hereunder, have been duly and validly authorized by all necessary limited liability company action. This Agreement has been duly and validly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms and conditions, except that the enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, arrangement or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles.

3.3 **Capitalization of the Company.**

(a) Except for the Company Interests, none of the following are issued, reserved for issuance or outstanding:

(i) Equity Interests of the Company;

(ii) interests of the Company convertible into, or exchangeable or exercisable for Equity Interests of the Company; or

(iii) options, warrants, calls, rights, commitments or Contracts to which the Company is a party or by which it is bound, in any case obligating the Company to issue, deliver, sell, purchase, redeem or acquire, or cause to be issued, delivered, sold, purchased, redeemed or acquired, Equity Interests of the Company, or obligating the Company to grant, extend or enter into any such option, warrant, call, right, commitment or Contract.

(b) The Company Interests are duly authorized, validly issued, fully paid (to the extent required by the LLC Agreement) and, subject to the Laws of the State of Delaware, non-assessable (except as such non-assessability may be affected by Section 18-607 of the Delaware Limited Liability Company Act) and were not issued in violation of any purchase option, call option, right of first refusal, preemptive right or other similar right.

(c) There are no outstanding bonds, debentures, notes or other instruments or evidence of indebtedness of the Company having the right to vote (or convertible into, or exercisable or exchangeable for, securities having the right to vote).

(d) The Company has no subsidiaries, and owns no Equity Interests in any Person.

3.4 **No Conflicts; Consents and Approvals.** The execution and delivery by the Company of this Agreement, and the performance by the Company and SMP Holdings of their respective obligations under this Agreement, do not:

(a) violate or result in a breach of the Charter Documents of the Company;

(b) assuming the consents disclosed on Schedule 3.4(b) (the "**Company Consents**") have been made, obtained or given, violate or result in a material default under any Material Contract; or

(c) assuming the Company Consents have been made, obtained or given, violate or result in a breach of any Law applicable to the Company, except for such violations or breaches as would not be material.

3.5 **Absence of Changes.** Since February 15, 2013 (x) the Company and Meadowlark have in all material respects (1) conducted the Business in the ordinary course consistent with past practices and (2) used commercially reasonable efforts to preserve intact their respective material relationships with third parties with regard to the Business; (y) no fact, event, change,



occurrence or circumstance has occurred that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (z) except as set forth in Schedule 3.5:

- (a) the Company's Charter Documents have not been modified in any manner;
- (b) neither the Company nor Meadowlark has sold, transferred or disposed of any Assets used in the Business, including any right under any lease or Contract or any proprietary right or other intangible Asset, in each case having a value in excess of \$400,000;
- (c) neither the Company nor Meadowlark has waived, released, canceled, settled or compromised any debt, Claim or right relating to the Business having a value in excess of \$100,000;
- (d) except as may be required to meet the requirements of applicable Law or GAAP, neither the Company nor Meadowlark has changed any accounting method or practice relating to the Business in a manner that is inconsistent with past practice in a way that would materially and adversely affect the Business and/or the Company;
- (e) the Company has not failed to maintain its limited liability company, partnership or corporate existence, as applicable, or consolidated with any other Person or acquired all or substantially all of the Assets of any other Person;
- (f) the Company has not issued or sold any Equity Interests in itself;
- (g) the Company has not liquidated, dissolved, recapitalized, reorganized or otherwise wound up itself or the Business;
- (h) the Company has not purchased any securities of any Person, except for short-term investments made in the ordinary course of business; or
- (i) none of the Company, Meadowlark or SMP Holdings has agreed or committed to do any of the foregoing.

3.6 **Compliance with Applicable Laws.** Except as set forth on Schedule 3.6, (a) since February 15, 2013, Meadowlark and the Company have been (and the Company is) in material compliance with all Laws (and has not received any written or, to the Knowledge of the Company, oral notice of violation with respect to any Laws) applicable to the Business and (b) the Company holds all material Permits necessary for the lawful conduct of the Business and, to the Knowledge of the Company, a complete list of all such Permits is set forth on Schedule 3.6-P; *provided, however*, that this Section 3.6 does not address Environmental Laws, which are exclusively addressed by Section 3.13, matters relating to Taxes, which are exclusively addressed by Section 3.14, or employee matters, which are exclusively addressed by Section 3.16.

3.7 **Intellectual Property.**

(a) No material registrations or applications for registration are included in any Intellectual Property Rights held by the Company. To the Knowledge of the Company, the Company owns, licenses or otherwise has a valid right to use, free and clear of all Liens (other than Permitted Liens), all material Intellectual Property Rights necessary to conduct the Business as currently conducted.

(b) Schedule 3.7(b) sets forth a list of all agreements (excluding licenses for commercially available, “off-the-shelf” software with annual fees of less than \$75,000) pursuant to which any material Intellectual Property Right is licensed to the Company.

(c) To the Knowledge of the Company, the conduct of the Business as currently conducted has not infringed or misappropriated any Intellectual Property Right of any third party in any material respect.

(d) The consummation of the transactions contemplated hereby will not result in the loss or impairment of any material right of the Company to own, use, practice or exploit any Intellectual Property Rights held by or licensed to the Company (excluding licenses for commercially available, “off-the-shelf” software).

3.8 **Absence of Litigation.** Except as set forth on Schedule 3.8, there is no Claim or Proceeding (1) pending against the Company or with respect to the Business by or before any arbitrator or Governmental Authority, nor are there any reviews or investigations relating to the Company or the Business pending by or before any arbitrator or any Governmental Authority, or (2) to the Knowledge of the Company, threatened against the Company or with respect to the Business by or before any arbitrator or Governmental Authority that could be reasonably expected (due to the nature of the claims involved or the scope of their applicability to the Company’s business or operations) to involve amounts of \$100,000 or more in value, nor are there any reviews or investigations relating to the Company or the Business threatened by or before any arbitrator or any Governmental Authority that could be reasonably expected (due to the nature of the claims involved or the scope of their applicability to the Company’s business or operations) to involve amounts of \$100,000 or more in value.

3.9 **Real Property.**

(a) Set forth on Schedule 3.9(a) is a true and complete list of each parcel of Real Property owned in fee title by the Company. The Company has provided Summit MLP with true and complete copies of the conveyance documents to the Company for each such parcel of Real Property owned in fee, including the legal description for each such parcel of Real Property owned in fee. The Company has good and indefeasible fee title to all Real Property listed on Schedule 3.9(a), free and clear of all Liens, except for Permitted Liens and those Liens set forth on Schedule 3.9(a).

(b) Set forth on Schedule 3.9(b) is a true and complete list of all leases pursuant to which the Company is granted a right to use or occupy all or any portion of Real Property. The Company has provided Summit MLP with true and complete copies of such leases, and any amendments thereto. Each lease set forth on Schedule 3.9(b) is a legal, valid and

binding obligation of the Company. Except as set forth on Schedule 3.9(b), (i) the Company is not in material default under any lease set forth on Schedule 3.9(b), (ii) to the Knowledge of the Company, no landlord is in material default under any lease set forth on Schedule 3.9(b), and (iii) no event has occurred which constitutes a material default or, with lapse of time or giving of notice or both, would constitute a material default under any of the leases set forth on Schedule 3.9(b).

(c) Set forth on Schedule 3.9(c) is a true and complete list of all easements on Real Property used or held for use by the Company that are material to the operation and conduct of the Business. The Company has provided Summit MLP with true and complete copies of the documents creating such easements, and any amendments thereto. Each easement set forth on Schedule 3.9(c) is a legal, valid and binding obligation of the Company. Except as set forth on Schedule 3.9(c), (i) the Company is not in material default under any easement set forth on Schedule 3.9(c), (ii) to the Knowledge of the Company, no owner of the Real Property granting any easement set forth on Schedule 3.9(c) is in material default under any such easement, and (iii) no event has occurred which constitutes a material default or, with lapse of time or giving of notice or both, would constitute a material default under any of the easements set forth on Schedule 3.9(c).

(d) Except as set forth on Schedule 3.9(d), the Company is not obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Real Property, or any interest therein.

(e) Except as set forth on Schedule 3.9(e), the easements granted to the Company that cover the Gathering System, together with any owned or leased Real Property related to the Gathering System, establish a continuous right of way for the Gathering System, and the Gathering System and the buildings and improvements used in connection therewith are located entirely on Real Property.

(f) No member of the SMP Holdings Group has received any written notice of any eminent domain Proceeding or taking, nor, to the Knowledge of the Company, is any such Proceeding or taking contemplated with respect to all or any material portion of the Real Property.

(g) Except as set forth on Schedule 3.9(g), no member of the SMP Holdings Group other than the Company owns or leases any real property that constitutes part of the Business, and other than Meadowlark, no member of the SMP Holdings Group has ever owned any real property that constitutes part of the Business.

3.10 **Personal Property.** Schedule 3.10 lists all plants, processing units and other equipment (other than the individual components of any plants or processing units or installed pipeline) owned or leased by the Company or used or held for use in the conduct of the Business valued above \$100,000 (if required to be listed on Schedule 3.10, the "**Personal Property**"). Since February 15, 2013, the Company and Meadowlark have maintained substantially in accordance with normal industry practice, all of the Personal Property. The Company has good and valid title to all Personal Property, subject solely to Permitted Liens.

3.11 **Capital and Expense Projects; Purchase Orders.** Schedule 3.11 sets forth a true and complete list and description of all capital projects of the Company related to the Company's Assets and the Business that are in progress as of the date hereof and a good faith estimate as of the date hereof of the associated costs on a project by project basis. Schedule 3.11 sets forth a true and complete list as of the date hereof of all orders for the purchase of goods or services by the Company in an amount in excess of \$100,000.

3.12 **Regulatory Status.**

(a) The Company is not currently regulated by the Federal Energy Regulatory Commission as a "natural gas company" under the Natural Gas Act or as a "public utility," "public service company," or similar designation(s) by any state public service commission or as a "holding company" or similar designation of such regulated entity or by the Department of Transportation under the Pipeline and Hazardous Materials Safety Administration Rules on Pipeline Integrity Management. Without limiting the foregoing, the rates charged by the Company are not currently regulated by the Federal Energy Regulatory Commission under the Interstate Commerce Act or the Natural Gas Policy Act of 1978. The transfer of the Equity Interests of the Company as contemplated by this Agreement does not require the approval of the North Dakota Public Service Commission.

(b) No rate refunds, rebates, offsets or like obligations are accrued or owed by the Company or Meadowlark to the North Dakota Public Service Commission with respect to services related to the Business or the Assets of the Company.

3.13 **Environmental Matters.** Except as set forth in Schedule 3.13:

(a) The Company is, since February 15, 2013 Meadowlark and the Company have been with respect to the Business, and to the Company's Knowledge since July 1, 2010 the Business has been, in compliance with applicable Environmental Laws in all material respects, including timely possessing and complying in all material respects with the terms and conditions of all Environmental Permits;

(b) (i) No member of the SMP Holdings Group has (and, to the Company's Knowledge no predecessor in the Business has) received from any Governmental Authority any written notice of violation of, alleged violation of, non-compliance with, or liability or potential or alleged liability pursuant to, any Environmental Law involving the operations of the Gathering System or any other Assets of the Company other than notices with respect to matters that have been resolved to the satisfaction of any relevant Governmental Authority and for which the Company has no further material obligations outstanding and (ii) neither the Company nor the Gathering System is subject to any outstanding governmental order, "consent order" or other agreement;

(c) Since July 1, 2010, there has been no material Release, discharge or disposal of Hazardous Materials on or from any Real Property by the Company or Meadowlark in violation of any Environmental Laws or in a manner that could reasonably be expected to give rise to a material remedial or corrective action obligation pursuant to Environmental Laws; and

(d) SMP Holdings has made available for inspection by Summit MLP copies of (i) all environmental assessment and audit reports and other material environmental studies and (ii) all Environmental Permits, in each case, relating to the Real Property or involving the Business and that are in the possession of the SMP Holdings Group.

3.14 **Taxes.** Except as set forth on Schedule 3.14:

(a) All material Tax Returns required to be filed by the Company have been duly and timely filed. Each such Tax Return is true, correct and complete in all material respects. All Taxes required to be paid by the Company prior to the date hereof have been paid in full and any Taxes required to be paid by the Company prior to the Closing will be timely paid in full. All withholding Tax requirements imposed on the Company have been satisfied in all material respects. There are no Liens (other than Permitted Liens) on any of the Assets of the Company that arose in connection with any failure (or alleged failure) to pay any Tax.

(b) There is not in force any extension of time with respect to the due date for the filing of any Tax Return of or with respect to the Company or any waiver or agreement for any extension of time for the assessment or payment of any material Tax by the Company. No outstanding material Tax Claim has been asserted in writing against the Company by any Taxing Authority. There is no Tax Claim pending against, or with respect to, the Company.

(c) There is no existing Tax sharing allocation, indemnity or similar Contract that may or will require any payment be made by the Company on or after the Closing Date, and the Company is not liable for the Taxes of any other Person (other than the Company) by virtue of Treasury Regulation Section 1.1502-6, any similar provision of state, local or foreign applicable Law, by contract, as successor or transferee, or otherwise.

(d) There is no material property or obligation of the Company, including uncashed checks to vendors, customers or employees, non-refunded overpayments, or unclaimed subscription balances, that is escheatable or reportable as unclaimed property to any state or municipality under any applicable escheatment or unclaimed property Laws.

(e) The Company has not made an election to change its default entity classification under Treasury Regulation Section 301.7701-3. The Company is a disregarded entity for U.S. federal Income Tax purposes.

(f) The Company has not participated, within the meaning of Treasury Regulation Section 1.6011-4(c)(3), in any "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4(b)(2).

3.15 **Contracts.**

(a) Schedule 3.15 contains a true and complete listing of each of the following Contracts to which the Company or (with respect to the Business) Meadowlark is a party (the Contracts listed in Schedule 3.15 being "**Material Contracts**"):

(i) each hydrocarbon purchase and sale, gathering, transportation, treating, dehydration, processing or similar Contract and any Contract for the provision of

services relating to gathering, compression, collection, processing, treating or transportation of natural gas or other hydrocarbons involving annual expenditures or revenues in excess of \$250,000;

- (ii) each Contract that constitutes a pipeline interconnect or facility operating agreement;
- (iii) each Contract involving a remaining commitment to pay capital expenditures in excess of \$250,000 in the aggregate;
- (iv) each Contract for lease of personal property or Real Property involving aggregate payments in excess of \$250,000 in any future calendar year;
- (v) each Contract between SMP Holdings or an Affiliate of SMP Holdings (other than the Company), on the one hand, and the Company, on the other hand, which will survive the Closing;
- (vi) each partnership or joint venture agreement;
- (vii) each agreement relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of Assets, or otherwise) or granting to any Person a right of first refusal, first offer or right to purchase any of the Assets material to the conduct of the Business;
- (viii) each Contract that provides for a limit on the ability of the Company to compete in any line of business or in any geographic area during any period of time after the Closing;
- (ix) each Contract evidencing indebtedness, whether secured or unsecured, including all loan agreements, line of credit agreements, indentures, mortgages, promissory notes, agreements concerning long and short-term debt, together with all security agreements or other lien documents related to or binding on the Assets of the Company; and
- (x) except for Contracts of the nature described in clauses (i) through (v) above, each Contract involving aggregate payments or receipts in excess of \$250,000 or, if to an employee in excess of \$100,000, in any future calendar year that cannot be terminated by such Person or the Company, as applicable, upon 30 days or less notice without payment of a penalty or other liability.

(b) True and complete copies of all Material Contracts have been made available to Summit MLP.

(c) Each of the Material Contracts is in full force and effect in all material respects and constitutes a legal, valid and binding obligation of the Company and, to the Knowledge of the Company, of the counterparties to such Material Contracts. Neither the Company nor, to the Knowledge of the Company, any counterparty thereto, is in (or has received written notice or, to its Knowledge, oral notice, that it is in) default or breach (or has taken or

failed to take any action such that with notice, the passage of time or both it would be in default or breach) under the terms of any such Material Contract.

3.16 **Employees and Plans.**

- (a) The Company does not have, and has never had, any employees, independent contractors or consultants.
- (b) The Company does not currently and has not ever maintained or contributed to any Plan or been a participating employer in any Plan.

3.17 **Transactions with Affiliates.** Except as set forth on Schedule 3.17, the Company is not owed any amount from, and does not owe any amount to, guarantee any amount owed by, have any Contracts with or have any commitments to any Affiliate, officer or director of the Company or any member of a family group of any of the foregoing.

3.18 **Broker's Commissions.** No member of the SMP Holdings Group has, directly or indirectly, entered into any Contract with any Person that would obligate the Company to pay any commission, brokerage fee or "finder's fee" in connection with the transactions contemplated herein.

3.19 **Records.** The Records are located at the premises of the Company, have been maintained in all material respects in accordance with applicable Law and comprise in all material respects all of the books and records relating to the ownership and operation of the Company, the Business and the Assets of the Company.

3.20 **Surety Bonds and Credit.** Except as listed on Schedule 3.20, neither Meadowlark nor the Company has any obligation to post any material surety bond, letter of credit, guarantee or other form of support (credit or otherwise) in respect of the Company or the Business.

3.21 **No Bankruptcy.** There are no bankruptcy Proceedings pending against, being contemplated by or, to the Knowledge of the Company, threatened against the Company.

3.22 **No Undisclosed Material Liabilities; Indebtedness.** Except as listed on Schedule 3.22, there are no liabilities of the Company or related to the Assets of any kind (whether accrued or fixed, absolute or contingent, matured or unmatured, determined or determinable or otherwise), other than (a) liabilities that would not be required under GAAP to be disclosed, reflected, reserved against or otherwise provided for in the financial statements of the Company or disclosed in the notes thereto; (b) liabilities, other than Indebtedness, incurred in the ordinary course of business consistent with past practice since February 15, 2013; and (c) other undisclosed liabilities, other than Indebtedness, which individually or in the aggregate, are immaterial. A true and complete list of all Indebtedness of the Company is set forth Schedule 3.22.

3.23 **Insurance.** Schedule 3.23 sets forth summaries of all insurance policies covering the Business. All such insurance policies are in full force and effect, all premiums with respect thereto have been paid, no written notice of cancellation or termination has been received with

respect to any such policy, and all such policies will continue to cover the Business after the Closing, without payment of an additional premium.

3.24 **Company-Specific Matters.** The Company was formed on May 23, 2013 and the Business was contributed to it by Meadowlark on June 4, 2013. The Company has never owned, and does not own, any Assets of any kind or character other than those constituting part of the Business. The Company has never had, and has no, liabilities or obligations of any kind or character other than those arising out of the ownership and/or operation of the Business.

3.25 **Conflicts Committee Matters.** The projections and budgets provided to the Conflicts Committee (including those provided to Evercore Group L.L.C., the financial advisor to the Conflicts Committee) as part of the Conflicts Committee's review in connection with this Agreement have a reasonable basis and are consistent with the SMP Holdings Group's management's current expectations. The other financial and operational information provided to Evercore Group L.L.C. as part of its review of the proposed transaction for the Conflicts Committee is derived from and is consistent with the SMP Holdings Group's books and records.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SMP HOLDINGS**

SMP Holdings hereby represents and warrants (subject to any disclosures made on the date hereof in the Schedules) to Summit MLP as of the date hereof as follows:

4.1 **Organization; Good Standing.** Each of SMP Holdings and SM GP is duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation.

4.2 **Authority.** SMP Holdings has the requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by SMP Holdings of this Agreement, and the performance by SMP Holdings of its obligations hereunder, have been duly and validly authorized by all necessary limited liability company action. This Agreement has been duly and validly executed and delivered by SMP Holdings and constitutes the legal, valid and binding obligation of SMP Holdings enforceable against SMP Holdings in accordance with its terms and conditions, except that the enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, arrangement or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles.

4.3 **Ownership of the Company Interests.** The Company Interests are owned beneficially and of record by SMP Holdings, free and clear of all Liens other than those arising under state or federal securities Laws or the LLC Agreement. Immediately prior to Closing, Company Interests having an aggregate value of \$1,000,000 will be owned beneficially and of record by SM GP and the remaining Company Interests will be owned beneficially and of record by SMP Holdings, in each case free and clear of all Liens other than those arising under state or federal securities Laws or the LLC Agreement. The Company Interests are duly authorized, validly issued, fully paid (to the extent required by the LLC Agreement) and, subject to the Laws of the State of Delaware, non-assessable (except as such non-assessability may be affected by



Section 18-607 of the Delaware Limited Liability Company Act) and were not issued in violation of any purchase option, call option, right of first refusal, preemptive right or other similar right.

4.4 **No Conflicts; Consents and Approvals.** The execution and delivery by SMP Holdings of this Agreement, and the performance by SMP Holdings of its obligations under this Agreement, do not:

(a) violate or result in a breach of the Charter Documents of SMP Holdings; or

(b) assuming all required filings, waivers, approvals, consents, authorizations and notices disclosed on Schedule 4.4 (collectively, the “**SMP Holdings Approvals**”) and any required consent or approval of any Government Authority have been received, violate or result in a breach of the Original Acquisition Agreement or any Law applicable to SMP Holdings, except for such violations or breaches as would not be material.

4.5 **Broker’s Commissions.** SMP Holdings has not, directly or indirectly, entered into any Contract with any Person that would obligate the Company to pay any commission, brokerage fee or “finder’s fee” in connection with the transactions contemplated herein.

4.6 **No Bankruptcy.** There are no bankruptcy Proceedings pending against, being contemplated by or, to the knowledge of SMP Holdings, threatened against SMP Holdings.

4.7 **Acquisition as Investment.** SMP Holdings is acquiring the Common Unit Consideration and SM GP is acquiring the General Partner Unit Consideration, in each case, for its own account as an investment without the present intent to sell, transfer or otherwise distribute the same to any other Person in violation of any state or federal securities Laws. Each of SMP Holdings and SM GP has made, independently and without reliance on Summit MLP (except to the extent that SMP Holdings and SM GP have relied on the representations and warranties in this Agreement), its own analysis of the Common Unit Consideration or the General Partner Unit Consideration (as applicable), and each of SMP Holdings and SM GP has had reasonable and sufficient access to documents, other information and materials as it considers appropriate to make its evaluations. SMP Holdings and SM GP acknowledge that the Common Unit Consideration and the General Partner Unit Consideration are not registered pursuant to the Securities Act of 1933 (the “**1933 Act**”) and that none of the Common Unit Consideration or the General Partner Unit Consideration may be transferred, except pursuant to an effective registration statement or an applicable exemption from registration under the 1933 Act. SMP Holdings and SM GP are “accredited investors” as defined under Rule 501 promulgated under the 1933 Act.

#### **ARTICLE V REPRESENTATIONS AND WARRANTIES REGARDING SUMMIT MLP**

Summit MLP hereby represents and warrants to SMP Holdings as of the date hereof as follows:

5.1 **Organization.** Summit MLP is a limited partnership duly formed, validly existing and in good standing under the Laws of the state of Delaware.

5.2 **Authority.** Summit MLP has all requisite limited partnership power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Summit MLP of this Agreement, and the performance by Summit MLP of its obligations hereunder, have been duly and validly authorized by all necessary limited partnership action on behalf of Summit MLP. This Agreement has been duly and validly executed and delivered by Summit MLP and constitutes the legal, valid and binding obligation of Summit MLP enforceable against Summit MLP in accordance with its terms and conditions except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally or by general equitable principles.

5.3 **No Conflicts.** The execution and delivery by Summit MLP of this Agreement, and the performance by Summit MLP of its obligations under this Agreement, do not:

- (a) violate or result in a breach of its Charter Documents;
- (b) violate or result in a default under any material Contract to which Summit MLP is a party, except for any such violation or default which would not reasonably be expected to result in a material impairment on Summit MLP's ability to perform its obligations hereunder;
- (c) assuming the Company Consents have been made, obtained or given, violate or result in a breach of any Law applicable to Summit MLP, except for such violations or breaches as would not be material; or
- (d) assuming the Company Consents have been made, obtained or given, require any consent or approval of any Governmental Authority under any Law applicable to Summit MLP, other than immaterial consents or approvals.

5.4 **Legal Proceedings.** There is no Proceeding pending or, to Summit MLP's knowledge, threatened, against Summit MLP before or by any Governmental Authority, which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement.

5.5 **Common Unit Consideration and General Partner Unit Consideration.** Upon issuance, all of the Common Unit Consideration and the General Partner Unit Consideration will be duly authorized, validly issued and outstanding, and will have been issued free of preemptive rights in compliance with Laws. Upon issuance, the Common Unit Consideration and the General Partner Unit Consideration will be fully paid (to the extent required by the Summit MLP Partnership Agreement) and nonassessable (subject to Del. Code Ann. Tit. 6, §§ 17-303, 17-607 and 17-804 (2007)). Upon consummation of the transactions contemplated by this Agreement, SMP Holdings will acquire good and valid title to all of the Common Unit Consideration and SM GP will acquire good and valid title to all of the General Partner Unit Consideration, in each case free and clear of any Liens other than transfer restrictions imposed thereon by securities Laws or arising under the Summit MLP Partnership Agreement.

5.6 **Acquisition as Investment.** Summit MLP is acquiring the Company Interests for its own account as an investment without the present intent to sell, transfer or otherwise

distribute the same to any other Person in violation of any state or federal securities Laws. Summit MLP has made, independently and without reliance on SMP Holdings (except to the extent that Summit MLP has relied on the representations and warranties in this Agreement) or SM GP, its own analysis of the Company Interests, the Company and its Assets for the purpose of acquiring the Company Interests, and Summit MLP has had reasonable and sufficient access to documents, other information and materials as it considers appropriate to make its evaluations. Summit MLP acknowledges that the Company Interests are not registered pursuant to the 1933 Act and that none of the Company Interests may be transferred, except pursuant to an effective registration statement or an applicable exemption from registration under the 1933 Act. Summit MLP is an “accredited investor” as defined under Rule 501 promulgated under the 1933 Act.

5.7 **Financial Resources.** Summit MLP has, or will have on the Closing Date, sufficient cash on hand, available lines of credit or other sources of immediately available funds to enable it (a) to pay the Closing Payment and (b) to otherwise perform its obligations under this Agreement.

5.8 **Opportunity for Independent Investigation.** Summit MLP is an experienced and knowledgeable investor in the United States. Summit MLP has conducted its own independent review and analysis of the Business and of the Assets, liabilities, results of operations, financial condition, technology and prospects of the Company and acknowledges that Summit MLP has been provided access to personnel, properties, premises and records of the Company for such purpose. In entering into this Agreement, Summit MLP has relied solely upon the representations, warranties and covenants contained herein and upon its own investigation and analysis of the Company and the Business (such investigation and analysis having been performed by Summit MLP), and Summit MLP:

(a) acknowledges and agrees that it has not been induced by and has not relied upon any Due Diligence Information, representations, warranties or statements, whether oral or written, express or implied, made by SMP Holdings or the Company or any of their respective Representatives, Affiliates or agents except for the representations and warranties expressly set forth in this Agreement and those items delivered to Summit MLP pursuant to Section 2.4;

(b) acknowledges and agrees that, except for the representations and warranties expressly set forth in this Agreement and those items delivered to Summit MLP pursuant to Section 2.4, none of SMP Holdings or the Company or any of their respective Representatives, Affiliates or agents makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information provided or made available to Summit MLP or its Representatives, Affiliates or agents, including any information, document or material provided or made available, or statements made, to Summit MLP (including its Representatives, Affiliates and agents) during site or office visits, in any “data rooms,” management presentations or supplemental due diligence information provided to Summit MLP (including its Representatives, Affiliates and agents), in connection with discussions with management or in any other form in expectation of the transactions contemplated by this Agreement (collectively, the “**Due Diligence Information**”);

(c) acknowledges and agrees that, except for the representations and warranties expressly set forth in this Agreement and those items delivered to Summit MLP

pursuant to Section 2.4, (i) the Due Diligence Information includes certain projections, estimates and other forecasts and certain business plan information, (ii) there are uncertainties inherent in attempting to make such projections, estimates and other forecasts and plans and Summit MLP is aware of such uncertainties, and (iii) Summit MLP is taking full responsibility for making its own evaluation of the adequacy and accuracy of all projections, estimates and other forecasts and plans so furnished to it and any use of or reliance by Summit MLP on such projections, estimates and other forecasts and plans shall be at its sole risk; and

(d) agrees, to the fullest extent permitted by Law, that none of SMP Holdings or the Company (except as expressly provided herein) or any of their respective Representatives, Affiliates or agents shall have any liability or responsibility whatsoever to Summit MLP or its Representatives, Affiliates or agents on any basis (including in contract or tort, under federal or state securities Laws or otherwise) resulting from the furnishing to Summit MLP, or from Summit MLP's use of, any Due Diligence Information, except for liability or responsibility for the representations and warranties expressly set forth in this Agreement and those items delivered to Summit MLP pursuant to Section 2.4.

5.9 **Broker's Commissions.** Summit MLP has not, directly or indirectly, entered into any Contract with any Person that would obligate Summit MLP or any of its Affiliates to pay any commission, brokerage fee or "finder's fee" in connection with the transactions contemplated herein.

## ARTICLE VI COVENANTS

6.1 **Indebtedness; Distributions.** Notwithstanding anything in this Agreement to the contrary, at or prior to Closing:

(a) the Company will deliver reasonable and customary evidence demonstrating the release of all Liens on the Assets of the Company (other than Permitted Liens);

(b) the Company may cause any accounts payable and/or accounts receivable between the Company, on the one hand, and a Non-Company Affiliate, on the other hand, to be paid in full; and

(c) the Company may pay cash dividends, and/or make cash distributions, to SMP Holdings or its Affiliates.

6.2 **Tax Matters.**

(a) With respect to any Tax Return that is required to be filed by the Company after the Closing Date with respect to a Pre-Closing Period, SMP Holdings shall prepare or cause to be prepared such Tax Return. With respect to any Tax Return that is required to be filed by the Company after the Closing Date with respect to a Straddle Period, Summit MLP shall prepare or cause to be prepared such Tax Return. Such Tax Returns shall be prepared on a basis consistent with past practice except to the extent otherwise provided in this Agreement or otherwise required by applicable Laws. Reasonably in advance of (and in the case of Income

Tax Returns, not later than 30 days prior to the due date (including extensions) of each Tax Return for a Pre-Closing Period or for a Straddle Period, the Party responsible for preparing such Tax Return shall deliver a copy of such Tax Return to the other Party for its review and reasonable comment. The Party responsible for preparing such Tax Return shall consider in good faith any such comments received from the other Party not less than 15 days prior to the due date (including extensions) for filing such Tax Return and shall deliver a final copy of such Tax Return to such other Party not less than seven days prior to such due date. Summit MLP shall cause each such Tax Return to be timely filed and shall timely pay the Taxes shown due thereon; *provided* that not later than five Business Days prior to the due date for the payment of Taxes with respect to any such Tax Return, SMP Holdings shall pay to Summit MLP the amount of SMP Holdings Taxes owed with respect to such Tax Return.

(b) In the case of Taxes that are payable by the Company with respect to any Straddle Period, the portion of any such Tax that is attributable to the portion of the period ending on the Closing Date shall be:

(i) in the case of Taxes that are either (A) based upon or related to income or receipts, or (B) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), deemed equal to the amount that would be payable if the taxable years of the Company ended with (and included) the Closing Date; *provided* that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on and including the Closing Date and the period beginning after the Closing Date in proportion to the number of days in each period;

(ii) in the case of Taxes that are imposed on a periodic basis with respect to the assets of any of the Company, deemed to be the amount of such Taxes for the entire Straddle Period, multiplied by a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period; and

(iii) in the event that the transactions contemplated by this Agreement result in the reassessment of the value of any property owned by the Company for property Tax purposes, or the imposition of any property Taxes at a rate which is different than the rate that would have been imposed if such transactions had not occurred, deemed to be the amount of such Taxes determined pursuant to Section 6.2(b)(ii) using the assessed value and Tax rate that would have applied had such transactions not occurred.

(c) Summit MLP shall be liable for and pay, and pursuant to Article VII shall indemnify and hold harmless SMP Holdings from and against any and all Losses incurred by SMP Holdings in connection with or arising from any sales Tax, use Tax, stamp Tax, transfer Tax, conveyance, registration or other similar Tax imposed on the transactions contemplated by this Agreement.

(d) After Closing, each of SMP Holdings and Summit MLP shall (and shall cause their respective Affiliates to):

(i) timely sign and deliver such certificates or forms as may be necessary or appropriate to establish an exemption from (or otherwise reduce), or file Tax Returns or other reports with respect to, Taxes described in Section 6.2(c);

(ii) assist the other party in preparing any Tax Returns which such other party is responsible for preparing and filing in accordance with Section 6.2(a), and in connection therewith, provide the other party with any necessary powers of attorney;

(iii) cooperate fully in preparing for and defending any audits of, or disputes with Taxing Authorities regarding, any Tax Returns of the Company;

(iv) make available to the other and to any Taxing Authority as reasonably requested all information, records, and documents relating to Taxes of the Company; and

(v) furnish the other with copies of all correspondence received from any Taxing Authority in connection with any Tax audit or information request with respect to any such taxable period.

(e) No amended Tax Return with respect to a Pre-Closing Period or Straddle Period shall be filed by or on behalf of the Company without the prior written consent (such consent not to be unreasonably conditioned, withheld or delayed) of SMP Holdings.

(f) SMP Holdings shall prepare or cause to be prepared an allocation schedule (the "**Allocation Schedule**"), allocating the Consideration (plus any assumed liabilities that are treated as consideration for the contribution contemplated under this Agreement for federal Income Tax purposes) among the Company's assets based on the relative fair market values of the Company's assets in a manner consistent with Section 1060 of the Code and Treasury Regulations thereunder. SMP Holdings shall deliver the Allocation Schedule to Summit MLP as soon as practicable after the Closing Date for Summit MLP's review and reasonable comments. Within 30 days after receiving such Allocation Schedule, Summit MLP shall notify SMP Holdings in writing if Summit MLP has any objections to the allocations on the Allocation Schedule and shall specify the basis for any such objections. If Summit MLP does not notify SMP Holdings of any objection to the Allocation Schedule, then it shall be deemed agreed to by SMP Holdings and Summit MLP and the Allocation Schedule shall be final and binding. If Summit MLP objects to any allocations on the Allocation Schedule, then SMP Holdings and Summit MLP shall negotiate in good faith to resolve any disagreement regarding the Allocation Schedule as soon as practicable (taking into account the due date of any Tax Returns on which the allocation set forth in the Allocation Schedule is required to be reflected) and shall memorialize the agreed allocation in a final Allocation Schedule, which shall be final and binding. The final Allocation Schedule shall be revised to take into account subsequent adjustments to the Consideration, including any Working Capital Adjustment and any indemnification payments (any of which shall be treated for Tax purposes as adjustments to the Consideration), in accordance with the provisions of Section 1060 of the Code and the Treasury Regulations thereunder.

(g) Summit MLP and SMP Holdings shall report, act and file Tax Returns for Tax purposes in all respects consistent with the Allocation Schedule. None of Summit MLP, SMP Holdings, the Company or their respective Affiliates shall take any position for Tax purposes (whether in audits, Tax Returns or otherwise) that is inconsistent with the Allocation Schedule unless required to do so by applicable Law. If any Taxing Authority disputes the allocation set forth in the Allocation Schedule, the party receiving notice of the dispute shall promptly notify the other parties hereto of such dispute and the parties hereto shall cooperate in good faith in responding to such dispute in order to preserve the effectiveness of the allocation set forth in the Allocation Schedule.

(h) Summit MLP shall promptly notify SMP Holdings in writing upon receipt by Summit MLP, the Company or any of its Affiliates, of notice of any pending or threatened Tax Claim for which SMP Holdings might have liability pursuant to this Agreement (“*Indemnified Tax Claim*”); *provided, however*, that the failure to so notify shall not relieve SMP Holdings of any liability hereunder except to the extent SMP Holdings is actually prejudiced thereby. SMP Holdings shall have the right to represent the Company’s interests in any such Indemnified Tax Claim that relates to a Pre-Closing Period, and SMP Holdings shall have the right to employ counsel of their choice, and to control such proceeding or examination at SMP Holdings’ cost; *provided, however*, that SMP Holdings shall keep Summit MLP reasonably informed of the progress of any such audit or other proceeding and shall not settle any such Indemnified Tax Claim without the prior written consent of Summit MLP, which consent may not be unreasonably withheld. In the case of an Indemnified Tax Claim relating to a Straddle Period, Summit MLP shall have the right to control such Indemnified Tax Claim and to employ counsel of its choice; *provided, however*, that SMP Holdings shall be entitled to participate in the defense of any such Indemnified Tax Claim with counsel of their choosing. None of Summit MLP, any of its Affiliates or the Company may settle an Indemnified Tax Claim without the prior written consent of SMP Holdings, which consent may not be unreasonably withheld.

(i) Summit MLP and SMP Holdings intend and expect that the transactions contemplated by this Agreement will be treated, for purposes of federal Income Tax and for purposes of certain state Income Tax Laws that incorporate or follow federal Income Tax principles, as a contribution of the Assets of the Company to Summit MLP in exchange for the Common Unit Consideration, the General Partner Unit Consideration, the assumption of any liabilities of the Company, and the Closing Payment, in accordance with Section 721 of the Code, and the Closing Payment (and any other consideration that for Tax purposes would not be permitted to be received on a Tax deferred basis under Section 721 of the Code) will be treated as a reimbursement of SMP Holdings’ or its Affiliates’ preformation expenditures with respect to the Assets of the Company within the meaning of Treasury Regulations Section 1.707-4(d) to the maximum extent applicable.

(j) To the extent permitted by applicable Law, Summit MLP and SMP Holdings agree to report each indemnification payment made in respect of a Loss as an adjustment to the Consideration for federal income Tax purposes.

6.3 **Public Announcements.** The Parties will maintain the confidentiality of this Agreement and its terms except that any Party may disclose this Agreement or any of its terms to

any of the following if advised of the confidentiality obligations of such information: (a) any direct and indirect holders of Equity Interests in such Party or any Affiliate of such Party and (b) any potential lender to such Party. The Parties will consult with each other prior to issuing any publication or press release of any nature with respect to this Agreement or the transactions contemplated hereby and shall not make or issue, or cause to be made or issued, any such publication or press release prior to such consultation and without the prior written consent of the other Party (which consent will not be unreasonably withheld or delayed) except to the extent, but only to such extent, that, in the opinion of the Party issuing such publication or press release, such announcement or statement may be required by Law, any listing agreement with any securities exchange or any securities exchange regulation, in which case the Party proposing to issue such publication or press release shall use its reasonable efforts to consult in good faith with the other Party before issuing any such publication or press release and shall reasonably cooperate with the other Party in good faith with respect to the timing, manner and content of disclosure.

6.4 **Termination of Agreements with SMP Holdings and Non-Company Affiliates.** As of the date hereof, the Company has entered into a termination and release with SMP Holdings or any Non-Company Affiliate with whom the Company has an agreement or to whom the Company owes any obligation, other than the agreements listed on Schedule 6.4.

6.5 **Recordation of Easements.** The Company agrees that if any easements listed on Schedule 3.9(c) are not filed of record with the appropriate Governmental Authority (including the applicable real property records with respect to any such easements) as of the date hereof, the Company shall use its commercially reasonable efforts to file or record (as applicable), or cause to be filed or recorded, such easements following the date hereof.

6.6 **Further Assurances.** Subject to the terms and conditions of this Agreement, at any time or from time to time after the Closing, at any Party's request and without further consideration, the other Party shall (and in the case of Summit MLP, Summit MLP shall and shall cause the Company to) execute and deliver to such Party such other instruments of sale, transfer, conveyance, assignment and confirmation, provide such materials and information and take such other actions as such Party may reasonably request in order to consummate the transactions contemplated by this Agreement.

6.7 **Indemnification Under the Original Acquisition Agreement.** To the extent that SMP Holdings or its Affiliate is owed indemnification or other payment under the Original Acquisition Agreement with respect to breaches of representations and warranties associated with the Business or any assets, liabilities or obligations comprising part of the Business, SMP Holdings will use commercially reasonable efforts to pursue such indemnification and/or other payment from the Original Sellers in good faith, and (to the extent SMP Holdings owes an indemnification payment to Summit MLP, the Company or their Affiliates under Article VII and has not already made such payment to Summit MLP, the Company or their Affiliates under Article VII) will pay over any such amounts received to Summit MLP.



**ARTICLE VII**  
**LIMITATIONS ON LIABILITY, WAIVERS AND ARBITRATION**

7.1 **Survival of Representations, Warranties and Agreements.** The representations and warranties of the Company, SMP Holdings and Summit MLP set forth in this Agreement and the right of an indemnified Person to assert any Claim for indemnification related thereto or for any other Loss pursuant to this Article VII shall survive Closing until February 14, 2014, except that the survival period shall be extended to the first anniversary of the Closing Date solely in respect of any breach of a representation and warranty that is caused by an action taken by Meadowlark, the Company or SMP Holdings during the period from and after February 15, 2013 through the Closing Date, after which applicable date and time no Claims for indemnification may be asserted, regardless of when such right arose; *provided* that the representations and warranties set forth in (a) Sections 3.1(a), 3.2, 3.3, 4.1, 4.2, 4.3, 5.1, 5.2 and 3.24 (the “**Fundamental Representations**”) shall survive the Closing indefinitely, and (b) Section 3.14, 3.18, 4.5 and 5.9 shall survive the Closing until 30 days following the expiration of the applicable statute of limitations, including any extension thereof, with respect to the particular matter that is the subject matter thereof. The covenants and agreements of the Parties contained in this Agreement shall survive the Closing in accordance with their terms; *provided* that the right of any Party to make a claim for breach of any covenant of a Party that is to be performed or satisfied at the Closing shall survive until the first anniversary of the Closing Date.

7.2 **Indemnification of Summit MLP and the Company by SMP Holdings.** Subject to the limitations on recourse and recovery set forth in this Article VII, from and after the Closing, SMP Holdings will indemnify, defend and hold harmless Summit MLP and the Company and their respective Affiliates from and against any and all Losses imposed upon or incurred after the Closing in connection with, arising out of or resulting from:

(a) the inaccuracy or breach of any representation or warranty made by SMP Holdings in Article III (each such inaccuracy or breach, a “**Company Warranty Breach**”);

(b) the inaccuracy or breach of any representation or warranty made by SMP Holdings in Article IV (each such inaccuracy or breach, a “**SMP Holdings Warranty Breach**”);

(c) any nonfulfillment or breach by SMP Holdings or the Company of any covenant or agreement made by SMP Holdings or the Company under this Agreement; and

(d) any and all SMP Holdings Taxes;

*provided* that for purposes of determining Losses under subsections (a) and (b) above and determining whether or not any Company Warranty Breach or SMP Holdings Warranty Breach has occurred, any qualification or exception contained therein relating to materiality (including Material Adverse Effect) shall be disregarded.

7.3 **Indemnification of SMP Holdings by Summit MLP.** Subject to the limitations on recourse and recovery set forth in this Article VII, from and after the Closing, Summit MLP shall indemnify, defend and hold harmless SMP Holdings and its Affiliates from and against any and all Losses imposed upon or incurred after the Closing in connection with, arising out of or resulting from:

- (a) the inaccuracy or breach of any representation or warranty made by Summit MLP in Article V (each such inaccuracy or breach, a “*Summit MLP Warranty Breach*”);
- (b) any nonfulfillment or breach by Summit MLP of any covenant or agreement made by Summit MLP under this Agreement; and
- (c) any and all liabilities associated with the Business (except to the extent SMP Holdings as of such time has an indemnity obligation to Summit MLP with respect thereto);

*provided* that for purposes of determining Losses under subsection (a) above and determining whether or not any Summit MLP Warranty Breach has occurred, any qualification or exception contained therein relating to materiality (including Material Adverse Effect) shall be disregarded.

#### 7.4 **Limitations.**

- (a) Except for a Warranty Breach with respect to a Fundamental Representation or Section 3.14, 3.18, 4.5 or 5.9, if any Claim for indemnification by Summit MLP, the Company or SMP Holdings relating to any Warranty Breach that is subject to indemnification under Sections 7.2(a), 7.2(b) or 7.3(a) results in aggregate Losses that do not exceed \$50,000 then such Losses shall not be deemed to be Losses under this Agreement and shall not be eligible for indemnification under this Article VII.
- (b) Except for a Warranty Breach with respect to a Fundamental Representation or Section 3.14, 3.18, 4.5 or 5.9, Summit MLP, the Company and SMP Holdings shall be entitled to be indemnified pursuant to Sections 7.2(a), 7.2(b) or 7.3(a) for Losses incurred for any Warranty Breach (excluding any item or Loss below the threshold listed in Section 7.4(a)) only if and to the extent that the aggregate amount of all such Losses exceeds \$2,500,000, subject to the other limitations on recovery and recourse set forth in this Agreement.
- (c) Except for a Warranty Breach with respect to a Fundamental Representation or Section 3.14, 3.18 or 4.5, SMP Holdings’ liability under Sections 7.2(a) and 7.2(b) will be limited, in the aggregate, to \$37,500,000. Under no circumstance will SMP Holdings’ liability for any Losses under Section 7.2, including Losses with respect to a Fundamental Representation or Section 3.14, 3.18 or 4.5, exceed the value of the proceeds received by SMP Holdings in the transactions contemplated by this Agreement.
- (d) No indemnifying Person shall be liable for any Losses that are subject to indemnification under Sections 7.2 or 7.3 unless a written demand for indemnification under this Agreement is delivered by the indemnified Person to the indemnifying Person with respect thereto prior to 5:00 P.M. on the final date pursuant to Section 7.1, to assert a Claim for indemnification on the basis asserted in such written demand. Notwithstanding the foregoing, any Claim for indemnification under this Agreement that is brought prior to such time will survive until such matter is resolved.
- (e) Notwithstanding anything to the contrary contained in this Agreement, under no circumstances shall any Party be entitled to double recovery under this Agreement, and

to the extent a Party is compensated for a matter through the Working Capital Adjustment, any net Tax benefit actually realized or third party recovery or insurance recovery actually received, such Party shall not have a separate right to indemnification for such matter.

#### 7.5 **Claims Procedures.**

(a) Promptly after receipt by any indemnified Person of notice of the commencement or assertion of any Claim or Proceeding by a third party or circumstances which, with the lapse of time, such indemnified Person believes is likely to give rise to a Claim or Proceeding by a third party or of facts causing any indemnified Person to believe it has a Claim for breach hereunder (an “**Asserted Liability**”), such indemnified Person shall give prompt written notice thereof (the “**Claims Notice**”) to the relevant indemnifying Person, *provided* that in any event, such indemnified Person shall give the Claims Notice to the indemnifying Person no later than 30 days after becoming aware of such Asserted Liability. So long as the Claims Notice is given within the applicable survival period set forth in Section 7.1, the failure to so notify the indemnifying Person shall not relieve the indemnifying Person of its obligations or liability hereunder, except to the extent such failure shall have actually prejudiced the indemnifying Person. The Claims Notice shall describe the Asserted Liability in reasonable detail, and shall indicate the amount (estimated, if necessary) of the Loss that has been or may be suffered. The indemnified Person and the indemnifying Person agree to keep each other reasonably apprised of any additional information concerning any Asserted Liability.

(b) As to an Asserted Liability arising from a third party action, the indemnifying Person shall be, subject to the limitations set forth in this Section 7.5, entitled to assume control of and appoint lead counsel for such defense only for so long as it conducts such defense with reasonable diligence. The indemnifying Person shall keep the indemnified Persons advised of the status of such third party action and the defense thereof on a reasonably current basis and shall consider in good faith the recommendations made by the indemnified Persons with respect thereto. If the indemnifying Person assumes the control of the defense of any third party action in accordance with the provisions of this Section 7.5, the indemnified Person shall be entitled to participate in the defense of any such third party action and to employ, at its expense, separate counsel of its choice for such purpose, it being understood, however, that the indemnifying Person shall continue to control such defense; *provided* that notwithstanding the foregoing, the indemnifying Person shall pay the reasonable costs and expenses of such defense (including reasonable attorneys’ fees and expenses) of the indemnified Persons if (x) the indemnified Person’s outside counsel shall have reasonably concluded and advised in writing (with a copy to the indemnifying Person) that there are defenses available to such indemnified Person that are different from or additional to those available to the indemnifying Person, or (y) the indemnified Person’s outside counsel shall have advised in writing (with a copy to the indemnifying Person) the indemnified Person that there is a conflict of interest that would make it inappropriate under applicable standards of professional conduct to have common counsel for the indemnifying Person and the indemnified Person. Notwithstanding the foregoing, (i) the indemnifying Person shall obtain the prior written consent of the indemnified Person before entering into any settlement, compromise, admission or acknowledgement of the validity of such Asserted Liability if the settlement requires an admission of guilt or wrongdoing on the part of the indemnified Person, subjects the indemnified Person to criminal liability or does not unconditionally release the indemnified Person from all liabilities and obligations with respect to

such Asserted Liability or the settlement imposes injunctive or other equitable relief against, or any continuing obligation or payment requirement on, the indemnified Person and (ii) the indemnified Person shall be entitled to participate, at its own cost and expense, in the defense of such Asserted Liability and to employ separate counsel of its choice for such purpose.

(c) Each Party shall cooperate in the defense or prosecution of any Asserted Liability arising from a third party action and shall furnish or cause to be furnished such records, information and testimony (subject to any applicable confidentiality agreement), and attend such conferences, discovery proceedings, hearings, trials or appeals as may be reasonably requested in connection therewith.

**7.6 Waiver of Other Representations.**

(a) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IT IS THE EXPLICIT INTENT OF EACH PARTY, AND THE PARTIES HEREBY AGREE, THAT NEITHER SMP HOLDINGS NOR ANY OF ITS AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES HAS MADE OR IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE COMPANY INTERESTS, THE ASSETS OF THE COMPANY OR THE COMPANY, OR ANY PART THEREOF, EXCEPT THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN Article III AND Article IV.

(b) EXCEPT THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN Article III AND Article IV, SMP HOLDINGS' INTERESTS IN THE COMPANY ARE BEING TRANSFERRED THROUGH THE SALE OF THE COMPANY INTERESTS "AS IS, WHERE IS, WITH ALL FAULTS," AND SMP HOLDINGS AND ITS AFFILIATES AND THEIR RESPECTIVE REPRESENTATIVES EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE COMPANY AND ITS ASSETS OR THE PROSPECTS (FINANCIAL OR OTHERWISE), RISKS AND OTHER INCIDENTS OF THE COMPANY AND ITS ASSETS.

**7.7 Waiver of Remedies.**

(a) Other than for instances of actual fraud, the Parties hereby agree that from and after Closing no Party shall have any liability, and neither Party nor any of their respective Affiliates shall make any Claim, for any Loss or any other matter, under, relating to or arising out of this Agreement (including breach of representation, warranty, covenant or agreement) or any other Contract or other matter delivered pursuant hereto, or the transactions contemplated hereby, whether based on contract, tort, strict liability, other Laws or otherwise, except for a claim for indemnification pursuant to Article VII.

(b) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, EXCEPT IN THE CASE OF ACTUAL FRAUD, NO PARTY NOR ANY OF

ITS AFFILIATES SHALL BE LIABLE FOR THE FOLLOWING (“*Non-Reimbursable Damages*”): SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES (INCLUDING ANY DAMAGES ON ACCOUNT OF LOST PROFITS OR OPPORTUNITIES, OR LOST OR DELAYED BUSINESS BASED ON VALUATION METHODOLOGIES ASCRIBING A DECREASE IN VALUE TO THE COMPANY, ON THE BASIS OF A MULTIPLE OF A REDUCTION IN A MULTIPLE-BASED OR YIELD-BASED MEASURE OF FINANCIAL PERFORMANCE), WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY’S OR ANY OF ITS AFFILIATES’ SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT, EXCEPT ONLY IN THOSE PARTICULAR CIRCUMSTANCES WHERE THE CONSEQUENTIAL DAMAGES ARE REASONABLY FORESEEABLE (SUCH AS THE TERMINATION OF A CONTRACT OR A DELAY OR INTERRUPTION IN REVENUES OR OPERATIONS RESULTING THEREFROM), IN WHICH CASE THE BREACHING PARTY SHALL BE LIABLE FOR THE NET PRESENT VALUE OF ANY SUCH CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) THAT ARE THE REASONABLY FORESEEABLE RESULT OF A BREACH OF THIS AGREEMENT BY SUCH PARTY, SUBJECT TO THE OTHER LIMITATIONS AND REQUIREMENTS SET FORTH HEREIN, INCLUDING SECTION 7.11; *PROVIDED, HOWEVER*, ANY AMOUNTS PAYABLE TO THIRD PARTIES PURSUANT TO A CLAIM BY A THIRD PARTY SHALL NOT BE DEEMED NON-REIMBURSABLE DAMAGES.

7.8 ***Access to Information.*** After the Closing Date, the Company, SMP Holdings and Summit MLP shall grant each other (or their respective designees), and Summit MLP shall cause the Company to grant to SMP Holdings (or its designee), access at all reasonable times to all of the books, records, documents, instruments, accounts, correspondence, writings, evidences of title and other papers and electronic files relating to the Business of the Company in SMP Holdings’ or SMP Holdings’ Affiliates possession or the possession of the Company (the “*Records*”), and shall afford such party the right (at such party’s expense) to take extracts therefrom and to make copies thereof, to the extent reasonably necessary to implement the provisions of, or to investigate or defend any Claims among the Parties and/or their Affiliates arising under, this Agreement. Summit MLP shall maintain, and shall cause the Company to maintain, such Records until the seventh anniversary of the Closing Date (or for such longer period of time as SMP Holdings shall advise Summit MLP is necessary in order to have the Records available with respect to Tax matters), or if any of the Records pertain to any Claim or Dispute pending on the seventh anniversary of the Closing Date, Summit MLP shall maintain any of the Records designated by SMP Holdings or its Representatives until such Claim or Dispute is finally resolved and the time for all appeals has been exhausted.

7.9 ***Dispute Resolution and Arbitration.***

(a) In the event of any dispute, controversy or Claim among the Parties, or any of them, arising out of or relating to this Agreement, or the breach or invalidity thereof (collectively, a “*Dispute*”), the Parties shall attempt in the first instance to resolve such Dispute through friendly consultations between senior management of the Parties. The Parties agree to attempt to resolve all Disputes arising hereunder promptly, equitably and in a good faith manner. The Parties further agree to provide each other with reasonable access during normal business

hours to any and all non-privileged records, information and data pertaining to such Dispute, upon reasonable advance notice.

(b) If such consultations do not result in a resolution of the Dispute within 30 Business Days after written notice by a Party to the other Parties describing the Dispute and requesting friendly consultation, then the Dispute may be submitted by any Party to binding arbitration pursuant to the terms of Section 7.10, irrespective of the magnitude thereof, the amount in dispute or whether such Dispute would otherwise be considered justifiable or ripe for resolution by any court or arbitral tribunal, by giving written notice thereof to the other Parties; *provided, however*, that in no event shall a Party have the right to submit the Dispute to arbitration if the institution of legal or equitable proceedings based on such Dispute would be barred by any applicable statute of limitations or Section 7.1.

(c) Any Dispute shall be settled exclusively and finally by binding arbitration in accordance with the provisions of Section 7.10.

#### 7.10 *Arbitration Procedures.*

(a) Any Party electing to arbitrate a Dispute shall designate its nomination for an arbitrator in its notice to the other Party electing to submit the Dispute to arbitration. Each Party receiving such notice shall, within ten Business Days thereafter, by return written notice to all Parties, state whether it will accept such nomination, or decline to accept it and designate its nomination for an arbitrator. One arbitrator shall control the proceedings if such nomination of an arbitrator is accepted by all Parties or if the receiving Party fails to nominate an arbitrator within the required ten Business Day period. If the receiving Party timely nominates an arbitrator, the arbitral tribunal shall consist of three arbitrators, with one arbitrator being selected by SMP Holdings and one arbitrator being selected by Summit MLP, within five Business Days after the expiration of the ten Business Day period reference above, and the two selected arbitrators choosing a third arbitrator, which third arbitrator must be a Person with the requisite knowledge and experience to make a fair and informed determination with respect to the matter in dispute, which Person shall not be an Affiliate of any Party, nor an employee, director, officer, shareholder, owner, partner, agent or a contractor of any Party or of any Affiliate of any Party, either presently or at any time during the previous two years. In the event the arbitrators fail to appoint the third arbitrator within 30 days after they have accepted their appointment, the third arbitrator (meeting the qualifications specified in the preceding sentence) shall be appointed by the Houston office of the American Arbitration Association within ten Business Days after the expiration of such 30 day period. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as supplemented to the extent necessary to determine any procedural appeal questions by the Federal Arbitration Act (Title 9 of the United States Code). If there is an inconsistency between Section 7.10 and the Commercial Arbitration Rules or the Federal Arbitration Act, the provisions of this Section 7.10 shall prevail.

(b) Within ten Business Days after the selection of the arbitrator(s), each Party shall submit to the arbitrator(s) such Party's proposal for resolution of the Dispute, which such proposal shall not conflict with the terms and conditions of this Agreement, together with the supporting data, if any, that was used to determine such proposal. Within 30 days after the

proposals are submitted, the arbitrator(s) shall hold a hearing during which the Parties may present evidence in support of their respective proposals. The arbitrator(s) (by majority rule if there are three arbitrators) will determine the outcome of the Dispute. The cost of the arbitration shall be split between the Parties equally and each Party shall pay for one-half of the costs.

- (c) The place of arbitration shall be Houston, Texas, unless in any particular case the Parties agree upon a different venue.
- (d) The arbitrator(s) shall have no right or authority to grant or award Non-Reimbursable Damages.

(e) Any decision of the arbitrator(s) pursuant to this Section 7.10 shall be final and binding upon the Parties and shall be reached within 90 days after proposals for resolution of the Dispute have been submitted. The Parties agree that the arbitral award may be enforced against the Parties to the arbitration proceeding or their Assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having competent jurisdiction thereof. The Parties expressly submit to the jurisdiction of any such court. The Parties hereby waive, to the extent permitted by Law, any rights to appeal or to review of such award by any court or tribunal.

(f) When any Dispute occurs and is the subject of consultations or arbitration, the Parties shall continue to make payments of undisputed amounts in accordance with this Agreement, and the Parties shall otherwise continue to exercise their rights and fulfill their respective obligations under this Agreement.

7.11 **Determination of Amount of Damages; Mitigation.** The Losses giving rise to any indemnification obligation hereunder shall be limited to the Losses suffered by the indemnified Person and shall be reduced by any insurance proceeds or other payment or monetary recoupment received or that are realized or retained (including the amount of any Tax benefits, net of any Tax detriments, actually realized or retained) by the indemnified Person as a result of the events giving rise to the claim for indemnification. Any indemnified Person that becomes aware of Losses for which it intends to seek indemnification hereunder shall use commercially reasonable efforts to collect any amounts to which it may be entitled under insurance policies or from third parties (pursuant to indemnification agreements or otherwise) and shall use commercially reasonable efforts to mitigate such Losses; *provided* that the indemnified Person shall promptly notify either (a) SMP Holdings if such indemnified Person is Summit MLP or (b) Summit MLP if such indemnified Person is SMP Holdings, in each case, of any efforts to mitigate. If any net Tax benefit, third party recovery or insurance recovery is realized after having previously received Indemnity Claim proceeds hereunder, such Party shall promptly tender to the respective Party an amount equal to such Tax benefit, third party recovery or insurance recovery.

**ARTICLE VIII  
MISCELLANEOUS**

8.1 *Notices.*

(a) Unless this Agreement specifically requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by electronic delivery (including facsimile or delivery of a document in Portable Document Format), by registered or certified mail, postage prepaid or by a nationally recognized overnight courier service that provides a receipt of delivery, in each case, to the Parties at the addresses specified below:

If to SMP Holdings, to:

Summit Midstream Partners, LLC  
2100 McKinney Avenue, Suite 1250  
Dallas, TX 75201  
Attn: Megan Davis  
Facsimile No.: (214) 462-7716  
Email: mdavis@summitmidstream.com

If to the Company, prior to Closing, to:

Bison Midstream, LLC  
2100 McKinney Avenue, Suite 1250  
Dallas, TX 75201  
Attn: Megan Davis  
Facsimile No.: (214) 462-7716  
Email: mdavis@summitmidstream.com

If to Summit MLP, to:

Summit Midstream Partners, LP  
2100 McKinney Avenue, Suite 1250  
Dallas, TX 75201  
Attn: Brock Degeyter  
Facsimile No.: (214) 462-7716  
Email: bdegeyter@summitmidstream.com

With a copy to:

Summit Midstream GP, LLC Conflicts Committee  
2100 McKinney Avenue, Suite 1250  
Dallas, TX 75201  
Attn: Susan Tomasky  
Email: stomasky@me.com



(b) Notice given by personal delivery, mail or overnight courier pursuant to this Section 8.1 shall be effective upon physical receipt. Notice given by facsimile or other electronic transmission pursuant to this Section 8.1 shall be effective as of the date of confirmed delivery if delivered before 5:00 P.M. Central Time on any Business Day at the place of receipt or the next succeeding Business Day if confirmed delivery is after 5:00 P.M. Central Time on any Business Day or during any non-Business Day at the place of receipt.

8.2 **Entire Agreement.** This Agreement supersedes all prior discussions and agreements between the Parties and/or their respective Affiliates with respect to the subject matter hereof and contains the sole and entire agreement between the Parties and their respective Affiliates hereto with respect to the subject matter hereof.

8.3 **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party shall pay all costs and expenses it has incurred or will incur in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and consummation of the transactions contemplated hereby.

8.4 **Disclosure.** The Company and SMP Holdings may, at their option, include in the Schedules items that are not material, and any such inclusion, or any references to dollar amounts, shall not be deemed to be an acknowledgment or representation that such items are material, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement. Information disclosed in any Schedule shall constitute a disclosure for all purposes under this Agreement notwithstanding any reference to a specific section, and all such information shall be deemed to qualify the entire Agreement and not just such section.

8.5 **Waiver.** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by either Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

8.6 **Amendment.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of Summit MLP and SMP Holdings; provided, however, that Summit MLP shall not execute any such amendment, supplement or modification without the consent or approval of the Conflicts Committee.

8.7 **No Third Party Beneficiary.** The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third party beneficiary rights upon any other Person.

8.8 **Assignment; Binding Effect.** Any Party may assign its rights and obligations hereunder to an Affiliate but such assignment shall not release such Party from its obligations hereunder. Except as provided in the preceding sentence, neither this Agreement nor any right,

interest or obligation hereunder may be assigned by any Party without the prior written consent of the other Party, and any attempt to do so will be void, except for assignments and transfers by operation of Law. Subject to this Section 8.8, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties and their respective successors and permitted assigns.

8.9 **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby, such provision shall be fully severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

8.10 **Counterparts; Facsimile.** 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. Any facsimile or PDF copies hereof or signature hereon shall, for all purposes, be deemed originals.

8.11 **Governing Law; Enforcement, Jury Trial Waiver.** THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OR CHOICE OF LAW PROVISION THAT WOULD RESULT IN THE IMPOSITION OF ANOTHER JURISDICTION'S LAW. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN ANY DISPUTE, CONTROVERSY, REMEDY OR CLAIM BETWEEN THE PARTIES ARISING OUT OF, RELATING TO, OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, INCLUDING THE EXISTENCE, VALIDITY, PERFORMANCE, OR BREACH THEREOF. WITH RESPECT TO ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING THE ENFORCEMENT OF THE AGREEMENT TO ARBITRATE IN SECTIONS 7.9 AND 7.10 AND ANY ARBITRATION AWARD, BUT WITHOUT PREJUDICE TO THE TERMS OF SECTIONS 7.9 AND 7.10, EACH PARTY HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each party as of the date first above written.

**Summit Midstream Partners Holdings, LLC**

By: /s/ Steven J. Newby  
Name: Steven J. Newby  
Title: President & Chief Executive Officer

**Bison Midstream, LLC**

By: /s/ Steven J. Newby  
Name: Steven J. Newby  
Title: President & Chief Executive Officer

**Summit Midstream Partners, LP**

**By: Summit Midstream GP, LLC**

By: /s/ Brock M. Degeyter  
Name: Brock M. Degeyter  
Title: Senior Vice President, General Counsel & Secretary

SIGNATURE PAGE  
CONTRIBUTION AGREEMENT

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**EXHIBIT A  
COMPANY CONTRIBUTION AND ASSIGNMENT AGREEMENT**

Attached.

EXHIBIT A  
CONTRIBUTION AGREEMENT

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**EXHIBIT B  
GATHERING SYSTEM**

Attached.

EXHIBIT B

GATHERING SYSTEM

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**INCREASE JOINDER**

This INCREASE JOINDER, dated as of June 4, 2013 (this “**Increase Joinder**”), with respect to the Amended and Restated Credit Agreement, dated as of May 7, 2012 (as further amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among SUMMIT MIDSTREAM HOLDINGS, LLC, a Delaware limited liability company, the Lenders party thereto, THE ROYAL BANK OF SCOTLAND PLC, as administrative agent (in such capacity, the “**Administrative Agent**”) for the Lenders and as collateral agent for the Secured Parties (in such capacity, the “**Collateral Agent**”), THE ROYAL BANK OF SCOTLAND PLC and BANK OF AMERICA, N.A., as issuing banks (each in such capacity, the “**Issuing Bank**”), and the other arrangers and agents party thereto.

A. Section 2.20(a) of the Credit Agreement provides that Borrower may, from time to time, request Incremental Commitments in an aggregate amount not to exceed \$50.0 million subject to adjustments as set forth therein and subject to the terms and conditions set forth therein.

B. Borrower desires to incur Incremental Commitments pursuant to Section 2.20(a) of the Credit Agreement in an aggregate principal amount of \$50.0 million (the “**Incremental Facility**”), which will be used by Borrower and its subsidiaries from time to time in accordance with Section 5.08 of the Credit Agreement.

C. The lenders identified as “Incremental Lenders” on the signature pages hereto (the “**Incremental Lenders**”) desire to provide Incremental Commitments in the several amounts set forth on Schedule A hereto.

D. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

In consideration of the premises and the agreements, provisions and covenants contained herein, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

SECTION 1. Increase Joinder.

A. This Increase Joinder is a “joinder agreement” referenced in Section 2.20(a) of the Credit Agreement. Borrower, the Administrative Agent and the Incremental Lenders hereby agree that the Incremental Commitments shall become effective upon the satisfaction of the conditions set forth in Section 2 hereof (the date on which such conditions are satisfied, the “**Increase Amount Date**”).

B. Borrower, the Administrative Agent and the Incremental Lenders hereby agree that the Incremental Commitments and Revolving Facility Loans made with respect thereto shall have terms identical to those of the existing Revolving Facility Commitments and the existing Revolving Facility Loans (other than with respect to upfront fee pricing). After giving effect hereto on the Increase Amount Date, the Incremental Commitments shall be deemed to be Revolving Facility Commitments and the Revolving Facility Commitments shall be deemed increased by the amount of the Incremental Facility. Each Incremental Lender’s Incremental Commitment shall be in the amount set forth on **Schedule A** hereto. The Revolving Facility Commitments of the existing Revolving Facility Lenders and the Incremental Lenders shall be adjusted as provided in Section 2.20(b) of the Credit Agreement and as further provided on **Schedule A** hereto.

C. After giving effect hereto on the Increase Amount Date, there shall be \$0 of further capacity to effectuate Incremental Commitments pursuant to Section 2.20(a) of the Credit Agreement.

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SECTION 2. Conditions Precedent. The occurrence of the Increase Amount Date is subject to the following conditions:

- A. the Administrative Agent shall have received signature pages for this Increase Joinder from Borrower and the Incremental Lenders;
- B. the Administrative Agent shall have received from Borrower a certificate, executed by the secretary of Borrower (or such other officer as may be acceptable to the Administrative Agent) in form and substance satisfactory to the Administrative Agent, attaching a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the Board of Directors (or similar body) of Borrower (or a duly authorized committee thereof) authorizing the execution, delivery and performance of this Increase Joinder and the related transactions;
- C. Borrower shall have provided written notice of their request for the Incremental Facility, which notice shall include all such information required by Section 2.20(a) of the Credit Agreement and shall have been delivered to the Administrative Agent at least five Business Days prior to the Increase Amount Date;
- D. the Administrative Agent shall have received from Borrower a certificate in form and substance satisfactory to the Administrative Agent, which certificate has been executed by the secretary of Borrower (or other such officer as may be acceptable to the Administrative Agent) and certifies that
  - (i) no Default or Event of Default exists;
  - (ii) the representations and warranties contained in Article III of the Credit Agreement and the other Loan Documents are true and correct as of the date hereof in all material respects, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects as of such earlier date; and
  - (iii) the Borrower and its Restricted Subsidiaries are in compliance, on a Pro Forma Basis, with the Financial Performance Covenants recomputed as at the last day of the most recently ended fiscal quarter of the Borrower and its Restricted Subsidiaries.
- E. Borrower shall have paid all amounts owed pursuant to Section 2.16 of the Credit Agreement in connection with the provisions of the Incremental Commitments;
- F. Borrower shall have paid all amounts owed pursuant to Section 8 hereof;
- G. Borrower and each Subsidiary Loan Party shall have entered into and delivered to the Administrative Agent and the Collateral Agent, reaffirmations of the guarantees and the security interests and Liens granted by such Persons under the Collateral Documents in a form reasonably satisfactory to the Administrative Agent and Collateral Agent;
- H. Borrower shall have paid to the Administrative Agent, for the benefit of each Incremental Revolving Lender, a fee equal to 0.50% of the aggregate amount of each such Incremental Lender's Incremental Commitment on the Increase Amount Date; and Borrower shall have paid to RBS Securities Inc., as lead arranger with respect to this Increase Joinder, such fees as Borrower and RBS Securities Inc. have separately agreed to; and

I. the Administrative Agent shall be satisfied that, on and as of the Increase Amount Date, the Revolving Commitments shall have increased by at least \$10.0 million pursuant to this Increase Joinder.

SECTION 3. Post Closing Obligations. If requested by the Collateral Agent (in its sole discretion), within sixty (60) days of the Increase Amount Date, or such later date as the Collateral Agent shall agree in its sole discretion, the Collateral Agent shall have received either:

A. a favorable opinion, addressed to the Administrative Agent, Collateral Agent and each of the Lenders, in form and substance reasonably satisfactory to the Collateral Agent, from local counsel in each jurisdiction in which the Mortgaged Properties are located substantially to the effect that:

(i) the recording of the Mortgages are the only filings or recordings necessary to give constructive notice to third parties of the lien created by the Mortgages as security for the Secured Obligations (including the new Incremental Facility); and

(ii) no other documents, instruments, filings, recordings, re-recordings, re-filings or other actions are necessary under applicable law in order to maintain the continued validity or priority of the liens created by each Mortgage as security for the Secured Obligations (including the new Incremental Facility); or

B. such other documentation with respect to each Mortgaged Property, in each case in form and substance reasonably acceptable to the Collateral Agent, as shall confirm the validity and perfection of the lien in favor of the Secured Parties, including, without limitation:

(i) With respect to each Mortgage encumbering Mortgaged Property, an amendment thereof (each a "Mortgage Amendment") duly executed and acknowledged by the applicable Loan Party, and in form for recording in the recording office where each such Mortgage was recorded, together with such certificates, affidavits, questionnaires or returns as shall be required in connection with the recording or filing thereof under applicable law, in each case in form and substance reasonably satisfactory to the Collateral Agent;

(ii) With respect to each Mortgage Amendment, opinions of local counsel to the Loan Parties, which opinions (a) shall be addressed to the Administrative Agent, Collateral Agent and each of the Lenders, (b) shall cover the enforceability of the respective Mortgage as amended by the Mortgage Amendment and such other matters incident to the transactions contemplated herein as the Collateral Agent may reasonably request and (c) shall be in form and substance reasonably satisfactory to the Collateral Agent;

(iii) Evidence reasonably acceptable to the Collateral Agent of payment by Borrower of all search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgage Amendments referred to above; and

(iv) with respect to each Mortgaged Property, each Loan Party shall have made all notifications, registrations and filings, to the extent required by, and in accordance with, any Law of any Governmental Authority requiring notification of the buyer, lessee, mortgagee, assignee or other transferee of any Real Property, facility, establishment or business, or notification, registration or filing to or with any Governmental Authority, in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property.



SECTION 4. Representations and Warranties. Borrower represents and warrants to the Administrative Agent and each of the Lenders that this Increase Joinder is within Borrower's organizational powers and has been duly authorized by all necessary organizational action on the part of Borrower. This Increase Joinder has been duly executed and delivered by Borrower and constitutes, a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. This Increase Joinder will not violate any Requirement of Law in any material respect, will not violate or result in a default or require any consent or approval under any indenture, agreement or other instrument binding upon any Company or its property, or give rise to a right thereunder to require any payment to be made by any Company, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5. Credit Agreement. Except as specifically provided hereby, the Credit Agreement shall continue in full force and effect in accordance with the provisions thereof as in existence on the date hereof. After the Increase Amount Date, any reference to the Credit Agreement in any Loan Document shall mean the Credit Agreement as modified hereby. This Increase Joinder shall be a Loan Document for all purposes.

SECTION 6. Applicable Law. This Increase Joinder shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 7. Counterparts. This Increase Joinder may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract. Delivery of an executed signature page of this Increase Joinder by facsimile or "pdf file" transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 8. Expenses. Borrower agrees to reimburse the Administrative Agent for the reasonable out-of-pocket expenses incurred by it in connection with this Increase Joinder, including the reasonable fees, charges and disbursements of Sidley Austin LLP, counsel for the Administrative Agent, and of local counsel to the Administrative Agent.

SECTION 9. Headings. The Section headings used herein are for convenience of reference only, are not part of this Increase Joinder and are not to affect the construction of, or to be taken into consideration in interpreting, this Increase Joinder.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Increase Joinder to be duly executed by their respective authorized officers as of the day and year first written above.

SUMMIT MIDSTREAM HOLDINGS LLC, as Borrower

By: Summit Midstream Partners, LP, its sole member

By: /s/ Steve Newby  
Name: Steve Newby  
Title: President and Chief Executive Officer

*Summit — Increase Joinder*

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THE ROYAL BANK OF SCOTLAND PLC,  
as Administrative Agent, Collateral Agent and an Incremental Lender

By: /s/ Sanjay Remond  
Name: Sanjay Remond  
Title: Authorized Signatory

*Summit — Increase Joinder*

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ROYAL BANK OF CANADA, as an Incremental Lender

By: /s/ Jason S. York  
Name: Jason S. York  
Title: Authorized Signatory

*Summit — Increase Joinder*

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DEUTSCHE BANK TRUST COMPANY AMERICAS, as an Incremental Lender

By: /s/ Michael Getz

Name: Michael Getz

Title: Vice President

By: /s/ Marcus M. Tarkington

Name: Marcus M. Tarkington

Title: Director

*Summit — Increase Joinder*

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BANK OF AMERICA NA, as an Incremental Lender

By: /s/ Michael J. Clayborne

Name: Michael J. Clayborne

Title: Vice President

*Summit — Increase Joinder*

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COMPASS BANK, as an Incremental Lender

By: /s/ Kathleen J. Bowen  
Name: Kathleen J. Bowen  
Title: Senior Vice President

*Summit — Increase Joinder*

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BARCLAYS BANK PLC, as an Incremental Lender

By: /s/ Sreedhar R. Kona

Name: Sreedhar R. Kona

Title: Vice President

*Summit — Increase Joinder*

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AMEGY BANK NATIONAL ASSOCIATION, as an Incremental Lender

By: /s/ Jill McSorley  
Name: Jill McSorley  
Title: Senior Vice President

*Summit — Increase Joinder*

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CAPITAL ONE, NATIONAL ASSOCIATION, as an Incremental Lender

By: /s/ Nancy Mak  
Name: Nancy Mak  
Title: Senior Vice President

*Summit — Increase Joinder*

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GOLDMAN SACHS BANK USA, as an Incremental Lender

By: /s/ Mark Walton  
Name: Mark Walton  
Title: Authorized Signatory

*Summit — Increase Joinder*

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COMERICA BANK, as an Incremental Lender

By: /s/ John S. Lesikar  
Name: John S. Lesikar  
Title: Vice President

*Summit — Increase Joinder*

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**Schedule A**

Incremental Commitments

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**UNIT PURCHASE AGREEMENT**

This **UNIT PURCHASE AGREEMENT** (this "**Agreement**") is dated as of June 4, 2013 (the "**Effective Date**"), among Summit Midstream Partners, LP, a Delaware limited partnership ("**Seller**"), Summit Midstream Partners Holdings, LLC, a Delaware limited liability company ("**Partners Holdings**") and Summit Midstream GP, LLC (the "**General Partner**," and collectively, with Partners Holdings, the "**Buyer**").

**RECITALS**

**WHEREAS**, Seller entered into that certain Purchase and Sale Agreement, dated June 4, 2013, with MarkWest Liberty Midstream & Resources, L.L.C. (the "**Acquisition Agreement**");

**WHEREAS**, pursuant to the terms of the Acquisition Agreement, Seller agreed to acquire certain natural gas gathering assets (the "**Acquisition**") for approximately \$210 million (the "**Acquisition Consideration**").

**WHEREAS**, Seller desires to sell and Buyer desires to purchase 3,107,698 common units representing limited partner interests in Seller (the "**Common Units**") and 63,422 general partner units representing general partner interests in Seller (the "**General Partner Units**," and collectively with the Common Units, the "**Units**") at the per Unit price set forth herein in order to fund a portion of the Acquisition Consideration.

**AGREEMENT**

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

**Section 1. Purchase and Sale of the Units**

1.1 **Sale of the Units.** Subject to the terms and conditions of this Agreement, effective concurrently with the closing of the Acquisition, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, 3,107,698 Common Units and 63,422 General Partner Units in consideration of an aggregate payment of \$100 million (the "**Unit Purchase Price**") by Buyer; the per Unit purchase price is equal to the volume weighted daily average price of the Common Units for the five trading days immediately prior to the Effective Date as reported on the New York Stock Exchange.

1.2 **Closing.** The closing of the transactions contemplated by this Agreement (the "**Closing**") and the issuance of the Units by the Seller shall take place concurrently with the closing of the Acquisition contemplated by the Acquisition Agreement; provided, however, that if the closing of the Acquisition shall not have occurred on or before June 30, 2013, the Units will not be issued by Seller to Buyer, and this Agreement shall terminate and be of no further force or effect.

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1.3 **Closing Deliveries**

- (a) At the Closing, Seller and Buyer shall deliver an executed cross receipt acknowledging receipt of the Unit Purchase Price and the Units, respectively.
- (b) At the Closing, Seller shall cause Seller's transfer agent to record the ownership of the Units on the records of the transfer agent in accordance with instructions from Buyer.

**Section 2. Representations and Warranties**

2.1 **Buyer's Representations and Acknowledgements**. Buyer represents and warrants to Seller that:

- (a) Buyer has all requisite power and authority to execute and deliver this Agreement and to perform the transactions contemplated hereby and this Agreement is a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms;
- (b) The Units are being acquired solely for the account of Buyer and not with a view to, or for resale in connection with, a distribution of all or any part thereof; and
- (c) (i) it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "**1933 Act**"), and (ii) by reason of its business and financial experience it has such knowledge, sophistication and experience in making similar investments and in business and financial matters generally so as to be capable of evaluating the merits and risks of the prospective investment in the Units, is able to bear the economic risk of such investment and, at the present time, would be able to afford a complete loss of such investment.

Buyer acknowledges and understands that the Units have not been registered under the 1933 Act, and therefore are subject to resale restrictions. Buyer agrees to the placement of a legend on any Unit certificate or on the records of the transfer agent to the effect that the Units may not be sold without registration under the 1933 Act or pursuant to an exemption from registration.

2.2 **Seller's Representations**. Seller represents and warrants to Buyer that:

- (a) Seller has all necessary power and authority to execute and deliver this Agreement and to perform the transactions contemplated hereby and this Agreement is a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms;
- (b) No consent, approval or authorization of any third party is required for consummation by Seller of the transactions contemplated by this Agreement, and the execution and delivery of this Agreement and the performance of the transactions contemplated hereby do not violate, conflict with, or cause a default under any contract, agreement, document, or instrument, any law, rule, regulation or any judicial or administrative decision to which Seller or

the Units may be subject, or that would create a lien, security interest, encumbrance or restriction of any kind upon the Units; and

(c) Upon the payment for the Units in accordance with the terms of this Agreement, good and valid title to all of the Units, free and clear of all mortgages, liens, security interests, pledges, charges, encumbrances or claims of any kind (other than transfer restrictions imposed thereon by federal or state securities laws or arising under the Seller's limited partnership agreement) will be sold to and vest in Buyer.

2.3 **Survival; Indemnity.** All representations and warranties made herein shall survive the Closing. Buyer agrees to indemnify and hold Seller harmless from any and all losses, damages, claims, actions and proceedings, including any legal or other expenses, arising out of any breach of any representation or warranty made by the Buyer herein and Seller agrees to indemnify and hold Buyer harmless from any and all losses, damages, claims, actions and proceedings, including any legal or other expenses, arising out of any breach of any representation or warranty made by the Seller herein.

**Section 3. Further Assurances**

Each party agrees to, at any time and from time to time, promptly execute and deliver such further agreements, documents and instruments, including a registration rights agreement with respect to the Units, and promptly take or forbear from taking such further actions as the other party may reasonably request in order to more effectively confirm or carry out the provisions of this Agreement.

**Section 4. Miscellaneous**

4.1 **Entire Agreement.** Each party hereto acknowledges that this Agreement embodies the entire agreement and understanding between them with respect to the subject matter hereof and supersedes any prior agreements and understandings relating to the subject matter hereof. This Agreement may not be altered, modified, terminated or discharged except by a writing signed by the party against whom such alteration, modification, termination or discharge is sought.

4.2 **Binding Nature.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, personal representatives and assigns.

4.3 **Governing Law.** This Agreement shall be governed by and construed under the laws of the state of Delaware.

4.4 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart hereof.

*[Remainder of page intentionally left blank]*



IN WITNESS WHEREOF, the parties have executed this UNIT PURCHASE AGREEMENT as of the date first written above.

**THE SELLER:**

SUMMIT MIDSTREAM PARTNERS, LP

By: Summit Midstream GP, LLC, its general partner

By: /s/ Steven J. Newby

Name: Steven J. Newby

Title: President and Chief Executive Officer

**BUYER:**

SUMMIT MIDSTREAM PARTNERS HOLDINGS, LLC

By: /s/ Brock M. Degeyter

Name: Brock M. Degeyter

Title: Senior Vice President, General Counsel and Secretary

SUMMIT MIDSTREAM GP, LLC

By: /s/ Brock M. Degeyter

Name: Brock M. Degeyter

Title: Senior Vice President, General Counsel and Secretary

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Consent of Independent Auditor

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-184214) of Summit Midstream Partners, LP of our report dated June 4, 2013, relating to our audit of the carve-out financial statements of Bison Gas Gathering System of Bear Tracker Energy, LLC (subsequently acquired by Bison Midstream, LLC) as of and for the year ended December 31, 2012 which appear in this Form 8K.

/s/ Anton Collins Mitchell LLP  
Denver, Colorado

June 5, 2013

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## Reconciliation of Adjusted EBITDA

EBITDA and adjusted EBITDA are not financial measures presented in accordance with GAAP. We believe that the presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations.

*Net Income-Basis Non-GAAP Reconciliation*

The following table presents a reconciliation of Summit Midstream Partners, LP's net income to EBITDA and adjusted EBITDA for the periods indicated.

	Summit Midstream Partners, LP					Pro Forma	
	Three months ended March 31,		Year ended December 31,			Three months ended March 31,	Year ended December 31,
	2013	2012	2012	2011	2010	2013	2012
	(In thousands)						
<b>Reconciliation of Net Income to EBITDA(1) and Adjusted EBITDA(2)</b>							
Net income	\$ 12,480	\$ 7,587	\$ 41,726	\$ 37,951	\$ 8,172	\$ 7,055	\$ 22,826
Add:							
Interest expense	1,880	4,177	12,766	3,054	—	6,328	30,733
Income tax expense	181	139	682	695	124	181	682
Depreciation and amortization expense	9,987	8,290	35,299	11,367	3,874	15,882	50,688
Amortization of favorable and unfavorable contracts	280	(134)	192	308	215	280	192
Less:							
Interest income	1	4	9	12	32	1	9
EBITDA (3)	<u>\$ 24,807</u>	<u>\$ 20,055</u>	<u>\$ 90,656</u>	<u>\$ 53,363</u>	<u>\$ 12,353</u>	<u>\$ 29,725</u>	<u>\$ 105,112</u>
Add:							
Non-cash compensation expense	\$ 340	\$ 460	\$ 1,876	\$ 3,440	\$ —	\$ 397	\$ 1,972
Adjustments related to MVC shortfall payments (4)	6,295	4,366	10,768	—	—	6,562	12,059
Adjusted EBITDA (3)	<u>\$ 31,442</u>	<u>\$ 24,881</u>	<u>\$ 103,300</u>	<u>\$ 56,803</u>	<u>\$ 12,353</u>	<u>\$ 36,684</u>	<u>\$ 119,143</u>

- (1) We define EBITDA as net income *plus* (a) interest expense, (b) income tax expense; and (c) depreciation and amortization expense, *less* (x) interest income and (y) income tax benefit.
- (2) We define adjusted EBITDA as EBITDA *plus* (i) non-cash compensation expense and (ii) adjustments related to MVC shortfall payments.
- (3) EBITDA and adjusted EBITDA do not reflect adjustment for transaction costs. These unusual and non-recurring expenses are settled in cash.
- (4) Adjustments related to MVC shortfall payments account for (i) the net increases or decreases in deferred revenue for MVC shortfall payments and (ii) our inclusion of expected annual MVC shortfall payments. We include or will include a proportional amount of these historical or expected minimum volume commitment shortfall payments in each quarter prior to the quarter in which we actually receive the shortfall payment.



Summit Midstream Partners, LP  
2100 McKinney Avenue; Suite 1250  
Dallas, Texas 75201

**Summit Midstream Partners, LP Announces \$460 Million of Acquisitions In Bakken and Marcellus Shale Plays and Revises 2013 Adjusted EBITDA and Distribution Guidance**

- *\$250 million drop down acquisition of an associated natural gas gathering system located in the Bakken Shale Play from Summit Investments*
- *\$210 million agreement to acquire of a high-pressure natural gas gathering system located in the liquids-rich window of the Marcellus Shale Play from an affiliate of MarkWest Energy Partners, L.P.*
- *Transactions have been fully financed with borrowings under SMLP's recently upsized \$600 million revolving credit facility and the issuance of \$150 million of equity interests in SMLP to affiliates of Summit Investments*
- *Transactions are immediately accretive to distributable cash flow per unit*
- *SMLP revises 2013 adjusted EBITDA guidance range to \$140 million to \$150 million and increases LP distribution guidance for the fourth quarter of 2013 to a range of 18% to 22% over its minimum quarterly distribution*

Dallas, Texas (June 5, 2013) — Summit Midstream Partners, LP (NYSE: SMLP) today announced two separate acquisitions of unrelated natural gas gathering systems totaling \$460 million in the Bakken and Marcellus shale plays. The transactions will be financed under SMLP's recently upsized \$600 million revolving credit facility and the issuance of \$150 million of common units and general partner interests in SMLP to wholly-owned subsidiaries of Summit Midstream Partners, LLC ("Summit Investments"). SMLP expects these transactions to be immediately accretive to distributable cash flow on a per unit basis.

Bison Midstream, LLC ("Bison") is engaged in associated natural gas gathering in Mountrail and Burke counties in North Dakota. The Bison system consists of 300 miles of low-pressure and high-pressure gas gathering pipelines and six compressor stations with 5,950 horsepower of compression. Total throughput capacity on the system is in the process of being expanded from approximately 20 million cubic feet per day ("MMcf/d") to 30 MMcf/d with the installation of new compression which is expected to be completed by the end of 2013. Volume throughput on the Bison system is underpinned by minimum volume commitments from its anchor customers which represent, on average, approximately 80% of projected annual revenue over the next several years.

SMLP closed and funded the \$250 million drop down acquisition of Bison, an indirect, wholly-owned subsidiary of Summit Investments, with \$200 million of cash drawn under SMLP's revolving credit facility and \$50 million of common units and general partner interests in SMLP issued to wholly-owned subsidiaries of Summit Investments at a price of \$31.53 per unit. This price represents the five day volume weighted average price ("VWAP") of SMLP units as of the market close on June 3, 2013.

In a separate, unrelated transaction, on June 4, 2013, SMLP executed definitive agreements with an affiliate of MarkWest Energy Partners, L.P. ("MarkWest"), pursuant to which Mountaineer Midstream Company, LLC ("Mountaineer"), an indirect, wholly-owned subsidiary of SMLP, has agreed to acquire, for \$210 million in cash, certain natural gas gathering and compression assets in the liquids-rich window of the Marcellus Shale Play, primarily located in Doddridge County, West Virginia (the "Mountaineer Gathering System"). The Mountaineer Gathering System consists of over 40 miles of newly constructed, high-pressure gas gathering pipelines, certain rights-of-way associated with the pipeline, and two compressor stations with over 21,000 horsepower of compression. This rich-gas gathering and compression system serves as a critical inlet to MarkWest's world-class Sherwood Processing Complex, which is currently being expanded from 400 MMcf/d to 800 MMcf/d. The Mountaineer Gathering System is currently capable of delivering 550 MMcf/d to the Sherwood Processing Complex and is underpinned by a long-term, fee-based contract with an affiliate of Antero Resources, Inc. The Mountaineer transaction is expected to close on or before June 30, 2013.

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The Mountaineer transaction will be financed with \$110 million of borrowings under SMLP's recently upsized \$600 million revolving credit facility and the issuance of \$100 million of SMLP common units and general partner interests to wholly-owned subsidiaries of Summit Investments. Summit Investments and SMLP have entered into a Unit Purchase Agreement pursuant to which Summit Investments has agreed to purchase the units at a price of \$31.53 per unit. This price represents the five day VWAP of SMLP units as of the market close on June 3, 2013.

Steve Newby, President & CEO of SMLP commented, "The acquisition of midstream assets in the Bakken and Marcellus shale plays, two of the most prolific unconventional resource basins in North America, will provide SMLP with larger scale to execute its growth strategy as well as greater geographic and customer diversification. We are very excited about the acquisition of Bison, our first drop down transaction from Summit Investments, as well as the pending acquisition of strategically located, rich gas gathering infrastructure from MarkWest. Consistent with SMLP's existing assets, both systems are underpinned by long-term contracts with leading producers in the Bakken and the Marcellus. The anchor customers on both systems have provided either minimum volume commitments or minimum revenue commitments. We believe that these acquisitions will be immediately accretive to our distributable cash flow on a per unit basis and will deliver significant value to our unitholders over the long-term."

"The Mountaineer acquisition will represent SMLP's initial entry into the Marcellus Shale, one of the largest, most active and prolific basins in North America. We are excited about establishing a footprint in this world-class basin and beginning a strategic relationship with MarkWest. We look forward to working with MarkWest on this and future opportunities to expand this relationship and complement its industry leading position in the Marcellus and Utica."

SMLP also announced today that its wholly-owned subsidiary, Summit Midstream Holdings, LLC, has exercised the \$50 million accordion feature on its revolving credit facility to increase the capacity from \$550 million to \$600 million, effective June 4, 2013. The other terms of the revolving credit facility put in place on May 7, 2012 remain unchanged.

The terms of the Bison drop down transaction were approved by the board of directors of SMLP's general partner and by the board's conflicts committee, which consists entirely of independent directors. The conflicts committee engaged Evercore Partners to act as its independent financial advisor and to render a fairness opinion, and Akin Gump Strauss Hauer & Feld, LLP to act as its legal advisor. Summit Investments engaged Barclays Capital, Inc. to act as its financial advisor and Vinson & Elkins LLP to act as its legal advisor on both transactions.

### **2013 Guidance Revised**

With the announced transactions, SMLP is revising its 2013 adjusted EBITDA guidance from \$115 million to \$125 million to a new range of \$140 million to \$150 million, reflecting the addition of approximately seven months of operations from the recently acquired assets. SMLP believes that its attainment of this adjusted EBITDA will facilitate a fourth quarter 2013 distribution to limited partners of 18.0% to 22.0% over its minimum quarterly distribution, or MQD, of \$0.40 per unit.

### **Conference Call Information**

SMLP will host a conference call at 10:00 a.m. Eastern on Wednesday, June 5, 2013 to discuss these transactions. Interested parties may participate in the call by dialing 847-413-3362 or toll-free 800-446-1671 and entering the passcode 35040327. The conference call will also be webcast live and can be accessed through the Investors section of SMLP's website at [www.summitmidstream.com](http://www.summitmidstream.com). A replay of the conference call will be archived and made available through the Investors section of SMLP's website.

### **Use of Non-GAAP Financial Measures**

We report financial results in accordance with U.S. generally accepted accounting principles (GAAP). We also present EBITDA, Adjusted EBITDA and distributable cash flow and adjusted distributable cash flow. We define EBITDA as net income, plus interest expense, income tax expense, and depreciation and amortization expense, less interest income and income tax benefit. We define Adjusted EBITDA as EBITDA plus non-cash compensation expense and adjustments related to MVC shortfall payments. We define distributable cash flow as

Adjusted EBITDA plus cash interest income, less cash paid for interest expense and income taxes and maintenance capital expenditures. We define adjusted distributable cash flow as distributable cash flow plus or minus other non-cash or non-recurring expenses or income. Our definitions of these non-GAAP financial measures may differ from the definitions of similar measures used by other companies. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our financial performance. Furthermore, management believes that these non-GAAP financial measures may provide users with additional meaningful comparisons between current results and results of prior periods as they are expected to be reflective of our core ongoing business. These measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Reconciliations of GAAP to non-GAAP financial measures are attached to this release.

#### **About Summit Midstream Partners, LP**

SMLP is a growth-oriented limited partnership focused on owning and operating midstream energy infrastructure assets that are strategically located in the core producing areas of unconventional resource basins, primarily shale formations, in North America. Pro forma for the Bison and Mountaineer acquisitions, SMLP currently provides primarily fee-based natural gas gathering and compression services in four unconventional resource basins: (i) the Piceance Basin, which includes the Mesaverde formation as well as the Mancos and Niobrara shale formations in western Colorado; (ii) the Fort Worth Basin, which includes the Barnett Shale formation in north-central Texas; (iii) the Williston Basin, which includes the Bakken and Three Forks shale formations in northwestern North Dakota; and (iv) the Appalachian Basin, which includes the Marcellus Shale formation in northern West Virginia. SMLP owns and operates approximately 747 miles of pipeline and 180,610 horsepower of compression. SMLP is headquartered in Dallas, TX with offices in Houston, TX, Denver, CO and Atlanta, GA.

#### **About Summit Midstream Partners, LLC**

Pro forma for the Bison and Mountaineer acquisitions, Summit Midstream Partners, LLC (“Summit Investments”) will own a 71.6% limited partner interest in SMLP and owns and controls the general partner of SMLP, Summit Midstream GP, LLC, which has sole responsibility for conducting the business and managing the operations of SMLP. Summit Investments also owns, operates and is developing various crude oil, natural gas, and water-related midstream energy infrastructure assets in the Bakken Shale Play in North Dakota, the DJ Niobrara Shale Play in Colorado, the Uinta Basin in Utah, and the Piceance Basin in western Colorado. Summit Investments is a privately held company owned by members of management, funds controlled by Energy Capital Partners II, LLC, and GE Energy Financial Services, Inc. and certain of its affiliates.

#### **Forward Looking Statements**

*This press release includes certain statements concerning expectations for the future that are forward-looking within the meaning of the federal securities laws. Forward-looking statements contain known and unknown risks and uncertainties (many of which are difficult to predict and beyond management’s control) that may cause our actual results in future periods to differ materially from anticipated or projected results. An extensive list of specific material risks and uncertainties affecting us is contained in our 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 18, 2013 and other documents and reports filed from time to time with the SEC. Any forward-looking statements in this press release are made as of the date of this press release and SMLP undertakes no obligation to update or revise any forward-looking statements to reflect new information or events.*

Contact: Marc Stratton, Vice President and Treasurer, 214-242-1966, [ir@summitmidstream.com](mailto:ir@summitmidstream.com)

SOURCE: Summit Midstream Partners, LP

**Independent Auditor's Report**

To the Directors of Bison Midstream, LLC

We have audited the accompanying carve-out balance sheet of Bison Gas Gathering System, a carve-out of Bear Tracker Energy LLC (subsequently acquired by Bison Midstream, LLC) as described in Note 1, as of December 31, 2012 and the related statement of operations, owner's net investment and cash flows for the year then ended and the related notes to the carve-out financial statements. These carve-out financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these carve-out financial statements based on our audit.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these carve-out financial statements based on our audit. We conducted our audit 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 carve-out financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the carve-out financial statements referred to above present fairly, in all material respects, the carve-out financial position of Bison Gas Gathering System of Bear Tracker Energy, LLC (subsequently acquired by Bison Midstream, LLC) as of December 31, 2012, and the carve-out results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Anton Collins Mitchell LLP  
Denver, Colorado  
June 4, 2013

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**Bison Gas Gathering System****Balance Sheet  
(In thousands)**

<b>December 31,</b>	<b>2012</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ —
Accounts receivable	5,463
Accounts receivable, related party	14
Other assets	133
Total current assets	5,610
Total property, plant and equipment, net	83,453
Rights-of-way, net	5,897
Other noncurrent assets	979
Total assets	<u>\$ 95,939</u>
<b>Liabilities and owner's net investment</b>	
<b>Current liabilities:</b>	
Trade accounts payable	\$ 2,894
Accrued liabilities	4,775
Deferred revenue	1,302
Total current liabilities	8,971
Deferred revenue	18,580
Other noncurrent liabilities	300
Total liabilities	27,851
<b>Commitments and contingencies</b>	
<b>Owner's net investment</b>	<u>68,088</u>
Total liabilities and owner's net investment	<u>\$ 95,939</u>

*See accompanying independent auditor's report and notes to carve-out financial statements.*



**Bison Gas Gathering System****Statement of Operations**  
*(In thousands)*

<b>Year ended December 31,</b>	<b>2012</b>
<b>Product revenues:</b>	
Natural gas sales	\$ 7,089
Natural gas liquids sales	21,506
Condensate sales	7,937
Service fees	<u>1,062</u>
<b>Total revenues</b>	<b><u>37,594</u></b>
<b>Costs and expenses:</b>	
Cost of natural gas and natural gas liquids	9,091
Transportation costs	9,954
Operations and maintenance	2,540
General and administrative	1,553
Depreciation and amortization	<u>2,762</u>
<b>Total costs and expenses</b>	<b><u>25,900</u></b>
<b>Net income</b>	<b><u>\$ 11,694</u></b>

*See accompanying independent auditor's report and notes to carve-out financial statements.*

**Bison Gas Gathering System**

**Statement of Owner's Net Investment  
(In thousands)**

<b>Owner's Net Investment, January 1, 2012</b>	\$ 47,427
Net income	11,694
Cash advances from (to) Bear Tracker Energy, LLC, net	8,938
Unit based compensation	<u>29</u>
<b>Owner's Net Investment, December 31, 2012</b>	<u>\$ 68,088</u>

*See accompanying independent auditor's report and notes to carve-out financial statements.*

**Bison Gas Gathering System****Statement of Cash Flows**  
*(In thousands)*

Year Ended December 31,	2012
<b>Cash flows from operating activities:</b>	
Net income	\$ 11,694
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation and amortization expense	2,762
Unit based compensation	29
Changes in operating assets and liabilities:	
Accounts receivable, including related party	(1,657)
Prepaid and other current assets	(32)
Trade accounts payable	(44)
Accrued liabilities	(1,801)
Deferred revenues	11,918
Other long-term liabilities	300
Net cash provided by operating activities	<u>23,169</u>
<b>Cash flows from investing activities:</b>	
Purchase of property, plant and equipment	(28,732)
Payments for rights-of-way	(3,375)
Net cash used in investing activities	<u>(32,107)</u>
<b>Cash flows from financing activities:</b>	
Cash advances from BTE, net	<u>8,938</u>
Net cash provided by financing activities	<u>8,938</u>
Net change in cash and cash equivalents	—
<b>Cash and cash equivalents, at beginning of year</b>	<u>—</u>
<b>Cash and cash equivalents, at end of year</b>	<u>\$ —</u>

*See accompanying independent auditor's report and notes to carve-out financial statements.*

**1. BACKGROUND AND BASIS OF PRESENTATION**

*Organization and Basis of Presentation*

The Bison Gas Gathering System (“Bison” or the “Company”) Carve-out Financial Statements (the “Bison Carve-out Financial Statements”) present the historical carve-out financial position, results of operations, change in owner’s net investment and cash flows of Bison as of and for the year ended December 31, 2012. The Bison Carve-out Financial Statements have been derived from the accounting records of Bear Tracker Energy, LLC (“BTE”) on a carve-out basis. The Bison Carve-out Financial Statements have been prepared on a carve-out basis and the results do not necessarily reflect what the financial position, results of operations, change in net investment or cash flows would have been had Bison been a separate entity.

In January 2013, Summit Midstream Partners, LLC (“Summit Investments”) executed a definitive agreement with affiliates of GSO Capital Partners LP and Bear Tracker Investments, LLC to acquire 100% of the equity interests of Bear Tracker Energy, LLC. The transaction closed on February 15, 2013 and the related assets have been held in a newly created and wholly owned subsidiary of Summit Investments. On June 4, 2013, Summit Midstream Partners, LP (“SMLP”) acquired Bison from Summit Investments for \$250.0 million (see Note 12).

The operations of Bison include natural gas and natural gas liquids (“NGLs”) gathering and compression services in North Dakota. It is located primarily in Mountrail and Burke counties in North Dakota. Natural gas gathered on the Bison system is compressed, dehydrated, and delivered to a third-party for conditioning and subsequent discharge to downstream pipelines that deliver the gas for further processing. The Company provides these services pursuant to long-term, primarily fee-based gathering agreements that include long-term acreage dedications. In addition, many of the gas gathering agreements contain long-term minimum volume commitments.

BTE’s direct investment in Bison is presented as owner’s net investment in the Bison Carve-out Financial Statements and includes the accumulated net earnings and accumulated net distributions to BTE. BTE’s direct investment in Bison is shown as owner’s net investment in place of member’s equity because a direct ownership by shareholders in Bison did not exist at December 31, 2012.

Bison’s results are comprised of the historical operations, assets, liabilities and cash flows of the Bison gas gathering system operated by BTE. The operating results and the majority of the assets and liabilities of Bison have been specifically identified based on BTE’s existing divisional organization. Certain other expenses presented in the carve-out statement of operations represent allocations and estimates of the costs of services incurred by BTE. These allocations and estimates were based on methodologies that management believes to be reasonable and include administrative costs.

Revenues, costs of goods sold, operating costs, and depreciation and amortization have been specifically identified based on BTE’s existing divisional structure. Salaries, benefits, unit based compensation and other general and administrative costs have been allocated to Bison based on management’s best estimate of how services were historically provided by existing employees. Management believes the assumptions underlying

**1. BACKGROUND AND BASIS OF PRESENTATION (CONTINUED)**

the Bison Carve-out Financial Statements are reasonable. However, the Bison Carve-out Financial Statements herein may not reflect Bison's financial position, results of operations, change in owner's net investment or cash flows in the future or what Bison's financial position, results of operations, change in owner's net investment or cash flows would have been if Bison had been a separate entity.

The Bison Gas Gathering Carve-out Financial Statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These principles are established by the Financial Accounting Standards Board. Management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates, including fair value measurements, the reported amounts of revenue and expense and disclosure of contingencies. Although management believes these estimates are reasonable, actual results could differ from its estimates.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Cash and Cash Equivalents*

The Company utilized BTE's centralized processes and systems for cash management, payroll, purchasing and distribution. As a result, substantially all cash received by the Company was deposited in and commingled with the general corporate funds of the respective period's owner and is or was not specifically allocated to Bison. The net results of these cash transactions between Bison and the respective period's owner are reflected in owner's net investment in the accompanying carve-out balance sheet.

*Accounts Receivable*

Accounts receivable relate to gathering, compressing and other services provided to our natural gas producer customers. To the extent the Company doubts the collectability of our accounts receivable, the Company recognizes an allowance for doubtful accounts. The Company did not experience non-payment for services during the year ended December 31, 2012. As a result, the Company did not recognize an allowance for doubtful accounts as of December 31, 2012.

*Other Current Assets*

Other current assets include prepaid expenses allocated to Bison based on the methodology described in Note 1. The Company recognizes these assets into expense over the period of the respective term of the arrangement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Fair Value*

The Company follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820 *Fair Value Measurements* (“ASC 820”). ASC 820 establishes a common definition of fair value to be applied when GAAP requires the use of fair value, establishes a framework for measuring fair value, and requires certain disclosures about such fair value measurements.

ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities to which the Company has access at a measurement date.

Level 2: Observable inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for which little or no market data exists, and for which the Company must develop its own assumptions regarding the assumptions that market participants would use in pricing the asset or liability, including assumptions regarding risk.

As of December 31, 2012, there were no assets measured at fair value.

*Financial Instruments*

The carrying amounts of accounts receivable, and accounts payable approximate fair value due to their short-term maturities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Property, Plant and Equipment*

Property, plant and equipment are recorded at historical cost of construction. Expenditures that extend the useful life of an asset or enhance its productivity or efficiency from its original design are capitalized over the expected remaining period of use. The cost of maintenance and repairs, which do not add capacity or extend the useful life of an asset, are expensed when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Included in property, plant and equipment are amounts withheld as construction retainage of up to 10% of the capital expenditures committed to certain vendors until performance on these contracts is satisfactorily completed. These amounts are included in accrued liabilities on the carve-out balance sheet. Interest on debt used to fund construction is capitalized during construction and amortized over the estimated useful lives of the related assets.

Pipelines generally require a minimum volume of product in the system to enable the system to operate. Such product, known as linefill, is generally not available to be withdrawn from the system. Linefill owned by the Company is recorded at historical cost, is included in property, plant and equipment in the carve-out balance sheet and is not depreciated.

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to construction including internal development costs, external financing and interest costs that meet capitalization criteria. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and placed into use.

*Long-Lived Assets*

The Company's policy is to test for impairment when certain events indicate that the carrying value of a long-lived asset may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. If we conclude that an asset's carrying value will not be recovered through future cash flows, we recognize an impairment loss on the long-lived asset equal to the amount by which the carrying value exceeds its fair value. We determine fair value using an income approach in which we discount the asset's expected future cash flows to reflect the risk associated with achieving the underlying cash flows. During the year ended December 31, 2012, we concluded that none of our long-lived assets had been impaired.

*Rights-of-way*

Rights-of-way are recorded at cost. Rights-of-way are amortized over the estimated useful life of the underlying asset on a straight line basis. These amounts are included net of accumulated amortization expense on the carve-out balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Other noncurrent assets*

Other noncurrent assets include deposits on property, plant and equipment paid to equipment manufacturers on open purchase orders for pipe, processing equipment, and compression equipment not yet delivered to the Company.

*Income Taxes*

BTE is a limited liability company and therefore is not a tax-paying entity for federal income tax purposes. Accordingly, a provision for federal income taxes has not been recorded in the Bison Carve-out Financial Statements.

*Asset Retirement Obligations*

The Company follows ASC 410 *Asset Retirement and Environmental Obligations*, which requires that an asset retirement obligation (“ARO”) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred and becomes determinable. Under this method, when liabilities for retirement of assets, excluding salvage values, are initially recorded, the carrying amount of the related assets is increased by a corresponding liability amount. The fair value of the ARO asset and liability is measured using expected future cash outflows discounted at the Company’s credit-adjusted risk-free interest rate (which approximates a marketplace fair value equivalent). Accretion of the liability is recognized each period using the interest method of allocation, and the capitalized cost is depleted over the useful life of the related asset on commencement of operations. The Company establishes an ARO when the associated asset is placed in service. Management has determined that no AROs existed at December 31, 2012.

*Revenue Recognition*

The Company generates the majority of its revenues from natural gas gathering, processing, compression, NGL fractionation and gathering as well as marketing of natural gas and NGLs. The Company realizes revenues either by selling the residue natural gas and NGLs, or by receiving fees from the producers.

The Company obtains access to natural gas and provides 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, the Company receives a fee or fees for one or more of the following services: gas gathering, compressing, treating or processing natural gas and NGLs. Fee-based arrangements include natural gas purchase arrangements pursuant to which the Company purchases natural gas at the wellhead, or other receipt points, at a settled price at the delivery point less a specified amount, generally the same as the fees the Company would otherwise charge for gathering of natural gas from the wellhead location to the delivery point. The margins earned are directly related to the volume of natural gas that flows through the systems and are not directly dependent on commodity prices.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

To the extent a sustained decline in commodity prices results in a decline in volumes, margins from these arrangements would be reduced.

- Percent-of-proceeds arrangements — Under percent-of-proceeds arrangements, the Company generally purchases natural gas from producers at the wellhead, or other receipt points, gathers the wellhead natural gas through the Company's gathering system, treats and processes the natural gas, and then sells the resulting residue natural gas and NGLs based on index prices from published index market prices. The Company remits to the producers an agreed-upon percentage of the actual proceeds received from sales of the residue natural gas and NGLs. Certain of these arrangements may also result in returning all or a portion of the residue natural gas and/or the NGLs to the producer, in lieu of returning sales proceeds. Revenues under percent-of-proceeds arrangements relate directly with the price of natural gas and/or NGLs.

In addition to the arrangements above, some contracts require minimum volumes and/or well connection fees in addition to the fees charged on the gas volumes, or they have different fees before and after reaching a cumulative volume commitment. Service revenue relates to well connection fees whereby the revenues are initially deferred when invoiced upon well connection and recognized ratably over the contract period and are not dependent on the volume of natural gas that is transported.

Customer billings for obligations under their minimum volume commitment are recorded as deferred revenue when the customer has the right to utilize shortfall payments to offset gathering fees in subsequent periods. The deferred revenue is recognized into revenue under these arrangements once all contingencies or potential performance obligations associated with the related volumes have either (i) been satisfied through the gathering of future excess volumes of natural gas or (ii) expired (or lapsed) through the passage of time pursuant to the terms of the applicable natural gas purchase or gathering agreement.

For fees that decline after a cumulative volume commitment is reached, the revenues are recognized as the average fee anticipated to be received over the life of the contract. Unearned amounts at the balance sheet date are included in deferred revenues.

The Company recognizes revenue for product sales and services under the four revenue recognition criteria, as follows:

- *Persuasive evidence of an arrangement exists*
- *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 the Company retains product as inventory, delivery occurs when the inventory is subsequently sold and custody is transferred to the third party purchaser.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *The fee is fixed or determinable* — The Company negotiates the fee for its services at the outset of 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, credit metrics, liquidity and credit rating) and their ability to pay. If collectability is not considered probable at the outset of an arrangement in accordance with the Company's credit review process, revenue will be recognized when the cash is collected.

The Company reports revenues gross of the related gas purchases in the statement of operations when the Company acts as the principal in the related transaction, takes custody and title of the product, and incurs the risks and rewards of ownership. Alternatively, the Company reports revenues net of the related gas purchase in the statement of operations when acting as an agent in these transactions and custody of the product or the risks and rewards of ownership do not transfer to the Company.

Amounts billed to customers for shipping and handling and electricity costs are included in revenue. Shipping and handling costs and electricity costs associated with product sales are included in the cost of natural gas and natural gas liquids in the carve-out statement of operations. Taxes collected from producers and remitted to the appropriate taxing authority are excluded from revenue.

Revenue for products and services provided but not invoiced is estimated each month and recorded along with related purchases of goods and services used but not invoiced. These estimates are generally based on estimated commodity prices, preliminary throughput measurements, allocations of product and contract terms. There are no material differences between the actual amounts and the estimated amounts of revenues and purchases recorded at December 31, 2012.

***Comprehensive Income***

Comprehensive income is the same as net income for the year ended December 31, 2012.

***Environmental Matters***

The Company is subject to various federal, state and local laws and regulations relating to the protection of the environment. Although management believes that the Company is in compliance with applicable environmental regulations, the risk of costs and liabilities are inherent in pipeline ownership and operation. The Company can provide no assurances that significant costs and liabilities will not be incurred by the Company. The Company is not aware of any material contingent liabilities that currently exist with respect to environmental matters.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****Recent Accounting Pronouncements***

Accounting standard setters frequently issue new or revised accounting rules. The Company reviews new pronouncements to determine the impact, if any, on its financial statements. There are currently no recent pronouncements that have been issued that management believes will materially affect the Company's financial statements.

**3. SIGNIFICANT CUSTOMERS AND CONCENTRATIONS OF CREDIT RISK**

As of and for the year ended December 31, 2012, revenues and accounts receivable from the three largest customers were as follows:

	Revenue as a % of Total Revenues for the year ended December 31, 2012	Accounts Receivable as a % of Total Accounts Receivable at December 31, 2012
Customer A	60%	34%
Customer B	29%	19%
Customer C	3%	31%

Included in accounts receivable for Customer C at December 31, 2012, are billings of \$1.5 million related to minimum volumes that are also included in deferred revenues at December 31, 2012. Customer C is also a related party (See Note 11).

Customer B owns a controlling interest in Customer A, and therefore, the credit risk to the Company for Customers A and B should be considered on a combined basis.

**Bison Gas Gathering System**

**Notes to Carve-Out Financial Statements  
Year Ended December 31, 2012**

**4. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consisted of the following (in thousands):

December 31,	Depreciable Life (in years)	2012
Natural gas gathering and NGL transportation pipelines and facilities	15-25 years	\$ 82,678
Land and linefill	None	60
Vehicles	3-30 years	184
Construction in progress	—	3,458
<b>Total</b>		<b>86,380</b>
Less accumulated depreciation		(2,927)
Property, plant and equipment, net		<u>\$ 83,453</u>

Depreciation expense was \$2.6 million for the year ended December 31, 2012.

Capitalized interest for the year ended December 31, 2012 was \$0.

*Construction in Progress*

The Company completed the final phase of construction of its natural gas gathering system that includes compression and other related facilities in the Williston Basin area of North Dakota in early 2012. Construction on the project began in the fourth quarter of 2010, with Phase I completed and operations beginning in August of 2011.

**5. RIGHTS-OF-WAY ASSETS**

Intangible assets consist of rights-of-way as follows (in thousands):

December 31, 2012	Weighted Average remaining amortization Period (in years)	Gross Carrying Amount	Accumulated Amortization	Net
	24.2 years	\$ 6,081	\$ (184)	\$ 5,897

Amortization expense was \$162 thousand for the year ended December 31, 2012.

**Bison Gas Gathering System**

**Notes to Carve-Out Financial Statements  
Year Ended December 31, 2012**

**5. RIGHTS-OF-WAY ASSETS (CONTINUED)**

The estimated aggregate annual amortization of intangible assets expected to be recognized as of December 31, 2012 for each of the five succeeding fiscal years and thereafter is as follows:

<b>(in thousands)</b>	
2013	\$ 243
2014	243
2015	243
2016	243
2017	243
Thereafter	4,682
Total	<u>\$ 5,897</u>

**6. ACCRUED LIABILITIES**

Accrued liabilities consist of the following (in thousands):

<b>December 31,</b>	<b>2012</b>
Construction retainage included in property, plant and equipment	\$ 1,721
Accrued property, plant and equipment costs	1,490
Gas purchases and other cost of sales	1,436
Other	128
Total accrued liabilities	<u>\$ 4,775</u>

**7. COMMITMENTS AND CONTINGENCIES**

*Leases*

BTE has entered into operating lease agreements for office space and office equipment. The Bison Carve-out Financial Statements included \$57,000 of expenses from those leases allocated based on the methodology in Note 1.

*Purchase and Sale Commitments and Contingencies*

The following contracts were allocated to Bison, as they are associated with the gathering system.

7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

In December 2010, BTE entered into gas purchase and sale contracts with a U.S. independent oil and natural gas exploration and production company ("Third Party Producer"). Under the terms of the contracts, the Company constructed, owned, operated and expanded a natural gas gathering system that includes compression and other related facilities in the Williston Basin area in North Dakota. The associated natural gas production from 18 townships in Burke and Bison Counties, North Dakota is committed to the Company's gathering system during the 15 year term of the agreement. The Company gathers, compresses, and delivers the natural gas and NGLs for further handling at a Stanley, North Dakota facility. The Company reserves capacity in the gathering system equal to at least 125% of the applicable minimum monthly volumes for the benefit of the Third Party Producer. The agreement requires the Company to purchase the gas from the Third Party Producer at the wellhead and sell the gas to a third-party midstream Company. The Company collects a fee based on minimum monthly volumes and a well connection fee for each well that is connected to the gathering system for the first 103 wells as outlined in the arrangement. Through December 31, 2012 the Company has connected 118 wells. The contract was amended in May 2012 (effective January 1, 2012) in connection with a new contract discussed below, and again in October 2012 to require certain pressures be maintained at the wellhead.

During 2011, BTE entered into three additional gas purchase and sale contracts with three separate U.S. independent oil and natural gas exploration and production companies. Under the terms of the contracts, the Company will expand the natural gas gathering system in the Williston Basin area in North Dakota. The associated natural gas production from wells defined in the agreements will be committed to the Company's gathering system during the 15 year terms of the agreements. The agreements require the Company to purchase the gas at the wellhead at volumes prescribed in the arrangements.

During 2012, BTE entered into two additional contracts to build and expand upon its Bison gathering system as described above and in Note 4. Under the terms of the contracts, the Company will expand the natural gas gathering system in the Williston Basin area in North Dakota. The associated natural gas production from wells defined in the agreements will be committed to the Company's gathering system during the 10 to 15 year terms of the agreements. The agreements require the Company to purchase the gas at the wellhead at volumes prescribed in the arrangements.

The Company has issued purchase orders to vendors to buy the equipment required to build the systems described above and in Note 4. These outstanding purchase order commitments were approximately \$6.7 million as of December 31, 2012. These amounts are related to the Company's construction efforts.

*Contingencies*

In the normal course of business, the Company may be party to litigation from time to time. The Company is not involved in any litigation as of December 31, 2012.

**7. COMMITMENTS AND CONTINGENCIES (CONTINUED)***Environmental Contingencies*

The Company is subject to numerous environmental regulations. Failure to comply with these regulations could result in the assessment of fines or penalties by regulatory authorities.

**8. OWNER'S NET INVESTMENT**

BTE's investment in the operations of Bison is presented as owner's net investment which represents the accumulated net earnings of the operations and the accumulated net contributions from and distributions to BTE.

*Unit Based Compensation*

BTE has unit-based compensation plans that grant employees ownership interest in Bear Tracker Investments, LLC ("BTI"), which holds an ownership interest in BTE. As a result of the carve-out process, Bison has been allocated the proportionate share of unit compensation expense based on the allocation methodology described in Note 1. The fair value of these units at the date of grant was estimated using the binomial discounted cash flow method. Key estimates underlying fair value included projected revenue based on existing arrangements and cost estimates, hypothetical exit EBITDA multiples, forfeiture rates, and discount factors surrounding unit transferability. The compensation expense associated with the granting of units of BTI an entity related to BTE's management and was reflected on BTE's financial records as required by GAAP and allocated to the Bison Assets.

**9. EMPLOYEE BENEFIT PLANS***401(k) Plan*

BTE sponsored a 401(k) profit sharing and savings plan for its employees. Employee participation in this plan was voluntary and the Company provided a matching contribution to the plan. The Bison Carve-out Financial Statements included an amount based on the allocation methodology described in Note 1.

**10. SUPPLEMENTAL CASH FLOW INFORMATION (in thousands)**

December 31,	2012
<b>Supplemental disclosure of cash flow information</b>	
<b>Non-cash investing activities:</b>	
Property, plant and equipment purchases included in accrued liabilities	\$ 3,211

**11. RELATED PARTY TRANSACTIONS**

The Company has a gas purchase contract with a natural gas producer to gather the gas from a certain acreage dedication. The CEO of that company is also a Director on BTE's Board of Members. Total revenues relating to the gas purchase contract and well connect fees totaled approximately \$49,400 during the year ended December 31, 2012. Accounts receivable and deferred revenues totaled approximately \$13,600 and \$101,100 respectively at December 31, 2012.

**12. SUBSEQUENT EVENTS**

In January 2013, Summit Investments executed a definitive agreement with affiliates of GSO Capital Partners LP and Bear Tracker Investments, LLC to acquire 100% of the equity interest of Bear Tracker Energy, LLC for \$513.0 million, subject to certain working capital adjustments. The transaction closed in February 2013 and the related assets were held in a newly created and wholly owned subsidiary of Summit Investments.

On June 4, 2013, SMLP entered into a purchase and sale agreement with Summit Investments and its affiliate Bison Midstream, LLC to acquire certain natural gas gathering pipeline, dehydration and compression assets in the Williston Basin in North Dakota (the "Bison Gas Gathering System") that were part of the BTE assets acquired in February 2013 (the "Bison Transaction"). The Bison Gas Gathering System, which was carved out from BTE was funded through \$200.0 million of borrowings under SMLP's revolving credit facility and the issuance of \$50.0 million of SMLP common and general partner units to Summit Investments.

In accordance with ASC 855 *Subsequent Events*, the Company has reviewed and updated subsequent events through June 4, 2013, the date the financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in the financial statements.



**BISON GAS GATHERING SYSTEM**  
**UNAUDITED CONDENSED BALANCE SHEET**  
**MARCH 31, 2013 (SUCCESSOR)**

	<b>March 31, 2013</b> <b>(Successor)</b> <b>(In thousands)</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ —
Accounts receivable	5,777
Other assets	259
Total current assets	6,036
Property, plant and equipment, net	86,770
Intangible assets, net	163,180
Goodwill	54,197
Other noncurrent assets	2,506
Total assets	<u>\$ 312,689</u>
<b>Liabilities and Owner's Net Investment</b>	
Current liabilities:	
Trade accounts payable	\$ 2,935
Other current liabilities	3,493
Total current liabilities	6,428
Other noncurrent liabilities	2,784
Total liabilities	9,212
Commitments and contingencies (Note 7)	
Owner's net investment	303,477
Total owner's net investment	303,477
Total liabilities and owner's net investment	<u>\$ 312,689</u>

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

**BISON GAS GATHERING SYSTEM**  
**UNAUDITED CONDENSED STATEMENTS OF OPERATIONS**  
**FOR THE PERIODS FROM JANUARY 1, 2013 TO FEBRUARY 15, 2013 (PREDECESSOR) AND FEBRUARY 16, 2013 TO MARCH 31, 2013**  
**(SUCCESSOR) AND THE THREE MONTHS ENDED MARCH 31, 2012 (PREDECESSOR)**

	Period from February 16, 2013 to March 31, 2013 (Successor)	Period from January 1, 2013 to February 15, 2013 (Predecessor)	Three months ended March 31, 2012
	(In thousands)		
<b>Revenues:</b>			
Natural gas sales	\$ 1,811	\$ 1,824	\$ 637
NGL sales	3,911	4,439	4,549
Condensate and other	1,809	1,766	1,627
Total revenues	<u>7,531</u>	<u>8,029</u>	<u>6,813</u>
<b>Costs and expenses:</b>			
Operation and maintenance	469	687	516
Cost of natural gas and NGL	2,227	2,598	2,325
Transportation costs	2,259	2,107	1,841
General and administrative	126	169	365
Depreciation and amortization	1,863	606	462
Total costs and expenses	<u>6,944</u>	<u>6,167</u>	<u>5,509</u>
Net income	<u>\$ 587</u>	<u>\$ 1,862</u>	<u>\$ 1,304</u>

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

**BISON GAS GATHERING SYSTEM**  
**UNAUDITED CONDENSED STATEMENTS OF OWNER'S NET INVESTMENT**  
**FOR THE PERIODS FROM JANUARY 1, 2013 TO FEBRUARY 15, 2013 (PREDECESSOR) AND FEBRUARY 16, 2013 TO MARCH 31, 2013**  
**(SUCCESSOR) AND THE THREE MONTHS ENDED MARCH 31, 2012 (PREDECESSOR)**

	Period from February 16, 2013 to March 31, 2013 (Successor)	Period from January 1, 2013 to February 15, 2013 (Predecessor)	Three months ended March 31, 2012
	(In thousands)		
<b>Owner's net investment, beginning of period</b>	\$ 303,168	\$ 68,088	\$ 47,427
Net income	587	1,862	1,304
Cash advances to Summit Investments, net	(278)	—	—
Cash advances from BTE, net	—	1,728	4,605
Unit-based compensation	—	57	5
<b>Owner's net investment, end of period</b>	<u>\$ 303,477</u>	<u>\$ 71,735</u>	<u>\$ 53,341</u>

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

**BISON GAS GATHERING SYSTEM**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS FROM JANUARY 1, 2013 TO FEBRUARY 15, 2013 (PREDECESSOR) AND FEBRUARY 16, 2013 TO MARCH 31, 2013**  
**(SUCCESSOR) AND THE THREE MONTHS ENDED MARCH 31, 2012 (PREDECESSOR)**

	Period from February 16, 2013 to March 31, 2013 (Successor)	Period from January 1, 2013 to February 15, 2013 (Predecessor)	Three months ended March 31, 2012
(In thousands)			
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 587	\$ 1,862	\$ 1,304
<b>Adjustments to reconcile net income (loss) to net cash used in operating activities:</b>			
Depreciation and amortization	1,863	606	462
Unit-based compensation	—	57	5
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable	(172)	(128)	(5,265)
Other assets	(159)	33	76
Trade accounts payable	410	(1,891)	403
Other current liabilities	(744)	(538)	126
Other noncurrent liabilities	(6)	177	6,800
Net cash provided by operating activities	<u>1,779</u>	<u>178</u>	<u>3,911</u>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(1,182)	(704)	(7,875)
Deposits for capital expenditures	(319)	(1,202)	(641)
Net cash used by investing activities	<u>(1,501)</u>	<u>(1,906)</u>	<u>(8,516)</u>
<b>Cash flows from financing activities:</b>			
Cash advances to Summit Investments, net	(278)	—	—
Cash advances from BTE, net	—	1,728	4,605
Net cash (used) provided by financing activities	<u>(278)</u>	<u>1,728</u>	<u>4,605</u>
Net change in cash and cash equivalents	—	—	—
Cash and cash equivalents, beginning of period	—	—	—
Cash and cash equivalents, end of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Supplemental Disclosures of Noncash Investing Activities:</b>			
Capital expenditures in trade accounts payable (period-end accruals)	\$ 650	\$ 873	\$ 274

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

**BISON GAS GATHERING SYSTEM**  
**NOTES TO UNAUDITED CONDENSED CARVE-OUT FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2013 (SUCCESSOR) AND FOR THE PERIODS FROM JANUARY 1, 2013**  
**TO FEBRUARY 15, 2013 (PREDECESSOR) AND FEBRUARY 16, 2013 TO**  
**MARCH 31, 2013 (SUCCESSOR) AND THE THREE MONTHS ENDED MARCH 31, 2012 (PREDECESSOR)**

**1. ORGANIZATION AND BUSINESS OPERATIONS**

**Organization.** The operations of the Bison Gas Gathering System (“Bison” or the “Company”) include natural gas and natural gas liquids (“NGLs”) gathering and compression services in North Dakota. It is located primarily in Mountrail and Burke counties in North Dakota. Natural gas gathered on the Bison system is compressed, dehydrated, and delivered to a third-party for conditioning and subsequent discharge to downstream pipelines that deliver the gas for further processing. The Company provides these services pursuant to long-term, primarily fee-based gathering agreements that include long-term acreage dedications. In addition, many of the gas gathering agreements contain long-term minimum volume commitments.

In January 2013, Summit Midstream Partners, LLC (“Summit Investments”) executed a definitive agreement with affiliates of GSO Capital Partners LP and Bear Tracker Investments, LLC to acquire 100% of the equity interests of Bear Tracker Energy, LLC (“BTE”). The transaction closed on February 15, 2013 and the related assets have been held in a newly created and wholly owned subsidiary of Summit Investments. On June 4, 2013, Summit Investments contributed Bison to Bison Midstream, LLC which was acquired by Summit Midstream Partners, LP (“SMLP”) for \$248.9 million (see Note 9).

**Basis of Presentation.** The Bison carve-out financial statements (the “Bison Carve-out Financial Statements”) present the historical carve-out financial position, results of operations, change in owner’s net investment and cash flows of Bison as of March 31, 2013 and for the periods from January 1, 2013 to February 15, 2013 and from February 16, 2013 to March 31, 2013 and the three months ended March 31, 2012. The Bison Carve-out Financial Statements have been derived from the accounting records of BTE on a carve-out basis during the predecessor periods and from the accounting records of Summit Investments on a carve-out basis during the successor period.

BTE’s direct investment in Bison is presented as owner’s net investment in the accompanying Bison Carve-out Financial Statements and includes the accumulated net earnings and accumulated net distributions to BTE during the predecessor period. Summit Investments’ direct investment in Bison is presented as owner’s net investment in the accompanying Bison Carve-out Financial Statements and includes the accumulated net earnings and accumulated net distributions to Summit Investments during the successor period.

Bison’s results are composed of the historical operations, assets, liabilities and cash flows of the Bison gas gathering system operated by BTE during the predecessor period and by Summit Investments during the successor period. The operating results and the majority of the assets and liabilities of Bison have been specifically identified based on BTE’s existing divisional organization. Certain other expenses presented in the statement of operations represent allocations and estimates of the costs of services incurred by BTE during the predecessor period and by Summit Investments during the successor period. These allocations and estimates were based on methodologies that management believes to be reasonable and include administrative costs.

Revenues, costs of goods sold, operating costs, depreciation and amortization have been specifically identified based on BTE’s existing divisional structure with respect to the predecessor period and or Summit Investments’ with respect to the successor period. Salaries, benefits, unit-based compensation and other general and administrative costs have been allocated to Bison based on management’s best estimate of how services were historically provided by existing employees.

Management believes the assumptions underlying the Bison Carve-out Financial Statements are reasonable. However, the Bison Carve-out Financial Statements herein may not reflect Bison’s financial position, results of operations, change in owner’s net investment or cash flows in the future or what Bison’s financial position, results of operations, change in owner’s net investment or cash flows would have been if Bison been a stand-alone company.

The Bison Carve-out Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). These principles are established by the Financial Accounting Standards Board. The preparation of financial statements in accordance with GAAP requires that management make estimates and assumptions and use judgment regarding the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities as of March 31, 2013 and for the periods from January 1, 2013 to February 15, 2013 and from February 16, 2013 to March 31, 2013 and the three months ended March 31, 2012. Such estimates primarily relate to unsettled transactions and events as of the financial statement date. Although management believes these estimates are reasonable, actual results could differ from its estimates.

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The financial statements for the period from January 1, 2013 through February 15, 2013 (“Predecessor”) are not prepared on the same basis as those prepared for the period from February 16, 2013 through March 31, 2013 (“Successor”) as the successor period reflects the application of the acquisition method of accounting relating to the acquisition of the Company by Summit Investments on February 15, 2013.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Cash and Cash Equivalents.** During the successor period, the Company has utilized Summit Investments’ centralized processes and systems for cash management, payroll, purchasing and distribution. During the predecessor period, the Company utilized BTE’s centralized processes and systems for cash management, payroll, purchasing and distribution. As a result, substantially all cash received by the Company was deposited in and commingled with the general corporate funds of the respective period’s owner and is or was not specifically allocated to Bison. The net results of these cash transactions between Bison and the respective period’s owner are reflected in owner’s net investment in the accompanying balance sheet.

**Accounts Receivable.** Accounts receivable relate to gathering, compressing, and other services provided to our natural gas producer customers. To the extent we doubt the collectability of our accounts receivable, we recognize an allowance for doubtful accounts. We did not experience non-payment for services during the three months ended March 31, 2013 and 2012. As a result, we did not recognize an allowance for doubtful accounts as of March 31, 2013.

**Fair Value of Financial Instruments.** The carrying amount of accounts receivable and trade accounts payable approximates fair value due to their short-term maturities.

**Property, Plant and Equipment.** Property, plant and equipment are recorded at historical cost of construction. Expenditures that extend the useful life of an asset or enhance its productivity or efficiency from its original design are capitalized over the expected remaining period of use. The cost of maintenance and repairs, which do not add capacity or extend the useful life of an asset, are expensed when incurred.

Included in property, plant and equipment are amounts withheld as construction retainage of up to 10% of the capital expenditures committed to certain vendors until performance on these contracts is satisfactorily completed. These amounts are included in accrued liabilities on the balance sheet.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Pipelines generally require a minimum volume of product in the system to enable the system to operate. Such product, known as linefill, is generally not available to be withdrawn from the system. Linefill owned by the Company is recorded at historical cost, is included in property, plant and equipment in the balance sheet and is not depreciated.

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to construction including internal development costs, external financing and interest costs that meet capitalization criteria. No provision for depreciation is made on construction in progress until such time as the relevant assets are placed into use.

Deposits on property, plant and equipment include amounts paid to equipment manufacturers for pipe and compression equipment not yet delivered to the Company.

**Intangible Assets.** For gas gathering contracts, the Company amortizes contract intangible assets over the period of economic benefit based upon the expected revenues over the life of the contract. The useful life of these contracts ranges from 10 years to 25 years. The Company recognizes the amortization expense associated with these intangible assets in depreciation and amortization expense.

The Company has right-of-way intangible assets associated with city easements and easements granted within existing rights-of-way. The Successor amortizes these intangible assets over the shorter of the contractual term of the rights-of-way or the estimated useful life of the gathering system. The contractual terms of the rights-of-way range from 15 years to 25 years. The estimated useful life of our gathering systems is 30 years. We recognize the amortization expense associated with these intangible assets in depreciation and amortization expense. The Predecessor amortized rights-of-way over the estimated useful life of the underlying asset on a straight-line basis.

**Asset Retirement Obligations.** The Company records a liability for asset retirement obligations only if and when a future asset retirement obligation with a determinable life is identified. As of March 31, 2013, management evaluated whether any future asset retirement obligations existed. For identified asset retirement obligations, management then evaluated whether the expected retirement date of the related costs of retirement could be estimated. In performing this evaluation, the Company concluded that its natural gas gathering system assets have an indeterminate life because they are owned and will operate for an indeterminate future period when properly maintained. Because management did not have sufficient information to reasonably estimate the amount or timing

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of such obligations and it has no current plan to discontinue use of any significant assets, the Company did not provide for any asset retirement obligations as of March 31, 2013.

**Impairment of Long-Lived Assets.** The Company's policy is to test for impairment when certain events indicate that the carrying value of a long-lived asset may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. If management concludes that an asset's carrying value will not be recovered through future cash flows, the Company recognizes an impairment loss on the long-lived asset equal to the amount by which the carrying value exceeds its fair value. Management determines fair value using an income approach in which it discounts the asset's expected future cash flows to reflect the risk associated with achieving the underlying cash flows. During the three months ended March 31, 2013, the Company concluded that none of its long-lived assets had been impaired.

**Goodwill.** Goodwill represents consideration paid in excess of the fair value of the net identifiable assets acquired in a business combination. The Company evaluates goodwill for impairment annually on September 30. It also evaluates goodwill whenever events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount.

Management tests goodwill for impairment using a two-step quantitative test. In the first step, the Company compares the fair value of the reporting unit to its carrying value, including goodwill. If the reporting unit's fair value exceeds its carrying amount, management concludes that the goodwill of the reporting unit has not been impaired and no further work is performed. If management determines that the reporting unit's carrying value exceeds its fair value, it proceeds to step two. In step two, the Company compares the carrying value of the reporting unit to its implied fair value. If management determines that the carrying amount of a reporting unit's goodwill exceeds its implied fair value, the Company recognizes the excess of the carrying value over the implied fair value as an impairment loss.

**Revenue Recognition.** The Company generates the majority of its revenues from natural gas gathering, processing, compression, NGL fractionation and gathering as well as marketing of natural gas and NGLs. The Company realizes revenues either by selling the residue natural gas and NGLs, or by receiving fees from the producers.

The Company obtains access to natural gas and provides 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, the Company receives a fee or fees for one or more of the following services: gas gathering, compressing, treating, or processing natural gas and NGLs. Fee-based arrangements include natural gas purchase arrangements pursuant to which the Company purchases natural gas at the wellhead, or other receipt points, at a settled price at the delivery point less a specified amount, generally the same as the fees the Company would otherwise charge for gathering of natural gas from the wellhead location to the delivery point. The margins earned are directly related to the volume of natural gas that flows through the system.
- *Percent-of-proceeds arrangements* - Under percent-of-proceeds arrangements, the Company generally purchases natural gas from producers at the wellhead, or other receipt points, gathers the wellhead natural gas through the Company's gathering system, treats and processes the natural gas, and then sells the resulting residue natural gas and NGLs. The Company then remits to the producers an agreed-upon percentage of the actual proceeds received from sales of the residue natural gas and NGLs. Certain of these arrangements may also result in returning all or a portion of the residue natural gas and/or the NGLs to the producer, in lieu of returning sales proceeds.

In addition to the arrangements above, some contracts require minimum volumes and/or well connection fees in addition to the fees charged on the gas volumes, or they have different fees before and after reaching a cumulative volume commitment. For well connection fees, the revenues are initially deferred when invoiced upon well connection and recognized ratably over the contract period and are not dependent on the volume of natural gas that is transported.

Customer billings for obligations under their minimum volume commitment are recorded as deferred revenue when the customer has the right to utilize shortfall payments to offset gathering fees in subsequent periods. The deferred revenue is recognized into revenue under these arrangements once all contingencies or potential performance obligations associated with the related volumes have either (i) been satisfied through the gathering of future excess volumes of natural gas or (ii) expired (or lapsed) through the passage of time pursuant to the terms of the applicable natural gas purchase or gathering agreement.

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For fees that decline after a cumulative volume commitment is reached, the revenues are recognized as the average fee anticipated to be received over the life of the contract. Unearned amounts at the balance sheet date are included in deferred revenues.

The Company recognizes revenue for product sales and services under the four revenue recognition criteria, as follows:

- *Persuasive evidence of an arrangement exists*
- *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 the Company retains 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* - The Company negotiates the fee for its services at the outset of 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, credit metrics, liquidity and credit rating) and their ability to pay. If collectability is not considered probable at the outset of an arrangement in accordance with the Company's credit review process, revenue will be recognized when the cash is collected.

The Company reports revenues gross of the related gas purchases in the statement of operations when the Company acts as the principal in the related transaction, takes custody and title of the product, and incurs the risks and rewards of ownership. Alternatively, the Company reports revenues net of the related gas purchase in the statement of operations when acting as an agent in these transactions and custody of the product or the risks and rewards of ownership do not transfer to the Company.

Amounts billed to customers for shipping and handling and electricity costs are included in revenue. Shipping and handling costs and electricity costs associated with product sales are included in cost of natural gas and natural gas liquids in the statement of operations. Taxes collected from producers and remitted to the appropriate taxing authority are excluded from revenue.

Revenue for products and services provided but not invoiced is estimated each month and recorded along with related purchases of goods and services used but not invoiced. These estimates are generally based on estimated commodity prices, preliminary throughput measurements, allocations of product and contract terms. There are no material differences between the actual amounts and the estimated amounts of revenues and purchases recorded at March 31, 2013.

**Income Taxes.** Both BTE and Summit Investments are a limited liability companies. As such, neither is a tax-paying entity for federal income tax purposes. Accordingly, a provision for federal income taxes has not been recorded in the Bison Carve-out Financial Statements.

**Comprehensive Income.** Comprehensive income is the same as net income for all periods presented.

**Environmental Matters.** The Company is subject to various federal, state and local laws and regulations relating to the protection of the environment. Failure to comply with these regulations could result in the assessment of fines or penalties by regulatory authorities. Although management believes that the Company is in material compliance with applicable environmental regulations, the risk of costs and liabilities are inherent in pipeline ownership and operation. Liabilities for loss contingencies, including environmental remediation costs, arising from claims, assessments, litigation, fines, and penalties and other sources are charged to expense when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. There are no such liabilities reflected in the accompanying Bison Carve-out Financial Statements at March 31, 2013. However, the Company can provide no assurances that significant costs and liabilities will not be incurred by it in the future. The Company is currently not aware of any material contingent liabilities that exist with respect to environmental matters.

**Recent Accounting Pronouncements.** Accounting standard setters frequently issue new or revised accounting rules. The Company reviews new pronouncements to determine the impact, if any, on its financial statements. There are currently no recent pronouncements that have been issued that management believes will materially affect the Company's financial statements.

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### 3. SIGNIFICANT CUSTOMERS AND CONCENTRATIONS OF CREDIT RISK

Customers accounting for more than 10% of total revenues were as follows:

	<u>Period from February 16, 2013 to March 31, 2013 (Successor)</u>	<u>Period from January 1, 2013 to February 15, 2013 (Predecessor)</u>	<u>Three months ended March 31, 2012</u>
<b>Revenue:</b>			
Customer A	46%	52%	60%
Customer B	37%	29%	39%
Customer C	*	*	*
Customer D	17%	19%	*

\* Customer did not exceed 10%.

Customers accounting for more than 10% of total accounts receivable were as follows:

	<u>March 31, 2013 (Successor)</u>
<b>Accounts receivable:</b>	
Customer A	27%
Customer B	20%
Customer C	30%
Customer D	21%

#### 4. PROPERTY, PLANT AND EQUIPMENT, NET

Details on property, plant, and equipment, net were as follows:

	Useful lives (In years)	March 31, 2013 (Successor) (Dollars in thousands)
Natural gas gathering and NGL transportation pipelines and facilities	15-25	\$ 80,244
Land and linefill	n/a	60
Construction in progress	n/a	6,611
Building, office equipment and other	3-30	140
Total		87,055
Less accumulated depreciation		(285)
Property, plant, and equipment, net		<u>\$ 86,770</u>

Depreciation expense was as follows:

	Period from February 16, 2013 to March 31, 2013 (Successor)	Period from January 1, 2013 to February 15, 2013 (Predecessor)	Three months ended March 31, 2012
	(In thousands)		
Depreciation expense	\$ 285	\$ 566	\$ 428

#### 5. INTANGIBLE ASSETS, NET

Intangible assets, which consisted of contract intangibles and rights-of-way, were as follows:

	March 31, 2013 (Successor)		
Useful lives (In years)	Gross carrying amount	Accumulated amortization (Dollars in thousands)	Net
Contract intangibles	\$ 158,347	\$ (1,557)	\$ 156,790
Rights-of-way	6,411	(21)	6,390
Total amortizable intangible assets	<u>\$ 164,758</u>	<u>\$ (1,578)</u>	<u>\$ 163,180</u>

Amortization expense was as follows:

	Period from February 16, 2013 to March 31, 2013 (Successor)	Period from January 1, 2013 to February 15, 2013 (Predecessor)	Three months ended March 31, 2012
	(In thousands)		
Amortization expense	\$ 1,578	\$ 40	\$ 34

The estimated aggregate annual amortization of intangible assets expected to be recognized as of March 31, 2013 for the remainder of 2013 and each of the four succeeding fiscal years was as follows:

	<u>Amortization</u> <u>(In thousands)</u>
2013	\$ 11,252
2014	14,063
2015	13,789
2016	12,537
2017	11,729

**Goodwill.** We recognized goodwill of \$54.2 million in connection with the Bison Acquisition and allocated it to the Bison Gas Gathering System reporting unit (see Note 9). Prior to the completion of the Bison Acquisition, the Company had no goodwill, and thus no goodwill impairments.

## 6. OTHER CURRENT LIABILITIES

Other current liabilities consisted of the following:

	<u>March 31, 2013</u> <u>(Successor)</u> <u>(In thousands)</u>
Construction retainage included in property, plant and equipment	\$ 906
Accrued property, plant and equipment costs	2,446
Other	141
Total other current liabilities	<u>\$ 3,493</u>

## 7. COMMITMENTS AND CONTINGENCIES

**Leases.** BTE during the predecessor period and Summit Investments during the successor period have entered into operating lease agreements for office space and office equipment. The Bison Carve-out Financial Statements include expenses from those leases based on the allocation methodology described in Note 1.

**Purchase and Sale Commitments and Contingencies.** In 2010, BTE entered into gas purchase and sale contracts with a U.S. independent oil and natural gas exploration and production company (“Third-Party Producer”). Under the terms of the contracts, the Company constructed, owned, operated and expanded an associated natural gas gathering system that includes compression and other related facilities in the Williston Basin area in North Dakota. The associated natural gas production from 18 townships in Burke and Mountrail Counties, North Dakota is committed to the Company’s gathering system during the 15 year term of the agreement. The Company gathers, compresses, and delivers the natural gas and NGLs for further handling at a Stanley, North Dakota facility. The Company reserves capacity in the gathering system equal to at least 125% of the applicable minimum monthly volumes for the benefit of the Third-Party Producer. The agreement requires the Company to purchase the gas from the Third-Party Producer at the wellhead and sell the gas to a third-party midstream Company. The Company collects a service fee based on minimum monthly volumes and collected a well connection fee for each of the first 103 wells that were connected to the gathering system as outlined in the contract. The contract was amended in May 2012 (effective January 1, 2012) in connection with a new contract discussed below, and again in October 2012 to require certain pressures be maintained at the wellhead.

In 2011, BTE entered into three additional gas purchase and sale contracts with three separate U.S. independent oil and natural gas exploration and production companies. Under the terms of the contracts, the Company will expand the associated natural gas gathering system. The associated natural gas production from wells defined in the agreements will be committed to the Company’s gathering system during the 15 year terms of the agreements. The contracts require the Company to purchase the gas at the wellhead at volumes prescribed in the contracts.

In 2012, BTE entered into two additional contracts to build and expand its associated natural gas gathering system. The associated natural gas production from wells defined in the agreements will be committed to the Company’s gathering system during the 10 to 15 year terms of the agreements. The contracts require the Company to purchase the gas at the wellhead at volumes prescribed therein.

The Company has issued purchase orders to vendors to buy the equipment required to build the systems described above. These outstanding purchase order commitments were approximately \$6.7 million as of March 31, 2013. These amounts are related to the Company’s construction efforts.

**Contingencies.** In the normal course of business, the Company may be party to litigation from time to time. The Company is not involved in any litigation as of March 31, 2013.

## 8. RELATED PARTY TRANSACTIONS

The Company has a gas purchase contract with a natural gas producer to gather the gas from a certain acreage dedication. The chief executive officer of that natural gas producer is also a director on BTE's board of members.

## 9. ACQUISITIONS

**Bison Gas Gathering.** On February 15, 2013, Summit Investments acquired BTE and on June 4, 2013 (the "BTE Transaction"), SMLP entered into a purchase and sale agreement with Summit Investments to acquire certain natural gas gathering pipeline, dehydration and compression assets in the Williston Basin in North Dakota (the "Bison Gas Gathering System") that were part of the BTE assets acquired in February 2013 (the "Bison Transaction"). The Bison Gas Gathering System, which was carved out from BTE, primarily gathers production from Mountrail and Burke counties in North Dakota under long-term contracts ranging from 10 years to 25 years.

Summit Investments accounted for the BTE Transaction under the acquisition method of accounting, whereby the various gathering systems' identifiable tangible and intangible assets acquired and liabilities assumed were recorded based on their fair values as of February 15, 2013. The intangible assets that were acquired are composed of gas gathering agreement contract values and right-of-way easements. Their fair values were determined based upon assumptions related to future cash flows, discount rates, asset lives, and projected capital expenditures to complete the various systems.

The Bison Transaction closed on June 4, 2013 and was funded through \$200.0 million of borrowings under SMLP's revolving credit facility and the issuance of \$47.9 million of SMLP common units to Summit Investments and \$978,000 in general partner interests to SMLP's general partner.

Because the Bison Acquisition was executed between entities under common control, the Bison Acquisition will be accounted for by SMLP on an "as if pooled" basis for all periods in which common control existed. Common control began on February 15, 2013 concurrent with Summit Investments' acquisition of BTE.

We believe that the goodwill recorded upon the finalization of the allocation represents the incremental value of future cash flow potential attributed to estimated future gathering services within the Bakken Shale.

The fair values of the assets acquired and liabilities assumed as of February 15, 2013, were as follows:

	(In thousands)	
Purchase price assigned to Bison Gas Gathering System		\$ 303,168
Current assets	\$ 5,707	
Property, plant, and equipment	85,477	
Intangible assets	164,502	
Other noncurrent assets	2,187	
Total assets acquired	257,873	
Current liabilities	6,112	
Other noncurrent liabilities	2,790	
Total liabilities assumed	\$ 8,902	
Net identifiable assets acquired		248,971
Goodwill		\$ 54,197

## 10. SUBSEQUENT EVENTS

Upon completion of the Bison Acquisition, SMLP's interest in and all of the assets of Bison were pledged as collateral under SMLP's revolving credit facility.

In accordance with ASC 855 *Subsequent Events*, the Company has reviewed and updated subsequent events through June 4, 2013, the date the Bison Carve-out Financial Statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in the Bison Carve-out Financial Statements.

**SUMMIT MIDSTREAM PARTNERS, LP**  
**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**  
**AS OF MARCH 31, 2013 AND FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND**  
**THE YEAR ENDED DECEMBER 31, 2012**

Throughout this report, when we use the terms “we,” “us,” “SMLP,” or “the Partnership” we are referring to Summit Midstream Partners, LP, the partnership itself or to Summit Midstream Partners, LP and its subsidiaries collectively as the context requires.

Set forth below are our unaudited pro forma condensed combined financial statements as of and for the three months ended March 31, 2013 and for the year ended December 31, 2012 which reflect SMLP’s acquisition of the Bison Gas Gathering System from Summit Midstream Partners, LLC (“Summit Investments”) on June 4, 2013 (the “Bison Acquisition”) and our issuance of \$300.0 million of new senior unsecured notes (the “Offering”).

The Bison Gas Gathering System was carved out from Summit Investments’ recent acquisition of Bear Tracker Energy, LLC (“BTE”) which closed on February 15, 2013. Summit Investments accounted for its acquisition of BTE using the acquisition method of accounting.

The proceeds from the Offering are intended to repay borrowings under our revolving credit facility.

The unaudited pro forma condensed combined balance sheet as of March 31, 2013 and the unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2013 were derived from the unaudited condensed consolidated financial statements of SMLP for the three months ended March 31, 2013 and the unaudited condensed financial statements of the Bison Gas Gathering System for the periods from January 1, 2013 through February 15, 2013 and February 16, 2013 through March 31, 2013. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2012 was derived from the SMLP audited consolidated financial statements and the audited carve-out financial statements of the Bison Gas Gathering System for the year ended December 31, 2012. The pro forma financial statements do not include any historical or pro forma impacts of our pending acquisition of the Mountaineer Midstream System.

The unaudited pro forma condensed combined balance sheet reflects the Bison Acquisition and the Offering as if such transactions closed as of March 31, 2013 and the unaudited pro forma condensed combined statements of operations reflect the Bison Acquisition and the Offering as if such transactions had occurred as of January 1, 2012. Descriptions of the adjustments for the Bison Acquisition are presented in the notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements and accompanying notes should be read in conjunction with SMLP’s historical financial statements filed with the Securities and Exchange Commission and included elsewhere in this offering memorandum.

The unaudited pro forma condensed combined balance sheet and the unaudited pro forma condensed combined statements of operations were derived by adjusting the historical financial statements of each entity based on currently available information and, therefore, the actual adjustments may materially differ from the pro forma adjustments. Because the Bison Acquisition was executed between entities under common control, the Bison Acquisition will be accounted for by SMLP on an “as if pooled” basis for all periods in which common control existed. Common control began on February 15, 2013 concurrent with Summit Investments’ acquisition of BTE. The assets acquired and liabilities assumed by SMLP in the Bison Acquisition have been reflected at historical cost.

The unaudited pro forma condensed combined financial statements do not purport to present our financial position or the results of operations had the Bison Acquisition actually been completed as of the dates indicated. Further, these unaudited pro forma condensed combined financial statements do not reflect the effects of any cost savings or other synergies that may be achieved as a result of this transaction, are based on assumptions that SMLP believes are reasonable under the circumstances, and are intended for informational purposes only. Moreover, the statements do not project our financial position or results of operations for any future date or period.

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**SUMMIT MIDSTREAM PARTNERS, LP**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**MARCH 31, 2013**

	Historical				Summit Midstream Partners, LP pro forma
	Summit Midstream Partners, LP	Bison Gas Gathering System			
(In thousands)					
<b>Assets</b>					
Current assets:					
Cash and cash equivalents (o)	\$ 2,817	\$ —	\$ (200,000)(a)	\$ 294,000(d)	\$ (3,183)
			200,000(b)	(300,000)(d)	
Accounts receivable	34,317	5,777	—	—	40,094
Receivable from affiliate	2,712	—	—	—	2,712
Other assets	1,616	259	—	—	1,875
Total current assets	41,462	6,036	—	(6,000)	41,498
Property, plant and equipment, net	691,718	86,770	—	—	778,488
Intangible assets, net	282,448	163,180	—	—	445,628
Goodwill	45,478	54,197	—	—	99,675
Other noncurrent assets	5,736	2,506	—	6,000(d)	14,242
Total assets	<u>\$ 1,066,842</u>	<u>\$ 312,689</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,379,531</u>
<b>Liabilities and Partners' Capital and Owner's Net Investment</b>					
Current liabilities:					
Trade accounts payable	\$ 14,149	\$ 2,935	\$ —	\$ —	\$ 17,084
Other current liabilities	5,863	3,493	850(a)	—	10,206
Total current liabilities	20,012	6,428	850	—	27,290
Revolving credit facility	214,230	—	200,000(b)(c)	(300,000)(d)	114,230
Senior notes	—	—	—	300,000(d)	300,000
Other noncurrent liabilities	20,958	2,784	—	—	23,742
Total liabilities	255,200	9,212	200,850	—	465,262
Commitments and contingencies					
Common limited partner capital	415,302	—	47,936(a)	—	490,855
			28,054(c)		
			(437)(a)		
Subordinated limited partner capital	376,276	—	25,418(c)	—	401,298
			(396)(a)		
General partner interests	20,064	—	978(a)	—	22,116
			1,091(c)		
			(17)(a)		
Owner's net investment	—	303,477	(303,477)(c)	—	—
Total partners' capital and owner's net investment	811,642	303,477	(200,850)	—	914,269
Total liabilities and partners' capital and owner's net investment	<u>\$ 1,066,842</u>	<u>\$ 312,689</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,379,531</u>

The accompanying notes are an integral part of these unaudited pro forma condensed combined financial statements.

**SUMMIT MIDSTREAM PARTNERS, LP**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
**THREE MONTHS ENDED MARCH 31, 2013**

	Historical				
	Summit Midstream Partners, LP	Bison Gas Gathering System for the period February 16, 2013 to March 31, 2013 (Successor)			
(In thousands, except per-unit and unit amounts)					
<b>Revenues:</b>					
Gathering services and other fees	\$ 38,069	\$ —	\$ —	\$ —	\$ 38,069
Natural gas, NGL and condensate sales and other	5,806	7,531	8,029	—	21,366
Amortization of favorable and unfavorable contracts	(280)	—	—	—	(280)
<b>Total revenues</b>	<u>43,595</u>	<u>7,531</u>	<u>8,029</u>	<u>—</u>	<u>59,155</u>
<b>Costs and expenses:</b>					
Operation and maintenance	14,004	469	687	—	15,160
Cost of natural gas and NGL	—	2,227	2,598	—	4,825
Transportation costs	—	2,259	2,107	—	4,366
General and administrative	5,056	126	169	—	5,351
Transaction costs	8	—	—	—	8
Depreciation and amortization	9,987	1,863	606	3,426(e)	15,882
<b>Total costs and expenses</b>	<u>29,055</u>	<u>6,944</u>	<u>6,167</u>	<u>3,426</u>	<u>45,592</u>
Other income	1	—	—	—	1
Interest expense	(1,880)	—	—	615(f)	(6,328)
				(4,875)(g)	
				(188)(n)	
<b>Income before income taxes</b>	<u>12,661</u>	<u>587</u>	<u>1,862</u>	<u>(7,874)</u>	<u>7,236</u>
Income tax expense	(181)	—	—	—	(181)
<b>Net income</b>	<u>\$ 12,480</u>	<u>\$ 587</u>	<u>\$ 1,862</u>	<u>\$ (7,874)</u>	<u>\$ 7,055</u>
Less: net income attributable to general partner	250	12	37	(157)	141
<b>Net income attributable to limited partners</b>	<u>\$ 12,230</u>	<u>\$ 575</u>	<u>\$ 1,825</u>	<u>\$ (7,717)</u>	<u>\$ 6,914</u>
<b>Earnings per common unit – basic</b>	<u>\$ 0.25</u>				<u>\$ 0.14</u>
<b>Earnings per common unit – diluted</b>	<u>\$ 0.25</u>				<u>\$ 0.14</u>
<b>Earnings per subordinated unit – basic and diluted</b>	<u>\$ 0.25</u>				<u>\$ 0.14</u>
<b>Weighted-average common units outstanding – basic</b>	<u>24,412,427</u>				<u>25,966,276(h)</u>
<b>Weighted-average common units outstanding – diluted</b>	<u>24,455,603</u>				<u>26,009,452(i)</u>
<b>Weighted-average subordinated units outstanding – basic and diluted</b>	<u>24,409,850</u>				<u>24,409,850</u>

The accompanying notes are an integral part of these unaudited pro forma condensed combined financial statements.

**SUMMIT MIDSTREAM PARTNERS, LP**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2012**

	Historical			Summit Midstream Partners, LP pro forma
	Summit Midstream Partners, LP	Bison Gas Gathering System	Pro forma adjustments	
	(In thousands, except per-unit and unit amounts)			
<b>Revenues:</b>				
Gathering services and other fees	\$ 149,371	\$ —	\$ —	\$ 149,371
Natural gas, NGL and condensate sales and other	16,320	37,594	—	53,914
Amortization of favorable and unfavorable contracts	(192)	—	—	(192)
<b>Total revenues</b>	<u>165,499</u>	<u>37,594</u>	<u>—</u>	<u>203,093</u>
<b>Costs and expenses:</b>				
Operation and maintenance	51,658	2,540	—	54,198
Cost of natural gas and NGL	—	9,091	—	9,091
Transportation costs	—	9,954	—	9,954
General and administrative	21,357	1,553	—	22,910
Transaction costs	2,020	—	—	2,020
Depreciation and amortization	35,299	2,762	12,627(j)	50,688
<b>Total costs and expenses</b>	<u>110,334</u>	<u>25,900</u>	<u>12,627</u>	<u>148,861</u>
Other income	9	—	—	9
Interest expense	(7,340)	—	2,283(k)	(25,307)
			(19,500)(l)	
			(750)(n)	
Affiliated interest expense	(5,426)	—	—	(5,426)
Income before income taxes	42,408	11,694	(30,594)	23,508
Income tax expense	(682)	—	—	(682)
<b>Net income</b>	<u>\$ 41,726</u>	<u>\$ 11,694</u>	<u>\$ (30,594)</u>	<u>\$ 22,826</u>
Less: net income attributable to the pre-IPO period	24,112	8,771	(22,946)	9,937
Net income attributable to the post-IPO period	17,614	2,923	(7,648)	12,889
Less: net income attributable to general partner	352	58	(153)	258
<b>Net income attributable to limited partners</b>	<u>\$ 17,262</u>	<u>\$ 2,865</u>	<u>\$ (7,495)</u>	<u>\$ 12,631</u>
Earnings per common unit – basic	<u>\$ 0.35</u>			<u>\$ 0.24</u>
Earnings per common unit – diluted	<u>\$ 0.35</u>			<u>\$ 0.24</u>
Earnings per subordinated unit – basic and diluted	<u>\$ 0.35</u>			<u>\$ 0.26</u>
Weighted-average common units outstanding – basic	<u>24,412,427</u>			<u>25,966,276(h)</u>
Weighted-average common units outstanding – diluted	<u>24,543,985</u>			<u>26,097,834(m)</u>
Weighted-average subordinated units outstanding – basic and diluted	<u>24,409,850</u>			<u>24,409,850</u>

The accompanying notes are an integral part of these unaudited pro forma condensed combined financial statements.



**SUMMIT MIDSTREAM PARTNERS, LP**  
**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**  
**AS OF MARCH 31, 2013 AND FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND**  
**THE YEAR ENDED DECEMBER 31, 2012**

*Pro forma adjustments*

(a) Reflects the total purchase price for Summit Midstream Partners, LP's acquisition of 100% of the membership interests of Bison Midstream, LLC of \$249.8 million, calculated as follows (in thousands):

Aggregate cash purchase price to Summit Investments	\$	200,000
Issuance of 1,553,849 SMLP common units to Summit Investments (1)		47,936
Issuance of 31,711 SMLP general partner units to Summit Investments (1)		978
Direct acquisition costs		850
<b>Total Bison Acquisition purchase price</b>	<b>\$</b>	<b>249,764</b>

(1) Number of units calculated using the five-day volume-weighted-average price as of June 3, 2013 of \$31.53 per unit.

On February 15, 2013, Summit Investments acquired BTE (the "BTE Transaction") and on June 4, 2013, SMLP entered into a purchase and sale agreement with Summit Investments to acquire certain associated natural gas gathering pipeline, dehydration and compression assets in the Williston Basin in North Dakota (the "Bison Gas Gathering System") that were part of the BTE assets acquired in February 2013 (the "Bison Transaction"). The Bison Gas Gathering System was carved out from BTE.

Summit Investments accounted for the BTE Transaction under the acquisition method of accounting, whereby the various gathering systems' identifiable tangible and intangible assets acquired and liabilities assumed were recorded based on their fair values as of February 15, 2013. The intangible assets that were acquired are composed of gas gathering agreement contract values and right-of-way easements. Their fair values were determined based upon assumptions related to future cash flows, discount rates, asset lives, and projected capital expenditures to complete the various systems.

Purchase price assigned to Bison Gas Gathering System	\$	303,168
Current assets	\$	5,707
Property, plant, and equipment		85,477
Intangible assets		164,502
Other noncurrent assets		2,187
Total assets acquired		257,873
Current liabilities		6,112
Other noncurrent liabilities		2,790
Total liabilities assumed	\$	8,902
Net identifiable assets acquired		248,971
Goodwill	\$	54,197

SMLP acquired Bison at historical cost which is representative of Summit Investments recent fair value accounting for the BTE Transaction. The previous information is included because such basis adjustment will have a continuing effect on SMLP's financial position and results of operations.

(b) Reflects borrowings of \$200.0 million under our revolving credit facility to partially fund the Bison Acquisition.

(c) Reflects partner's capital contribution by Summit Investments for the contribution of assets in excess of consideration paid by SMLP for Bison (in thousands):

Owner's net investment in Bison		\$	303,477
Borrowings under revolving credit facility	\$	200,000	
SMLP common units issued to Summit Investments		47,936	
SMLP general partner interests issued to general partner		978	
Total consideration			<u>248,914</u>
Summit Investments contribution of net assets in excess of consideration		\$	<u>54,563</u>
Allocation of contribution:			
General partner interest	\$	1,091	
Common limited partner interest (52%)		28,054	
Subordinated limited partner interest (48%)		25,418	
Partners' capital allocation			<u>\$ 54,563</u>

The general partner interest allocation was calculated based on a 2% general partner interest in the contribution of assets in excess of consideration given by SMLP to Summit Investments. Common and subordinated limited partner interests allocations were calculated as their respective percentages of total limited partner capital as of March 31, 2013 applied to the balance of the contribution by Summit Investments after giving effect to the general partner allocation.

(d) Reflects the issuance of \$300.0 million of senior notes, net of related transaction costs and expenses, of which the net proceeds were used to pay down our revolving credit facility.

(e) Reflects pro forma adjustment of depreciation and amortization expense for the three months ended March 31, 2013 as follows (in thousands):

Eliminate historical expense	\$	(606)
Pro forma amortization of intangible assets		3,177
Pro forma depreciation expense		855
Pro forma adjustment to depreciation and amortization expense	\$	<u>3,426</u>

Depreciation is calculated on a straight-line basis for depreciable assets. The estimated aggregate annual amortization of intangible assets expected to be recognized as of March 31, 2013 for the remainder of 2013 and each of the four succeeding fiscal years follows (in thousands).

	<u>Amortization</u>
2013	\$ 11,252
2014	14,063
2015	13,789
2016	12,537
2017	11,729

(f) Reflects a \$100.0 million net reduction in principal and as a result, interest expense at 2.96% (i.e. the historical average rate for borrowings under our revolving credit facility during the three months ended March 31, 2013) and assumes that the interest expense impact of the reduced outstanding balance is partially offset by an increase in commitment fee expense (0.50%) for the same principal amount.

(g) Reflects interest expense for the three months ended March 31, 2013 (assumed at 6.5% annually) associated with the Offering. Assuming a 1/8% increase (decrease) in interest rates, interest expense would increase (decrease) by approximately \$93,750.

(h) The Company's pro forma basic weighted-average number of common units outstanding for the three months ended March 31, 2013 and the year ended December 31, 2012 was calculated as follows:

Basic weighted-average number of SMLP common units outstanding—as reported	24,412,427
Adjustment for SMLP common units issued to finance the Bison Acquisition	1,553,849
Pro forma basic weighted-average number of SMLP common units outstanding	<u>25,966,276</u>

(i) The Company's pro forma diluted weighted-average number of common units outstanding for the three months ended March 31, 2013 was calculated as follows:

Diluted weighted-average number of SMLP common units outstanding—as reported	24,455,603
Adjustment for SMLP common units issued to finance the Bison Acquisition	1,553,849
Pro forma diluted weighted-average number of SMLP common units outstanding	<u>26,009,452</u>

(j) Reflects pro forma adjustment of depreciation and amortization expense for contract intangibles. Depreciation is calculated on a straight-line basis for depreciable assets. The estimated aggregate annual amortization of intangible assets expected to be recognized as of December 31, 2012 for each of the five succeeding fiscal years follows (in thousands).

	<u>Amortization</u>
2013	\$ 12,809
2014	14,063
2015	13,789
2016	12,537
2017	11,729

(k) Reflects a \$100.0 million net reduction in principal and as a result, interest expense at 2.78% (i.e. the historical average rate for borrowings under our revolving credit facility during the year ended December 31, 2012) and assumes that the interest expense impact of the reduced outstanding balance is partially offset by an increase in commitment fee expense (0.50%) for the same principal amount.

(l) Reflects interest expense for the year ended December 31, 2012 (assumed at 6.5% annually) associated with the Offering. Assuming a 1/8% increase (decrease) in interest rates, interest expense would increase (decrease) by approximately \$375,000.

(m) The Company's pro forma diluted weighted-average number of common units outstanding for the year ended December 31, 2012 was calculated as follows:

Diluted weighted-average number of SMLP common units outstanding—as reported	24,543,985
Adjustment for SMLP common units issued to finance the Bison Acquisition	1,553,849
Pro forma diluted weighted-average number of SMLP common units outstanding	<u>26,097,834</u>

(n) Reflects amortization of deferred loan costs incurred in connection with the Offering.

(o) Negative cash remaining after the effects of the Bison Acquisition and the Offering would be off-set with the cash flow from operations and amount drawn on our revolving credit facility in May 2013 that is not reflected herein. SMLP's cash on hand as of May 31, 2013 was approximately \$11.2 million.