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

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-35172

NGL Energy Partners LP

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**27-3427920**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
6120 South Yale Avenue, Suite 805 **Tulsa, Oklahoma**	**74136**
(Address of Principal Executive Offices)	(Zip Code)

(918) 481-1119
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Common units representing Limited Partner Interests	NGL	New York Stock Exchange
Fixed-to-floating rate cumulative redeemable perpetual preferred units	NGL-PB	New York Stock Exchange
Fixed-to-floating rate cumulative redeemable perpetual preferred units	NGL-PC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value at September 30, 2021 of the Common Units held by non-affiliates of the registrant, based on the reported closing price of the Common Units on the New York Stock Exchange on such date ($2.37 per Common Unit) was $243.4 million. For purposes of this computation, all executive officers, directors and 10% beneficial owners of the registrant are deemed to be affiliates. Such a determination should not be deemed an admission that such executive officers, directors and 10% beneficial owners are affiliates.

At June 1, 2022, there were 130,695,970 common units issued and outstanding.

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Forward-Looking Statements

This Annual Report on Form 10-K ("Annual Report") contains various forward-looking statements and information that are based on our beliefs and those of our general partner, as well as assumptions made by and information currently available to us. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Certain words in this Annual Report such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "project," "will," and similar expressions and statements regarding our plans and objectives for future operations, identify forward-looking statements. Although we and our general partner believe such forward-looking statements are reasonable, neither we nor our general partner can assure they will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected. Among the key risk factors that may affect our consolidated financial position and results of operations are:

- the prices of crude oil, natural gas liquids, gasoline, diesel, biodiesel and energy prices generally;
- the general level of demand, and the availability of supply, for crude oil, natural gas liquids, gasoline, diesel and biodiesel;
- the level of crude oil and natural gas drilling and production in areas where we have operations and facilities;
- the ability to obtain adequate supplies of products if an interruption in supply or transportation occurs and the availability of capacity to transport products to market areas;
- the effect of weather conditions on supply and demand for crude oil, natural gas liquids, gasoline, diesel, and biodiesel;
- the effect of natural disasters, earthquakes, hurricanes, tornados, lightning strikes, or other significant weather events;
- the availability of local, intrastate, and interstate transportation infrastructure with respect to our transportation services;
- the availability, price, and marketing of competing fuels;
- the effect of energy conservation efforts on product demand;
- energy efficiencies and technological trends;
- issuance of executive orders, changes in applicable laws, regulations and policies, including tax, environmental, transportation, and employment regulations, or new interpretations by regulatory agencies concerning such laws and regulations and the effect of such laws, regulations and policies (now existing or in the future) on our business operations;
- the effect of executive orders and legislative and regulatory actions on hydraulic fracturing, water disposal and transportation, and the treatment of flowback and produced water;
- hazards or operating risks related to transporting and distributing petroleum products that may not be fully covered by insurance;
- the maturity of the crude oil, natural gas liquids, and refined products industries and competition from other markets;
- loss of key personnel;
- the ability to renew contracts with key customers;
- the ability to maintain or increase the margins we realize for our services;
- the ability to renew leases for our leased equipment and storage facilities;
- the nonpayment, nonperformance or bankruptcy by our counterparties;
- the availability and cost of capital and our ability to access certain capital sources;
- a deterioration of the credit and capital markets;
- the ability to successfully identify and complete accretive acquisitions and organic growth projects, and integrate acquired assets and businesses;
- the costs and effects of legal and administrative proceedings;

- changes in general economic conditions, including market and macroeconomic disruptions resulting from pandemics, including the current COVID-19 pandemic, and related governmental responses;
- political pressure and influence of environmental groups upon policies and decisions related to the production, gathering, refining, processing, fractionation, transportation and sale of crude oil, refined products, natural gas, natural gas liquids, gasoline, diesel or biodiesel; and
- other risks and uncertainties, including those discussed under Part I, Item 1A–"Risk Factors."

You should not put undue reliance on any forward-looking statements. All forward-looking statements speak only as of the date of this Annual Report. Except as may be required by state and federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events, or otherwise. When considering forward-looking statements, please review the risks discussed under Part I, Item 1A–"Risk Factors."

PART I

References in this Annual Report to (i) "NGL Energy Partners LP," the "Partnership," "we," "our," "us," or similar terms refer to NGL Energy Partners LP and its operating subsidiaries, (ii) "NGL Energy Holdings LLC" or "general partner" refers to NGL Energy Holdings LLC, our general partner, (iii) "NGL Energy Operating LLC" refers to NGL Energy Operating LLC, the direct operating subsidiary of NGL Energy Partners LP, and (iv) the "NGL Energy GP Investor Group" refers to, collectively, the 45 individuals and entities that own all of the outstanding membership interests in our general partner.

We have presented operational data in Part I, Item 1–"Business" for the year ended March 31, 2022. Unless otherwise indicated, this data is as of March 31, 2022.

Item 1. Business

Overview

We are a diversified midstream energy partnership that transports, treats, recycles and disposes of produced water generated as part of the energy production process as well as transports, stores, markets and provides other logistics services for crude oil and liquid hydrocarbons. Originally formed in September 2010, we are a Delaware master limited partnership and our business is currently organized into the following three segments:

- Our Water Solutions segment transports, treats, recycles and disposes of produced and flowback water generated from crude oil and natural gas production. We also sell produced water for reuse and recycle and brackish non-potable water to our producer customers to be used in their crude oil exploration and production activities. As part of processing water, we aggregate and sell recovered crude oil, also known as skim oil. We also dispose of solids such as tank bottoms, drilling fluids and drilling muds and perform other ancillary services such as truck and frac tank washouts. Our activities in this segment are underpinned by long-term, fixed fee contracts and acreage dedications, some of which contain minimum volume commitments with leading oil and gas companies including large, investment grade producer customers.
- Our Crude Oil Logistics segment purchases crude oil from producers and marketers and transports it to refineries or for resale at pipeline injection stations, storage terminals, barge loading facilities, rail facilities, refineries, and other trade hubs, and provides storage, terminaling and transportation services through its owned assets. Our activities in this segment are supported by certain long-term, fixed rate contracts which include minimum volume commitments on our owned and leased pipelines.
- Our Liquids Logistics segment conducts supply operations for natural gas liquids, refined petroleum products and biodiesel to a broad range of commercial, retail and industrial customers across the United States and Canada. These operations are conducted through our 24 owned terminals, third-party storage and terminal facilities, nine common carrier pipelines and a fleet of leased railcars. We also provide services for marine exports of butane through our facility located in Chesapeake, Virginia, and expect to commence operations on our propane pipeline in Michigan in June 2022.

Business Repositioning

Over the past several years, we have undertaken a number of important strategic actions in an effort to leverage the Partnership's core areas of competitive strength and focus on generating stable, growing and predictable cash flows, while improving our credit profile. These steps included the sale of the following:

- Our Retail Propane segment during the years ended March 31, 2018 and 2019;
- Certain non-core water disposal businesses in the Permian and Bakken Basins during the year ended March 31, 2019;
- Certain refined products businesses including TransMontaigne Product Services, LLC ("TPSL"), our refined products business in the mid-continent region of the United States ("Mid-Con") and our gas blending business in the southeastern and eastern regions of the United States ("Gas Blending") during the year ended March 31, 2020; and
- Our interest in Sawtooth Caverns, LLC ("Sawtooth") during the year ended March 31, 2022.

In our Water Solutions segment we acquired strategic water infrastructure assets including Mesquite Disposals Unlimited, LLC ("Mesquite") and the equity interests of Hillstone Environmental Partners, LLC ("Hillstone") during the year ended March 31, 2020, while in our Liquids Logistics segment, we acquired DCP Midstream LP's natural gas liquids business during the year ended March 31, 2019 and an approximately 225-mile propane pipeline in Michigan (the "Ambassador Pipeline") during the year ended March 31, 2021.

The sales of our Retail Propane segment and TPSL, Mid-Con and Gas Blending have allowed us to reduce working capital indebtedness and decrease earnings volatility. The purchase of the two strategic water infrastructure assets assists in furthering our ongoing strategy of cash flow predictability by adding long-term contracts under acreage dedications and minimum volume commitments and provides us with significant scale and capabilities that will facilitate high-quality execution for our customers. The purchase of the natural gas liquids terminals and the Ambassador Pipeline complement our existing natural gas liquids portfolio, provides strategic access to water for international import and export activity and also creates additional opportunities for new and existing customers to supply their business.

We believe these collective actions have substantially simplified our business mix and has allowed us to focus on what we believe are the core areas of our business and improved our overall financial position. These transactions are expected to position us for sustained growth in the future.

For more information regarding our results of operations and reportable segments, see Part II, Item 7–"Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 11 to our consolidated financial statements included in this Annual Report. For more information regarding our dispositions and acquisitions transactions and the impact to our operations, see Note 17 and Note 18 to our consolidated financial statements included in this current Annual Report and our Annual Report on Form 10-K for the years ended March 31, 2021 and 2020.

Debt Refinancing

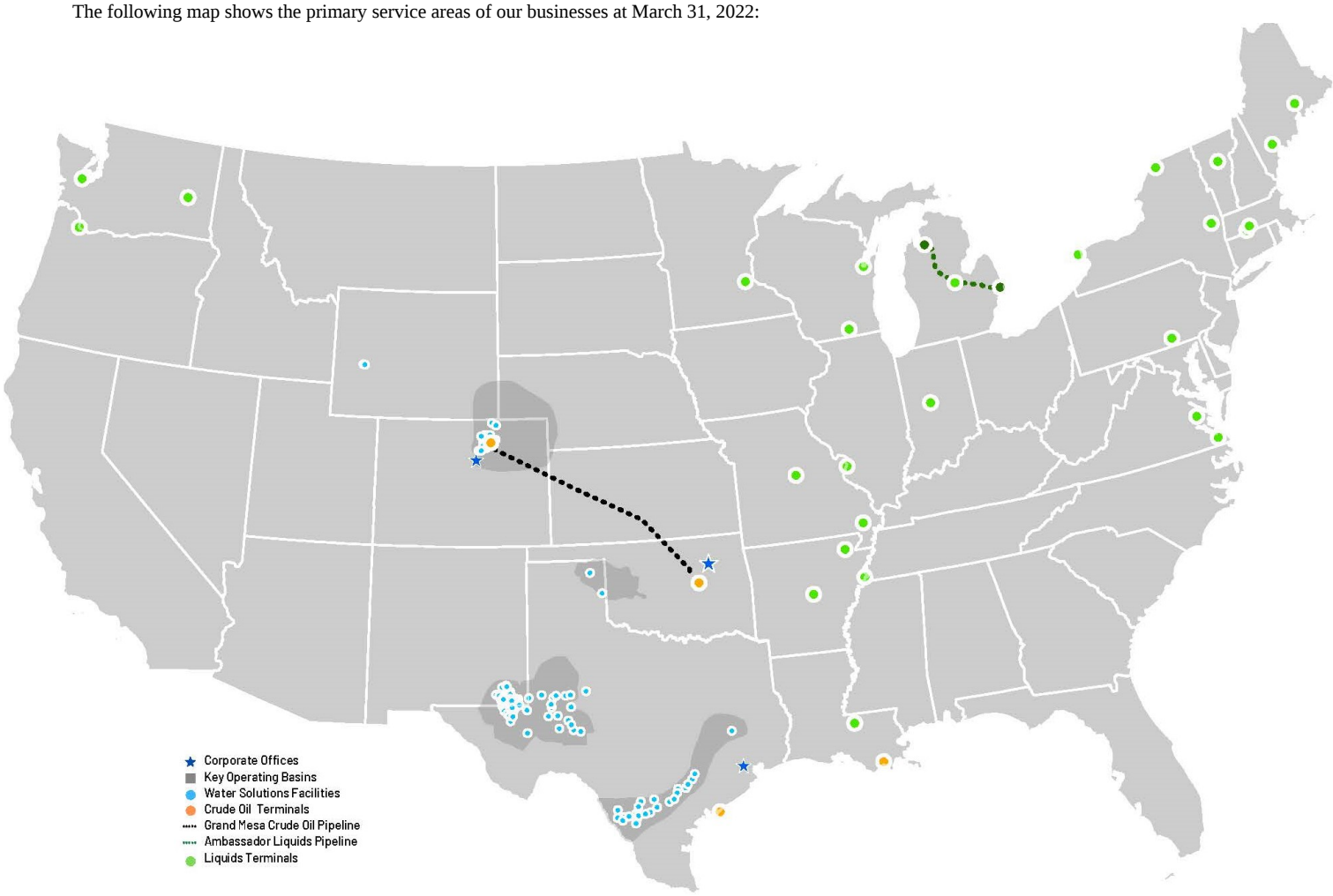
As previously disclosed, on February 4, 2021, we closed on a private offering of $2.05 billion of 7.5% senior secured notes due 2026 ("2026 Senior Secured Notes") and a new credit agreement which consisted of a $500.0 million asset-based revolving credit facility ("ABL Facility"). We used the net proceeds from the issuance to repay all outstanding borrowings under and terminate our former revolving credit facility and our term credit agreement, as well as to pay fees and expenses. As part of this refinancing, we also agreed to certain restricted payment provisions under the 2026 Senior Secured Notes and ABL Facility, one of which was the suspension of the quarterly common unit distributions, which began with the quarter ended December 31, 2020, and all preferred unit distributions, which began with the quarter ended March 31, 2021.

On April 13, 2022, we amended the ABL Facility to increase the commitments to $600.0 million under the accordion feature within the ABL Facility. As part of the amendment, we agreed to reduce the commitments back to $500.0 million on or before March 31, 2023.

For additional information related to the ABL Facility and 2026 Senior Secured Notes, see Note 7 to our consolidated financial statements included in this Annual Report.

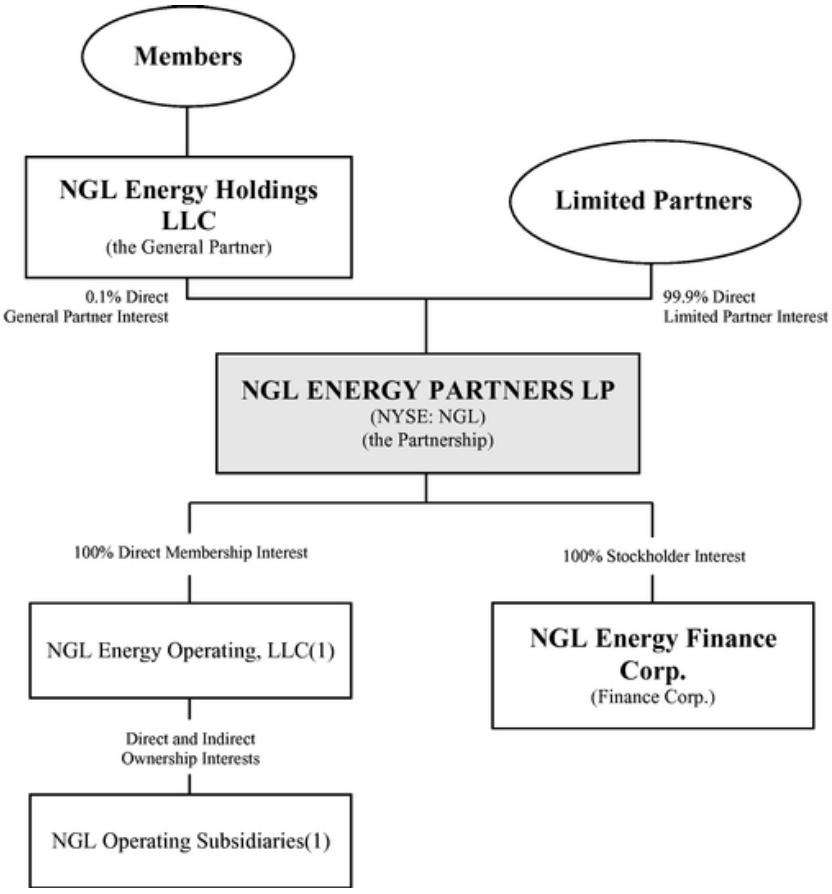
Primary Service Areas

The following map shows the primary service areas of our businesses at March 31, 2022:



Organizational Chart

The following chart provides a summarized overview of our legal entity structure at March 31, 2022:



(1) Includes (i) NGL Water Solutions, LLC, which includes the operations of our Water Solutions segment, (ii) NGL Crude Logistics, LLC, which includes the operations of our Crude Oil Logistics segment and certain of our businesses within our Liquids Logistics segment and (iii) NGL Liquids, LLC, which includes the operations of certain of our businesses within our Liquids Logistics segment.

Our Business Strategies

Our principal business objectives are to maximize the profitability and stability of our businesses, grow our businesses in an accretive and prudent manner, and maintain a strong balance sheet. We intend to accomplish these business objectives by executing the following strategies:

- *Prudently manage our balance sheet to provide us with maximum financial flexibility for funding our operations, capital projects and strategic acquisitions.* Our primary focus is to reduce our absolute debt and leverage and maintain sufficient liquidity to reduce our overall leverage below 4.75 to 1.00 and reinstate the payment of distributions. We are also focused on maintaining credit metrics to manage existing and future capital requirements as well as to take advantage of market opportunities. We expect to continue to evaluate the capital markets and may opportunistically pursue financing transactions to optimize our capital structure.
- *Focus on building a diversified midstream master limited partnership providing multiple services to customers.* We continue to enhance our ability to transport produced water from the wellhead to treatment for disposal, recycle, or discharge, crude oil from the wellhead to refineries, and natural gas liquids from processing plants and supply hubs to end users.
- *Operate in a safe and environmentally responsible manner.* We seek to operate our business in a safe and environmentally responsible manner by working with our employees, customers, vendors and local communities to minimize our environmental impact and comply with local, state and federal environmental laws and regulations.
- *Focus on consistent annual cash flows from operations under multi-year contracts that minimize commodity price risk and generate fee-based revenues.* We intend to focus on generating revenues under long-term fixed fee contracts in addition to back-to-back contracts which minimize direct commodity price exposure. We seek to continue to increase cash flows that are supported by certain fixed fee, multi-year contracts, some of which include acreage dedications from producers or minimum volume commitments.
- *Achieve growth by utilizing our existing footprint of assets, investing in new assets, customers and ventures that increase volume and enhance our operations, and generate attractive rates of return.* We have available capacity in many of the assets that we own and operate that can be utilized to increase cash flows with minimal incremental capital investment. We have invested and expect to continue to invest within our existing businesses to capitalize on accretive, organic growth opportunities. We also continue to pursue strategic transactions and ventures that complement and enhance our existing footprint.

Our Competitive Strengths

We believe that we are well positioned to successfully execute our business strategies and achieve our principal business objectives because of the following competitive strengths:

- *Our water processing facilities, which are strategically located near areas of high crude oil and natural gas production.* Our water processing facilities are located among the most prolific crude oil and natural gas producing areas in the United States, including the Delaware Basin, the Midland Basin, the Denver-Julesburg (“DJ”) Basin and the Eagle Ford Basin. These assets are underpinned by long-term, fixed fee contracts and acreage dedications, some of which contain minimum volume commitments. Additionally, we believe that the technological capabilities of our Water Solutions business can be quickly implemented at new facilities and locations as needed. Our system located in the Northern Delaware Basin is an integrated network of large diameter produced water pipelines, recycling facilities and disposal wells that collectively provides reliable service to producer customers and would be difficult for competitors to replicate at this time.
- *Our network of crude oil transportation and storage assets, which allows us to serve customers over a wide geographic area and optimize sales.* Our strategically deployed terminals, towboats and barges, as well as our owned and contracted pipeline capacity, provide access to a wide range of customers and markets. We use this expansive network of transportation assets to deliver crude oil to optimal markets. These operations are supported by certain long-term, fixed rate contracts with producers, refiners and marketers and include minimum volume commitments on our owned and leased pipelines.
- *Our network of natural gas liquids transportation, terminal, and storage assets, which allows us to provide multiple services across the United States and Canada.* Our strategically located terminals, large leased railcar fleet, shipper status on common carrier pipelines, and substantial leased storage enable us to be a preferred

purchaser and seller of natural gas liquids. We have a diverse base of long-standing customers and believe that our performance metrics allow us to reliably supply, store and transport products throughout the United States and Canada.

- *Our diversified operations allow us to generate more predictable and stable cash flows on a year-to-year basis.* Our ability to provide multiple services to customers in numerous geographic areas enhances our competitive position. Our three business segments are diversified by geography, customer base and commodity sensitivities, which we believe provides us with more stable cash flows through the typical commodity cycles.
- *Our seasoned management team with extensive midstream industry experience and a track record of acquiring, integrating, operating and growing successful businesses.* Our management team has significant experience managing companies in the energy industry, including master limited partnerships. In addition, through decades of experience, our management team has developed strong business relationships with key industry participants throughout the United States. We believe that our management's knowledge of the industry, relationships within the industry, and experience provide us with the opportunities to optimize our existing assets. Our management team also has experience in identifying, evaluating and completing acquisitions and other ventures that provide us with additional opportunities to complement, grow and expand our existing operations.

Our Businesses

Water Solutions

Overview. Our Water Solutions segment transports, treats, recycles and disposes of produced and flowback water generated from crude oil and natural gas production. We also sell produced water for reuse and recycle and brackish non-potable water to our producer customers to be used in their crude oil exploration and production activities. As part of processing water, we aggregate and sell recovered crude oil, also known as skim oil. We also dispose of solids such as tank bottoms, drilling fluids and drilling muds and perform other ancillary services such as truck and frac tank washouts. Our activities in this segment are underpinned by long-term, fixed fee contracts and acreage dedications, some of which contain minimum volume commitments with leading oil and gas companies including large, investment grade producer customers.

We operate in a number of the most prolific crude oil and natural gas producing areas in the United States including the Delaware Basin in New Mexico and Texas, the Midland Basin in Texas, the DJ Basin in Colorado and the Eagle Ford Basin in Texas. With a system that handled approximately 656.2 million barrels of produced water across its areas of operation during the year ended March 31, 2022, we believe that we are the largest independent produced water transportation and disposal company in the United States. We currently have over 660,000 acres dedicated to our system under long-term agreements in the Northern Delaware Basin. In addition, we have several minimum volume commitments and other commercial agreements covering the Delaware, Midland, Eagle Ford, DJ and Pinedale Anticline Basins. Our focus in building our Water Solutions business has been to secure long-term, fixed fee contracts that contain minimum volume commitments, acreage dedications or similarly strong contractual relationships with large, well-capitalized producer customers.

Our core asset in the Water Solutions segment is our system located in the Northern Delaware Basin, where we own and operate the largest integrated network of large diameter produced water pipelines, recycling facilities and disposal wells. This system spans six counties in New Mexico and Texas that represent one of the most prolific crude oil producing regions in the United States with some of the most economic hydrocarbon resources and lowest break-even economics for producers. Our system has approximately 650 miles of newly-built, in-service large diameter produced water pipelines connected to 58 active saltwater disposal facilities and 122 active disposal wells. We have over 660,000 acres dedicated to the Northern Delaware system providing a multi-decade drilling inventory and significant growth opportunity.

We own or have a possessory interest in over 120,000 acres of real estate on two ranches located in Eddy and Lea Counties, New Mexico. Our two ranches include 16 commercial water permits and four strategically located brackish non-potable water facilities (including 45 brackish non-potable water wells). Additionally, on both ranches we are organically developing surface mineral mining operations, solid waste facilities, and are exploring other uses for our real estate holdings.

In February 2022, our Water Solutions segment announced a collaboration with XRI Holdings, LLC ("XRI") to advance full cycle produced water management across operations in the Northern Delaware Basin. This collaboration will benefit from each of our unique characteristics by leveraging existing infrastructure assets, technology, and experience, as we own and operate the largest integrated produced water pipeline system in the Northern Delaware Basin and XRI is the largest produced water recycling company in the Permian Basin, allowing us the opportunity to address the greatly increasing demand for sustainable use of produced water in our customers' completions activities. The flexible, non-exclusive nature of this joint effort allows each of us to continue to operate produced water reuse and recycling activities independent of one another. During

the year ended March 31, 2022, we sold approximately 34.1 million barrels of recycled water, which includes the sale of produced water and recycled water for use in our customers' completion activities.

Operations. We own 111 water treatment and disposal facilities, including 212 injection wells. The location and permitted processing capacities of these facilities are summarized below.

Location	Number of Facilities	Number of Wells	Permitted Processing Capacity (barrels per day)		
			Own (1)	Lease (2)	Total
Permian Basin					
Delaware Basin (3) - Texas and New Mexico	58	122	1,514,000	3,297,300	4,811,300
Midland Basin (3) - Texas	14	14	358,300	—	358,300
Eagle Ford Basin (3)(4) - Texas	22	36	549,000	362,000	911,000
DJ Basin - Colorado	13	32	393,000	162,500	555,500
Granite Wash (3) - Texas	2	3	60,000	—	60,000
Pinedale Anticline Basin (5) - Wyoming	1	4	—	90,240	90,240
Eaglebine - Texas	1	1	20,000	—	20,000
Total - All Facilities	111	212	2,894,300	3,912,040	6,806,340

(1) These facilities are located on lands we own.

(2) These facilities are located on lands we lease.

(3) Certain facilities can dispose of both produced water and solids such as tank bottoms, drilling fluids and drilling muds.

(4) Includes one facility with a permitted processing capacity of 40,000 barrels per day in which we own a 75% interest.

(5) This facility has a design capacity of 60,000 barrels per day to process water to a recycle standard.

Our customers bring produced and flowback water generated by crude oil and natural gas exploration and production operations to our facilities for treatment through pipeline gathering systems and by truck. During the year ended March 31, 2022, in the Delaware Basin we received approximately 98% of produced and flowback water via pipelines. Once we take delivery of the water, the level of processing is determined by the ultimate disposition of the water.

Our facilities in Colorado, New Mexico and Texas dispose of produced water primarily into deep underground formations via injection wells. At our disposal facilities, we use proprietary well maintenance programs to enhance injection rates and extend the service lives of the wells.

Our facility servicing the Pinedale Anticline Basin in Wyoming has the assets and technology needed to treat the water more extensively than a typical disposal facility. At this facility, we have the option of disposing of the water in underground injection wells or recycling the water. With regard to recycling the water, we either process the water to the point where it can be returned to producers to be reused in future drilling operations (recycle quality water), which minimizes the impact on the aquifer, or we can treat the water to a greater extent, such that it exceeds the standards for drinking water, and can be returned to the ecosystem (discharge quality water).

Customers. The primary customers of our operations consist mainly of large publicly traded, oil and gas companies with diversified acreage positions across multiple leading oil and gas plays. During the year ended March 31, 2022, 69% of the revenues of our Water Solutions segment were generated from our ten largest customers of the segment.

Competition. The principal elements of competition are system reliability, project execution capability and reputation, system capacity and flexibility, rates for services and system location relative to the producer's operations. Our competitors include independent produced water transportation and disposal companies and the water transportation and disposal operations owned by oil and gas production companies themselves. Location can be an important consideration for our customers, who seek to minimize the cost of transporting the produced water to disposal facilities. Many of our facilities are strategically located near areas of high crude oil and natural gas production which provides us with a distinct advantage over a competitor that must build a system that can compete with our assets.

Pricing Policy. We charge customers a fee per barrel of produced water received. Our contractual agreements can consist of: (a) minimum volume commitments requiring the customer to deliver a specified minimum volume of produced water over a specified period of time; (b) acreage dedications requiring the customer to deliver all volumes produced from the dedicated acreage with us; and (c) produced water pipeline and trucked disposal agreements providing interruptible service in exchange for a fee per barrel of produced water received. We also generate revenue from the sale of crude oil we recover in

processing the produced water. In addition, we may charge fees for the sale of produced water for reuse by our customers, pipeline transportation fees, pipeline interconnection fees and solids disposal fees.

Trade Names. Our Water Solutions segment operates primarily under the NGL Water Solutions and Anticline Disposal trade names.

Technology. We hold multiple patents for processing technologies. We believe that the technological capabilities of our Water Solutions business can be quickly implemented at new facilities and locations.

Crude Oil Logistics

Overview. Our Crude Oil Logistics segment purchases crude oil from producers and marketers and transports it to refineries or for resale at pipeline injection stations, storage terminals, barge loading facilities, rail facilities, refineries, and other trade hubs, and provides storage, terminaling and transportation services through its owned assets. Our activities in this segment are supported by certain long-term, fixed rate contracts which include minimum volume commitments on our owned and leased pipelines. Our operations are concentrated in and around four prolific crude oil producing regions in the United States - the DJ Basin in Colorado, the Permian Basin in Texas and New Mexico, the Eagle Ford Basin in Texas and the United States Gulf Coast.

Our foundational asset in this segment is the Grand Mesa Pipeline ("Grand Mesa"), a 550-mile pipeline that transports crude oil from its origin in Weld County, Colorado to our terminal in Cushing, Oklahoma. Grand Mesa commenced operations on November 1, 2016 and has operated continuously since then. The main line portion of this pipeline is comprised of an undivided interest with Saddlehorn Pipeline Company, LLC ("Saddlehorn") in which we have the right to use 150,000 barrels per day of capacity of the pipeline. During the year ended March 31, 2022, approximately 28.4 million barrels (volume amounts are from both internal and external parties) of crude oil were transported on the Grand Mesa Pipeline. Operating costs associated with Grand Mesa are allocated to us based on our proportionate ownership interest and throughput. We also own and operate origin terminals at Lucerne and Riverside, Colorado, where we aggregate crude volumes of different types and grades and store them until they are ready for transfer to our Grand Mesa Pipeline. The Lucerne terminal has 950,000 barrels of operational tankage and a 12 bay truck loading facility. The Riverside terminal has 20,000 barrels of storage and a four bay truck loading facility.

Through our undivided interest in the Grand Mesa Pipeline, we have sufficient capacity to service our customer contracts at the same origin and termination points with the ability to accept additional volume commitments. We retained ownership of our previously acquired easements for the potential future development of transportation projects involving petroleum commodities other than crude oil and condensate. With the consent and participation of Saddlehorn, we and Saddlehorn may consider future opportunities using these easements, to the extent such easements remain in effect, for projects involving the transportation of crude oil and condensate.

We own and operate a large scale crude oil terminal located in Cushing, Oklahoma with 3,626,000 barrels of storage capacity, seven off-loading lease automatic custody transfer units ("LACTs"), a full control room, on-site laboratory, and three 24-inch bi-directional pipelines each capable of moving 360,000 barrels per day. The terminal features advantaged connectivity to other terminals and pipelines including important connections to our Grand Mesa Pipeline and to TC Energy's terminal with access to the United States Gulf Coast via Marketlink. Our terminal is situated on 200 acres and is designed to be expanded based on customer demand. Cushing is one of the most liquid crude oil trading hubs in the world and is the delivery point for the West Texas Intermediate futures contracts.

We own and operate a crude oil marine terminal in Point Comfort, Texas with 355,000 barrels of storage capacity, six off-loading LACTs and three docks (two for ocean-going barges and ships and one for inland barges).

We own and operate a crude oil pipeline and marine terminal in Houma, Louisiana with 288,000 barrels of storage capacity, two off-loading LACTs, a brown water barge dock and two 12-inch bi-directional pipelines each capable of moving 120,000 barrels per day with connectivity to Shell's Zydeco System.

Operations. We purchase crude oil from producers and marketers and transport it to refineries or for resale. Our strategically deployed terminals, towboats and barges, as well as our owned and contracted pipeline capacity, provide access to a wide range of customers and markets. We use this expansive network of transportation assets to deliver crude oil to optimal markets.

We currently transport crude oil using the following assets:

- The Grand Mesa Pipeline, which is described above, and 20 other common carrier pipelines owned by third parties;
- 396 owned and 210 leased railcars (all of which are leased or subleased to third parties); and
- 13 owned towboats and 24 owned barges operating primarily in the intercoastal waterways of the United States Gulf Coast and along the Mississippi and Arkansas River systems. We purchased an additional barge in April 2022.

All of our 396 owned railcars and 210 leased railcars are compliant with the standards for railcars built subsequent to 2011 for the commodities they are transporting. (See Part I, Item 1 “Government Regulation”).

We also own 27 strategically located pipeline injection stations, the locations of which are summarized below.

State	Number of Pipeline Injection Stations
Texas	13
New Mexico	6
Oklahoma	5
Kansas	3
Total	27

Customers. Our customers include crude oil refiners, producers, and marketers. During the year ended March 31, 2022, 90% of the revenues of our Crude Oil Logistics segment were generated from our ten largest customers of the segment, of which CITGO Petroleum Corporation accounted for 12.8% of our consolidated revenues for the year ended March 31, 2022. Sales to this customer occur mainly out of our crude oil terminal in Cushing, Oklahoma.

Additionally, certain key customers of the Crude Oil Logistics segment contribute significantly to the cash flows and profitability of the organization. Any loss of those customers or their contracts could have an adverse impact on our financial results.

Competition. Our Crude Oil Logistics segment faces significant competition, as many entities are engaged in the crude oil logistics business, some of which are larger and have greater financial resources than we do. The primary factors on which we compete are:

- price;
- availability of supply and refinery demand;
- reliability of service;
- open credit;
- logistics capabilities, including the availability of railcars, proprietary terminals, and owned pipelines, barges, railcars and towboats; and
- long-term customer relationships.

Supply. We obtain crude oil from a large base of suppliers, which consists primarily of crude oil producers. We currently purchase crude oil from approximately 350 producers at approximately 5,700 leases.

Pricing Policy. Most of our contracts to purchase or sell crude oil are at floating prices that are indexed to published rates in active markets such as Cushing, Oklahoma, St. James, Louisiana, and Magellan East Houston. We seek to manage price risk by entering into purchase and sale contracts of similar volumes based on similar indexes and by hedging exposure due to fluctuations in actual volumes and scheduled volumes.

Our profitability is impacted by forward crude oil prices. Crude oil markets can either be in contango (a condition in which forward crude oil prices are greater than spot prices) or can be in backwardation (a condition in which forward crude oil prices are lower than spot prices). Our Crude Oil Logistics segment benefits when the market is in contango, as increasing prices result in inventory value gains during the time between when we purchase the inventory and when we sell it. In addition, we are able to better utilize our storage assets when contango markets justify storing barrels. When markets are in

backwardation, our inventory values decrease during the time period between when we purchase inventory and when we sell it and the declining prices also typically have an unfavorable impact on our storage tank lease rates. To help mitigate the impact of changing prices, we enter into derivative instruments to hedge our inventory.

Trade Names. Our Crude Oil Logistics segment operates primarily under the NGL Crude Logistics, NGL Crude Transportation, NGL Marine, NGL Crude Terminals and NGL Crude Cushing trade names.

Liquids Logistics

Overview. Our Liquids Logistics segment conducts supply operations for natural gas liquids, refined petroleum products and biodiesel to a broad range of commercial, retail and industrial customers across the United States and Canada. These operations are conducted through our 24 owned terminals, third-party storage and terminal facilities, nine common carrier pipelines and a fleet of leased railcars. We also provide services for marine exports of butane through our facility located in Chesapeake, Virginia, and expect to commence operations on our propane pipeline in Michigan in June 2022. We employ a number of contractual and hedging strategies to minimize commodity exposure and maximize earnings stability of this segment. During the year ended March 31, 2022, we sold approximately 2.8 billion gallons of natural gas liquids, refined products and renewables products, or 7.61 million gallons (approximately 181,000 barrels) per day.

Operations. We procure natural gas liquids from refiners, natural gas processing plants, producers and other resellers for delivery to leased or owned storage space, common carrier pipelines, railcar terminals, and direct to certain customers. Our customers take delivery by loading natural gas liquids into transport vehicles from common carrier pipeline terminals, private terminals, our terminals, directly from refineries and rail terminals, and by railcar.

A portion of our wholesale propane gallons are presold to third-party retailers and wholesalers at a fixed price under back-to-back contracts. Back-to-back contracts, in which we balance our contractual portfolio by buying physical propane supply or derivatives when we have a matching purchase commitment from our wholesale customers, protect our margins and mitigate commodity price risk. Presales also reduce the impact of warm weather because the customer is required to take delivery of the propane regardless of the weather or any other factors. We generally require cash deposits from these customers. In addition, on a daily basis we have the ability to balance our inventory by buying or selling propane, butanes, and natural gasoline to refiners, resellers, and propane producers through pipeline inventory transfers at major storage hubs.

In order to secure consistent supply during the heating season, we are often required to purchase volumes of propane during the entire fiscal year. In order to mitigate storage costs and price risk, we may sell those volumes at a lesser margin in lower demand months than we earn in our other wholesale operations.

We purchase butane from refiners during the summer months, when refiners have a greater butane supply than they need, and sell butane to refiners during the winter blending season, when demand for butane is higher. We utilize a portion of our railcar fleet and a portion of our leased underground storage to store butane for this purpose. We also transport customer-owned natural gas liquids on our leased railcars and charge the customers a transportation service fee as well as sublease railcars to certain customers. Our owned and leased terminals and railcar fleet give us the opportunity to access markets throughout the United States, and to move product to locations where demand is highest. We provide transportation, storage, and throughput services to third parties at our facilities at Port Hudson, Louisiana and Chesapeake, Virginia.

We purchase refined petroleum and renewable products primarily in the Gulf Coast, West Coast and Midwest regions of the United States and schedule them for delivery at various locations throughout the country. We conduct just-in-time sales at a nationwide network of terminals owned by third parties via rack spot sales or delivered sales that do not involve continuing contractual obligations to purchase or deliver product. Rack spot sales are priced and delivered on a daily basis through truck loading racks. At the end of each day for each of the terminals that we market from, we establish the next day selling price for each product for each of our delivery locations. We announce or “post” to customers via website, e-mail, and telephone communications the rack spot sale price of various products for the following morning. When customers decide to purchase product from us, we purchase the same volume of product from a supplier at a previously agreed-upon price. For these just-in-time transactions, our purchase from the supplier occurs at the same time as our sale to our customer. Typical rack spot sale purchasers include commercial and industrial end users, independent retailers and small, independent marketers who resell product to retail gasoline stations or other end users. Our selling price of a particular product on a particular day is a function of our supply at that delivery location or terminal, our estimate of the costs to replenish the product at that delivery location, and our desire to reduce product volume at that particular location that day. A significant percentage of our business is priced on a back-to-back basis which minimizes our commodity price exposure.

The following table summarizes the location of our facilities and respective storage capacity and interconnects to those facilities.

Location	Number of Facilities	Storage Capacity (in gallons)			Terminal Interconnects
		Own (1)	Lease (2)	Total	
Virginia	2	20,720,000	—	20,720,000	Rail Facility; Marine Facility
Arkansas	3	3,765,000	90,000	3,855,000	Connected to Enterprise Texas Eastern Products Pipeline; Rail Facility
Minnesota	1	1,829,000	—	1,829,000	Connected to Enterprise Mid-America Pipeline; Rail Facility
Missouri	2	1,770,000	—	1,770,000	Connected to Phillips66 Blue Line Pipeline
Indiana	1	1,530,000	—	1,530,000	Connected to Enterprise Texas Eastern Products Pipeline; Rail Facility
Wisconsin	2	714,000	390,000	1,104,000	Connected to Enterprise Mid-America Pipeline; Rail Facility
Massachusetts	2	668,400	120,000	788,400	Rail Facility
Louisiana	1	720,000	—	720,000	Truck Facility
Washington	3	300,000	355,000	655,000	Rail Facility
Illinois	1	480,000	—	480,000	Connected to Phillips66 Blue Line Pipeline
Michigan	1	480,000		480,000	Connected to Ambassador Pipeline
New York	1	—	270,000	270,000	Rail Facility
Pennsylvania	1	180,000	—	180,000	Rail Facility
Maine	1	—	120,000	120,000	Rail Facility
Vermont	1	—	120,000	120,000	Rail Facility
United States Total	23	33,156,400	1,465,000	34,621,400	
Ontario, Canada	1	—	120,000	120,000	Truck Facility
Canada Total	1	—	120,000	120,000	
Total	24	33,156,400	1,585,000	34,741,400	

(1) These facilities are located on lands we own.

(2) These facilities are located on lands we lease.

We have operating agreements with third parties for certain of our terminals. The terminals in East St. Louis, Illinois and Jefferson City, Missouri are operated for us by a third party for a monthly fee under an operating and maintenance agreement that expires in November 2022. The terminal in St. Catharines, Ontario, Canada is operated by a third party under a year-to-year agreement.

We own the land on which 15 of the 24 natural gas liquids terminals are located and we either have easements or lease the land on which the remaining terminals are located.

We own a natural gas liquids terminal that supports refined products blending in Port Hudson, Louisiana, and a marine export/import terminal in Norfolk, Virginia. The Port Hudson terminal is located near Baton Rouge, Louisiana, and is in proximity to other refined products infrastructure along the Colonial pipeline. This truck unloading and storage facility allows for the aggregation and supply of butane and naphtha for motor fuel blending and consists of storage tanks with a total capacity of 720,000 gallons. The Chesapeake facility is a marine export/import terminal situated upstream of Norfolk, Virginia on the Elizabeth River. The site includes a proprietary dock with the capacity to berth handy-sized vessels (a dry bulk carrier of an oil tanker with a capacity between 15,000 and 35,000 dead weight tonnage) to very large gas carriers (a carrier capable of loading anywhere between 100,000 cubic meters to 200,000 cubic meters of natural gas), truck loading and off-road racks along with 22 railcar spots, with service provided by Norfolk Southern Railroad. The facility has an aggregate storage capacity of 20,378,000 gallons.

We own 25 transloading units, which enable customers to transfer product from railcars to trucks. These transloading units can be moved to locations along a railroad where it is most convenient for customers to transfer their product.

We own the Ambassador Pipeline, an approximately 225-mile propane pipeline, which runs from the Kalkaska gas plant in Kalkaska County, Michigan to a termination point near Marysville in St. Clair County, Michigan. We are currently working on a Marysville, Michigan connection, which has an estimated completion date of June 2022 and will allow the Ambassador Pipeline to be fully operational. The Wheeler propane terminal, in central Michigan, was fully permitted and operational on February 1, 2022. These assets complement our existing assets in the upper Midwest and will expand our presence in Michigan, one of the top propane markets in the United States.

We utilize a fleet of approximately 4,400 high-pressure and general purpose leased railcars of which 34 railcars are subleased by third parties.

We lease storage space to accommodate the supply requirements and contractual needs of our retail and wholesale customers.

The following table summarizes our significant leased storage space at natural gas liquids and refined products storage facilities and interconnects to those facilities:

	Leased Storage Space (in gallons)		
Storage Facility Location	**Beginning April 1, 2022**	**At March 31, 2022**	**Storage Interconnects**
Kansas	56,700,000	56,700,000	Connected to Enterprise Mid-America Pipeline, NuStar Pipelines and ONEOK North System Pipeline; Rail Facility; Truck Facility
Michigan	22,260,000	10,500,000	Rail Facility; Truck Facility
Utah	8,400,000	22,050,000	Rail Facility
Missouri	7,560,000	7,560,000	Truck Facility
Arizona	7,056,000	7,056,000	Rail Facility; Truck Facility
Texas	4,410,000	4,410,000	Connected to Enterprise Texas Eastern Products Pipeline; Truck Facility
Mississippi	2,100,000	2,520,000	Connected to Enterprise Dixie Pipeline; Rail Facility
Oregon	554,400	554,400	Connected to Kinder Morgan Pipeline and Olympic Pipeline
United States Total	109,040,400	111,350,400	
Ontario, Canada	8,467,200	15,750,000	Rail Facility
Alberta, Canada	3,970,092	3,440,800	Connected to Cochin Pipeline; Rail Facility
Canada Total	12,437,292	19,190,800	
Total	121,477,692	130,541,200	

Customers. Our Liquids Logistics segment serves approximately 1,300 customers in 48 states, Mexico and Canada, including national, regional and independent retail, industrial, wholesale, petrochemical, refiner and natural gas liquids production customers. During the year ended March 31, 2022, 22% of the revenues of our Liquids Logistics segment were generated from our ten largest customers of the segment.

Seasonality. Our wholesale liquids business is largely seasonal as the primary users of propane as heating fuel generally purchase propane during the typical fall and winter heating season. However, we are able to partially mitigate the effects of seasonality by preselling a portion of our wholesale volumes to retailers and wholesalers and requiring the customer to take delivery of the product regardless of the weather.

The demand for gasoline typically peaks during the summer driving season, which extends from April to September, and declines during the fall and winter months. However, the demand for diesel typically peaks during the fall and winter months due to colder temperatures, and peaks in the Midwest during spring planting and fall harvest.

Competition. Our Liquids Logistics segment faces significant competition from other natural gas liquids wholesalers, trading companies and companies involved in the natural gas liquids midstream industry (such as terminal and refinery operations), some of which have greater financial resources than we do. The primary factors on which we compete are:

- price;
- availability of supply;

- reliability of service;
- available space on common carrier pipelines;
- storage availability;
- logistics capabilities, including the availability of railcars, and proprietary terminals; and
- long-term customer relationships.

Market Price Risk. Our philosophy is to maintain minimum commodity price exposure through a combination of purchase contracts, sales contracts and financial derivatives. A significant percentage of our refined products and biodiesel businesses is priced on a back-to-back basis which minimizes our commodity price exposure. For discretionary inventory, and for those instances where physical transactions cannot be appropriately matched, we utilize financial derivatives to mitigate commodity price exposure. Specific exposure limits are mandated in our credit agreement and in our market risk policy.

The value of refined products in any local delivery market is the sum of the commodity price as reflected on the New York Mercantile Exchange ("NYMEX") and the basis differential for that local delivery market. The basis differential for any local delivery market is the spread between the cash price in the physical market and the quoted price in the futures markets for the prompt month. We typically utilize NYMEX futures contracts to mitigate commodity price exposure. We generally do not manage the financial impact on us from changes in basis differentials affected by local market supply and demand disruptions.

Pricing Policy. In our Liquids Logistics segment, we offer our customers the following categories of contracts:

- customer pre-buys, which typically require deposits based on market pricing conditions;
- market based, which can either be a posted price or an index to spot price at time of delivery; and
- load package, a firm price agreement for customers seeking to purchase specific volumes delivered during a specific time period.

We use back-to-back contracts for many of our liquids business sales to limit exposure to commodity price risk and protect our margins. We are able to match our supply and sales commitments by offering our customers purchase contracts with flexible price, location, storage, and ratable delivery. However, certain common carrier pipelines require us to keep minimum in-line inventory balances year round to conduct our daily business, and these volumes are not matched with a sales commitment.

We generally require deposits from our customers for fixed price future delivery if the delivery date is more than 30 days after the time of contractual agreement.

Legal and Regulatory Considerations. Demand for ethanol and biodiesel is driven in large part by government mandates and incentives. Refiners and producers are required to blend a certain percentage of renewables into their refined products, although the percentage can vary from year to year based on the United States Environmental Protection Agency ("EPA") mandates. In addition, the federal government has in recent years granted certain tax credits for the use of biodiesel, although on several occasions these tax credits have expired. In December 2019, the federal government passed a law to reinstate the tax credit retroactively to January 1, 2018, with the credit expiring on December 31, 2022. Changes in future mandates and incentives, or decisions by the federal government related to future reinstatement of the biodiesel tax credit, could result in changes in demand for ethanol and biodiesel.

Trade Names. Our Liquids Logistics segment operates primarily under the NGL Supply Wholesale, NGL Supply Terminal Company, Centennial Energy, NGL Crude Logistics and Centennial Gas Liquids trade names.

Human Capital

At March 31, 2022, we had 842 employees in 28 states and Canada. Of those employees, 220 provide work primarily for our Water Solutions segment, 245 provide work primarily for our Crude Oil Logistics segment, 169 provide work primarily for our Liquids Logistics segment, and 208 provide administrative services to the various business segments. NGL is an equal-opportunity employer, and our employee handbook underscores that commitment, with policies prohibiting discrimination, harassment, and retaliation.

We understand the importance of competitive benefits packages for the health and welfare of our employees and for our ability to recruit and retain the best talent. In that regard, at the end of fiscal year 2021, we implemented $20 per hour

minimum wage for all regular, full-time employees. More than 95% of our eligible employees participate in the NGL 401(k) Plan, and we increased our employer match in our 401(k) Plan in fiscal year 2021. In addition, we provide access to a traditional PPO, or a high-deductible medical plan including a health savings account with employer contributions; a flexible spending account option for those not enrolled in the high-deductible medical plan; a dental plan; a vision plan; an Employee Assistance Plan including free counseling for employees and members of their household; company-paid short-term disability coverage; voluntary long-term disability coverage; company-paid life and AD&D coverage; and voluntary life and AD&D coverage options for employees and their family members.

Our operations are guided by specific health and safety protocols. We endeavor to conduct our business in a manner that meets or exceeds applicable health and safety regulations and minimizes risk, both to our employees and the communities where we operate. Our environmental, health and safety team:

- Advises on safety and industrial hygiene regulatory requirements and best practices;
- Develops safety procedures and guidelines;
- Conducts safety inspections;
- Advises on strategies to improve safety and health performance; and
- Designs and conducts safety and industrial hygiene training courses.

As part of this effort, we have implemented an enterprise management information system designed to help us achieve a better understanding of our performance, identify root causes of incidents, and where appropriate, implement necessary mitigations.

Government Regulation

Regulation of the Oil and Natural Gas Industries

Regulation of Oil and Natural Gas Exploration, Production and Sales. Sales of crude oil and natural gas liquids are not currently regulated and are transacted at market prices. In 1989, the United States Congress enacted the Natural Gas Wellhead Decontrol Act, which removed all remaining price and non-price controls affecting wellhead sales of natural gas. The Federal Energy Regulatory Commission ("FERC"), which has authority under the Natural Gas Act to regulate the prices and other terms and conditions of the sale of natural gas for resale in interstate commerce, has issued blanket authorizations for all natural gas resellers subject to its regulation, except interstate pipelines, to resell natural gas at market prices. Either Congress or the FERC (with respect to the resale of natural gas in interstate commerce), however, could re-impose price controls in the future.

Exploration and production operations and water disposal facilities are subject to various types of federal, state and local regulation, including, but not limited to, permitting, well location, methods of drilling, well operations, and conservation of resources. These regulations may affect our businesses and the businesses of certain of our customers and suppliers. It is not possible to predict how or when regulations affecting our operations or our customers' or suppliers' operations might change.

Regulation of the Transportation and Storage of Natural Gas and Oil and Related Facilities. The FERC regulates oil pipelines under the Interstate Commerce Act and natural gas pipeline and storage companies under the Natural Gas Act, and Natural Gas Policy Act of 1978 (the "NGPA"), as amended by the Energy Policy Act of 2005. The Grand Mesa Pipeline became operational on November 1, 2016 and has several points of origin in Colorado, runs from those origin points through Kansas and terminates in Cushing, Oklahoma. The transportation services on the Grand Mesa Pipeline are subject to FERC regulation. In February 2018, the FERC issued a revised policy to disallow income tax allowance cost recovery in rates charged by pipeline companies organized as master limited partnerships. The FERC's revised policy impacts cost-of-service rates on oil pipelines. Currently, the volumes of crude oil that are transported on the Grand Mesa Pipeline are subject to contractual agreements. Therefore, the FERC's revised policy has not impacted the Grand Mesa Pipeline at the present time. Additionally, contracts we enter into for the interstate transportation or storage of crude oil or natural gas may be subject to FERC regulation including reporting or other requirements. In addition, the intrastate transportation and storage of crude oil and natural gas is subject to regulation by the state in which such facilities are located, and such regulation can affect the availability and price of our supply, and have both a direct and indirect effect on our business.

Anti-Market Manipulation. We are subject to the anti-market manipulation provisions in the Natural Gas Act and the NGPA, which authorizes the FERC to impose fines of up to $1 million per day per violation of the Natural Gas Act, the NGPA, or their implementing regulations. In addition, the Federal Trade Commission ("FTC") holds statutory authority under the

Energy Independence and Security Act of 2007 to prevent market manipulation in petroleum markets, including the authority to request that a court impose fines of up to $1 million per violation. These agencies have promulgated broad rules and regulations prohibiting fraud and manipulation in oil and gas markets. The Commodity Futures Trading Commission ("CFTC") is directed under the Commodity Exchange Act to prevent price manipulations in the commodity and futures markets, including the energy futures markets. Pursuant to statutory authority, the CFTC has adopted anti-market manipulation regulations that prohibit fraud and price manipulation in the commodity and futures markets. The CFTC also has statutory authority to seek civil penalties of up to the greater of $1 million per day per violation or triple the monetary gain to the violator for violations of the anti-market manipulation sections of the Commodity Exchange Act. We are also subject to various reporting requirements that are designed to facilitate transparency and prevent market manipulation.

Maritime Transportation. The Jones Act is a federal law that restricts maritime transportation between locations in the United States to vessels built and registered in the United States and owned and manned by United States citizens. Because our fleet transports between locations in the United States, we are subject to the provisions of the law. As a result, we are responsible for monitoring the ownership of our subsidiaries that engage in maritime transportation and for taking any remedial action necessary to ensure compliance with the Jones Act. The Jones Act also requires that all United States-flagged vessels be manned by United States citizens. Foreign-flagged seamen generally receive lower wages and benefits than those received by United States citizen seamen. This requirement significantly increases operating costs of United States-flagged vessel operations compared to foreign-flagged vessel operations. Certain foreign governments subsidize their nations' shipyards. This results in lower shipyard costs both for new vessels and repairs than those paid by United States-flagged vessel owners. The United States Coast Guard and American Bureau of Shipping maintain the most stringent regimen of vessel inspection in the world, which tends to result in higher regulatory compliance costs for United States-flagged operators than for owners of vessels registered under foreign flags of convenience.

Environmental Regulation

General. Our operations are subject to a myriad of federal, state and local laws and regulations relating to the protection of the environment. Existing regulatory structure shapes our decision-making and business activities in many ways, such as:

- shaping decisions regarding what types of pollution-control equipment to deploy and how a facility should be designed;
- informing decision-making regarding construction activities, such as where to locate and where not to locate a facility; e.g., locating construction activities away from sensitive environmental, cultural or historic areas, including wetlands, coastal regions or areas inhabited by endangered or threatened species, and limiting or prohibiting construction activities during certain sensitive periods, such as when threatened or endangered species are breeding/nesting;
- informing decision-making regarding the timing of activities, for example, we will delay construction or system modification or upgrades during the issuance or renewal periods of certain permits;
- informing decision-making pertaining to our approach to investigating, mitigating and remediating unplanned releases from our facilities and operations or attributable to former facilities or operations, as necessary and appropriate; and
- shaping our decision-making about whether a facility or operation should be temporarily halted to address potential non-compliance with relevant permit requirements.

Consideration of and compliance with relevant environmental regulatory requirements has led our business activities to be more sustainable while simultaneously mitigating exposure to long and short-term environmental risk. Conversely, failure to comply with these laws and regulations may trigger a variety of administrative, civil, and criminal enforcement measures, including the assessment of monetary penalties. Certain environmental statutes impose strict and joint and several liability for costs required to clean up and restore sites where substances such as crude oil or wastes have been disposed or otherwise unlawfully released. The trend in environmental regulation is to place more restrictions and limitations on activities that may adversely affect the environment. Thus, there can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation, and actual future expenditures may be different from the amounts we currently anticipate.

The following is a discussion of the material environmental laws and regulations that relate to our businesses.

Hazardous Substances and Waste. We are subject to various federal, state, and local environmental laws and regulations governing the storage, distribution, and transportation of natural gas liquids and the operation of bulk storage liquefied petroleum gas (LPG) terminals, as well as laws and regulations governing environmental protection, including those addressing the discharge of materials into the environment or otherwise relating to protection of the environment. Generally, these laws (i) regulate air and water quality, impose limitations on the discharge of pollutants and establish standards for the handling of solid and hazardous wastes; (ii) subject our operations to certain permitting and registration requirements; (iii) may result in the suspension or revocation of necessary permits, licenses and authorizations; (iv) impose substantial liabilities on us for pollution resulting from our operations; (v) require remedial measures to mitigate pollution from former or ongoing operations; and (vi) may result in the assessment of administrative, civil and criminal penalties for failure to comply with such laws. These laws include, among others, the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the federal Clean Air Act "(CAA"), the Homeland Security Act of 2002, the Emergency Planning and Community Right to Know Act, the Clean Water Act ("CWA") , the Safe Drinking Water Act, the Oil Spills Prevention and Preparedness Regulations, and comparable state statutes.

CERCLA, also known as the "Superfund" law, and similar state laws, impose liability on certain classes of potentially responsible persons that are considered to have contributed to the release of a "hazardous substance" into the environment. These persons include the current and past owner or operator of the site where the release occurred and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. While natural gas liquids are not a hazardous substance within the meaning of CERCLA, other chemicals used in or generated by our operations may be classified as a hazardous substance. Persons who are or were responsible for releases of hazardous substances under CERCLA may be subject to strict and joint and several liability for the costs of investigating and cleaning up the hazardous substances that have been released into the environment and for damages to natural resources and for the costs of certain health studies. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances into the environment.

RCRA, and comparable state statutes and their implementing regulations, regulate the generation, transportation, treatment, storage, disposal and cleanup of solid and hazardous wastes. Under a delegation of authority from the EPA, most states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. Federal and state regulatory agencies can seek to impose administrative, civil and criminal penalties for alleged non-compliance with RCRA and analogous state requirements. Certain wastes associated with the production of oil and natural gas, as well as certain types of petroleum-contaminated media and debris, are excluded from regulation as hazardous waste under Subtitle C of RCRA. These wastes, instead, are regulated as solid waste under RCRA's less stringent Subtitle D, state laws or other federal laws. It is possible, however, that certain wastes now classified as non-hazardous solid waste could be classified as hazardous wastes in the future and thereby be subject to more rigorous and costly disposal requirements. Legislation has been proposed from time to time in Congress to regulate certain oil and natural gas wastes as "hazardous wastes under RCRA." Any such change could result in an increase in our costs to manage and dispose of wastes, which could have a material adverse effect on our consolidated results of operations and financial position.

We currently own or lease properties where crude oil is being or has been handled for many years. Although previous operators have utilized operating and disposal practices that were standard in the industry at the time, crude oil or other wastes may have been disposed of or released on or under the properties owned or leased by us or on or under the other locations where the crude oil and wastes have been transported for treatment or disposal. These properties and the wastes disposed thereon may be subject to CERCLA, RCRA and analogous state laws. Under these laws, we could be required to remove or remediate previously disposed wastes (including wastes disposed of or released by prior owners or operators), to clean up contaminated property (including contaminated groundwater) or to implement remedial measures to prevent or mitigate future contamination. We are not currently aware of any facts, events or conditions relating to such requirements that could materially impact our consolidated results of operations or financial position.

Oil Pollution Prevention. Our operations involve the shipment of crude oil by barge through navigable waters of the United States. The Oil Pollution Act of 1990 amended the CWA to impose liability for releases of crude oil from vessels or facilities into navigable waters. If a release of crude oil to navigable waters occurred during shipment or from an oil terminal, we could be subject to liability under the Oil Pollution Act. We are not currently aware of any facts, events, or conditions related to oil spills that could materially impact our consolidated results of operations or financial position. In 1973, the EPA adopted oil pollution prevention regulations under the CWA. These oil pollution prevention regulations, as amended several times since their original adoption, require the preparation of a Spill Prevention Control and Countermeasure ("SPCC") plan for facilities engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using, or consuming crude oil and oil products, and which due to their location, could reasonably be expected to discharge oil in harmful quantities

into or upon the navigable waters of the United States. SPCC requirements under the CWA require appropriate containment berms and similar structures to help prevent the discharge of pollutants into regulated waters in the event of a crude oil or other constituent tank spill, rupture or leak. The owner or operator of an SPCC-regulated facility is required to prepare a written, site-specific spill prevention plan, which details how a facility's operations comply with the requirements. To be in compliance, the facility's SPCC plan must satisfy all of the applicable requirements for drainage, bulk storage tanks, tank car and truck loading and unloading, transfer operations (intra-facility piping), inspections and records, security, and training. Most importantly, the facility must fully implement the SPCC plan and train personnel in its execution. Where applicable, we strive to maintain and implement SPCC plans for our facilities.

Air Emissions. Our operations are subject to the CAA and comparable state and local laws and regulations, which regulate emissions of air pollutants from various industrial sources and mandate certain permitting, monitoring, recordkeeping and reporting requirements. The CAA and its implementing regulations may require that we obtain permits prior to the construction, modification or operation of certain projects or facilities expected to produce or increase air emissions above certain threshold levels, that we obtain and strictly comply with air permits containing emissions and operational limitations, or utilize specific emission control technologies to limit emissions, any of which could impose significant costs on our business. Violation of CAA requirements could subject us to monetary penalties, injunctions, conditions or restrictions on operations and, potentially, criminal enforcement actions. Furthermore, we may make certain future capital expenditures for air pollution control equipment in connection with obtaining and maintaining operating permits and approvals for air emissions.

Water Discharges. The CWA and analogous state laws impose restrictions and strict controls regarding the discharge of pollutants into state waters as well as navigable waters, defined as waters of the United States ("WOTUS"), and impose requirements affecting our ability to conduct construction activities in waters and wetlands. Certain state regulations and the general permits issued under the CWA's National Pollutant Discharge Elimination System program prohibit the discharge of pollutants and chemicals. The federal SPCC program requires appropriate containment berms and similar structures to help prevent the contamination of regulated waters in the event of a crude oil or other constituent tank spill, rupture or leak. The CWA prohibits the placement of dredge or fill material in wetlands or other WOTUS unless authorized by a permit issued by the U.S. Army Corps of Engineers ("Corps") or a delegated state agency pursuant to Section 404. In addition, the CWA and analogous state laws require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. We maintain a number of discharge permits, some of which may require us to monitor and sample storm water runoff from such facilities. Some states also maintain groundwater protection programs that require permits for discharges or operations that may impact groundwater conditions. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the CWA and analogous state laws and regulations.

Underground Injection Control. The underground injection of crude oil and natural gas wastes is regulated by the Underground Injection Control Program, as authorized by the Safe Drinking Water Act, as well as by state programs focused on the conservation of hydrocarbon resources. The primary objective of injection well operating requirements is to ensure the mechanical integrity of the injection apparatus and to prevent migration of fluid from the injection zone into underground sources of drinking water, as well as to prevent communication between injected fluids and zones capable of producing hydrocarbons. The Safe Drinking Water Act establishes requirements for permitting, testing, monitoring, record keeping, and reporting of injection well activities, as well as a prohibition against the migration of fluid containing any contaminant into underground sources of drinking water. Any leakage from the subsurface portions of the injection wells could cause degradation of fresh groundwater resources, potentially resulting in suspension of our underground injection control ("UIC") permits, issuance of fines and penalties from governmental agencies, incurrence of expenditures for remediation of the affected resource and imposition of liability by third parties for property damages and personal injuries.

Under the auspices of the federal UIC program as implemented by states with UIC primacy, regulators, particularly at the state level, are becoming increasingly sensitive to possible correlations between underground injection and seismic activity. Consequently, state regulators implementing both the federal UIC program and state corollaries are heavily scrutinizing the location of injection facilities relative to faulting and are limiting both the density or injection facilities as well as the rate and volume of injection.

Hydraulic Fracturing. Hydraulic fracturing involves the injection of water, sand, and chemicals under pressure into the formation to stimulate oil and gas production. We do not conduct any hydraulic fracturing activities. However, a portion of our customers' crude oil and natural gas production is developed from unconventional sources that require hydraulic fracturing as part of the completion process, and our Water Solutions business treats and disposes of produced water generated from crude oil and natural gas production, including production employing hydraulic fracturing. Legislation to amend the Safe Drinking Water Act to repeal the exemption for hydraulic fracturing from the definition of underground injection and require federal permitting and regulatory control of hydraulic fracturing, as well as legislative proposals to require disclosure of the chemical

constituents of the fluids used in the fracturing process, have been proposed in recent sessions of Congress. Congress will likely continue to consider legislation to amend the Safe Drinking Water Act to subject hydraulic fracturing operations to regulation under the Act's UIC program and/or require disclosure of chemicals used in the hydraulic fracturing process. Federal agencies, including the EPA and the United States Department of the Interior, have asserted their regulatory authority to, for example, study the potential impacts of hydraulic fracturing on the environment, and initiate rulemakings to compel disclosure of the chemicals used in hydraulic fracturing operations, and establish pretreatment standards and effluent limitation guidelines for produced water from hydraulic fracturing operations. In addition, some states and local governments have also proposed or adopted legislative or regulatory restrictions on hydraulic fracturing, which include additional permit requirements, public disclosure of fracturing fluid contents, operational restrictions, and/or temporary or permanent bans on hydraulic fracturing. We expect that scrutiny of hydraulic fracturing activities will continue in the future.

Greenhouse Gas Regulation

There is a growing concern, both nationally and internationally, about climate change and the contribution of greenhouse gas ("GHG") emissions, most notably methane and carbon dioxide, to climate change. This growing concern has resulted in a steady stream of legislation considered by Congress to address climate change through a variety of mechanisms, including carbon taxes and carbon cap-and-trade programs. For example, in February 2021, the Climate Emergency Act of 2021 was introduced in the House of Representative by Rep. Earl Blumenauer (D-OR) as H.R. 795 and in the Senate by Sen. Bernie Sanders (I-VT), which would require the President of the United States to declare a national climate emergency and take various actions to address climate change. The ultimate outcome of any possible future federal legislative initiatives is uncertain. In addition, several states have already adopted legal measures to reduce emissions of GHGs, primarily through the planned development of GHG emission inventories and/or regional GHG cap-and-trade programs.

On December 15, 2009, the EPA published its findings that emissions of carbon dioxide, methane and other GHGs present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the earth's atmosphere and other climatic changes. These findings allowed the EPA to adopt and implement regulations to restrict emissions of GHGs under existing provisions of the CAA. During the Obama Administration, the EPA finalized three rules that regulate GHG emissions from certain sources in the oil and natural gas industry, including New Source Performance Standards for the Oil and Natural Gas Sector ("GHG NSPS"), which became effective on August 2, 2016. During the Trump Administration, rulemaking was undertaken resulting in a substantial relaxation in the GHG NSPS's requirements, including those relating to fugitive emissions, pneumatic pump standards, and closed vent system certification, among other things, which were finalized on August 13, 2020. The Biden Administration announced its intention to review the revisions to the GHG NSPS in President Biden's January 20, 2021 *Executive Order on Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis*. On November 15, 2021, the EPA issued a proposal to revise the GHG NSPS regulations that, if finalized, would require methane emissions reductions and implementation of a fugitive emissions monitoring and repair program. The public comment period closed on January 31, 2022, and the EPA has announced its intention to issue a supplemental proposal in 2022 that may expand on or modify the 2021 proposal in response to public input. If these regulations are finalized or other future GHG regulations are more stringent, it could require us to incur costs to reduce emissions of GHGs associated with our operations and also could adversely affect demand for the products that we transport, store, process, or otherwise handle in connection with our services.

Some scientists have suggested climate change could increase the severity of extreme weather, such as increased hurricanes and floods, which could damage our facilities. Another possible consequence of climate change is increased volatility in seasonal temperatures. The market for our natural gas liquids is generally improved by periods of colder weather and impaired by periods of warmer weather, so any changes in climate could affect the market for our products and services. If there is an overall trend of warmer temperatures, it would be expected to have an adverse effect on our business.

Because propane is considered a clean alternative fuel under the CAA, new climate change regulations may provide us with a competitive advantage over other sources of energy, such as fuel oil and coal.

The trend of more expansive and stringent environmental legislation and regulations, including GHG regulation, could continue, resulting in increased costs of conducting business and consequently affecting our profitability. To the extent laws are enacted or other governmental action is taken that restricts certain aspects of our business or imposes more stringent and costly operating, waste handling, disposal and cleanup requirements, our business and prospects could be adversely affected.

Safety and Transportation

All states in which we operate have adopted fire safety codes that regulate the storage and distribution of propane and distillates. In some states, state agencies administer these laws, while in other states, municipalities administer these laws. We

conduct training programs to help ensure that our operations comply with applicable governmental regulations. With respect to general operations, each state in which we operate adopts National Fire Protection Association, Pamphlet Nos. 54 and 58, or comparable regulations, which establish rules and procedures governing the safe handling of propane, and Pamphlet Nos. 30, 30A, 31, 385, and 395 which establish rules and procedures governing the safe handling of distillates, such as fuel oil. We believe that the policies and procedures currently in effect at all of our facilities for the handling, storage and distribution of propane and distillates and related service and installation operations are consistent with industry standards and are in compliance in all material respects with applicable environmental, health and safety laws.

With respect to the transportation of propane, distillates, crude oil, and water, we are subject to regulations promulgated under federal legislation, including the Federal Motor Carrier Safety Act and the Homeland Security Act of 2002. Regulations under these statutes cover the security and transportation of hazardous materials and are administered by the United States Department of Transportation ("DOT"). Specifically, crude oil pipelines are subject to regulation by the DOT, through the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), under the Hazardous Liquid Pipeline Safety Act of 1979 ("HLPSA"), which requires PHMSA to develop, prescribe, and enforce minimum federal safety standards for the storage and transportation of hazardous liquids and comparable state statutes with respect to design, installation, testing, construction, operation, replacement and management of pipeline facilities. HLPSA covers petroleum and petroleum products and requires any entity that owns or operates pipeline facilities to comply with such regulations, to permit access to and copying of records and to file certain reports and provide information as required by the United States Secretary of Transportation. These regulations include potential fines and penalties for violations.

The Pipeline Safety Act of 1992 added the environment to the list of statutory factors that must be considered in establishing safety standards for hazardous liquid pipelines, established safety standards for certain "regulated gathering lines," and mandated that regulations be issued to establish criteria for operators to use in identifying and inspecting pipelines located in high consequence areas ("HCAs"), defined as those areas that are unusually sensitive to environmental damage, that cross a navigable waterway, or that have a high population density. In the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006, Congress required mandatory inspections for certain United States crude oil and natural gas transmission pipelines in HCAs and mandated that regulations be issued for low-stress hazardous liquid pipelines and pipeline control room management. In January 2012, the federal government passed the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (the "2011 Pipeline Safety Act"). This act provides for additional regulatory oversight of the nation's pipelines, increases the penalties for violations of pipeline safety rules, and complements the DOT's other initiatives. The 2011 Pipeline Safety Act increased the maximum fine for the most serious pipeline safety violations involving deaths, injuries or major environmental harm from $1 million to $2 million. In addition, this law established additional safety requirements for newly constructed pipelines. The law also provides for (i) additional pipeline damage prevention measures; (ii) allowing the Secretary of Transportation to require automatic and remote-controlled shut-off valves on new pipelines; (iii) requiring the Secretary of Transportation to evaluate the effectiveness of expanding pipeline integrity management and leak detection requirements; (iv) improving the way the DOT and pipeline operators provide information to the public and emergency responders; and (v) reforming the process by which pipeline operators notify federal, state and local officials of pipeline accidents. In recent years, Congress has strengthened PHMSA's safety authority and repeatedly extended it, most recently in the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020.

Railcar Regulation

We transport a significant portion of our natural gas liquids, crude oil and biodiesel via rail transportation, and we own and/or lease a fleet of crude oil, high-pressure and general purpose railcars for this purpose. Our railcar operations are subject to the regulatory jurisdiction of the Federal Railroad Administration of the DOT, as well as other federal and state regulatory agencies.

The adoption of additional federal, state or local laws or regulations, including any voluntary measures by the rail industry regarding railcar design or transport activities, or efforts by local communities to restrict or limit rail traffic, could similarly affect our business by increasing compliance costs and decreasing demand for our services, which could adversely affect our financial position and cash flows.

Occupational Health Regulations

The workplaces associated with our manufacturing, processing, terminal, disposal, storage and distribution facilities are subject to the requirements of the federal Occupational Safety and Health Act ("OSHA") and comparable state statutes. We believe we have conducted our operations in substantial compliance with OSHA requirements, including general industry standards, record keeping requirements and monitoring of occupational exposure to regulated substances. Our marine vessel operations are also subject to safety and operational standards established and monitored by the United States Coast Guard. In

general, we expect to increase our expenditures relating to compliance with likely higher industry and regulatory safety standards such as those described above. However, these expenditures cannot be accurately estimated at this time, but we do not expect compliance with these standards to have a material adverse effect on our business.

Available Information on our Website

Our website address is www.nglenergypartners.com. We make available on our website, free of charge, the periodic reports that we file with or furnish to the Securities and Exchange Commission ("SEC"), as well as all amendments to these reports, as soon as reasonably practicable after such reports are filed with or furnished to the SEC. The information contained on, or connected to, our website is not incorporated by reference into this Annual Report and should not be considered part of this or any other report that we file with or furnish to the SEC.

In addition, the SEC maintains an internet site (www.sec.gov) that contains reports, proxy and information statements and other information related to issuers that file electronically with the SEC.

Item 1A. Risk Factors

The nature of our business activities subjects us to a wide variety of hazards and risks. The following is a summary and a description of the material risks relating to our business activities that we have identified. In addition to the factors discussed elsewhere in this Annual Report, you should carefully consider the risks and uncertainties described below, which could have a material adverse effect on our business, financial condition or results of operations, including our ability to generate cash to fund our operations, repay indebtedness and pay distributions. You should also consider the interrelationship and potential compounding effects if multiple risks are realized. These risks are not the only risks that we face. Our business could be impacted by additional risks and uncertainties not currently known or that we currently believe to be immaterial.

Risk Factor Summary

Risks Related to Liquidity and Financing

- We may not have sufficient cash, which depends on cash flow rather than profitability, to enable us to fund our operations, repay indebtedness or pay distributions.
- Our substantial indebtedness and restrictions contained in our debt and preferred unit agreements may limit our flexibility to obtain financing to pursue other business opportunities and restrict our current and future operations.
- Increasing interest rates could impact our financing costs, common unit price, distributions on our Class B Preferred Units (as defined herein) and Class C Preferred Units (as defined herein) and our ability to issue equity and incur debt.

Risks Related to the Operations of Our Business

- Our dependence on the ability and willingness of other parties to explore for and produce crude oil and natural gas.
- Declining demand for hydrocarbons, commodity prices and production volumes, inventory risk, the availability of transportation and storage capacity, and increased transportation and leasing costs.
- Competition from other midstream, transportation, and terminaling and storage companies.
- Interruption of service at our principal storage facilities or on common carrier pipelines or railroads.
- Fees charged to customers for products and services may not cover increases in costs.
- Risk management procedures and the use of derivative financial instruments.
- Reduced demand for our products due to energy efficiency, new technologies and alternative energy sources.
- Seasonal weather conditions, including warm winter weather, natural or man-made disasters, pandemics, terrorism and political unrest.
- Our ability to successfully complete, integrate and operate accretive acquisitions and organic growth projects.
- Constructing new transportation systems and facilities subjects us to construction risks.
- Opposition from various groups to the operation of our pipelines and facilities.
- Our dependence on the leadership, involvement and retention of key and qualified personnel.

Risks Related to Regulatory Compliance

- Impact of executive orders and federal, state, provincial and local laws and regulations with respect to environmental, including climate change, safety and other regulatory matters, including initiatives relating to our hydraulic fracturing customers and saltwater disposal wells.
- FERC jurisdiction over our current and potential future operations.
- Governmental regulation and other legal obligations related to privacy, data protection, and data security.
- Regulations related to cross-border operations.

Risks Related to Our Partnership Structure and in an Investment in Us

- Our partnership agreement limits the fiduciary duties of our general partner to our unitholders and restricts the remedies available to our unitholders.
- Conflicts of interest by our general partner and its affiliates.
- Our unitholders have limited voting rights.
- Control of our general partner or the IDRs (as defined herein) may be transferred to a third party.
- Our general partner has a limited call right that may require our unitholders to sell their common units at an undesirable time or price.
- Our partnership agreement requires that we distribute all of our available cash.
- We may issue additional units without the approval of our unitholders.
- Our general partner may elect to cause us to issue common units while also maintaining its general partner interest in connection with a resetting of the target distribution levels related to its IDRs.
- Our unitholders liability may not be limited if a court finds that unitholder action constitutes control of our business.
- Our unitholders may have liability to repay distributions that were wrongfully distributed to them.
- The Preferred Units (as defined herein) give the holders thereof liquidation and distribution preferences over our common unitholders.
- The issuance of common units upon exercise of certain warrants would cause dilution to existing common unitholders.

Tax Risks to Our Unitholders

- Our tax treatment depends on our status as a partnership for federal income tax purposes.
- Our unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.
- Additional entity-level taxation by individual states.
- The tax treatment of publicly traded partnerships could be subject to potential changes or interpretations.
- The IRS (as defined herein) may challenge certain income tax positions, methodologies or treatments that we have taken, and pursuant to the Bipartisan Budget Act of 2015, may make audit adjustments to our income tax returns for tax years beginning after 2017.
- Our unitholders will be required to pay taxes on their share of our income even if they do not receive any cash distributions from us.
- Certain action we take, such as issuing additional units, may increase a unitholder’s tax liability.
- Tax gain or loss on the disposition of our common units could be more or less than expected.
- Tax exempt entities and non-United States persons owning our common units face unique tax issues.
- We have subsidiaries that are treated as corporations for federal income tax purposes and subject to corporate level income taxes.
- A unitholder whose units are loaned to a “short seller” to effect a short sale of units may be considered as having disposed of those common units.
- There are limits on the deductibility of our losses that may adversely affect our unitholders.
- Purchasers of our common units may become subject to state and local taxes and return filing requirements in jurisdictions where we operate or own or acquire properties.
- Treatment of distributions on our Preferred Units as guaranteed payments for the use of capital creates a different tax treatment for the holders of Preferred Units than the holders of our common units.

General Risks

- The default by significant customers and counterparties or the loss of one or more significant customers.
- Failure to maintain an effective system of internal control, including internal control over financial reporting.
- Product liability claims and litigation.
- A failure in our operational systems or cyber security attacks on any of our facilities, or those of third parties.

Risks Related to Liquidity and Financing

We may not have sufficient cash to enable us to fund our operations, repay indebtedness or pay distributions to our unitholders following the establishment of cash reserves by our general partner and the payment of costs and expenses, including reimbursement of expenses to our general partner.

We may not have sufficient cash to enable us to fund our operations, repay indebtedness or pay distributions. The distribution to our common unitholders may only be made from cash available for distribution after the preferred quarterly distribution to which our preferred units are entitled. The amount of cash we will have to fund our operations, repay indebtedness or pay distributions principally depends on the amount of cash we generate from our operations, not profitability, which will fluctuate from quarter to quarter based on, among other things:

- the cost of crude oil, natural gas liquids, gasoline, diesel, and biodiesel that we buy for resale and whether we are able to pass along cost increases to our customers;
- the volume of produced water delivered to our processing facilities;
- disruptions in the availability of crude oil and/or natural gas liquids supply;
- our ability to renew leases for storage and railcars;
- the effectiveness of our commodity price hedging strategy;
- weather conditions across the United States;
- the level of competition from other energy providers; and
- prevailing economic conditions.

In addition, the actual amount of cash we will have available to fund our operations, repay indebtedness or pay distributions also depends on other factors, some of which are beyond our control, including:

- fluctuations in working capital needs;
- the level of capital expenditures we make;
- the cost of acquisitions, if any;
- restrictions contained in the ABL Facility and the indentures governing our outstanding 7.5% senior notes due 2023, 6.125% senior notes due 2025, 7.5% senior notes due 2026 and 2026 Senior Secured Notes (collectively, the “Indentures”) and other debt service requirements;
- restrictions contained in the agreements relating to our 9.00% Class B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (“Class B Preferred Units”), 9.625% Class C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (“Class C Preferred Units”) and 9.00% Class D Preferred Units (“Class D Preferred Units”) (collectively the “Preferred Units”);
- our ability to borrow funds and access capital markets;
- the amount, if any, of cash reserves established by our general partner; and
- other business risks discussed in this Annual Report that may affect our cash levels.

The board of directors of our general partner decided to temporarily suspend all distributions in order to deleverage our balance sheet until we meet, among other things, the 4.75 to 1.00 total leverage ratio set forth within the indenture of the 2026 Senior Secured Notes. This resulted in the suspension of the quarterly common unit distributions, which began with the quarter ended December 31, 2020, and all preferred unit distributions, which began with the quarter ended March 31, 2021.

Our substantial indebtedness may limit our flexibility to obtain financing and to pursue other business opportunities and our ability to service our debt could impact operations.

At March 31, 2022, the face amount of our long-term debt was $3.4 billion. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;
- our funds available for operations and future business opportunities will be reduced by that portion of our cash flow required to make principal and interest payments on our debt;
- lower availability under our ABL Facility caused by a higher level of borrowings on the ABL Facility could make it more likely that a reduction in our borrowing base following a periodic redetermination could require us to repay a portion of our then-outstanding ABL Facility borrowings;
- we may be more vulnerable to competitive pressures or a downturn in our business or the economy generally; and
- our flexibility in responding to changing business and economic conditions may be limited.

Our ability to service our debt will depend on, among other things, our future financial and operating performance, which will be affected by prevailing economic and weather conditions, and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our future indebtedness, we would be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets or seeking additional equity capital. We may be unable to effect any of these actions on satisfactory terms or at all. The agreements governing our indebtedness permit us to incur additional debt under certain circumstances, and we may need to incur additional debt in order to implement our growth strategy. We may experience adverse consequences from increased levels of debt.

Restrictions in the ABL Facility and Indentures could adversely affect our business, financial position, results of operations, and the value of our common units.

The ABL Facility and Indentures limit our ability to, among other things:

- incur additional debt or issue letters of credit;
- redeem or repurchase units;
- make certain loans, investments and acquisitions;
- incur certain liens or permit them to exist;
- engage in sale and leaseback transactions;
- enter into certain types of transactions with affiliates;
- enter into agreements limiting subsidiary distributions;
- change the nature of our business or enter into a substantially different business;
- merge or consolidate with another company; and
- transfer or otherwise dispose of assets.

We will be permitted to make distributions to our unitholders once we meet certain defined metrics and as long as no default or event of default exists both immediately before and after giving effect to the declaration and payment of the distribution and the distribution does not exceed available cash for the applicable quarterly period.

The provisions of the ABL Facility and Indentures may affect our ability to obtain future financing and pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. In addition, a failure to comply with the provisions of these agreements could result in a default or an event of default that could enable our lenders, subject to the terms and conditions, to declare the outstanding principal of that debt, together with accrued and unpaid interest, to be immediately due and payable. If we were unable to repay the accelerated amounts, our lenders could proceed against the collateral we granted them to secure our debts under our 2026 Senior Secured Notes and ABL Facility. If the

payment of our debt is accelerated, defaults under our other debt instruments, if any then exist, may be triggered, and our assets may be insufficient to repay such debt in full, and our unitholders could experience a partial or total loss of their investment.

The consent we entered into with the holder of a majority of our Class D Preferred Units in connection with the 2026 Senior Secured Notes will restrict our current and future operations.

In connection with the offering of the 2026 Senior Secured Notes, we were required to obtain a consent (the "Class D Preferred Consent") from the holder of the majority of our Class D Preferred Units (the "Class D Preferred Majority") to, among other things, enable us to consummate the transaction. The Class D Preferred Consent modifies certain voting and approval rights granted to the Class D Preferred Majority under our Amended and Restated Partnership Agreement. Specifically, the Class D Preferred Consent requires us to obtain the approval of the Class D Preferred Majority for:

- incurrences of indebtedness, other than (i) under the ABL Facility, (ii) the issuance of the 2026 Senior Secured Notes and (iii) certain indebtedness outstanding as of the closing of the transaction;
- acquiring or disposing of any assets with an aggregate purchase price of greater than $50.0 million during any fiscal year; and
- making investment capital expenditures or expansion capital expenditures in excess of $75.0 million in the aggregate during any fiscal year.

These approval rights supplement the existing approval rights in our Amended and Restated Partnership Agreement for the Class D Preferred Majority. They became effective upon the closing of the transaction and will remain in effect until we are no longer in arrears on the Class D Preferred Unit distributions. Because the 2026 Senior Secured Notes and the ABL Facility will restrict our ability to pay distributions on our Class D Preferred Unit distributions until we meet certain defined metrics, we cannot predict when such actions will no longer be subject to the approval of the Class D Preferred Consent, and there is no certainty that we will be able to obtain such consent. As with other restrictions in the indenture to the 2026 Senior Secured Notes and the ABL Facility, these restrictions may affect our ability to grow in accordance with our long-term strategy.

Increasing interest rates could impact our financing costs and our common unit price, our ability to issue equity or incur debt, and our ability to make cash distributions at our intended levels.

Interest rates may increase in the future. As a result, interest rates on our existing and future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. We also have exposure to increases in interest rates through variable rate provisions of our Class B Preferred Units and Class C Preferred Units. In addition, the distribution rates on our Class B Preferred Units and Class C Preferred Units convert from fixed rates to floating rates, beginning on and after July 1, 2022, and on and after April 15, 2024, respectively. Our results of operations, cash flows and financial position could be materially adversely affected by significant changes in interest rates.

Moreover, the market price of our common units, like with other yield-oriented securities, may be impacted by our level of cash distributions and implied distribution yield. The distribution yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. Therefore, increases or decreases in interest rates may affect the yield requirements of investors who invest in our common units. A rising interest rate environment could have an adverse impact on our common unit price and our ability to issue equity or incur debt for acquisitions or other purposes and could affect our ability to make payments on our debt obligations and cash distributions at our intended levels.

Risks Related to the Operations of Our Business

Our business depends on the availability of crude oil, natural gas liquids, and refined products in the United States and Canada, which is dependent on the ability and willingness of other parties to explore for and produce crude oil and natural gas. Spending on crude oil and natural gas exploration and production may be adversely affected by industry and financial market conditions that are beyond our control.

Our business depends on domestic spending by the oil and natural gas industry, and this spending and our business have been, and may continue to be, adversely affected by industry and financial market conditions and existing or new regulations, such as those related to environmental matters, that are beyond our control.

We depend on the ability and willingness of other entities to make operating and capital expenditures to explore for, develop, and produce crude oil and natural gas in the United States and Canada, and to extract natural gas liquids from natural gas, as well as the availability of necessary pipeline transportation and storage capacity. Customers' expectations of lower

market prices for crude oil and natural gas, as well as the availability of capital for operating and capital expenditures, may cause them to curtail spending, thereby reducing business opportunities and demand for our services and equipment. Actual market conditions and producers' expectations of market conditions for crude oil and natural gas liquids may also cause producers to curtail spending, thereby reducing business opportunities and demand for our services.

Industry conditions are influenced by numerous factors over which we have no control, such as the availability of commercially viable geographic areas in which to explore and produce crude oil and natural gas, the availability of liquids-rich natural gas needed to produce natural gas liquids, the supply of and demand for crude oil and natural gas, environmental restrictions on the exploration and production of crude oil and natural gas, such as existing and proposed regulation of hydraulic fracturing, domestic and worldwide economic conditions, political instability in crude oil and natural gas producing countries and merger and divestiture activity among our current or potential customers. The volatility of the oil and natural gas industry and the resulting impact on exploration and production activity could adversely impact the level of drilling activity. This reduction may cause a decline in business opportunities or the demand for our services, or adversely affect the price of our services. Reduced discovery rates of new crude oil and natural gas reserves in our market areas also may have a negative long-term impact on our business, even in an environment of stronger crude oil and natural gas prices, to the extent existing production is not replaced.

The crude oil and natural gas production industry tends to run in cycles and may, at any time, cycle into a downturn; if that occurs, the rate at which it returns to former levels, if ever, will be uncertain. Prior adverse changes in the global economic environment and capital markets and declines in prices for crude oil and natural gas have caused many customers to reduce capital budgets for future periods and have caused decreased demand for crude oil and natural gas. Limitations on the availability of capital, or higher costs of capital, for financing expenditures have caused and may continue to cause customers to make additional reductions to capital budgets in the future even if commodity prices increase from current levels. These cuts in spending may curtail drilling programs and other discretionary spending, which could result in a reduction in business opportunities and demand for our services, the rates we can charge and our utilization. In addition, certain of our customers could become unable to pay their suppliers, including us. Any of these conditions or events could materially and adversely affect our consolidated results of operations and in addition to impacting our business, financial condition and results of operations could require us to incur impairment charges against the associated assets or the write down of our goodwill.

Declining crude oil prices and crude production volumes could adversely impact our Water Solutions and Crude Oil Logistics segments.

The volume of water we process and crude oil we transport is driven in large part by the level of crude oil production in the areas in which we operate. Lower crude oil prices provide the producers with less incentive to spend on capital expenditures, which results in fewer drilling rigs and lower amounts of crude oil production, which negatively impacts our crude oil transportation and produced water disposal volumes. In addition, a portion of our profitability in our Water Solutions business is generated from the sale of crude oil that we recover when processing produced water, and lower crude oil prices have an adverse impact on these sales if not hedged. A decline in crude oil prices or a prolonged period of low crude oil prices could have an adverse effect on our businesses.

Our profitability could be negatively impacted by price and inventory risk related to our business.

The Crude Oil Logistics and Liquids Logistics segments are "margin-based" businesses in which our realized margins depend on the differential of sales prices over our total supply costs. Our profitability is therefore sensitive to changes in product prices caused by changes in supply, pipeline transportation and storage capacity or other market conditions.

Generally, we attempt to maintain an inventory position that is substantially balanced between our purchases and sales, including our future delivery obligations. We attempt to obtain a certain margin for our purchases by selling our product to our customers, which include third-party consumers, other wholesalers and retailers, and others. However, market, weather or other conditions beyond our control may disrupt our expected supply of product, and we may be required to obtain supply at increased prices that cannot be passed through to our customers. In general, product supply contracts permit suppliers to charge posted prices at the time of delivery or the current prices established at major storage points, creating the potential for sudden and drastic price fluctuations. Sudden and extended wholesale price increases could reduce our margins. Conversely, a prolonged decline in product prices could potentially result in a reduction of the borrowing base under the ABL Facility, and we could be required to liquidate inventory that we have already presold.

One of the strategies of our Liquids Logistics segment is to purchase refined products in the Gulf Coast and West Coast and transport the product on third-party pipelines for sale in the Southwest. We are subject to the risk of a price decline between the time we purchase refined products and the time we sell the products. We seek to mitigate this risk by entering into

NYMEX futures contracts. However, price changes in locations where we operate do not correspond directly with changes in prices in the NYMEX futures market, and as a result these futures contracts cannot be perfect hedges of our commodity price risk.

We are affected by competition from other midstream, transportation, and terminaling and storage companies, some of which are larger, more firmly established and may have greater resources than we do.

We experience competition in all of our segments. In our Liquids Logistics segment, we compete for natural gas liquids supplies and also for customers for our services. Our competitors include major integrated oil companies, other midstream or wholesale marketing companies, interstate and intrastate pipelines and companies that gather, compress, treat, process, transport, store and market natural gas. Our natural gas liquids terminals compete with other terminaling and storage providers in the transportation and storage of natural gas liquids. Natural gas and natural gas liquids also compete with other forms of energy, including electricity, coal, fuel oil and renewable or alternative energy. Our Liquids Logistics segment is also seeing increased competition for supply from international markets. We also face significant competition for refined products supplies and customers for those services.

Our Crude Oil Logistics segment faces significant competition for crude oil supplies and customers for our services. These operations also face competition from transportation companies for incremental and marginal volumes in the areas we serve. Further, our crude oil terminals compete with terminals owned by integrated petroleum companies, refining and marketing companies, independent terminal companies and distribution companies with marketing and trading operations.

Our Water Solutions segment is in direct and indirect competition with other businesses, including disposal and other produced water treatment businesses.

We can make no assurance that we will compete successfully in each of our lines of business. If a competitor attempts to increase market share by reducing prices, we may lose customers, which could reduce our revenues.

Our business would be adversely affected if service at our principal storage facilities or on common carrier pipelines or railroads we use is interrupted.

We use third-party common carrier pipelines to transport our products and we use third-party facilities to store our products. Any significant interruption in the service at these storage facilities or on common carrier pipelines we use would adversely affect our ability to obtain and deliver products. We transport natural gas liquids and biodiesel by railcar. We do not own or operate the railroads on which these railcars are transported. Any disruptions in the operations of these railroads could adversely impact our ability to deliver product to our customers.

We lease certain facilities and equipment and therefore are subject to the possibility of increased costs to retain necessary land and equipment use.

We do not own all of the land on which our facilities are located, and we are therefore subject to the possibility of more onerous terms and/or increased costs to retain necessary land use if we do not have valid rights-of-way or if our facilities are not properly located within the boundaries of such rights-of-way. Additionally, our loss of rights, through our inability to renew right-of-way contracts or otherwise, could materially and adversely affect our business, consolidated results of operations and financial position.

Additionally, certain facilities and equipment (or parts thereof) used by us are leased from third parties for specific periods, including many of our railcars. Our inability to renew facility or equipment leases or otherwise maintain the right to utilize such facilities and equipment on acceptable terms, or the increased costs to maintain such rights, could have a material and adverse effect on our consolidated results of operations and cash flows.

Our operations depend on various forms of storage and transportation for receipt and delivery of crude oil, natural gas liquids and refined products.

We own natural gas liquids and crude oil terminals and lease storage capacity from third-party natural gas liquids and refined product terminals. The facilities depend on pipelines, railroads, truck transports, and storage systems that are owned and operated by third parties. Any interruption of service at the terminals, or on pipeline, railroad or lateral connections or adverse change in the terms and conditions of services could have a material adverse effect on our ability, and the ability of our customers, to transport product to and from our facilities and have a corresponding material adverse effect on our revenues. In addition, the rates charged by the interconnected pipelines for transportation to and from our facilities impact the utilization and

value of our terminals. We have historically been able to pass through the costs of pipeline transportation to our customers. However, if competing pipelines do not have similar annual tariff increases or service fee adjustments, such increases could affect our ability to compete, thereby adversely affecting our revenues.

The fees charged to customers under our agreements with them for the transportation and sale of crude oil, condensate, natural gas liquids, gasoline, diesel, and biodiesel and the disposal of produced water may not escalate sufficiently to cover increases in costs and the agreements may be suspended in some circumstances, which would affect our profitability.

Our costs may increase more rapidly than the fees that we charge to customers pursuant to our contracts with them. Additionally, some customers' obligations under their agreements with us may be permanently or temporarily reduced upon the occurrence of certain events, some of which are beyond our control, including force majeure events wherein the production of or the supply of crude oil, condensate, and/or natural gas liquids are curtailed or cut off. Force majeure events include (but are not limited to) revolutions, wars, acts of enemies, embargoes, import or export restrictions, strikes, lockouts, fires, storms, floods, acts of God, explosions, mechanical or physical failures of our equipment or facilities of our customers. If the escalation of fees is insufficient to cover increased costs, or if any customer suspends or terminates its contracts with us, our profitability could be materially and adversely affected.

Risk management procedures, including the use of financial derivative contracts, cannot eliminate all commodity price risk, basis risk, or risk of adverse market conditions which can adversely affect our financial position and results of operations. In addition, any non-compliance with our risk policy could result in significant financial losses.

Pursuant to the requirements of our market risk policy, we attempt to lock in a margin for a portion of the commodities we purchase by selling such commodities for physical delivery to our customers, such as independent refiners or major oil companies, or by entering into future delivery obligations under contracts for forward sale. We also enter into financial derivative contracts, such as futures, to protect against commodity price risk and, as a component of our overall business strategy, we may increase or decrease from time to time our use of such financial derivative contracts in the future. Our use of such financial derivative contracts could cause us to forego the economic benefits we would otherwise realize if commodity prices or interest rates were to change in our favor. Through these transactions, we seek to maintain a position that is substantially balanced between purchases on the one hand, and sales or future delivery obligations on the other hand. These policies and practices cannot, however, eliminate all risks. Although we monitor such activities in our risk management processes and procedures, such activities could result in losses, which could adversely affect our consolidated results of operations and impair our ability to make payments on our debt obligations or distributions to our unitholders. For example, any event that disrupts our anticipated physical supply of commodities could expose us to risk of loss resulting from the need to cover obligations required under contracts for forward sale.

Basis risk describes the inherent market price risk created when a commodity of a certain grade or location is purchased, sold or exchanged as compared to a purchase, sale or exchange of a like commodity at a different time or place. Transportation costs and timing differentials are components of timing risk. In a backwardated market (when prices for future deliveries are lower than current prices), timing risk is created. In these instances, physical inventory generally loses value as the price of such physical inventory declines over time. Timing risk cannot be entirely eliminated, and basis exposure, particularly in backwardated or other adverse market conditions, can adversely affect our consolidated financial position and results of operations.

Competition from alternative energy sources, energy efficiency and new technology may reduce the demand for propane and adversely affect our operating results.

Propane competes with other sources of energy, some of which are less costly for equivalent energy value. Competition from alternative energy sources, including electricity, natural gas and renewables, has increased from reduced regulation of many utilities. The gradual expansion of the nation's natural gas distribution systems has resulted in natural gas being available in areas that previously depended on propane. In addition, the national trend toward increased conservation and technological advances, such as installation of improved insulation and the development of more efficient furnaces and other appliances, has adversely affected the demand for propane. Future expansion of alternative energy sources, conservation measures or technological advances in appliance efficiency, power generation or other devices may reduce demand for propane and cause us to lose customers.

We cannot predict the effect that development of alternative energy sources, increased conservation or new technology may have on our operations, including whether subsidies of alternative energy sources by local, state, and federal governments might be expanded, or what impact this might have on the supply of or the demand for crude oil, natural gas, and natural gas liquids.

Reduced demand for refined products could have an adverse effect on our results of operations.

Any sustained decrease in demand for refined products in the markets we serve could reduce our cash flow. Factors that could lead to a decrease in market demand include:

- a recession, rising inflation, or other adverse economic condition that results in lower spending by consumers on gasoline, diesel, and travel;
- higher fuel taxes or other governmental or regulatory actions that increase, directly or indirectly, the cost of gasoline;
- an increase in automotive engine fuel economy, whether as a result of a shift by consumers to more fuel-efficient vehicles or technological advances by manufacturers;
- an increase in the market price of crude oil that leads to higher refined product prices, which may reduce demand for refined products and drive demand for alternative products; and
- the increased use of alternative fuel sources, such as battery-powered engines.

Seasonal weather conditions and natural or man-made disasters could severely disrupt normal operations and have an adverse effect on our business, financial position and results of operations.

We operate in various locations across the United States and Canada which may be adversely affected by seasonal weather conditions and natural or man-made disasters. During periods of heavy snow, ice, rain or extreme weather conditions such as high winds, tornados and hurricanes or after other natural disasters such as earthquakes or wildfires, we may be unable to move our trucks or railcars between locations and our facilities may be damaged, thereby reducing our ability to provide services and generate revenues. In addition, hurricanes or other severe weather in the Gulf Coast region could seriously disrupt the supply of products and cause serious shortages in various areas, including the areas in which we operate. These same conditions may cause serious damage or destruction to homes, business structures and the operations of customers. Such disruptions could potentially have a material adverse impact on our business, consolidated financial position, results of operations and cash flows.

Weather conditions, including warm winters or dry or warm weather in the harvest season, may reduce the demand for propane, which could have a material adverse effect on our results of operations, cash flows, financial condition or liquidity.

Weather conditions have a significant impact on the demand for propane for heating and agriculture purposes. Accordingly, our sales volumes of propane are highest during the five-month winter-heating season of November through March and are directly affected by the temperatures during these months. Actual weather conditions can vary substantially from year to year, which may significantly affect our financial performance or condition. Furthermore, variations in weather in one or more regions in which we operate can significantly affect our total propane sales volume and therefore our financial performance or condition. The agricultural demand for propane is affected by weather, as dry or warm weather during the harvest season may reduce the demand for propane used in some crop drying applications.

The widespread outbreak pandemics (like COVID-19) or any other public health crises that impacts the global demand for energy commodities may have material adverse effects on our business, financial position, results or operations and/or cash flows.

We face risks related to the outbreak of illnesses, pandemics and other public health crises that are outside of our control and could significantly disrupt our operations and adversely affect our financial condition. For example, the global spread of COVID-19 has caused business disruption, including disruption to the oil and gas industry. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, reduced global demand for oil and gas, and created significant volatility and disruption of the financial and commodity markets. The full extent of the impact of a pandemic on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected time frame, is uncertain and depends on various factors, including the demand for natural gas liquids, crude oil and refined products (including the impact that reductions in travel, manufacturing and consumer product demand have had and will have on the demand for energy commodities), produced water disposal services and the availability of personnel, equipment and services critical to our ability to operate our assets and the impact of potential governmental restrictions on travel, transportation and operations.

The degree to which the COVID-19 pandemic or any other public health crisis adversely impacts our results will also depend on future developments, which are highly uncertain and cannot be predicted. These developments include, but are not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, its impact on the economy and market conditions, and how quickly and to what extent normal economic and operating conditions can resume. Therefore, while we expect this matter will continue to disrupt our operations in some way, the degree of the adverse financial impact cannot be reasonably estimated at this time.

Our future financial performance and growth may be limited by our ability to successfully complete accretive acquisitions on economically acceptable terms.

Our ability to complete accretive acquisitions on economically acceptable terms may be limited by various factors, including, but not limited to:

- increased competition for attractive acquisitions;
- covenants in the ABL Facility and Indentures that limit the amount and types of indebtedness that we may incur to finance acquisitions;
- the approval of the Class D Preferred Majority;
- lack of available cash or external capital or limitations on our ability to issue equity to pay for acquisitions; and
- possible unwillingness of prospective sellers to accept our common units as consideration and the potential dilutive effect to our existing unitholders caused by an issuance of common units in an acquisition.

There can be no assurance that we will identify attractive acquisition candidates in the future, that we will be able to acquire such businesses on economically acceptable terms, that any acquisitions will not be dilutive to earnings and distributions. Furthermore, if we consummate any future acquisitions, our capitalization and results of operations may change significantly, and unitholders will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of these funds and other resources.

We may be subject to substantial risks in connection with the integration and operation of acquired businesses, in particular, those businesses with operations that are distinct and separate from our existing operations.

Any acquisitions we make in pursuit of our growth strategy are subject to potential risks, including, but not limited to:

- the inability to successfully integrate the operations of recently acquired businesses;
- the assumption of known or unknown liabilities, including environmental liabilities;
- limitations on rights to indemnity from the seller;
- mistaken assumptions about the overall costs of equity, debt or synergies;
- mistaken assumptions about sales volume, margin or operational expenses;
- unforeseen difficulties operating in new geographic areas or in new business segments;
- the diversion of management’s and employees’ attention from other business concerns;
- customer or key employee loss from the acquired businesses; and
- a potential significant increase in our indebtedness and related interest expense.

We undertake due diligence efforts in our assessment of acquisitions, but may be unable to identify or fully plan for all issues and risks associated with a particular acquisition. Even when an issue or risk is identified, we may be unable to obtain adequate contractual protection from the seller. The realization of any of these risks could have a material adverse effect on the success of a particular acquisition or our consolidated financial position, results of operations or future growth.

As part of our growth strategy, we may expand our operations into businesses that differ from our existing operations. Integration of new businesses is a complex, costly and time-consuming process and may involve assets with which we have limited operating experience. Failure to timely and successfully integrate acquired businesses into our existing operations may have a material adverse effect on our business, consolidated financial position or results of operations. In addition to the risks set forth above, new businesses will subject us to additional business and operating risks, such as the acquisitions not being accretive to our unitholders as a result of decreased profitability, increased interest expense related to debt we incur to make

such acquisitions or an inability to successfully integrate those operations into our overall business operations. The realization of any of these risks could have a material adverse effect on our consolidated financial position or results of operations.

Growing our business by constructing new transportation systems and facilities subjects us to construction risks and risks that supplies for such systems and facilities will not be available upon completion thereof.

One of the ways we intend to grow our business is through the construction of additions to our systems and/or the construction of new terminaling, transportation, and produced water treatment facilities. These expansion projects require the expenditure of significant amounts of capital, which may exceed our resources, and involve numerous regulatory, environmental, political and legal uncertainties, including political opposition by landowners, environmental activists and others. There can be no assurance that we will complete these projects on schedule or at all or at the budgeted cost. Our revenues may not increase upon the expenditure of funds on a particular project. Moreover, we may undertake expansion projects to capture anticipated future growth in production in a region in which anticipated production growth does not materialize or for which we are unable to acquire new customers. We may also rely on estimates of proved, probable or possible reserves in our decision to undertake expansion projects, which may prove to be inaccurate. As a result, our new facilities and infrastructure may not be able to attract enough product to achieve our expected investment return, which could materially and adversely affect our consolidated results of operations and financial position.

We may face opposition to the operation of our pipelines and facilities from various groups.

We may face opposition to the operation of our pipelines and facilities from environmental groups, landowners, tribal groups, local groups and other advocates. Such opposition could take many forms, including organized protests, attempts to block or sabotage our operations, intervention in regulatory or administrative proceedings involving our assets, or lawsuits or other actions designed to prevent, disrupt or delay the operation of our assets and business. For example, repairing our pipelines often involves securing consent from individual landowners to access their property; one or more landowners may resist our efforts to make needed repairs, which could lead to an interruption in the operation of the affected pipeline or facility for a period of time that is significantly longer than would have otherwise been the case. In addition, acts of sabotage or eco-terrorism could cause significant damage or injury to people, property or the environment or lead to extended interruptions of our operations. Any such event that interrupts the revenues generated by our operations, or which causes us to make significant expenditures not covered by insurance, could reduce our cash available for paying distributions to our unitholders and, accordingly, adversely affect our financial condition and the market price of our securities.

Our business plans are based upon the assumption that societal sentiment will continue to enable, and existing regulations will stay intact for, the future development, transportation and use of hydrocarbon-based fuels. Policy decisions relating to the production, refining, transportation and sale of hydrocarbon-based fuels are subject to political pressures, the negative portrayal of the industry in which we operate by the media and others, and the influence and protests of environmental and other special interest groups. Such negative sentiment regarding the hydrocarbon energy industry could influence consumer preferences and government or regulatory actions, which could, in turn, have an adverse impact on our business.

Recently, activists concerned about the potential effects of climate change have directed their attention towards sources of funding for hydrocarbon energy companies, which has resulted in certain financial institutions, funds and other sources of capital restricting or eliminating their investment in energy-related activities. Ultimately, this could make it more difficult to secure funding for exploration and production activities or energy infrastructure related projects and ongoing operations, and consequently could both indirectly affect demand for our services and directly affect our ability to fund construction or other capital projects, as well as properly run our ongoing operations.

We depend on the leadership and involvement of key personnel for the success of our businesses, and we compete with other businesses to attract and retain qualified personnel.

We have certain key individuals in our senior management who we believe are critical to the success of our business. The loss of leadership and involvement of those key management personnel could potentially have a material adverse impact on our business and possibly on the market value of our common units. Further, we compete with other businesses to attract and retain qualified employees and a tight labor market may cause our labor costs to increase. No assurance can be given that our labor costs will not increase, or that such increases can be recovered through increased prices charged to customers.

Risks Related to Regulatory Compliance

Our sales of crude oil, condensate, natural gas liquids, gasoline, diesel, and biodiesel and related transportation and hedging activities, and our processing of produced water, expose us to potential regulatory risks.

The FTC, the FERC, and the CFTC hold statutory authority to monitor certain segments of the physical and financial energy commodity markets. With regard to our physical sales of energy commodities, and any related transportation and/or hedging activities that we undertake, we are required to observe the market-related regulations enforced by these agencies, which hold substantial enforcement authority. Our sales may also be subject to certain reporting and other requirements. Additionally, some of our operations are currently subject to FERC regulations obligating us to comply with the FERC's regulations and policies applicable to those assets and operations. Other of our operations may become subject to the FERC's jurisdiction in the future (see *"–Some of our operations are subject to the jurisdiction of the FERC and other operations may become subject in the future,"* below). Any failure on our part to comply with the FERC's regulations and policies at that time could result in the imposition of civil and criminal penalties. Failure to comply with such regulations, as interpreted and enforced, could have a material and adverse effect on our business, consolidated results of operations and financial position.

The intrastate transportation or storage of crude oil and refined products is subject to regulation by the state in which the facilities are located and transactions occur. Compliance with these state regulations could have a material and adverse effect on that portion of our business, consolidated results of operations and financial position.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") which was enacted on July 21, 2010, established federal oversight and regulation of the over-the-counter derivatives market and of entities, such as us, that participate in that market. The Dodd-Frank Act requires the CFTC and the SEC to promulgate rules and regulations implementing the Dodd-Frank Act. The Dodd-Frank Act provides for statutory and regulatory requirements for derivative transactions, including crude oil, refined and renewable products, and natural gas hedging transactions. Certain transactions will be required to be cleared on exchanges and cash collateral will have to be posted. The Dodd-Frank Act provides for a potential exemption from these clearing and cash collateral requirements for commercial end users and it includes a number of defined terms that will be used in determining how this exemption applies to particular derivative transactions and the parties to those transactions. Since the Dodd-Frank Act mandates the CFTC to promulgate rules to define these terms, the full impact of the Dodd-Frank Act on our hedging activities is uncertain at this time. The CFTC has also issued new rules, which became effective on March 15, 2021, that place limits on positions in certain core futures and equivalent swaps contracts for or linked to certain physical commodities, subject to exceptions for certain bona fide hedging transactions. We do not expect the impact of those provisions to have a material effect on us. However, new legislation and any new regulations could significantly increase the cost of derivative contracts (including through requirements to post collateral which could adversely affect our available liquidity), materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against risks that we encounter, reduce our ability to monetize or restructure our existing derivative contracts, and increase our exposure to less creditworthy counterparties. The Dodd-Frank Act may also materially affect our customers and materially and adversely affect the demand for our services.

Our business is subject to federal, state, provincial and local laws and regulations with respect to environmental, safety and other regulatory matters and the cost of compliance with, violation of or liabilities under, such laws and regulations could adversely affect our profitability.

Our operations, including those involving crude oil, condensate, natural gas liquids, refined products, renewables, and crude oil and natural gas produced water, are subject to stringent federal, state, provincial and local laws and regulations relating to the protection of natural resources and the environment, health and safety, waste management, and transportation and disposal of such products and materials. We face inherent risks of incurring significant environmental costs and liabilities due to handling of produced water and hydrocarbons, such as crude oil, condensate, natural gas liquids, gasoline, diesel, and biodiesel. For instance, our Water Solutions business carries with it environmental risks, including the risk of leakage from the treatment plants to surface or subsurface soils, surface water or groundwater, or accidental spills. Our Crude Oil Logistics and Liquids Logistics segments carry similar risks of leakage and sudden or accidental spills of crude oil, natural gas liquids, and hydrocarbons. Liability under, or violation of, environmental laws and regulations could result in, among other things, the impairment or cancellation of operations, injunctions, fines and penalties, reputational damage, expenditures for remediation and liability for natural resource damages, property damage and personal injuries.

We use various modes of transportation to carry natural gas liquids, crude oil, refined and renewable products and produced water, including trucks, railcars, barges, and pipelines, each of which is subject to regulation. With respect to transportation by truck, we are subject to regulations promulgated under federal legislation, including the Federal Motor Carrier Safety Act and the Homeland Security Act of 2002, which cover the security and transportation of hazardous materials and are

administered by the DOT. We also own and lease a fleet of railcars, the operation of which is subject to the regulatory jurisdiction of the Federal Railroad Administration of the DOT, as well as other federal and state regulatory agencies. Railcar accidents within the industry involving trains carrying crude oil from the Bakken region (none of which directly involved any of our business operations), have led to increased legislative and regulatory scrutiny over the safety of transporting crude oil by railcar. The introduction of regulations that result in new requirements addressing the type, design, specifications or construction of railcars used to transport crude oil could result in severe transportation capacity constraints during the periods in which new railcars are constructed to meet new specifications or in which the railcars already placed in service are being retrofitted. Our barge transportation operations are subject to the Jones Act, a federal law generally restricting marine transportation in the United States to vessels built and registered in the United States, and manned/owned by United States citizens, as well as setting forth the rules and regulations of the United States Coast Guard. Non-compliance with any of these regulations could result in increased costs related to the transportation of our products and could have an adverse effect on our business.

In addition, under certain environmental laws, we could be subject to strict and/or joint and several liability for the investigation, removal or remediation of previously released materials. As a result, these laws could cause us to become liable for the conduct of others, such as prior owners or operators of our facilities, or for consequences of our or our predecessor's actions, regardless of whether we were responsible for the release or if such actions were in compliance with all applicable laws at the time of those actions. Also, upon closure of certain facilities, such as at the end of their useful life, we have been and may be required to undertake environmental evaluations or cleanups.

Additionally, in order to conduct our operations, we must obtain and maintain numerous permits, approvals and other authorizations from various federal, state, provincial and local governmental authorities relating to produced water handling, discharge and disposal, air emissions, transportation and other environmental matters. These authorizations subject us to terms and conditions which may be onerous or costly to comply with, and that may require costly operational modifications to attain and maintain compliance. The renewal, amendment or modification of these permits, approvals and other authorizations may involve the imposition of even more stringent and burdensome terms and conditions with attendant higher costs and more significant effects upon our operations.

Changes in environmental laws and regulations occur frequently. New laws or regulations, changes to existing laws or regulations, such as more stringent pollution control requirements or additional safety requirements, or more stringent interpretation or enforcement of existing laws and regulations, may adversely impact us, and could result in increased operating costs and have a material and adverse effect on our activities and profitability. For example, new or proposed laws or regulations governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing of wells may increase our costs for treatment of hydraulic fracturing flowback water (or affect our hydraulic fracturing customers' ability to operate) and cause delays, interruption or termination of our water treatment operations, all of which could have a material and adverse effect on our consolidated results of operations and financial position.

Furthermore, our customers in the oil and gas production industry are subject to certain environmental laws and regulations that may impose significant costs and liabilities on them. In April 2022, the state of New Mexico adopted new air quality rules that aim to eliminate hundreds of millions of pounds of harmful emissions annually from oil and gas production in New Mexico. Compliance with these new rules is expected to begin in the summer of 2022. Any significant increased costs or restrictions placed on our customers to comply with environmental laws and regulations could affect their production output significantly. Such an effect on our customers could materially and adversely affect our utilization and profitability by reducing demand for our services. The adoption or implementation of any new regulations imposing additional reporting obligations on GHG emissions, or limiting GHG emissions from our equipment and operations, could require us to incur significant costs. As is generally understood regarding the regulatory landscape, there can be no guarantee that these or future rules affecting our operations will not have material effects on our consolidated results of operations and financial position.

Our, our customers' and our suppliers' operations are subject to a series of risks arising out of the threat of climate change that could result in increased operating costs, adversely impacting our results of operations and ability to make cash distributions to unitholders, limit the areas in which oil and natural gas production may occur, and reduce demand for the products and services we provide.

The threat of climate change continues to attract considerable attention in the United States and in foreign countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of GHGs as well as to restrict or eliminate such future emissions. As a result, our operations as well as the operations of our crude oil and natural gas exploration and production customers and

suppliers are subject to a series of regulatory, political, litigation, and financial risks associated with the production and processing of fossil fuels and emission of GHGs.

In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, following the U.S. Supreme Court finding that GHG emissions constitute a pollutant under the CAA, the EPA has adopted regulations that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, and together with the DOT, implement GHG emissions limits on vehicles manufactured for operation in the United States. The regulation of methane from oil and gas facilities has been subject to uncertainty in recent years. Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. Internationally, the United Nations-sponsored "Paris Agreement" requires member states to individually determine and submit non-binding emissions reduction targets every five years after 2020. Although the United States withdrew from the Paris Agreement on November 4, 2020, on January 20, 2021, President Biden signed executive orders recommitting the United States to the agreement and calling on the federal government to begin formulating the United States' nationally determined emissions reduction targets under the agreement.

Governmental, scientific, and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political risks in the United States, including climate change related pledges made by certain candidates recently elected to public office. These have included promises to limit emissions and curtail the production of oil and gas, such as through the cessation of leasing public land for hydrocarbon development. For example, on January 27, 2021, President Biden issued an Executive Order that commits to substantial action on climate change, calling for, among other things, the increased use of zero-emissions vehicles by the federal government, the elimination of subsidies provided to the fossil fuel industry, and increased emphasis on climate-related risk across governmental agencies and economic sectors. Separately, on January 20, 2021, the Acting Secretary of the United States Department of the Interior issued an order that, among other things, imposed a 60-day moratorium on the issuance of fossil fuel authorizations, including leases and permits, on federal lands. Although the order says it does not limit existing operations under valid leases, on January 27, 2021, President Biden signed an Executive Order indefinitely suspending new oil and gas leasing on federal lands, pending completion of a review of the federal government's oil and gas permitting and leasing practices. While the United States Department of the Interior announced on April 15, 2022 that it will resume oil and gas leasing on public lands following a federal court's decision, the topic of oil and gas leasing on public land remains politically fraught, as the announcement indicates that federal land available for oil and gas leasing will be reduced by 80 percent from the acreage originally nominated due to environmental and climate concerns. Other actions that could be pursued by the Biden Administration may include the imposition of more restrictive requirements for the establishment of pipeline infrastructure or the permitting of liquified natural gas export facilities. Litigation risks are also increasing, as a number of cities and other local governments have sought to bring suit against the largest oil and natural gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change. Suits have also been brought against such companies under shareholder and consumer production laws, alleging that the companies have been aware of the adverse effects of climate change but failed to adequately disclose those impacts.

There are also increasing financial risks for fossil fuel producers as shareholders currently invested in fossil-fuel energy companies may elect in the future to shift some or all of their investments into other related sectors. Institutional lenders who provide financing to fossil-fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil-fuel energy companies. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Recently, the Federal Reserve announced that it has applied to join the Network for Greening the Financial System, a consortium of financial regulators focused on addressing climate-related risks in the financial sector. A material reduction in the capital available to the fossil fuel industry could make it more difficult to secure funding for exploration, development, production, transportation and processing activities, which could result in decreased demand for our services.

The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from the oil and natural gas sector or otherwise restrict the areas in which this sector may produce oil and natural gas or generate GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for, oil and natural gas, which could reduce demand for our services and products. Additionally, political, litigation and financial risks may result in our oil and natural gas customers restricting or canceling production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing their ability to continue to operate in an economic manner, which also could reduce demand for our services and products. One or more of these developments could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to unitholders.

Finally, many scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events. If any such effects were to occur, they could adversely affect our results of operations and ability to make cash distributions to unitholders. In addition, while our consideration of changing weather conditions and inclusion of safety factors in design covers the uncertainties that climate change and other events may potentially introduce, our ability to mitigate the adverse impacts of these events depends in part on the effectiveness of our facilities and our disaster preparedness and response and business continuity planning, which may not have considered or be prepared for every eventuality.

State and federal legislation and regulatory initiatives relating to our hydraulic fracturing customers could harm our business.

Hydraulic fracturing is a common practice within the oil and gas exploration and production process, including within those fields where our Water Solutions and Crude Oil Logistics segments operate. The practice of hydraulic fracturing is a well-stimulation technique utilized to facilitate the production of oil and natural gas and other hydrocarbon condensates from shale and tight conventional formations. The exploration and production process, including the practice of hydraulic fracturing, is subject to regulation by state and federal authorities. Jurisdiction and applicable regulatory requirements can vary depending on the location of the activity. The process of hydraulic fracturing has come under considerable scrutiny from sections of the public as well as environmental and other groups asserting that the practice could be responsible for incidents of induced seismicity and that chemicals used in the hydraulic fracturing process could adversely affect drinking water supplies. New laws or regulations, or changes to existing laws or regulations in response to this perceived threat may adversely impact the oil and gas drilling industry. Any current or proposed restrictions on hydraulic fracturing could lead to operational delays or increased operating costs and regulatory burdens that could make it more difficult or costly to perform hydraulic fracturing which would negatively impact our customer base resulting in an adverse effect on our profitability. For example, on January 20, 2021, the Biden Administration placed a 60-day moratorium on new oil and gas leasing and drilling permits on federal lands, and on January 27, 2021, the United States Department of the Interior acting pursuant to an Executive Order from President Biden suspended the federal oil and gas leasing program indefinitely. Although the United States Department of Interior recently announced the resumption of onshore oil and gas leasing, the program is being significantly reformed, with 80 percent less land available for leasing from the acreage originally nominated. Actions such as these could have a material adverse effect on us and our industry.

Federal and state legislation and regulatory initiatives relating to saltwater disposal wells could result in increased costs and additional operating restrictions or delays and could harm our business.

The water disposal process is primarily regulated by state oil and gas authorities. This water disposal process has come under scrutiny from sections of the public as well as environmental and other groups asserting that the operation of certain water disposal wells has contributed to specific induced seismic events. New laws or regulations, or changes to existing laws or regulations, in response to this perceived threat may adversely impact the water disposal industry.

On certain specific occasions, state regulatory agencies could request that we suspend operations at a disposal facility, pending further study of its potential impact on seismic activity. In one specific instance, we limited the water into a disposal well and redirected the flow of water to a different area of the geologic formation in order to address such concerns. Recently, in December 2021, as a result of increased seismic activity, the Texas Railroad Commission suspended all deep oil and gas produced water injection in an area which spans approximately 100 square miles in Midland and Ector counties, which directly impacted one of our idled disposal wells. We are currently in the process of plugging and abandoning the idled disposal well.

We cannot predict whether any federal, state or local laws or regulations will be enacted and, if so, what actions any such laws or regulations would require or prohibit. However, any restrictions on water disposal could lead to operational delays or increased operating costs and regulatory burdens that could make it more difficult or costly to perform water disposal operations, which would negatively impact our profitability.

Some of our operations are subject to the jurisdiction of the FERC and other operations may become subject in the future.

The FERC regulates the transportation of crude oil and refined products on interstate pipelines, among other things. The FERC's jurisdiction over oil pipelines derives from a 1906 amendment to the Interstate Commerce Act making oil pipelines common carriers subject to federal regulation. The FERC has regulated oil pipelines under this authority since 1977, when legislation transferred jurisdiction to the FERC from the Interstate Commerce Commission. The Energy Policy Act of 1992 directed the Commission to establish a simplified and generally applicable ratemaking methodology for oil pipelines, keeping with the FERC's statutory mandate to ensure that oil pipelines' rates are just and reasonable.

Intrastate transportation and gathering pipelines that do not provide interstate services are not subject to regulation by state regulatory commissions, such as the Railroad Commission of Texas. The distinction between the FERC-regulated interstate pipeline transportation on the one hand and intrastate pipeline transportation on the other hand, is a fact-based determination. The Grand Mesa Pipeline became operational on November 1, 2016 and has several points of origin in Colorado, runs from those origin points through Kansas and terminates in Cushing, Oklahoma. The transportation services on the Grand Mesa Pipeline are subject to FERC regulation. Other of our transportation services could in the future become subject to the jurisdiction of the FERC, which could adversely affect the terms of service, rates and revenues of such services.

The classification and regulation of our crude oil pipelines are subject to change based on future determinations by the FERC, federal courts, Congress or regulatory commissions, courts or legislatures in the states in which we operate. If the FERC's regulatory reach was expanded to our other facilities, or if we expand our operations into areas that are subject to the FERC's regulation, we may have to commit substantial capital to comply with such regulations and such expenditures could have a material and adverse effect on our consolidated results of operations and cash flows.

We are subject to governmental regulation and other legal obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could harm our business.

There are numerous laws and regulations regarding privacy and the storage, sharing, use, processing, transfer, disclosure and protection of personal data, the scope of which is changing, subject to differing interpretations, and may be inconsistent between states within a country or between countries. For example, the California Consumer Privacy Act ("CCPA"), which went into effect on January 1, 2020, limits how we may collect and use personal data. The effects of the CCPA potentially are far-reaching and may require us to modify our data processing practices and policies and incur compliance-related costs and expenses. Further, in November 2020, California voters passed the California Privacy Rights and Enforcement Act ("CPRA"), which expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to enforcing those requirements. It remains unclear how various provisions of the CCPA and CPRA will be interpreted and enforced. These and other data privacy laws and their interpretations continue to develop and may be inconsistent from jurisdiction to jurisdiction. Non-compliance with these laws could result in penalties or significant legal liability. Although we take reasonable efforts to comply with all applicable laws and regulations, there can be no assurance that we will not be subject to regulatory action, including fines, in the event of an incident. We or our third-party service providers could be adversely affected if legislation or regulations are expanded to require changes in our or our third-party service providers' business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our or our third-party service providers' business, results of operations or financial condition.

Some of our operations cross the United States/Canada border and are subject to cross-border regulation.

Our cross-border activities subject us to regulatory matters, including import and export licenses, tariffs, Canadian and United States customs and tax issues, and toxic substance certifications. Such regulations include the "Short Supply Controls" of the Export Administration Act, the North American Free Trade Agreement and the Toxic Substances Control Act. Violations of these licensing, tariff and tax reporting requirements could result in the imposition of significant administrative, civil and criminal penalties.

Risks Related to Our Partnership Structure and in an Investment in Us

Our partnership agreement limits the fiduciary duties of our general partner to our unitholders and restricts the remedies available to our unitholders for actions taken by our general partner that might otherwise be breaches of fiduciary duty.

Fiduciary duties owed to our unitholders by our general partner are prescribed by law and our partnership agreement. The Delaware Revised Uniform Limited Partnership Act ("Delaware LP Act") provides that Delaware limited partnerships may, in their partnership agreements, restrict the fiduciary duties owed by the general partner to limited partners and the partnership. Our partnership agreement contains provisions that reduce the standards to which our general partner would otherwise be held by state fiduciary duty law. For example, our partnership agreement:

- limits the liability and reduces the fiduciary duties of our general partner, while also restricting the remedies available to our unitholders for actions that, without these limitations, might constitute breaches of fiduciary duty. As a result of purchasing common units, our unitholders consent to some actions and conflicts of interest that might otherwise constitute a breach of fiduciary or other duties under applicable state law;

- permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or any limited partner. Examples include the exercise of its limited call right, its voting rights with respect to the units it owns and its determination whether or not to consent to any merger or consolidation of the Partnership;
- provides that our general partner shall not have any liability to us or our unitholders for decisions made in its capacity as general partner so long as it acted in good faith, meaning our general partner subjectively believed that the decision was in, or not opposed to, the best interests of the Partnership;
- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of the board of directors of our general partner and not involving a vote of our unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be "fair and reasonable" to us and that, in determining whether a transaction or resolution is "fair and reasonable," our general partner may consider the totality of the relationships between the parties involved, including other transactions that may be particularly favorable or advantageous to us; and
- provides that our general partner and its officers and directors will not be liable for monetary damages to us or our limited partners for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or those other persons acted in bad faith or engaged in fraud or willful misconduct.

By purchasing a common unit, a common unitholder will become bound by the provisions of our partnership agreement, including the provisions described above.

Our general partner and its affiliates have conflicts of interest with us and limited fiduciary duties to our unitholders, and they may favor their own interests to the detriment of us and our unitholders.

The NGL Energy GP Investor Group owns and controls our general partner and its 0.1% general partner interest in us. Although our general partner has certain fiduciary duties to manage us in a manner beneficial to us and our unitholders, the executive officers and directors of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to its owners. Furthermore, since certain executive officers and directors of our general partner are executive officers or directors of affiliates of our general partner, conflicts of interest may arise between the NGL Energy GP Investor Group and its affiliates, including our general partner, on the one hand, and us and our unitholders, on the other hand. As a result of these conflicts, our general partner may favor its own interests and the interests of its affiliates over the interests of our unitholders (see "*–Our partnership agreement limits the fiduciary duties of our general partner to our unitholders and restricts the remedies available to our unitholders for actions taken by our general partner that might otherwise be breaches of fiduciary duty*," above). The risk to our unitholders due to such conflicts may arise because of the following factors, among others:

- our general partner is allowed to take into account the interests of parties other than us, such as members of the NGL Energy GP Investor Group, in resolving conflicts of interest;
- neither our partnership agreement nor any other agreement requires owners of our general partner to pursue a business strategy that favors us;
- except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval;
- our general partner determines the amount and timing of asset purchases and sales, borrowings, issuance of additional partnership securities and the creation, reduction or increase of reserves, each of which can affect the amount of cash that is distributed to our unitholders;
- our general partner determines the amount and timing of any capital expenditures and whether a capital expenditure is classified as a maintenance capital expenditure, which reduces operating surplus, or an expansion capital expenditure, which does not reduce operating surplus. This determination can affect the amount of cash that is distributed to our unitholders and to our general partner;
- our general partner determines which costs incurred by it are reimbursable by us;
- our general partner may cause us to borrow funds to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make incentive distributions;
- our partnership agreement permits us to classify up to $20.0 million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus.

This cash may be used to fund distributions to our general partner in respect of the general partner interest or the incentive distribution rights ("IDRs");

- our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with any of these entities on our behalf;
- our general partner intends to limit its liability regarding our contractual and other obligations;
- our general partner may exercise its right to call and purchase all of the common units not owned by it and its affiliates if they own more than 80% of the common units;
- our general partner controls the enforcement of the obligations that it and its affiliates owe to us;
- our general partner decides whether to retain separate counsel, accountants or others to perform services for us; and
- our general partner may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to our general partner's IDRs without the approval of the conflicts committee of the board of directors of our general partner or our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

In addition, certain members of the NGL Energy GP Investor Group and their affiliates currently hold interests in other companies in the energy and natural resource sectors. Our partnership agreement provides that our general partner will be restricted from engaging in any business activities other than acting as our general partner and those activities incidental to its ownership interest in us. However, members of the NGL Energy GP Investor Group are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us. As a result, they could potentially compete with us for acquisition opportunities and for new business or extensions of the existing services provided by us.

Pursuant to the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner or any of its affiliates, including its executive officers, directors and owners. Any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our general partner and result in less than favorable treatment of us and our unitholders.

Even if our unitholders are dissatisfied, they have limited voting rights and are not entitled to elect our general partner or its directors.

Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management's decisions regarding our business. Unitholders will have no right on an annual or ongoing basis to elect our general partner or its board of directors. The board of directors of our general partner is chosen entirely by its members and not by our unitholders. Unlike publicly traded corporations, we will not conduct annual meetings of our unitholders to elect directors or conduct other matters routinely conducted at annual meetings of stockholders of corporations. Furthermore, if our unitholders are dissatisfied with the performance of our general partner, they will have limited ability to remove our general partner. As a result of these limitations, the price at which the common units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price. Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting our unitholders' ability to influence the manner or direction of management.

Our partnership agreement restricts the voting rights of unitholders owning 20% or more of our common units.

Unitholders' voting rights are further restricted by a provision of our partnership agreement providing that any units held by a person that owns 20% or more of any class of units then outstanding, other than our general partner, its affiliates, their direct transferees and their indirect transferees approved by our general partner (which approval may be granted in its sole discretion) and persons who acquired such units with the prior approval of our general partner, cannot vote on any matter.

Our general partner interest or the control of our general partner may be transferred to a third party without the consent of our unitholders.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of our unitholders. Furthermore, our partnership agreement does not restrict the ability of the members of the NGL Energy GP Investor Group to transfer all or a portion of their ownership interest in our general partner to a third party. The new owner of our general partner would then be in a position to replace the board of directors and officers of our general partner with its own designees and thereby exert significant control over the decisions made by the board of directors and officers.

The IDRs of our general partner may be transferred to a third party.

Our general partner may transfer its IDRs to a third party at any time without the consent of our unitholders. If our general partner transfers its IDRs to a third party but retains its general partner interest, our general partner may not have the same incentive to grow our partnership and increase quarterly distributions to unitholders over time as it would if it had retained ownership of its IDRs.

Our general partner has a limited call right that may require our unitholders to sell their common units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 80% of the common units, our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price that is not less than their then-current market price, as calculated pursuant to the terms of our partnership agreement. As a result, our unitholders may be required to sell their common units at an undesirable time or price and may not receive any return or may receive a negative return on their investment. Our unitholders may also incur a tax liability upon a sale of their units.

Our partnership agreement requires that we distribute all of our available cash, which could limit our ability to grow and make acquisitions.

We expect that we will distribute all of our available cash to our unitholders and will rely primarily on external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, as well as reserves we have established to fund our acquisitions and expansion capital expenditures. As a result, to the extent we are unable to finance growth externally, our cash distribution policy will significantly impair our ability to grow.

In addition, because we distribute all of our available cash, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement or the agreements governing our indebtedness on our ability to issue additional units, including units ranking senior to the common units. The incurrence of additional commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, may impact the available cash that we have to distribute to our unitholders.

We may issue additional units without the approval of our unitholders, which would dilute the interests of existing unitholders.

Our partnership agreement does not limit the number of additional limited partner interests that we may issue at any time without the approval of our unitholders. Our issuance of additional common units or other equity securities of equal or senior rank will have the following effects:

- our existing unitholders' proportionate ownership interest in us will decrease;
- the amount of available cash for distribution on each unit may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of the common units may decline.

Our general partner, without the approval of our unitholders, may elect to cause us to issue common units while also maintaining its general partner interest in connection with a resetting of the target distribution levels related to its IDRs. This could result in lower distributions to our unitholders.

Our general partner has the right to reset the initial target distribution levels at higher levels based on our distributions at the time of the exercise of the reset election. Following a reset election by our general partner, the minimum quarterly distribution will be adjusted to equal the reset minimum quarterly distribution and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution.

If our general partner elects to reset the target distribution levels, it will be entitled to receive a number of common units. The number of common units to be issued to our general partner will be equal to that number of common units that would have entitled their holder to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions to our general partner on the IDRs in the prior two quarters. We anticipate that our general partner would exercise this reset right to facilitate acquisitions or organic growth projects that would not be sufficiently accretive to cash distributions per common unit without such conversion. It is possible, however, that our general partner could exercise this reset election at a time when it is experiencing, or expects to experience, declines in the cash distributions it receives related to its IDRs and may, therefore, desire to be issued common units rather than retain the right to receive distributions on its IDRs based on the initial target distribution levels. As a result, a reset election may cause our common unitholders to experience a reduction in the amount of cash distributions that our common unitholders would have otherwise received had we not issued new common units and general partner interests to our general partner in connection with resetting the target distribution levels.

Our unitholders' liability may not be limited if a court finds that unitholder action constitutes control of our business.

A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner. Our Partnership is organized under Delaware law, and we conduct business in a number of other states. The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some of the other states in which we do business. You could be liable for any and all of our obligations as if you were a general partner if a court or government agency were to determine that:

- we were conducting business in a state but had not complied with that particular state's partnership statute; or
- a unitholder's right to act with other unitholders to remove or replace our general partner, to approve some amendments to our partnership agreement or to take other actions under our partnership agreement constitute "control" of our business.

Our unitholders may have liability to repay distributions that were wrongfully distributed to them.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware LP Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Substituted limited partners are liable both for the obligations of the assignor to make contributions to the partnership that were known to the substituted limited partner at the time it became a limited partner and for those obligations that were unknown if the liabilities could have been determined from the partnership agreement. Neither liabilities to partners on account of their partnership interests nor liabilities that are nonrecourse to the partnership are counted for purposes of determining whether a distribution is permitted. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware LP Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability.

The Preferred Units give the holders thereof liquidation and distribution preferences over our common unitholders.

We currently have three series of Preferred Units outstanding. All of these units rank senior to the common units with respect to distribution rights and rights upon liquidation. Subject to certain exceptions, as long as any Preferred Units remain outstanding, we may not declare any distribution on our common units unless all accumulated and unpaid distributions have been declared and paid on the Preferred Units. In the event of our liquidation, winding-up or dissolution, the holders of the Preferred Units would have the right to receive proceeds from any such transaction before the holders of the common units. The payment of the liquidation preference could result in common unitholders not receiving any consideration if we were to

liquidate, dissolve or wind up, either voluntarily or involuntarily. Additionally, the existence of the liquidation preference may reduce the value of the common units, make it harder for us to sell common units in offerings in the future, or prevent or delay a change of control.

The issuance of common units upon exercise of certain warrants would cause dilution to existing common unitholders and may place downward pressure on the trading price of our common units.

We currently have outstanding exercisable warrants to purchase 25,500,000 common units at exercise prices ranging from $13.56 per unit to $17.45 per unit. Any exercise of these warrants would cause dilution to existing common unitholders and may place downward pressure on the trading price of our common units. The warrants may be exercised from and after the first anniversary of the date of issuance. Unexercised warrants will expire on the tenth anniversary of the date of issuance. The warrants will not participate in cash distributions.

Tax Risks to Our Unitholders

Our tax treatment depends on our status as a partnership for federal income tax purposes. We could lose our status as a partnership for a number of reasons, including not having enough "qualifying income." If the Internal Revenue Service ("IRS") were to treat us as a corporation for federal income tax purposes, our cash available for distribution to our unitholders would be substantially reduced.

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes.

Despite the fact that we are a limited partnership under Delaware law, a publicly traded partnership such as us will be treated as a corporation for federal income tax purposes unless, for each taxable year, 90% or more of its gross income is "qualifying income" under Section 7704 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). "Qualifying income" includes income and gains derived from the exploration, development, production, processing, transportation, storage and marketing of natural gas, natural gas products, and crude oil or other passive types of income such as certain interest and dividends and gains from the sale or other disposition of capital assets held for the production of income that otherwise constitutes qualifying income. Although we do not believe, based upon our current operations, that we are treated as a corporation, we could be treated as a corporation for federal income tax purposes or otherwise subject to taxation as an entity if our gross income is not properly classified as qualifying income, there is a change in our business or there is a change in current law.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently 21% (changed from 35% under the recently enacted tax reform law), and would likely pay state and local income tax at varying rates. Distributions to our unitholders would generally be taxed again as corporate dividends (to the extent of our current and accumulated earnings and profits), and no income, gains, losses, deductions or credits would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the market value of our common units.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

Our unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.

In general, our unitholders are entitled to a deduction for the interest we have paid or accrued on indebtedness properly allocable to our business during our taxable year. However, under the Tax Cuts and Jobs Act of 2017 (the "Act") signed into law by the President of the United States on December 22, 2017, beginning in tax year 2018, the deductibility of net interest expense is limited to 30% of our adjusted taxable income. For tax years beginning after December 31, 2017 and before January 1, 2022, the Act calculates adjusted taxable income using an EBITDA-based calculation. For tax years beginning January 1, 2022 and thereafter, the calculation of adjusted taxable income will not add back depreciation or amortization. Any disallowed business interest expense is then generally carried forward as a deduction in a succeeding taxable year at the partner level.

These limitations might cause interest expense to be deducted by our unitholders in a later period than recognized in the GAAP financial statements.

If we were subjected to a material amount of additional entity-level taxation by individual states, it would reduce our cash available for distribution to our unitholders.

Changes in current state law may subject us to additional entity-level taxation by individual states. Because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. Imposition of any such taxes may substantially reduce the cash available for distribution to our unitholders. Our partnership agreement provides that, if a law is enacted or existing law is modified or interpreted in a manner that subjects us to entity-level taxation, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

The tax treatment of publicly traded partnerships or an investment in our common units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

The present income tax treatment of publicly traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial interpretation at any time. For example, from time to time, members of Congress propose and consider substantive changes to the existing United States federal income tax laws that affect the tax treatment of publicly traded partnerships, including as a result of any fundamental tax reform.

We are unable to predict whether any such change or other proposals will ultimately be enacted or will affect our tax treatment. Any modification to the income tax laws and interpretations thereof may or may not be applied retroactively and could, among other things, cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to entity-level taxation. Moreover, such modifications and change in interpretations may affect or cause us to change our business activities, affect the tax considerations of an investment in us, change the character or treatment of portions of our income and adversely affect an investment in our common units. Although we are unable to predict whether any of these changes, or other proposals, will ultimately be enacted, any such changes could negatively impact the value of an investment in our common units.

Changes in tax laws could adversely affect our performance.

We are subject to extensive tax laws and regulations, with respect to federal, state and foreign income taxes and transactional taxes such as excise, sales/use, payroll, franchise and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations are continuously being enacted that could result in increased tax expenditures in the future.

If the IRS contests the federal income tax positions we take, the market for our common units may be adversely impacted and the cost of any IRS contest will reduce our cash available for distribution to our unitholders.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes. The IRS may adopt positions that differ from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take and such positions may not ultimately be sustained. A court may not agree with some or all of the positions we take. Any contest with the IRS may materially and adversely impact the market for our common units and the price at which they trade. In addition, our costs of any contest with the IRS will be borne indirectly by our unitholders and our general partner because the costs will reduce our cash available for distribution.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties and interest) directly from us, in which case our cash available for distribution to our unitholders could be substantially reduced.

Pursuant to the Bipartisan Budget Act of 2015, if the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties and interest) directly from us. We will generally have the ability to shift any such tax liability to our general partner and our unitholders in accordance with their interests in us during the year under audit, but there can be no assurance that we will be able to do so under all circumstances. If we are required to make payments of taxes, penalties and interest resulting from audit adjustments, our cash available for distribution to our unitholders could be substantially reduced.

Our unitholders will be required to pay taxes on their share of our income even if they do not receive any cash distributions from us.

Because we expect to be treated as a partnership for United States federal income tax purposes, our unitholders will be treated as partners to whom we will allocate taxable income that could be different in amount than the cash we distribute, our unitholders will be required to pay any federal income taxes and, in some cases, state and local income taxes on their share of our taxable income even if they receive no cash distributions from us. For example, if we sell assets and use the proceeds to repay existing debt or fund capital expenditures, our unitholders may be allocated taxable income and gain resulting from the sale and may not receive a common unit distribution. Similarly, taking advantage of opportunities to reduce our existing debt, such as debt exchanges, debt repurchases, or modifications of our existing debt could result in "cancellation of indebtedness income" being allocated to our unitholders as taxable income without any common unit distribution. Our unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability that results from that income.

Certain actions that we may take, such as issuing additional units, may increase the federal income tax liability of unitholders.

In the event we issue additional units or engage in certain other transactions in the future, the allocable share of nonrecourse liabilities allocated to the unitholders will be recalculated to take into account our issuance of any additional units. Any reduction in a unitholder's share of our nonrecourse liabilities will be treated as a distribution of cash to that unitholder and will result in a corresponding tax basis reduction in a unitholder's units. A deemed cash distribution may, under certain circumstances, result in the recognition of taxable gain by a unitholder, to the extent that the deemed cash distribution exceeds such unitholder's tax basis in its units.

In addition, the federal income tax liability of a unitholder could be increased if we dispose of assets or make a future offering of units and use the proceeds in a manner that does not produce substantial additional deductions, such as to repay indebtedness currently outstanding or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate currently applicable to our assets.

Tax gain or loss on the disposition of our common units could be more or less than expected.

If unitholders sell their common units, they will recognize a gain or loss equal to the difference between the amount realized and their tax basis in those common units. Because distributions in excess of the unitholder's allocable share of our net taxable income decrease the unitholder's tax basis in their common units, the amount, if any, of such prior excess distributions with respect to the units the unitholder sells will, in effect, become taxable income to the unitholder if they sell such units at a price greater than their tax basis in those units, even if the price they receive is less than their original cost. Furthermore, a substantial portion of the amount realized on any sale of common units, whether or not representing gain, may be taxed as ordinary income due to potential recapture items, including depreciation recapture. In addition, because the amount realized includes a unitholder's share of our nonrecourse liabilities, if a unitholder sells units, they may incur a tax liability in excess of the amount of cash they receive from the sale.

Tax exempt entities and non-United States persons face unique tax issues from owning our common units that may result in adverse tax consequences to them.

Investment in common units by tax exempt entities, such as employee benefit plans, individual retirement accounts ("IRAs"), Keogh plans and other retirement plans and non-United States persons raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-United States persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-United States persons will be required to file United States federal income tax returns and pay tax on their share of our taxable income. If you are a tax exempt entity or a non-United States person, you should consult your tax advisor before investing in our common units.

We treat each purchaser of common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the market value of the common units.

Because we cannot match transferors and transferees of common units and because of other reasons, we have adopted depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. Any position we take that is inconsistent with applicable Treasury Regulations may have to be disclosed on our federal income tax return. This disclosure increases the likelihood that the IRS will challenge our positions and propose adjustments to some or all of our

unitholders. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to our unitholders. It also could affect the timing of these tax benefits or the amount of gain from the sale of common units and could have a negative impact on the market value of our common units or result in audit adjustments to tax returns of unitholders.

We have subsidiaries that are treated as corporations for federal income tax purposes and subject to corporate level income taxes.

We conduct a portion of our operations through subsidiaries that are corporations for federal income tax purposes. We may elect to conduct additional operations in corporate form in the future. Our corporate subsidiaries will be subject to corporate level tax, which will reduce the cash available for distribution to us and, in turn, to our unitholders. If the IRS or other state or local jurisdictions were to successfully assert that our corporate subsidiaries have more tax liability than we anticipate or legislation was enacted that increased the corporate tax rate, our cash available for distribution to our unitholders would be further reduced.

We prorate our items of income, gain, loss and deduction for United States federal income tax purposes between transferors and transferees of our units each month based on the ownership of our units on the first business day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based on the ownership of our units on the first business day of each month, instead of on the basis of the date a particular unit is transferred. The United States Department of the Treasury recently adopted final Treasury Regulations allowing a similar monthly simplifying convention for taxable years beginning on or after August 3, 2015. However, such regulations do not specifically authorize all aspects of the proration method we have adopted. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

A unitholder whose units are loaned to a "short seller" to effect a short sale of units may be considered as having disposed of those common units. If so, such unitholder would no longer be treated for federal income tax purposes as a partner with respect to those common units during the period of the loan and may recognize a gain or loss from the disposition.

Because a unitholder whose units are loaned to a "short seller" to effect a short sale of units may be considered as having disposed of those common units, the unitholder would no longer be treated for federal income tax purposes as a partner with respect to those units during the period of the loan to the short seller and the unitholder may recognize a gain or loss from the disposition. Moreover, during the period of the loan to the short seller, any of our income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller are urged to consult a tax advisor to discuss whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

We have adopted certain valuation methodologies and monthly conventions for United States federal income tax purposes that may result in a shift of income, gain, loss and deduction between our general partner and our unitholders. The IRS may challenge this treatment, which could adversely affect the value of our common units.

When we issue additional units or engage in certain other transactions, we will determine the fair market value of our assets and allocate any unrealized gain or loss attributable to our assets to the capital accounts of our unitholders and our general partner. Our methodology may be viewed as understating the value of our assets. In that case, there may be a shift of income, gain, loss and deduction between certain unitholders and the general partner, which may be unfavorable to such unitholders. Moreover, under our current valuation methods, subsequent purchasers of common units may have a greater portion of their Internal Revenue Code Section 743(b) adjustment allocated to our tangible assets and a lesser portion allocated to our intangible assets. The IRS may challenge our valuation methods, or our allocation of the Internal Revenue Code Section 743(b) adjustment attributable to our tangible and intangible assets, and allocations of taxable income, gain, loss and deduction between the general partner and certain of our unitholders.

A successful IRS challenge to these methods or allocations could adversely affect the amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of taxable gain from our unitholders' sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders' tax returns without the benefit of additional deductions.

There are limits on the deductibility of our losses that may adversely affect our unitholders.

There are a number of limitations that may prevent unitholders from using their allocable share of our losses as a deduction against unrelated income. In cases where our unitholders are subject to the passive loss rules (generally, individuals and closely held corporations), any losses generated by us will only be available to offset our future income and cannot be used to offset income from other activities, including other passive activities or investments. Unused losses may be deducted when the unitholder disposes of its entire investment in us in a fully taxable transaction with an unrelated party. A unitholder's share of our net passive income may be offset by unused losses from us carried over from prior years but not by losses from other passive activities, including losses from other publicly traded partnerships. Other limitations that may further restrict the deductibility of our losses by a unitholder include the at-risk rules and the prohibition against loss allocations in excess of the unitholder's tax basis in its units.

Purchasers of our common units may become subject to state and local taxes and return filing requirements in jurisdictions where we operate or own or acquire properties.

In addition to federal income taxes, holders of our common units are subject to other taxes, including foreign, state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we conduct business or own or control property now or in the future. Holders of our common units are required to file foreign, state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions and may be subject to penalties for failure to comply with those requirements. We own assets and conduct business in a number of states, most of which impose a personal income tax on individuals. Most of these states also impose an income tax on corporations and other entities. As we make acquisitions or expand our business, we may own or control assets or conduct business in additional states that impose a personal income tax.

Treatment of distributions on our Preferred Units as guaranteed payments for the use of capital creates a different tax treatment for the holders of Preferred Units than the holders of our common units and such distributions will likely not be eligible for the 20% deduction for qualified publicly traded partnership income.

The tax treatment of distributions on our Preferred Units is uncertain. We will treat the holders of Preferred Units as partners for tax purposes and will treat distributions on the Preferred Units as guaranteed payments for the use of capital that will generally be taxable to the holders of Preferred Units as ordinary income. A holder of our Preferred Units could recognize taxable income from the accrual of such a guaranteed payment even in the absence of a contemporaneous distribution. Otherwise, the holders of Preferred Units are generally not anticipated to share in our items of income, gain, loss or deduction, nor will we allocate any share of our nonrecourse liabilities to the holders of Preferred Units. If the Preferred Units were treated as indebtedness for tax purposes, rather than as guaranteed payments for the use of capital, distributions likely would be treated as payments of interest by us to the holders of Preferred Units.

Although we expect that much of the income we earn is generally eligible for the 20% deduction for qualified publicly traded partnership income, recently issued Treasury Regulations, which are effective for our taxable years beginning on or after January 1, 2020, provide that a guaranteed payment for the use of capital is not eligible for the 20% deduction for qualified publicly traded partnership income. As a result, income attributable to a guaranteed payment for the use of capital recognized by holders of Preferred Units is not eligible for the 20% deduction for qualified publicly traded partnership income. All holders of our Preferred Units are urged to consult a tax advisor to determine whether they are eligible to receive the 20% deduction for qualified publicly traded partnership income with respect to their Preferred Units.

A holder of Preferred Units will be required to recognize gain or loss on a sale of Preferred Units equal to the difference between the amount realized by such holder and such holder's tax basis in the Preferred Units sold. The amount realized generally will equal the sum of the cash and the fair market value of other property such holder receives in exchange for such Preferred Units. Subject to general rules requiring a blended basis among multiple partnership interests, the tax basis of a Preferred Unit will generally be equal to the sum of the cash and the fair market value of other property paid by the holder of Preferred Units to acquire such Preferred Unit. Gain or loss recognized by a holder of Preferred Units on the sale or exchange of a Preferred Unit held for more than one year generally will be taxable as long-term capital gain or loss. Because holders of Preferred Units will generally not be allocated a share of our items of depreciation, depletion or amortization, it is not anticipated that such holders would be required to recharacterize any portion of their gain as ordinary income as a result of the recapture rules.

Investment in the Preferred Units by tax-exempt investors, such as employee benefit plans and IRAs, and non-U.S. persons raises issues unique to them. Distributions to non-U.S. holders of Preferred Units will be subject to withholding taxes. If the amount of withholding exceeds the amount of U.S. federal income tax actually due, non-U.S. holders of Preferred Units

may be required to file U.S. federal income tax returns in order to seek a refund of such excess. The treatment of guaranteed payments for the use of capital to tax-exempt investors is not certain and such payments may be treated as unrelated business taxable income for U.S. federal income tax purposes. If you are a tax-exempt entity or a non-U.S. person, you should consult your tax advisor with respect to the consequences of owning our Preferred Units.

All holders of our Preferred Units are urged to consult a tax advisor with respect to the consequences of owning our Preferred Units.

General Risks

The default by significant customers and counterparties or loss of one or more significant customers could materially or adversely affect our business, financial condition, results of operations and cash flows.

The deterioration in the financial condition of one or more of our significant customers or counterparties could result in their failure to perform under the terms of their agreement with us or default in the payment owed to us. Our customers and counterparties include industrial customers, local distribution companies, crude oil and natural gas producers, financial institutions and marketers whose creditworthiness may be suddenly and disparately impacted by, among other factors, commodity price volatility, deteriorating energy market conditions, and public and regulatory opposition to energy producing activities. While we manage our credit risk exposure through credit analysis, credit approvals, establishing credit limits, requiring prepayments (partially or wholly) or other surety, requiring product deliveries over defined time periods, and credit monitoring, we are unable to completely eliminate the performance and credit risk to us associated with doing business with these parties. In a low commodity price environment, certain of our customers have been or could be negatively impacted, causing them significant economic stress resulting, in some cases, in a customer bankruptcy filing or an effort to renegotiate our contracts. The deterioration in the creditworthiness of our customers and the resulting increase in nonpayment and/or nonperformance by them could cause us to write down or write off accounts receivables or tangible and intangible assets. Such write-downs or write-offs could negatively affect our operating results in the periods in which they occur, and, if significant, could materially or adversely affect our business, financial condition, results of operations, and cash flows. We expect to continue to depend on key customers to support our revenues for the foreseeable future. The loss of key customers, failure to renew contracts upon expiration, or a sustained decrease in demand by key customers could result in a substantial loss of revenues and could have a material and adverse effect on our consolidated results of operations. Additionally, certain key customers of the Grand Mesa Pipeline contribute significantly to the cash flows and profitability of that asset. Any loss of those customers or their contracts could have an adverse impact on our financial results. To the extent one or more of our key customers commences bankruptcy proceedings, our contracts with the customers may be subject to rejection under applicable provisions of the United States Bankruptcy Code or, if we so agree, may be renegotiated. Further, during any such bankruptcy proceeding, prior to assumption, rejection or renegotiation of such contracts, the bankruptcy court may temporarily authorize the payment of value for our services less than contractually required, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. The resolution of our outstanding claims against such a customer or counterparty is dependent on the terms of the plan of reorganization but may include our claims being converted to equity in the reorganized entity and in addition to impacting our business, financial condition and results of operations could require us to incur impairment charges against the associated assets or the write down of our goodwill.

The counterparties to our commodity derivative and physical purchase and sale contracts may not be able to perform their obligations to us, which could materially affect our cash flows and results of operations.

We encounter risk of counterparty nonperformance in our businesses. Disruptions in the supply of product and in the crude oil and natural gas liquids commodities sector overall for an extended or near term period of time could result in counterparty defaults on our derivative and physical purchase and sale contracts. This could impair our ability to obtain supply to fulfill our sales delivery commitments or obtain supply at reasonable prices, which could result in decreased gross margins and profitability, thereby impairing our ability to make payments on our debt obligations or distributions to our unitholders.

If we fail to maintain an effective system of internal control, including internal control over financial reporting, we may be unable to report our financial results accurately or prevent fraud, which would likely have a negative impact on the market price of our common units.

We are subject to the public reporting requirements of the Securities Exchange Act of 1934, as amended. We are also subject to the obligation under Section 404(a) of the Sarbanes Oxley Act of 2002 (the “Sarbanes-Oxley Act”) to annually review and report on our internal control over financial reporting, and to the obligation under Section 404(b) of the Sarbanes Oxley Act to engage our independent registered public accounting firm to attest to the effectiveness of our internal control over financial reporting.

The Sarbanes-Oxley Act requires public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosures of material information and to have management review the effectiveness of those controls on a quarterly basis. The Sarbanes-Oxley Act also requires public companies to have and maintain effective internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements and to have management review the effectiveness of those controls on an annual basis (and have the company's independent auditors attest to the effectiveness of such internal controls).

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud, and operate successfully as a publicly traded partnership. Our efforts to maintain our internal controls may be unsuccessful, and we may be unable to maintain effective internal control over financial reporting, including our disclosure controls. Any failure to maintain effective internal control over financial reporting and disclosure controls could harm our operating results or cause us to fail to meet our reporting obligations. These risks may be heightened after a business combination, during the phase when we are implementing our internal control structure over the recently acquired business.

Given the difficulties inherent in the design and operation of internal control over financial reporting, as well as future growth of our businesses, we can provide no assurance as to either our or our independent registered public accounting firm's conclusions about the effectiveness of internal controls in the future, and we may incur significant costs in our efforts to comply with Section 404. Ineffective internal controls could subject us to regulatory scrutiny and a loss of confidence in our reported financial information, which could have an adverse effect on our business and would likely have a negative effect on the market price of our common units.

The risk of terrorism and political unrest in various energy producing regions may adversely affect the economy and the price and availability of products.

An act of terror, or political unrest, in any of the major energy producing regions of the world could potentially result in disruptions in the supply of crude oil and natural gas, which could have a material impact on both availability and price. Since Russia's military invasion of Ukraine in late February 2022, prices for commodities produced in those countries, including crude oil and natural gas, have risen sharply and have been volatile due to market concerns of worldwide supply constraints. Terrorist attacks in the areas of our operations could negatively impact our ability to transport propane to our locations. These risks could potentially negatively impact our consolidated results of operations.

Product liability claims and litigation could adversely affect our business and results of operations.

Our operations are subject to all operating hazards and risks incident to handling, storing, transporting and providing customers with combustible liquids. As a result, we are subject to product liability claims and litigation, including potential class actions, in the ordinary course of business. Any product liability claim brought against us, with or without merit, could be costly to defend and could result in an increase of our insurance premiums. Some claims brought against us might not be covered by our insurance policies. In addition, we have self-insured retention amounts which we would have to pay in full before obtaining any insurance proceeds to satisfy a judgment or settlement and we may have insufficient reserves on our balance sheet to satisfy such self-retention obligations. Furthermore, even where the claim is covered by our insurance, our insurance coverage might be inadequate and we would have to pay the amount of any settlement or judgment that is in excess of our policy limits. Our failure to maintain adequate insurance coverage or successfully defend against product liability claims could materially and adversely affect our business, consolidated results of operations, financial position and cash flows.

A failure in our operational systems or cyber security attacks on any of our facilities, or those of third parties, may adversely affect our financial results.

Our business is dependent upon our operational systems to process a large amount of data and complex transactions. If any of our financial or operational systems fail or have other significant shortcomings, our financial results could be adversely affected. Our financial results could also be adversely affected if an employee causes our systems to fail, either as a result of inadvertent error or by deliberately tampering with or manipulating our systems. In addition, dependence upon automated systems may further increase the risk related to operational system flaws, and employee tampering or manipulation of those systems will result in losses that are difficult to detect.

Due to increased technology advances, we have become more reliant on technology to increase efficiency in our business. We use various systems in our financial and operations sectors, and this may subject our business to increased risks. Any future cyber security attacks that affect our facilities, our customers and any financial data could have a material adverse effect on our business. In addition, cyber security attacks on our customer and employee data may result in a financial loss,

including potential fines for failure to safeguard data, and may negatively impact our reputation. Third-party systems on which we rely could also suffer operational system failure. Any of these occurrences could disrupt our business, resulting in potential liability or reputational damage or otherwise have an adverse effect on our financial results.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We believe that we have satisfactory title or valid rights to use all of our material properties. Although some of these properties are subject to liabilities and leases, liens for taxes not yet due and payable, encumbrances securing payment obligations under non-compete agreements entered into in connection with acquisitions and other encumbrances, easements and restrictions, we do not believe that any of these burdens will materially interfere with our continued use of these properties in our business, taken as a whole. Our obligations under the ABL Facility and indenture for the 2026 Senior Secured Notes are secured by liens and mortgages on substantially all of our real and personal property.

We believe that we have all required material approvals, authorizations, orders, licenses, permits, franchises and consents of, and have obtained or made all required material registrations, qualifications and filings with, the various state and local governmental and regulatory authorities that relate to ownership of our properties or the operations of our business.

Our corporate headquarters are in Tulsa, Oklahoma and are leased. We also lease corporate offices in Denver, Colorado and Houston, Texas.

For additional information regarding our properties and the reportable segments in which they are used, see Part I, Item 1–“Business.”

Item 3. Legal Proceedings

We are involved from time to time in various legal proceedings and claims arising in the ordinary course of business. For information related to legal proceedings, see the discussion under the captions “*Legal Contingencies*” and “*Environmental Matters*” in Note 8 and “*Third-party Bankruptcy*” in Note 17 to our consolidated financial statements included in this Annual Report, which is incorporated by reference into this Item 3.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Unitholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common units are listed on the New York Stock Exchange ("NYSE") under the symbol "NGL." At June 1, 2022, there were approximately 100 common unitholders of record which does not include unitholders for whom common units may be held in "street name."

Cash Distribution Policy

Available Cash

Our partnership agreement requires that, within 45 days after the end of each quarter, we distribute all of our available cash (as defined in our partnership agreement) to unitholders as of the record date. Available cash for any quarter generally consists of all cash on hand at the end of that quarter, less the amount of cash reserves established by our general partner, to (i) provide for the proper conduct of our business, (ii) comply with applicable law, any of our debt instruments or other agreements, and (iii) provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters.

General Partner Interest

Our general partner is entitled to 0.1% of all quarterly distributions that we make prior to our liquidation. Our general partner has the right, but not the obligation, to contribute a proportionate amount of capital to us to maintain its 0.1% general partner interest. Our general partner's interest in our distributions may be reduced if we issue additional limited partner units in the future (other than the issuance of common units upon a reset of the IDRs) and our general partner does not contribute a proportionate amount of capital to us to maintain its 0.1% general partner interest. As of March 31, 2022, we owned 8.69% of our general partner.

Incentive Distribution Rights

The general partner will also receive, in addition to distributions on its 0.1% general partner interest, additional distributions based on the level of distributions to the limited partners. These distributions are referred to as "incentive distributions" or "IDRs." Our general partner currently holds the IDRs, but may transfer these rights separately from its general partner interest.

The following table illustrates the percentage allocations of available cash from operating surplus between our limited partner unitholders and our general partner based on the specified target distribution levels. The amounts set forth under "Marginal Percentage Interest In Distributions" are the percentage interests of our general partner and our limited partner unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column "Total Quarterly Distribution Per Unit," until available cash from operating surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for our limited partner unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner include its 0.1% general partner interest, and assume that our general partner has contributed any additional capital necessary to maintain its 0.1% general partner interest and has not transferred its IDRs.

		Total Quarterly Distribution Per Unit				Marginal Percentage Interest In Distributions	
						Limited Partner Unitholders	General Partner (1)
Minimum quarterly distribution				$	0.337500	99.9 %	0.1 %
First target distribution	above	$ 0.337500	up to	$	0.388125	99.9 %	0.1 %
Second target distribution	above	$ 0.388125	up to	$	0.421875	86.9 %	13.1 %
Third target distribution	above	$ 0.421875	up to	$	0.506250	76.9 %	23.1 %
Thereafter	above	$ 0.506250				51.9 %	48.1 %

(1) The maximum distribution of 48.1% does not include distributions that our general partner may receive on common units that it owns.

Restrictions on the Payment of Distributions

As described in Note 7 to our consolidated financial statements included in this Annual Report, the indenture to the 2026 Senior Secured Notes restricts us from paying distributions until our total leverage ratio (as defined in the indenture) for the most recently ended four full fiscal quarters at the time of the distribution is not greater than 4.75 to 1.00. In addition, quarterly distributions on the Preferred Units must be fully paid for all preceding fiscal quarters before we are permitted to declare or pay any distributions on our common units. As the distributions for all of our Preferred Units are cumulative, we are unable to declare a distribution for our common units unless all accumulated and unpaid distributions have been declared and paid on the Preferred Units. See Note 9 to our consolidated financial statements included in this Annual Report for a discussion of the cumulative distributions for the Preferred Units.

The board of directors of our general partner decided to temporarily suspend all distributions in order to deleverage our balance sheet until we meet the 4.75 to 1.00 total leverage ratio set forth within the indenture of the 2026 Senior Secured Notes, as discussed further above. This resulted in the suspension of the quarterly common unit distributions, which began with the quarter ended December 31, 2020, and all preferred unit distributions, which began with the quarter ending March 31, 2021.

Common Unit Repurchase Program

The following table summarizes the repurchase of common units during the three months ended March 31, 2022:

Period	Total Number of Common Units Purchased	Average Price Paid Per Common Unit
January 1-31, 2022	—	$ —
February 1-28, 2022	35,868	$ 2.00
March 1-31, 2022	—	$ —
	35,868	

The common units were surrendered by employees to pay tax withholding in connection with the vesting of restricted common units.

Securities Authorized for Issuance Under Equity Compensation Plans

In connection with the completion of our initial public offering, our general partner adopted the NGL Energy Partners LP Long-Term Incentive Plan. See Part III, Item 12–“Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters–Securities Authorized for Issuance Under Equity Compensation Plan,” which is incorporated by reference into this Item 5.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a Delaware limited partnership (“we,” “us,” “our,” or the “Partnership”) formed in September 2010. NGL Energy Holdings LLC serves as our general partner.

Over the past three years, we made a number of important strategic actions in an effort to leverage the Partnership’s core areas of competitive strength and focus on generating stable, growing and predictable cash flows, while improving our credit profile. These steps included the sale of the following:

- Certain refined products businesses including TransMontaigne Product Services, LLC (“TPSL”), our refined products business in the mid-continent region of the United States (“Mid-Con”) and our gas blending business in the southeastern and eastern regions of the United States (“Gas Blending”) during the year ended March 31, 2020; and
- Our interest in Sawtooth Caverns, LLC (“Sawtooth”) during the year ended March 31, 2022.

In addition, in our Water Solutions segment we acquired strategic water infrastructure assets including Mesquite Disposals Unlimited, LLC ("Mesquite") and the equity interests of Hillstone Environmental Partners, LLC ("Hillstone") during the year ended March 31, 2020, while in our Liquids Logistics segment we acquired an approximately 225-mile propane pipeline in Michigan (the "Ambassador Pipeline") during the year ended March 31, 2021. For more information regarding our dispositions and acquisitions transactions and the impact to our operations, see Note 17 and Note 18 to our consolidated financial statements included in this Annual Report on Form 10-K ("Annual Report").

The sale of TPSL, Mid-Con and Gas Blending represented strategic shifts in our operations and will have a significant effect on our operations and financial results going forward. Accordingly, the results of operations and cash flows related to TPSL, Mid-Con and Gas Blending have been classified as discontinued operations for the years ended March 31, 2021 and 2020. See Note 18 to our consolidated financial statements included in this Annual Report for a further discussion of these transactions.

Recent Developments

Repurchases of Senior Unsecured Notes

During the three months ended March 31, 2022, we repurchased $23.8 million of the 7.5% Senior Unsecured Notes Due 2023 ("2023 Notes").

Global Pandemic and Ukraine War

The COVID-19 pandemic, including the outbreak of several variants, has caused continued volatility in commodity prices due to, among other things, reduced industrial activity and travel demand, varying worldwide restrictions and the timing of closing and re-opening of economies throughout the last two years. The unprecedented restrictions on travel and economic activity during the early stages of the COVID-19 pandemic significantly reduced demand for refined products. The lingering impact of the COVID-19 pandemic continues to ripple through the United States economy, most notably in the form of rising inflation and supply chain issues. Additionally, the Russian invasion of Ukraine beginning in February 2022 and the ongoing war has caused additional volatility in commodity prices on worldwide supply constraints and has seemed to have only amplified inflation and supply chain constraints in the United States.

While we have seen continued recovery in commodity prices since the beginning of the pandemic, primarily due to economies re-opening over time and the reduction in oil and natural gas supply resulting from the war in Ukraine, there is still an element of volatility that we expect to continue due to the uncertainty of the COVID-19 pandemic and the war in Ukraine. This volatility could negatively impact commodity prices or rising inflation could impact demand for refined products. Given the uncertain timing of a return of refined product demand to historical levels, the extent these events will have an impact on our results of operations is unclear.

Seismic Activity

The subsurface injection of produced water for disposal has been associated with recent induced seismic events in Texas and New Mexico. While these events have been relatively low magnitude, industry and relevant state regulators are, nevertheless, taking proactive measures to attempt to prevent similar induced seismic events. More specifically, we are engaged in various collaborative industry efforts with other disposal operators and relevant state regulatory agencies, working to collect and review data, enhance understanding of regional fault systems, and ultimately develop and implement appropriate longer-term mitigation strategies. As part of this effort, we have implemented reductions in injected volumes at certain facilities, and where appropriate have temporarily shut in facilities. To date, due to the capacity of our integrated system in affected areas, the diverse locations of our disposal facilities, and the connectivity of our system, we have not been negatively impacted by these actions.

Water Solutions

Our Water Solutions segment transports, treats, recycles and disposes of produced and flowback water generated from crude oil and natural gas production. We also sell produced water for reuse and recycle and brackish non-potable water to our producer customers to be used in their crude oil exploration and production activities. As part of processing water, we aggregate and sell recovered crude oil, also known as skim oil. We also dispose of solids such as tank bottoms, drilling fluids and drilling muds and perform other ancillary services such as truck and frac tank washouts. Our activities in this segment are underpinned

by long-term, fixed fee contracts and acreage dedications, some of which contain minimum volume commitments with leading oil and gas companies including large, investment grade producer customers.

We operate in a number of the most prolific crude oil and natural gas producing areas in the United States including the Delaware Basin in New Mexico and Texas, the Midland Basin in Texas, the DJ Basin in Colorado and the Eagle Ford Basin in Texas. With a system that handled approximately 656.2 million barrels of produced water across its areas of operation during the year ended March 31, 2022, we believe that we are the largest independent produced water transportation and disposal company in the United States.

The opportunity to generate revenue in our Water Solutions business is driven in large part by the level of crude oil production in the areas where our facilities are located. Prior to the pandemic, we saw the level of crude oil production increase, particularly in the Permian and DJ Basins, due to increasing or stable crude oil prices, which positively impacted our disposal volumes. Lower crude oil prices provide producers with less incentive to drill and complete new wells, which results in lower production and negatively impacts our disposal volumes.

Our Water Solutions segment generated operating income of $94.9 million during the year ended March 31, 2022. Our Water Solutions segment generated an operating loss of $92.7 million during the year ended March 31, 2021, which included an impairment charge of $84.3 million to write down the value of an asset group due to a decline in producer activity, resulting in lower disposal volumes, and to write down the value of certain inactive or underutilized saltwater disposal facilities (see Note 4 and Note 6 to our consolidated financial statements included in this Annual Report).

Crude Oil Logistics

Our Crude Oil Logistics segment purchases crude oil from producers and marketers and transports it to refineries or for resale at pipeline injection stations, storage terminals, barge loading facilities, rail facilities, refineries, and other trade hubs, and provides storage, terminaling and transportation services through its owned assets. Our activities in this segment are supported by certain long-term, fixed rate contracts which include minimum volume commitments on our owned and leased pipelines.

Most of our contracts to purchase or sell crude oil are at floating prices that are indexed to published rates in active markets such as Cushing, Oklahoma, St. James, Louisiana, and Magellan East Houston. We attempt to reduce our exposure to price fluctuations by using back-to-back physical contracts whenever possible. When back-to-back physical contracts are not optimal, we enter into financially settled derivative contracts as economic hedges of our physical inventory, physical sales and physical purchase contracts. We use our transportation assets to move crude oil from the wellhead to the highest value market. Spreads between crude oil prices in different markets can fluctuate, which may expand or limit our opportunity to generate margins by transporting crude oil to different markets.

The following table summarizes the range of low and high crude oil spot prices per barrel of New York Mercantile Exchange (“NYMEX”) West Texas Intermediate Crude Oil at Cushing, Oklahoma for the periods indicated and the prices at period end:

	Crude Oil Spot Price Per Barrel		
Year Ended March 31,	**Low**	**High**	**At Period End**
2022	$ 58.65	$ 123.70	$ 100.28
2021 (1)	$ (37.63)	$ 66.09	$ 59.16
2020	$ 20.09	$ 66.30	$ 20.48

(1) On April 20, 2020, crude oil prices collapsed due to low demand as a result of the COVID-19 lockdowns, the price war between Russia and Saudi Arabia and a lack of available storage.

We believe volatility in commodity prices will continue into the near term, our ability to adjust to and manage this volatility may impact our financial results.

Our Crude Oil Logistics segment generated operating income of $45.0 million during the year ended March 31, 2022. Our Crude Oil Logistics segment generated an operating loss of $304.3 million during the year ended March 31, 2021, which included impairment charges of $383.6 million related to the Extraction Oil & Gas, Inc. (“Extraction”) bankruptcy (see Note 17 to our consolidated financial statements included in this Annual Report).

Liquids Logistics

Our Liquids Logistics segment conducts supply operations for natural gas liquids, refined petroleum products and biodiesel to a broad range of commercial, retail and industrial customers across the United States and Canada. These operations are conducted through our 24 owned terminals, third-party storage and terminal facilities, nine common carrier pipelines and a fleet of leased railcars. We also provide services for marine exports of butane through our facility located in Chesapeake, Virginia, and expect to commence operations on our propane pipeline in Michigan in June 2022. We attempt to reduce our exposure to price fluctuations by using back-to-back physical contracts and pre-sale agreements that allow us to lock in a margin on a percentage of our winter volumes. We also enter into financially settled derivative contracts as economic hedges of our physical inventory, physical sales and physical purchase contracts.

Our wholesale liquids business is a "cost-plus" business that can be affected by both price fluctuations and volume variations. We establish our selling price based on a pass-through of our product supply, transportation, handling, storage, and capital costs plus a margin. Also, we conduct just-in-time sales for gasoline and diesel at a national network of terminals owned by third parties via rack spot sales that do not involve continuing contractual obligations to purchase or deliver product.

Weather conditions and gasoline blending can have a significant impact on the demand for propane and butane, and sales volumes and prices are typically higher during the colder months of the year. Consequently, our revenues, operating profits, and operating cash flows are typically lower in the first and second quarters of our fiscal year.

The following table summarizes the range of low and high propane spot prices per gallon at Conway, Kansas, and Mt. Belvieu, Texas, two of our main pricing hubs, for the periods indicated and the prices at period end:

	Conway, Kansas			Mt. Belvieu, Texas		
	Propane Spot Price Per Gallon			Propane Spot Price Per Gallon		
Year Ended March 31,	**Low**	**High**	**At Period End**	**Low**	**High**	**At Period End**
2022	$ 0.67	$ 1.64	$ 1.37	$ 0.72	$ 1.63	$ 1.39
2021	$ 0.23	$ 1.53	$ 0.86	$ 0.25	$ 1.07	$ 0.92
2020	$ 0.18	$ 0.60	$ 0.25	$ 0.19	$ 0.68	$ 0.28

The following table summarizes the range of low and high butane spot prices per gallon at Mt. Belvieu, Texas for the periods indicated and the prices at period end:

	Butane Spot Price Per Gallon		
Year Ended March 31,	**Low**	**High**	**At Period End**
2022	$ 0.78	$ 2.01	$ 1.71
2021	$ 0.28	$ 1.16	$ 0.98
2020	$ 0.19	$ 0.80	$ 0.29

The following table summarizes the range of low and high Gulf Coast gasoline spot prices per barrel using NYMEX gasoline prompt-month futures for the periods indicated and the prices at period end:

	Gasoline Spot Price Per Gallon		
Year Ended March 31,	**Low**	**High**	**At Period End**
2022	$ 81.95	$ 154.67	$ 133.96
2021	$ 21.43	$ 90.30	$ 82.04
2020	$ 17.30	$ 89.55	$ 24.07

The following table summarizes the range of low and high diesel spot prices per barrel using NYMEX ULSD prompt-month futures for the periods indicated and the prices at period end:

	Diesel Spot Price Per Gallon		
Year Ended March 31,	**Low**	**High**	**At Period End**
2022	$ 74.44	$ 186.37	$ 155.03
2021	$ 25.64	$ 82.64	$ 74.39
2020	$ 40.08	$ 89.17	$ 42.51

We believe volatility in commodity prices will continue, and our ability to adjust to and manage this volatility may impact our financial results.

Our Liquids Logistics segment generated an operating loss of $8.4 million during the year ended March 31, 2022, which included a net loss of $60.1 million related to the sale of Sawtooth (see Note 17 to our consolidated financial statements included in this Annual Report) and a net loss of $11.8 million related to the sale of another terminal. Our Liquids Logistics segment generated operating income of $70.4 million during the year ended March 31, 2021.

Consolidated Results of Operations

The following table summarizes our consolidated statements of operations for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Revenues	$ 7,947,915	$ 5,227,023	$ 7,584,000
Cost of sales	7,139,312	4,493,822	6,604,383
Operating expenses	285,535	254,562	332,993
General and administrative expense	63,546	70,468	113,664
Depreciation and amortization	288,720	317,227	265,312
Loss on disposal or impairment of assets, net	94,254	475,436	261,786
Revaluation of liabilities	(6,495)	6,261	9,194
Operating income (loss)	83,043	(390,753)	(3,332)
Equity in earnings of unconsolidated entities	1,400	1,938	1,291
Interest expense	(271,640)	(198,799)	(181,184)
Gain (loss) on early extinguishment of liabilities, net	1,813	(16,692)	1,341
Other income (expense), net	2,254	(36,503)	1,684
Loss from continuing operations before income taxes	(183,130)	(640,809)	(180,200)
Income tax (expense) benefit	(971)	3,391	(345)
Loss from continuing operations	(184,101)	(637,418)	(180,545)
Loss from discontinued operations, net of tax	—	(1,769)	(218,235)
Net loss	(184,101)	(639,187)	(398,780)
Less: Net (income) loss attributable to noncontrolling interests	(655)	(632)	1,773
Net loss attributable to NGL Energy Partners LP	$ (184,756)	$ (639,819)	$ (397,007)

Items Impacting the Comparability of Our Financial Results

Our current and future results of operations may not be comparable to our historical results of operations for the periods presented due to acquisitions, dispositions and other transactions.

Acquisitions and Dispositions

We completed several acquisitions and dispositions during the years ended March 31, 2022 and 2021. These transactions impact the comparability of our results of operations between our current and prior fiscal years.

On June 18, 2021, we sold our approximately 71.5% interest in Sawtooth to a group of buyers (see Note 17 to our consolidated financial statements included in this Annual Report).

In March 2021, we acquired the Ambassador Pipeline, an approximately 225-mile propane pipeline, which runs from the Kalkaska gas plant in Kalkaska County, Michigan to a termination point near Marysville in St. Clair County, Michigan. During the year ended March 31, 2021, we sold certain permits, land and a saltwater disposal facility to a third-party (see Note 17 to our consolidated financial statements included in this Annual Report).

Seasonality

Seasonality impacts our Liquids Logistics segment. Consequently, for our Liquids Logistics segment, revenues, operating profits and operating cash flows are generated mostly in the third and fourth quarters of our fiscal year. We generally

borrow under the revolving credit facility to supplement our operating cash flows during the periods in which we are building inventory. See "–Liquidity, Sources of Capital and Capital Resource Activities–Cash Flows."

Subsequent Events

See Note 19 to our consolidated financial statements included in this Annual Report for a discussion of transactions that occurred subsequent to March 31, 2022.

Segment Operating Results for the Years Ended March 31, 2022 and 2021

Water Solutions

The following table summarizes the operating results of our Water Solutions segment for the periods indicated.

	Year Ended March 31,		
	2022	2021	Change
	(in thousands, except per barrel and per day amounts)		
Revenues:			
Water disposal service fees	$ 397,128	$ 308,511	$ 88,617
Sale of recovered crude oil	77,203	28,599	48,604
Recycled water	11,343	3,015	8,328
Other revenues	59,192	30,861	28,331
Total revenues	544,866	370,986	173,880
Expenses:			
Cost of sales-excluding impact of derivatives	26,340	2,557	23,783
Derivative loss	7,640	7,065	575
Operating expenses	175,022	142,371	32,651
General and administrative expenses	7,352	6,403	949
Depreciation and amortization expense	214,558	222,107	(7,549)
Loss on disposal or impairment of assets, net	25,598	76,942	(51,344)
Revaluation of liabilities	(6,495)	6,261	(12,756)
Total expenses	450,015	463,706	(13,691)
Segment operating income (loss)	$ 94,851	$ (92,720)	$ 187,571
Produced water processed (barrels per day)			
Delaware Basin	1,531,830	1,148,582	383,248
Eagle Ford Basin	99,298	78,397	20,901
DJ Basin	142,611	111,016	31,595
Other Basins	24,179	26,596	(2,417)
Total	1,797,918	1,364,591	433,327
Recycled water (barrels per day)	93,487	43,503	49,984
Total (barrels per day)	1,891,405	1,408,094	483,311
Skim oil sold (barrels per day)	2,864	1,957	907
Service fees for produced water processed ($/barrel) (1)	$ 0.61	$ 0.62	$ (0.01)
Recovered crude oil for produced water processed ($/barrel) (1)	$ 0.12	$ 0.06	$ 0.06
Operating expenses for produced water processed ($/barrel) (1)	$ 0.27	$ 0.29	$ (0.02)

(1) Total produced water barrels processed during the years ended March 31, 2022 and 2021 were 656,240,083 and 498,075,843, respectively.

Water Disposal Service Fee Revenues. The increase was due to an increase in produced water volumes processed as a result of increased crude oil production driven by higher crude oil prices and completion activity, primarily in the Delaware Basin. This was partially offset by lower service fees received per barrel due to increased volumes from customers with long-term acreage dedications or minimum volume commitments with lower contracted fees.

Recovered Crude Oil Revenues. The increase was due primarily to higher volumes of skim oil sold due to increased produced water processed as well as higher crude oil prices realized. Additionally, an increase in the number of wells completed

in our area of operations during the period with increased flowback activity resulted in higher skim oil volumes per barrel of produced water processed.

Recycled Water Revenues. Revenue from recycled water includes the sale of produced water and recycled water for use in our customers' completion activities. The increase was due primarily to increasing demand for water to be used in completions, driven by an increase in drilling and completion activity primarily in the Delaware Basin, and our customers transition from brackish non-potable water to recycled water.

Other Revenues. Other revenues primarily include brackish non-potable water revenues, water pipeline revenues, land surface use revenues and solids disposal revenues. The increase was due primarily to higher sales of brackish non-potable water and pipeline revenues, driven by an increase in drilling and completion activity primarily in the Delaware Basin as well as our increased capacity to meet demand for these services, and higher land surface use fees and sales of caliche due to increased producer activity.

Cost of Sales-Excluding Impact of Derivatives. The increase was due primarily to costs related to the transfer of brackish non-potable water and recycled water to the purchaser as well as increased purchases of brackish non-potable water from third-parties to meet customer needs.

Derivative Loss. We enter into derivatives in our Water Solutions segment to protect against the risk of a decline in the market price of the crude oil we expect to recover when processing produced water and selling recovered skim oil. During the year ended March 31, 2022, we had $11.7 million of net unrealized losses on derivatives and $4.0 million of net realized gains on derivatives. During the year ended March 31, 2021, we had $24.5 million of net unrealized losses on derivatives and $17.4 million of net realized gains on derivatives. At March 31, 2022, we had approximately 3,000 barrels per day hedged for the next six months at an average price of $87.65 per barrel.

Operating and General and Administrative Expenses. The increase was due primarily to higher utility, royalty and chemical expenses as a result of the increase in produced water volumes processed. Utility and royalty expenses, which are two of our biggest variable expenses, were not impacted by the rise in inflation due to negotiating long-term utility contracts with fixed rates and royalty contracts with no escalation clauses. Severance taxes also increased due to the increase in revenue from recovered crude oil. Going forward, the Partnership expects to see slight decreases in its operating expenses per barrel of produced water processed due to continued focus on cost maintenance and reductions and an increase in overall disposal volumes.

Depreciation and Amortization Expense. The decrease was due primarily to an impairment charge recorded during the three months ended March 31, 2021 to write down the value of an intangible asset which resulted in lower amortization expense during the year ended March 31, 2022 as well as certain other long-term assets being fully amortized or impaired during the years ended March 31, 2021 and 2022. These decreases were partially offset by the depreciation of newly developed facilities and infrastructure.

Loss on Disposal or Impairment of Assets, Net. During the year ended March 31, 2022, we recorded a net loss of $29.8 million primarily related to the write-down of an inactive saltwater disposal facility and damaged equipment and wells at other facilities, abandonment of certain capital projects and the sale of certain other miscellaneous assets and a gain of $4.3 million on the sale of certain land and a landfill permit.

During the year ended March 31, 2021, we recorded:

- an impairment charge of $72.4 million to write down the value of an asset group and certain intangible assets due to a decline in producer activity, resulting in lower disposal volumes (see Note 4 and Note 6 to our consolidated financial statements included in this Annual Report);
- an impairment charge of $11.9 million to write down the value of certain inactive or underutilized saltwater disposal facilities (see Note 4 to our consolidated financial statements included in this Annual Report);
- a net loss of $6.7 million related to write-down or write off of certain assets, including facilities damaged by lightning strikes and abandoned projects, and the sale of certain other miscellaneous assets (see Note 4 to our consolidated financial statements included in this Annual Report); and
- a gain of $14.0 million related to the sale of certain permits, land and a saltwater disposal facility (see Note 17 to our consolidated financial statements included in this Annual Report).

Revaluation of Liabilities. During the year ended March 31, 2022, there was a decrease in expense for the valuation of our contingent consideration liabilities related to royalty agreements acquired as part of certain business combinations due primarily to lower expected production from new customers, resulting in a decrease to the expected future royalty payment. During the year ended March 31, 2021, there was an increase in expense for the valuation of our contingent consideration liabilities related to royalty agreements acquired as part of certain business combinations due primarily to higher expected production from new customers, resulting in an increase to the expected future royalty payment.

Crude Oil Logistics

The following table summarizes the operating results of our Crude Oil Logistics segment for the periods indicated:

	Year Ended March 31,		
	2022	2021	Change
	(in thousands, except per barrel amounts)		
Revenues:			
Crude oil sales	$ 2,432,393	$ 1,574,699	$ 857,694
Crude oil transportation and other	84,171	153,588	(69,417)
Total revenues (1)	2,516,564	1,728,287	788,277
Expenses:			
Cost of sales-excluding impact of derivatives	2,271,973	1,473,330	798,643
Derivative loss	92,027	49,314	42,713
Operating expenses	54,606	56,918	(2,312)
General and administrative expenses	7,537	8,038	(501)
Depreciation and amortization expense	48,489	60,874	(12,385)
(Gain) loss on disposal or impairment of assets, net	(3,101)	384,143	(387,244)
Total expenses	2,471,531	2,032,617	438,914
Segment operating income (loss)	$ 45,033	$ (304,330)	$ 349,363
Crude oil sold (barrels)	31,091	38,349	(7,258)
Crude oil transported on owned pipelines (barrels)	28,410	32,797	(4,387)
Crude oil storage capacity - owned and leased (barrels) (2)	5,232	5,239	(7)
Crude oil storage capacity leased to third parties (barrels) (2)	1,501	1,501	—
Crude oil inventory (barrels) (2)	1,339	1,201	138
Crude oil sold ($/barrel)	$ 78.235	$ 41.062	$ 37.173
Cost per crude oil sold ($/barrel) (3)	$ 73.075	$ 38.419	$ 34.656
Crude oil product margin ($/barrel) (3)	$ 5.160	$ 2.643	$ 2.517

(1) Revenues include $11.1 million and $6.7 million of intersegment sales during the years ended March 31, 2022 and 2021, respectively, that are eliminated in our consolidated statements of operations.

(2) Information is presented as of March 31, 2022 and March 31, 2021, respectively.

(3) Cost and product margin per barrel excludes the impact of derivatives.

Crude Oil Sales Revenues. The increase was due primarily to an increase in crude oil prices during the year ended March 31, 2022, compared to the year ended March 31, 2021. This was offset by a reduction in sales volumes, primarily due to lower production in the DJ Basin. In addition, volumes also declined due to an increase in buy/sell transactions during the year ended March 31, 2022, compared to the year ended March 31, 2021. These are transactions in which we transact to purchase product from a counterparty and sell the same volumes of product to the same counterparty at a different location or time. The revenues, cost of sales and volumes are all netted for these transactions.

Crude Oil Transportation and Other Revenues. The decrease was primarily due to our Grand Mesa Pipeline, as revenues from third-parties decreased by $72.6 million during the year ended March 31, 2022, compared to the year ended March 31, 2021. During the year ended March 31, 2022, physical volumes on the Grand Mesa Pipeline averaged approximately 78,000 barrels per day, compared to approximately 90,000 barrels per day for the year ended March 31, 2021 (volume amounts are from both internal and external parties). The decline was primarily due to the court approved rejection of the Extraction transportation agreement (as part of their bankruptcy) as well as decreased production in the DJ Basin.

Cost of Sales-Excluding Impact of Derivatives. The increase was due primarily to an increase in crude oil prices during the year ended March 31, 2022, compared to the year ended March 31, 2021. The increase was partially offset by a reduction in volumes, as discussed above in "*Crude Oil Sales Revenues*."

Derivative Loss. Our cost of sales during the year ended March 31, 2022 included $115.7 million of net realized losses on derivatives, driven by increasing crude oil prices, partially offset by $23.7 million of net unrealized gains on derivatives. The amounts for the year ended March 31, 2022 includes net realized losses of $83.5 million and unrealized gains of $45.0 million associated with derivative instruments related to our hedge of the CMA Differential Roll, defined and discussed below under "Non-GAAP Financial Measures." Our cost of sales during the year ended March 31, 2021 included $25.9 million of net realized losses on derivatives and $23.4 million of net unrealized losses on derivatives. Gains and losses from derivative activity should be offset by margin generated by the sale of the physical product.

Crude Oil Product Margin. The increase was primarily due to higher crude oil prices as certain contracted rates with producers increased due to higher crude oil prices.

Operating and General and Administrative Expenses. The decrease was primarily related to the write off of a receivable related to deficiency volumes from Extraction of $5.7 million during the year ended March 31, 2021. The decrease was offset by an increase in utility expenses due to Grand Mesa increased utility rates, as well as increased business insurance due to policy rate increases for the year ended March 31, 2022.

Depreciation and Amortization Expense. The decrease was due primarily to the reduction of amortization expense due to the impairment of certain intangible assets at the end of the prior year. This was offset by an increase in depreciation expense due to reducing the estimated useful lives of our railcars.

(Gain) Loss on Disposal or Impairment of Assets, Net. During the year ended March 31, 2022, we recorded a gain of $5.5 million on the sale of our trucking assets and a loss of $2.2 million due to damage caused by Hurricane Ida to one of our Gulf Coast terminals. During the year ended March 31, 2021, we recorded a net loss of $145.8 million for the impairment of an intangible asset, related to a rejected transportation agreement with Extraction (see Note 17 to our consolidated financial statements included in this Annual Report) and a net loss of $237.8 million for the impairment of goodwill (see Note 5 to our consolidated financial statements included in this Annual Report).

Liquids Logistics

The following table summarizes the operating results of our Liquids Logistics segment for the periods indicated:

	Year Ended March 31,		
	2022	2021	Change
	(in thousands, except per gallon amounts)		
Refined products sales:			
Revenues-excluding impact of derivatives (1)	$ 1,899,898	$ 1,124,087	$ 775,811
Cost of sales-excluding impact of derivatives	1,876,728	1,108,493	768,235
Derivative loss	2,907	930	1,977
Product margin	20,263	14,664	5,599
Propane sales:			
Revenues (1)	1,325,941	1,027,582	298,359
Cost of sales-excluding impact of derivatives	1,313,765	949,402	364,363
Derivative (gain) loss	(20,519)	10,994	(31,513)
Product margin	32,695	67,186	(34,491)
Butane sales:			
Revenues (1)	863,348	517,857	345,491
Cost of sales-excluding impact of derivatives	794,180	469,394	324,786
Derivative loss	18,690	22,353	(3,663)
Product margin	50,478	26,110	24,368
Other product sales:			
Revenues-excluding impact of derivatives (1)	791,125	446,744	344,381
Cost of sales-excluding impact of derivatives	748,392	424,191	324,201
Derivative loss (gain)	15,812	(7,078)	22,890
Product margin	26,921	29,631	(2,710)
Service revenues:			
Revenues (1)	16,200	33,915	(17,715)
Cost of sales	1,404	4,751	(3,347)
Product margin	14,796	29,164	(14,368)
Expenses:			
Operating expenses	55,907	55,273	634
General and administrative expenses	7,166	8,507	(1,341)
Depreciation and amortization expense	18,714	29,184	(10,470)
Loss on disposal or impairment of assets, net	71,807	3,350	68,457
Total expenses	153,594	96,314	57,280
Segment operating (loss) income	$ (8,441)	$ 70,441	$ (78,882)

	Year Ended March 31,		
	2022	2021	Change
	(in thousands, except per gallon amounts)		
Natural gas liquids and refined products storage capacity - owned and leased (gallons) (2)(3)	156,219	427,975	(271,756)
Refined products sold (gallons)	776,797	834,717	(57,920)
Refined products sold ($/gallon)	$ 2.446	$ 1.347	$ 1.099
Cost per refined products sold ($/gallon) (4)	$ 2.416	$ 1.328	$ 1.088
Refined products product margin ($/gallon) (4)	$ 0.030	$ 0.019	$ 0.011
Refined products inventory (gallons) (2)	1,090	1,223	(133)
Propane sold (gallons)	1,034,706	1,364,224	(329,518)
Propane sold ($/gallon)	$ 1.281	$ 0.753	$ 0.528
Cost per propane sold ($/gallon) (4)	$ 1.270	$ 0.696	$ 0.574
Propane product margin ($/gallon) (4)	$ 0.011	$ 0.057	$ (0.046)
Propane inventory (gallons) (2)	37,719	51,026	(13,307)
Propane storage capacity leased to third parties (gallons) (2)(3)	—	53,947	(53,947)
Butane sold (gallons)	588,032	655,256	(67,224)
Butane sold ($/gallon)	$ 1.468	$ 0.790	$ 0.678
Cost per butane sold ($/gallon) (4)	$ 1.351	$ 0.716	$ 0.635
Butane product margin ($/gallon) (4)	$ 0.117	$ 0.074	$ 0.043
Butane inventory (gallons) (2)	19,825	20,066	(241)
Butane storage capacity leased to third parties (gallons) (2)(3)	—	56,700	(56,700)
Other products sold (gallons)	376,906	471,245	(94,339)
Other products sold ($/gallon)	$ 2.099	$ 0.948	$ 1.151
Cost per other products sold ($/gallon) (4)	$ 1.986	$ 0.900	$ 1.086
Other products product margin ($/gallon) (4)	$ 0.113	$ 0.048	$ 0.065
Other products inventory (gallons) (2)	18,614	19,195	(581)

(1) Revenues include $1.3 million and $6.1 million of intersegment sales during the years ended March 31, 2022 and 2021, respectively, that are eliminated in our consolidated statements of operations.

(2) Information is presented as of March 31, 2022 and March 31, 2021, respectively.

(3) Decrease from March 31, 2021 relates to the sale of Sawtooth on June 18, 2021 (see Note 17 to our consolidated financial statements included in this Annual Report).

(4) Cost and product margin per gallon excludes the impact of derivatives.

Refined Products Revenues and Cost of Sales-Excluding Impact of Derivatives. The increases in revenues and cost of sales, excluding the impact of derivatives, were due to an increase in refined products prices. This was offset by a reduction in volumes sold due to tighter supply in the market. In certain markets in which we compete, allocation of product from suppliers was reduced due to lower demand as a result of the COVID-19 pandemic. We are continuing to work to increase those allocations as demand for refined products increases.

Refined Products Derivative Loss. Our refined products margin during the year ended March 31, 2022 included a realized loss of $2.9 million and the year ended March 31, 2021 included a realized loss of $0.9 million from our risk management activities due primarily to NYMEX future prices increasing on our short future positions.

Refined Products product margins per gallon of refined products sold for the year ended March 31, 2022 increased from the year ended March 31, 2021 primarily due to supply being short during the three months ended December 31, 2021, as a result of extended refinery downtime in certain markets in which we compete, and being well positioned during the extreme volatility surrounding global events occurring in the three months ended March 31, 2022.

Propane Sales and Cost of Sales-Excluding Impact of Derivatives. The increases in revenues and cost of sales were due to higher commodity prices. The increase in propane prices was the result of lower domestic inventories and a strong export market due to the increase in international prices. This was partially offset by lower propane volumes sold driven by reduced

demand due to warmer than normal autumn temperatures, which resulted in lower product demand for crop drying, unusually warm weather during the early winter months and reduced volumes due to the loss of two producer services agreements.

Propane Derivative (Gain) Loss. Our wholesale propane cost of sales included $2.0 million of net unrealized gains on derivatives and $18.5 million of net realized gains on derivatives during the year ended March 31, 2022. During the year ended March 31, 2021, our cost of wholesale propane sales included $3.3 million of net unrealized gains on derivatives and $14.3 million of net realized losses on derivatives.

Propane product margins, excluding the impact of derivatives, decreased as a result of lower demand due to the warmer than normal winter season, along with increased competition in a number of markets where NGL purchases and sells propane. Midwestern demand was down year-over-year due to lower product demand for crop drying and warmer fall and winter weather. Our margin was also impacted by lower product allocation from certain suppliers and lower storage utilization due to decreased demand and the backwardated market structure.

Butane Sales and Cost of Sales-Excluding Impact of Derivatives. The increases in revenues and cost of sales were due primarily to higher commodity prices. This was partially offset by a volume decrease due to a tight supply market as a result of decreased refinery runs and an increase in demand for exports.

Butane Derivative Loss. Our cost of butane sales during the year ended March 31, 2022 included $1.0 million of net unrealized gains on derivatives and $19.7 million of net realized losses on derivatives. Our cost of butane sales included $3.2 million of net unrealized losses on derivatives and $19.1 million of net realized losses on derivatives during the year ended March 31, 2021.

Butane product margins per gallon of butane sold were higher during year ended March 31, 2022 than during the year ended March 31, 2021 due primarily to a tight supply market, driven by an increase in demand for exports and an increase in blending demand, which are driving favorable sales differentials.

Other Products Sales and Cost of Sales-Excluding Impact of Derivatives. The increases in revenues and cost of sales, excluding the impact of derivatives, were due to higher commodity prices and increased demand for biodiesel. This was partially offset by reduced natural gasoline volumes during the year ended March 31, 2022 as more production was being shipped via pipelines, reducing the availability for product to be shipped by railcars.

Other Products Derivatives Loss (Gain). Our derivatives of other products included $15.8 million of net realized losses on derivatives and there are no unrealized gains or losses on derivatives during the year ended March 31, 2022. Our derivatives of other products during the year ended March 31, 2021 included $0.5 million of net unrealized gains on derivatives and $6.6 million of net realized gains on derivatives.

Other product sales product margins during the year ended March 31, 2022 increased due to an increase in demand for biodiesel and biodiesel renewable identification number market prices, as well as securing favorable biodiesel supply contracts in the Midwest and transporting the product for sale in more favorable markets. The increase was partially offset by a decline in margin for other natural gas liquids, as favorable supply contracts in the prior year and increased demand in certain markets during the prior year drove favorable sale differentials. Less volatility in the market, for both supply and demand, led to tighter margins for these products during the current period.

Service Revenues. This revenue includes storage, terminaling and transportation services income. The decrease during the year ended March 31, 2022 was due to the disposition of Sawtooth in June 2021 as well as less throughput in certain of our propane and butane terminals.

Operating and General and Administrative Expenses. The decrease was primarily due to the disposition of Sawtooth in June 2021 which was partially offset by increased travel as we came out of the pandemic.

Depreciation and Amortization Expense. The decrease was primarily due to the disposition of Sawtooth and lower amortization expense due to certain intangible assets being fully amortized as of September 30, 2021.

Loss on Disposal or Impairment of Assets, Net. During the year ended March 31, 2022, we recorded a net loss of $60.1 million related to the sale of Sawtooth (see Note 17 to our consolidated financial statements included in this Annual Report) and a net loss of $11.8 million related to the sale of another terminal during the three months ended September 30, 2021. During the year ended March 31, 2021, we recorded an impairment loss of approximately $3.3 million due to the write down in value of a terminal we have ceased operating.

Corporate and Other

The operating loss within "Corporate and Other" includes the following components for the periods indicated:

	Year Ended March 31,		
	2022	2021	Change
		(in thousands)	
Other revenues:			
Revenues	$ —	$ 1,255	$ (1,255)
Cost of sales	—	1,816	(1,816)
Loss	—	(561)	561
Expenses:			
General and administrative expenses	41,491	47,520	(6,029)
Depreciation and amortization expense	6,959	5,062	1,897
(Gain) loss on disposal or impairment of assets, net	(50)	11,001	(11,051)
Total expenses	48,400	63,583	(15,183)
Operating loss	$ (48,400)	$ (64,144)	$ 15,744

General and Administrative Expenses. The decrease during the year ended March 31, 2022 was due primarily to lower compensation and legal expenses, offset by increased consulting fees. Compensation expense decreased due to lower equity-based compensation, partially offset by increased incentive compensation during the current year. Legal expense decreased due to certain claims being settled, in particular our claims related to the bankruptcy of Extraction.

(Gain) Loss on Disposal or Impairment of Assets, Net. During the year ended March 31, 2021, we recorded a net loss of $11.0 million, which was primarily due to the write-off of a loan receivable related to the construction of a facility (see Note 17 to our consolidated financial statements included in this Annual Report).

Equity in Earnings of Unconsolidated Entities

Equity in earnings of unconsolidated entities was $1.4 million during the year ended March 31, 2022, compared to $1.9 million during the year ended March 31, 2021. The decrease of $0.5 million during the year ended March 31, 2022 was due primarily to lower earnings from certain membership interests related to specific land and water services operations.

Interest Expense

The following table summarizes the components of our consolidated interest expense for the periods indicated:

	Year Ended March 31,		
	2022	2021	Change
		(in thousands)	
Senior secured notes	$ 153,750	$ 24,344	$ 129,406
Senior unsecured notes	87,766	96,711	(8,945)
Amortization of debt issuance costs	16,960	13,420	3,540
Revolving credit facility	10,077	46,500	(36,423)
Other	3,087	17,824	(14,737)
Total	$ 271,640	$ 198,799	$ 72,841

The increase of $72.8 million during the year ended March 31, 2022 was primarily due to the issuance of the 7.5% senior secured notes due 2026 ("2026 Senior Secured Notes") which resulted in us paying a higher interest rate on certain refinanced indebtedness. This increase was partially offset by the termination of the term credit agreement as well as the repurchases of a portion of our senior unsecured notes to mature in 2023 and 2026 (see Note 7 to our consolidated financial statements included in this Annual Report).

Gain (Loss) on Early Extinguishment of Liabilities, Net

Gain on early extinguishment of liabilities, net was $1.8 million during the year ended March 31, 2022, compared to a loss on early extinguishment of liabilities, net of $16.7 million during the year ended March 31, 2021. During the years ended March 31, 2022 and 2021, the net gain (loss) (inclusive of debt issuance costs written off) primarily relates to the early extinguishment of a portion of the outstanding senior unsecured notes, partially offset by a loss on the early extinguishment of the Sawtooth credit agreement. See Note 7 to our consolidated financial statements included in this Annual Report for a further discussion.

Other Income (Expense), Net

Other income, net was $2.3 million during the year ended March 31, 2022, compared to other expense, net of $36.5 million during the year ended March 31, 2021. The decrease in other expense, net of $38.8 million during the year ended March 31, 2022 was due primarily to a $40.0 million fee paid to the holders of the 9.00% Class D Preferred Units ("Class D Preferred Units") during the year ended March 31, 2021 to obtain their consent in order to complete the issuance of the 2026 Senior Secured Notes and the $500.0 million asset-based revolving credit facility ("ABL Facility") (see Note 12 to our consolidated financial statements included in this Annual Report), partially offset by proceeds received from a litigation settlement during the year ended March 31, 2021.

Income Tax (Expense) Benefit

Income tax expense was $1.0 million during the year ended March 31, 2022, compared to an income tax benefit of $3.4 million during the year ended March 31, 2021. See Note 2 to our consolidated financial statements included in this Annual Report for a further discussion.

Noncontrolling Interests

Noncontrolling interests represent the portion of certain consolidated subsidiaries that are owned by third parties. Noncontrolling interest income was $0.7 million during the year ended March 31, 2022, compared to $0.6 million during the year ended March 31, 2021. The increase of less than $0.1 million during the year ended March 31, 2022 was due primarily to higher income from certain recycling operations, partially offset by a higher loss from operations of the Sawtooth joint venture primarily due to the sale of Sawtooth in June 2021 and lower income from certain water solutions operations.

Segment Operating Results for the Years Ended March 31, 2021 and 2020

Water Solutions

The following table summarizes the operating results of our Water Solutions segment for the periods indicated. As previously reported, on July 2, 2019, we acquired all of the assets of Mesquite and on October 31, 2019, we acquired all of the equity interests of Hillstone, thus the fiscal year 2020 results only include a partial year of operations related to these transactions.

	Year Ended March 31,		
	2021	2020	Change
	(in thousands, except per barrel and per day amounts)		
Revenues:			
Water disposal service fees	$ 308,511	$ 305,124	$ 3,387
Sale of recovered crude oil	28,599	59,445	(30,846)
Recycled water	3,015	705	2,310
Other revenues	30,861	56,785	(25,924)
Total revenues	370,986	422,059	(51,073)
Expenses:			
Cost of sales-excluding impact of derivatives	2,557	5,511	(2,954)
Derivative loss (gain)	7,065	(39,381)	46,446
Operating expenses	142,371	192,987	(50,616)
General and administrative expenses	6,403	7,939	(1,536)
Depreciation and amortization expense	222,107	163,588	58,519
Loss on disposal or impairment of assets, net	76,942	255,285	(178,343)
Revaluation of liabilities	6,261	9,194	(2,933)
Total expenses	463,706	595,123	(131,417)
Segment operating loss	$ (92,720)	$ (173,064)	$ 80,344
Produced water processed (barrels per day)			
Delaware Basin (1)	1,148,582	1,170,158	(21,576)
Eagle Ford Basin	78,397	246,784	(168,387)
DJ Basin	111,016	164,936	(53,920)
Other Basins	26,596	61,091	(34,495)
Total	1,364,591	1,642,969	(278,378)
Recycled water (barrels per day)	43,503	14,992	28,511
Total (barrels per day)	1,408,094	1,657,961	(249,867)
Skim oil sold (barrels per day)	1,957	3,397	(1,440)
Service fees for produced water processed ($/barrel) (2)	$ 0.62	$ 0.63	$ (0.01)
Recovered crude oil for produced water processed ($/barrel) (2)	$ 0.06	$ 0.12	$ (0.06)
Operating expenses for produced water processed ($/barrel) (2)	$ 0.29	$ 0.40	$ (0.11)

(1) During the year ended March 31, 2020, barrels per day of produced water processed by the assets acquired in the Mesquite and Hillstone transactions are calculated by the number of days in which we owned the assets.

(2) Total produced water barrels processed during the years ended March 31, 2021 and 2020 were 498,075,843 and 485,115,941, respectively.

Water Disposal Service Fee Revenues. The increase was due primarily to an increase in the volume of produced water processed primarily driven by our acquisitions of Mesquite and Hillstone as well as new produced water volumes received upon the completion and commencement of the Partnership's Poker Lake pipeline. The pipeline was successfully completed in October 2020 with a capacity of over 400,000 barrels per day and connects into our integrated Delaware Basin produced water pipeline infrastructure network. These increases were partially offset by a decrease in the volume of other produced water processed resulting from lower crude oil prices, development activity and production volumes.

Recovered Crude Oil Revenues. The decrease was due primarily to a reduction in the number of producing wells completed in our area of operations, a decrease in the percentage of skim oil volumes recovered per produced water barrel processed and lower crude oil prices. The lower percentage of skim oil volumes recovered was due primarily to an increase in

produced water transported through pipelines (which contains less oil per barrel of produced water), and the addition of contract structures that allow producers to keep the skim oil recovered from produced water.

Recycled Water Revenues. The increase was due primarily to the timing of our customers completions driven by an increase in drilling and completion activity primarily in the Delaware Basin.

Other Revenues. The decrease was due primarily to reduced customer development activity and needs for these services resulting from the decline in crude oil prices.

Cost of Sales-Excluding Impact of Derivatives. The decrease was due primarily to lower purchasing and transportation costs related to our brackish non-potable water and crude oil sales.

Derivative Loss (Gain). During the year ended March 31, 2021, we had $24.5 million of net unrealized losses on derivatives and $17.4 million of net realized gains on derivatives. During the year ended March 31, 2020, we had $29.9 million of net unrealized gains on derivatives and $9.5 million of net realized gains on derivatives. In June 2019, we settled derivative contracts that had scheduled settlement dates from April through December 2020 and recorded a gain of $1.9 million on those derivatives.

Operating and General and Administrative Expenses. The decrease was due primarily to the deployment of automation and subsequent reduction in employee headcount, reduced equipment rental (including generators) and associated diesel fuel and repairs and lower maintenance expense. In addition, acquisition expenses were lower by $4.1 million as we did not close on any acquisitions during the year ended March 31, 2021.

Depreciation and Amortization Expense. The increase was due primarily to Mesquite and Hillstone acquisitions completed in the prior year and newly developed facilities and infrastructure.

Loss on Disposal or Impairment of Assets, Net. During the year ended March 31, 2021, we recorded:

- an impairment charge of $72.4 million to write down the value of an asset group and certain intangible assets due to a decline in producer activity, resulting in lower disposal volumes (see Note 4 and Note 6 to our consolidated financial statements included in this Annual Report);
- an impairment charge of $11.9 million to write down the value of certain inactive or underutilized saltwater disposal facilities (see Note 4 to our consolidated financial statements included in this Annual Report);
- a net loss of $6.7 million related to write-down or write off of certain assets, including facilities damaged by lightning strikes and abandoned projects, and the sale of certain other miscellaneous assets (see Note 4 to our consolidated financial statements included in this Annual Report); and
- a gain of $14.0 million related to the sale of certain permits, land and a saltwater disposal facility (see Note 17 to our consolidated financial statements included in this Annual Report).

During the year ended March 31, 2020, we recorded:

- a goodwill impairment charge of $250.0 million related to the current macroeconomic conditions including the collapse of oil prices driven by both the decrease in demand caused by the COVID-19 pandemic and excess supply, as well as changing market conditions and expected lower crude oil production in certain regions, resulting in expected decreases in future cash flows for certain of our assets (see Note 5 to our consolidated financial statements included in this Annual Report);
- an impairment charge of $13.5 million related to certain inactive saltwater disposal facilities;
- a net loss of $9.2 million on the disposals of certain other assets;
- a gain of $14.5 million for the sale of certain water permits (see Note 17 to our consolidated financial statements included in this Annual Report); and
- a gain of $1.0 million for cash received related to a loan receivable that was previously written off.

Revaluation of Liabilities. During the year ended March 31, 2021, there was an increase in expense for the valuation of our contingent consideration liabilities related to royalty agreements acquired as part of certain business combinations due primarily to higher expected production from new customers, resulting in an increase to the expected future royalty payment.

During the year ended March 31, 2020, a portion of the revaluation of liabilities represented the change in the valuation of our contingent consideration liability issued by us as part of a business combination. Under the agreement, we were required to make additional payments to the seller based on the volume of produced water processed by the assets acquired. During the year ended March 31, 2020, the thresholds for the volume of produced water processed were surpassed, thus triggering our obligation to pay the seller.

During the year ended March 31, 2020, there was a reduction in expense for the valuation of our contingent consideration liabilities related to royalty agreements acquired as part of certain business combinations due primarily to lower expected production from new customers and an increase in facilities due to acquisitions, resulting in a decrease to the expected future royalty payment.

Crude Oil Logistics

The following table summarizes the operating results of our Crude Oil Logistics segment for the periods indicated:

	Year Ended March 31,		
	2021	2020	Change
	(in thousands, except per barrel amounts)		
Revenues:			
Crude oil sales	$ 1,574,699	$ 2,383,812	$ (809,113)
Crude oil transportation and other	153,588	184,129	(30,541)
Total revenues (1)	1,728,287	2,567,941	(839,654)
Expenses:			
Cost of sales-excluding impact of derivatives	1,473,330	2,347,863	(874,533)
Derivative loss (gain)	49,314	(35,736)	85,050
Operating expenses	56,918	61,708	(4,790)
General and administrative expenses	8,038	6,723	1,315
Depreciation and amortization expense	60,874	70,759	(9,885)
Loss (gain) on disposal or impairment of assets, net	384,143	(1,144)	385,287
Total expenses	2,032,617	2,450,173	(417,556)
Segment operating (loss) income	$ (304,330)	$ 117,768	$ (422,098)
Crude oil sold (barrels)	38,349	42,799	(4,450)
Crude oil transported on owned pipelines (barrels)	32,797	45,884	(13,087)
Crude oil storage capacity - owned and leased (barrels) (2)	5,239	5,362	(123)
Crude oil storage capacity leased to third parties (barrels) (2)	1,501	2,062	(561)
Crude oil inventory (barrels) (2)	1,201	1,111	90
Crude oil sold ($/barrel)	$ 41.062	$ 55.698	$ (14.636)
Cost per crude oil sold ($/barrel) (3)	$ 38.419	$ 54.858	$ (16.439)
Crude oil product margin ($/barrel) (3)	$ 2.643	$ 0.840	$ 1.803

(1) Revenues include $6.7 million and $18.2 million of intersegment sales during the years ended March 31, 2021 and 2020, respectively, that are eliminated in our consolidated statements of operations.

(2) Information is presented as of March 31, 2021 and March 31, 2020, respectively.

(3) Cost and product margin per barrel excludes the impact of derivatives.

Crude Oil Sales Revenues. The decrease was due primarily to a decrease in crude oil prices and sales volumes during the year ended March 31, 2021, compared to the year ended March 31, 2020. The volumes decreased due to changes in the method of delivery to the market in the Permian region, as a significant amount of production switched to long haul pipeline owned and controlled by others.

Crude Oil Transportation and Other Revenues. The decrease was primarily due to our Grand Mesa Pipeline, which decreased revenues by $32.8 million during the year ended March 31, 2021, compared to the year ended March 31, 2020. During the year ended March 31, 2021, financial volumes on the Grand Mesa Pipeline averaged approximately 94,000 barrels per day, compared to 131,000 barrels per day for the year ended March 31, 2020 (volume amounts are from both internal and

external parties) primarily due to the court approved rejection of the Extraction transportation agreement (see Note 17 to our consolidated financial statements included in this Annual Report).

Cost of Sales-Excluding Impact of Derivatives. The decrease was due to a decrease in crude oil prices and reduced volumes during the year ended March 31, 2021, compared to the year ended March 31, 2020.

Derivative Loss (Gain). Our cost of sales during the year ended March 31, 2021 included $25.9 million of net realized losses on derivatives and $23.4 million of net unrealized losses on derivatives. The losses are due to a very volatile pricing market during the year ended March 31, 2021. Our cost of sales during the year ended March 31, 2020 included $24.4 million of net realized gains on derivatives and $11.3 million of net unrealized gains on derivatives. In March 2020, we closed realized derivative contracts that had scheduled settlement dates from May 2020 through June 2020, which accounted for $16.7 million of the realized gains for the prior year.

Crude Oil Product Margin. The increase was due to inventory purchased during the three months ended June 30, 2020 at lower prices and held for sale during the three months ended September 30, 2020 and the three months ended December 31, 2020 when prices recovered.

Operating and General and Administrative Expenses. Expenses decreased compared to the prior year due to a decrease of utilities, as lower volumes were being shipped on the Grand Mesa Pipeline and other cost cutting measures which were partially offset by the write off of a $5.7 million receivable from Extraction (see Note 17 to our consolidated financial statements included in this Annual Report).

Depreciation and Amortization Expense. The decrease was due to the retirement of certain assets and other assets being fully depreciated or amortized during the year ended March 31, 2020.

Loss (Gain) on Disposal or Impairment of Assets, Net. During the year ended March 31, 2021, we recorded a net loss of $145.8 million for the impairment of an intangible asset, related to a rejected transportation agreement with Extraction (see Note 17 to our consolidated financial statements included in this Annual Report), and a net loss of $237.8 million for the impairment of goodwill (see Note 5 to our consolidated financial statements included in this Annual Report). During the year ended March 31, 2020, we recorded a net gain of $1.1 million related to the disposal of certain assets.

Liquids Logistics

The following table summarizes the operating results of our Liquids Logistics segment for the periods indicated:

	Year Ended March 31,		
	2021	2020	Change
	(in thousands, except per gallon amounts)		
Refined products sales:			
Revenues-excluding impact of derivatives (1)(2)	$ 1,124,087	$ 2,394,663	$ (1,270,576)
Cost of sales-excluding impact of derivatives (3)	1,108,493	2,367,850	(1,259,357)
Derivative loss (gain)	930	(3,225)	4,155
Product margin	14,664	30,038	(15,374)
Propane sales:			
Revenues (1)	1,027,582	846,756	180,826
Cost of sales-excluding impact of derivatives	949,402	766,521	182,881
Derivative loss	10,994	3,536	7,458
Product margin	67,186	76,699	(9,513)
Butane sales:			
Revenues (1)	517,857	564,016	(46,159)
Cost of sales-excluding impact of derivatives	469,394	486,777	(17,383)
Derivative loss (gain)	22,353	(8,288)	30,641
Product margin	26,110	85,527	(59,417)
Other product sales:			
Revenues-excluding impact of derivatives (1)	446,744	775,458	(328,714)
Cost of sales-excluding impact of derivatives	424,191	732,967	(308,776)
Derivative gain	(7,078)	(2,846)	(4,232)
Product margin	29,631	45,337	(15,706)
Service revenues:			
Revenues (1)	33,915	40,216	(6,301)
Cost of sales	4,751	9,207	(4,456)
Product margin	29,164	31,009	(1,845)
Expenses:			
Operating expenses	55,273	77,980	(22,707)
General and administrative expenses	8,507	12,644	(4,137)
Depreciation and amortization expense	29,184	27,930	1,254
Loss on disposal or impairment of assets, net	3,350	7,645	(4,295)
Total expenses	96,314	126,199	(29,885)
Segment operating income	$ 70,441	$ 142,411	$ (71,970)

	Year Ended March 31,		
	2021	2020	Change
	(in thousands, except per gallon amounts)		
Natural gas liquids and refined products storage capacity - owned and leased (gallons) (4)	427,975	400,301	27,674
Refined products sold (gallons)	834,717	1,272,546	(437,829)
Refined products sold ($/gallon)	$ 1.347	$ 1.890	$ (0.543)
Cost per refined products sold ($/gallon) (5)	$ 1.328	$ 1.861	$ (0.533)
Refined products product margin ($/gallon) (5)	$ 0.019	$ 0.029	$ (0.010)
Refined products inventory (gallons) (4)	1,223	2,391	(1,168)
Propane sold (gallons)	1,364,224	1,478,759	(114,535)
Propane sold ($/gallon)	$ 0.753	$ 0.573	$ 0.180
Cost per propane sold ($/gallon) (5)	$ 0.696	$ 0.518	$ 0.178
Propane product margin ($/gallon) (5)	$ 0.057	$ 0.055	$ 0.002
Propane inventory (gallons) (4)	51,026	57,221	(6,195)
Propane storage capacity leased to third parties (gallons) (4)	53,947	46,066	7,881
Butane sold (gallons)	655,256	814,528	(159,272)
Butane sold ($/gallon)	$ 0.790	$ 0.692	$ 0.098
Cost per butane sold ($/gallon) (5)	$ 0.716	$ 0.598	$ 0.118
Butane product margin ($/gallon) (5)	$ 0.074	$ 0.094	$ (0.020)
Butane inventory (gallons) (4)	20,066	24,808	(4,742)
Butane storage capacity leased to third parties (gallons) (4)	56,700	33,894	22,806
Other products sold (gallons)	471,245	602,872	(131,627)
Other products sold ($/gallon)	$ 0.948	$ 1.286	$ (0.338)
Cost per other products sold ($/gallon) (5)	$ 0.900	$ 1.216	$ (0.316)
Other products product margin ($/gallon) (5)	$ 0.048	$ 0.070	$ (0.022)
Other products inventory (gallons) (4)	19,195	26,126	(6,931)

(1) Revenues include $6.1 million and $5.0 million of intersegment sales during the years ended March 31, 2021 and 2020, respectively, that are eliminated in our consolidated statements of operations.

(2) Revenues include $10.3 million of intersegment sales during the year ended March 31, 2020 between certain businesses within the Liquids Logistics segment and TPSL, Mid-Con and Gas Blending that are eliminated in our consolidated statement of operations.

(3) Cost of sales include $8.2 million of intersegment cost of sales during the year ended March 31, 2020 between certain businesses within the Liquids Logistics segment and TPSL, Mid-Con and Gas Blending that are eliminated in our consolidated statement of operations.

(4) Information is presented as of March 31, 2021 and March 31, 2020, respectively.

(5) Cost and product margin per gallon excludes the impact of derivatives.

Refined Products Revenues and Cost of Sales-Excluding Impact of Derivatives. The decreases in revenues and cost of sales, excluding the impact of derivatives, were due to a decrease in refined products prices and volumes due to the sizable reduction in demand for both gasoline and diesel products due to the COVID-19 pandemic. There was also a large decrease in volumes due to the elimination of our sales in the Northeast and Southeast due to our non-compete clause with the purchaser of our TPSL business.

Refined Products Derivative Loss (Gain). Our margin during the year ended March 31, 2021 included a loss of $0.9 million from our risk management activities due primarily to NYMEX future prices increasing on our short future positions. Our margin during the year ended March 31, 2020 included a gain of $3.2 million from our risk management activities due primarily to unrealized gains on our open forward physical positions and decreases in NYMEX futures prices on our short future positions.

Propane Sales and Cost of Sales-Excluding Impact of Derivatives. The increases in revenues and cost of sales-excluding impact of derivatives were due to increased commodity prices in the fourth quarter of the year ended March 31, 2021, as a result of winter storm Uri in February 2021. These increases were partially offset by lower volumes as a result of lower commercial and industrial demand due to the COVID-19 pandemic.

Propane Derivative Loss. Our cost of wholesale propane sales included $3.3 million of net unrealized gains on derivatives and $14.3 million of net realized losses on derivatives during the year ended March 31, 2021. During the year ended March 31, 2020, our cost of wholesale propane sales included $1.5 million of net unrealized losses on derivatives and $2.0 million of net realized losses on derivatives.

Propane product margins per gallon of propane sold were higher during the year ended March 31, 2021 than during the year ended March 31, 2020 due primarily to inventory values aligning with reduced commodity prices at index markets as well as the extreme cold weather in February 2021.

Butane Sales and Cost of Sales-Excluding Impact of Derivatives. The decreases in revenues and cost of sales-excluding impact of derivatives in butane were due primarily to lower product demand which decreased due to lower gasoline blending volumes and decreased export sales related to the COVID-19 pandemic.

Butane Derivative Loss (Gain). Our cost of butane sales during the year ended March 31, 2021 included $3.2 million of net unrealized losses on derivatives and $19.1 million of net realized losses on derivatives. Our cost of butane sales included $0.5 million of net unrealized losses on derivatives and $8.8 million of net realized gains on derivatives during the year ended March 31, 2020.

Butane product margins per gallon of butane sold were lower during the year ended March 31, 2021 than during the year ended March 31, 2020 due primarily to the weaker domestic market demand due to COVID-19.

Other Products Sales and Cost of Sales-Excluding Impact of Derivatives. The decreases in revenues and cost of sales - excluding the impact of derivatives, were due to lower commodity prices and lower demand due to the lockdowns related to the COVID-19 pandemic.

Other Products Derivative Gain. Our cost of sales of other products during the year ended March 31, 2021 included $0.5 million of net unrealized gains on derivatives and $6.6 million of net realized gains on derivatives. Our cost of sales of other products included $0.6 million of net unrealized losses on derivatives and $3.4 million of net realized gains on derivatives during the year ended March 31, 2020.

Other product sales product margins during the year ended March 31, 2021 decreased primarily due to softer product demand during the COVID-19 pandemic and associated economic slowdown. In addition, the margin for the year ended March 31, 2020, included a biodiesel tax credit of $13.8 million. The impact of the biodiesel tax credit for the year March 31, 2021 was approximately $0.4 million.

Service Revenues. This revenue includes storage, terminaling and transportation services income. The decrease during the year ended March 31, 2021 was primarily to weaker demand as producers shut-in and curtailed production.

Operating and General and Administrative Expenses. Expenses decreased for the year ended March 31, 2021 due to lower volumes and services rendered as well as reduced costs with lower incentive compensation and restricted travel due to COVID-19.

Depreciation and Amortization Expense. Expense for the year ended March 31, 2021 was higher due to the acceleration of depreciation expense prior to the sale of a terminal facility.

Loss on Disposal or Impairment of Assets, Net. During the year ended March 31, 2021, we recorded an impairment loss of approximately $3.3 million to the write down in value of a terminal we have ceased operating. During the year ended March 31, 2020, we recorded an impairment of $7.7 million due to adjusting the cost basis of pipeline linefill to the market price of propane as of March 31, 2020.

Corporate and Other

The operating loss within "Corporate and Other" includes the following components for the periods indicated:

	Year Ended March 31,		
	2021	2020	Change
	(in thousands)		
Other revenues:			
Revenues	$ 1,255	$ 1,038	$ 217
Cost of sales	1,816	1,774	42
Loss	(561)	(736)	175
Expenses:			
Operating expenses	—	318	(318)
General and administrative expenses	47,520	86,358	(38,838)
Depreciation and amortization expense	5,062	3,035	2,027
Loss on disposal or impairment of assets, net	11,001	—	11,001
Total expenses	63,583	89,711	(26,128)
Operating loss	$ (64,144)	$ (90,447)	$ 26,303

General and Administrative Expenses. The decrease during the year ended March 31, 2021 was due primarily to lower equity-based compensation expense and acquisition expenses. During the year ended March 31, 2021, equity-based compensation expense was $6.7 million, compared to $26.5 million during the year ended March 31, 2020. During the year ended March 31, 2021, acquisition expenses were $1.7 million, compared to $15.6 million during the year ended March 31, 2020. The driver behind the decrease in acquisition expenses was primarily due to expenses incurred in connection with our acquisitions of both Mesquite and Hillstone in the year ended March 31, 2020.

Loss on Disposal or Impairment of Assets, Net. During the year ended March 31, 2021, we recorded a net loss of $11.0 million, which was primarily due to the write-off of a loan receivable made to a third party for the construction of a natural gas liquids loading/unloading facility (see Note 17 to our consolidated financial statements included in this Annual Report) and a loss from the write-off of installment payments made in connection with an option agreement to invest in a third party.

Equity in Earnings of Unconsolidated Entities

Equity in earnings of unconsolidated entities was $1.9 million during the year ended March 31, 2021, compared to $1.3 million during the year ended March 31, 2020. The increase of $0.6 million during the year ended March 31, 2021 was due primarily to higher earnings from certain membership interests acquired in November 2019 related to specific land and water services operations, partially offset by a higher loss from our interest in an aircraft company during the year ended March 31, 2021.

Interest Expense

The following table summarizes the components of our consolidated interest expense for the periods indicated:

	Year Ended March 31,		
	2021	2020	Change
	(in thousands)		
Senior unsecured notes	$ 96,711	$ 102,289	$ (5,578)
Revolving credit facility	46,500	57,470	(10,970)
Senior secured notes	24,344	—	24,344
Amortization of debt issuance costs	13,420	10,901	2,519
Other	17,824	10,524	7,300
Total	$ 198,799	$ 181,184	$ 17,615

The increase of $17.6 million during the year ended March 31, 2021 was due to the issuance of the 2026 Senior Secured Notes. This increase was offset by repurchases of a portion of our senior unsecured notes to mature in 2023, 2025 and 2026 (see Note 7 to our consolidated financial statements included in this Annual Report).

(Loss) Gain on Early Extinguishment of Liabilities, Net

Loss on early extinguishment of liabilities, net was $16.7 million during the year ended March 31, 2021, compared to a gain on early extinguishment of liabilities, net of $1.3 million during the year ended March 31, 2020. During the years ended March 31, 2021 and 2020, the net (loss) gain (inclusive of debt issuance costs written off) relates to the early extinguishment of a portion of the outstanding senior unsecured notes. See Note 7 to our consolidated financial statements included in this Annual Report for a further discussion.

Other (Expense) Income, Net

Other expense, net was $36.5 million during the year ended March 31, 2021, compared to other income, net of $1.7 million during the year ended March 31, 2020. The increase in other expense, net of $38.2 million during the year ended March 31, 2021 was due primarily to a $40.0 million fee paid to the holders of the Class D Preferred Units to obtain their consent in order to complete the issuance of the 2026 Senior Secured Notes and the ABL Facility (see Note 12 to our consolidated financial statements included in this Annual Report), partially offset by proceeds received from a litigation settlement during the year ended March 31, 2021.

Income Tax Benefit (Expense)

Income tax benefit was $3.4 million during the year ended March 31, 2021, compared to income tax expense of $0.3 million during the year ended March 31, 2020. The increase in the income tax benefit during the year ended March 31, 2021 was primarily due to a full year of Hillstone operations during the year ended March 31, 2021 compared to five months of Hillstone operations during the year ended March 31, 2020. See Note 2 to our consolidated financial statements included in this Annual Report for a further discussion.

Noncontrolling Interests

Noncontrolling interest income was $0.6 million during the year ended March 31, 2021, compared to a noncontrolling interest loss of $1.8 million during the year ended March 31, 2020. The increase in noncontrolling interest income of $2.4 million during the year ended March 31, 2021 was due primarily to a lower loss from operations from certain water operations, income from operations from the Sawtooth joint venture and higher income from operations of certain assets we acquired in Mesquite acquisition in July 2019.

Non-GAAP Financial Measures

In addition to financial results reported in accordance with accounting principles generally accepted in the United States (“GAAP”), we have provided the non-GAAP financial measures of EBITDA and Adjusted EBITDA. These non-GAAP financial measures are not intended to be a substitute for those reported in accordance with GAAP. These measures may be different from non-GAAP financial measures used by other entities, even when similar terms are used to identify such measures.

We define EBITDA as net income (loss) attributable to NGL Energy Partners LP, plus interest expense, income tax expense (benefit), and depreciation and amortization expense. We define Adjusted EBITDA as EBITDA excluding net unrealized gains and losses on derivatives, lower of cost or net realizable value adjustments, gains and losses on disposal or impairment of assets, gains and losses on early extinguishment of liabilities, equity-based compensation expense, acquisition expense, revaluation of liabilities, certain legal settlements and other. We also include in Adjusted EBITDA certain inventory valuation adjustments related to the TPSL, Mid-Con, and Gas Blending businesses, which are included in discontinued operations, and certain refined products businesses within our Liquids Logistics segment, as discussed below. EBITDA and Adjusted EBITDA should not be considered alternatives to net loss, loss from continuing operations before income taxes, cash flows from operating activities, or any other measure of financial performance calculated in accordance with GAAP, as those items are used to measure operating performance, liquidity or the ability to service debt obligations. We believe that EBITDA provides additional information to investors for evaluating our ability to make quarterly distributions to our unitholders and is presented solely as a supplemental measure. We believe that Adjusted EBITDA provides additional information to investors for evaluating our financial performance without regard to our financing methods, capital structure and historical cost basis. Further, EBITDA and Adjusted EBITDA, as we define them, may not be comparable to EBITDA, Adjusted EBITDA, or similarly titled measures used by other entities.

Other than for the TPSL, Mid-Con, and Gas Blending businesses, which are included in discontinued operations, and certain businesses within our Liquids Logistics segment, for purposes of our Adjusted EBITDA calculation, we make a distinction between realized and unrealized gains and losses on derivatives. During the period when a derivative contract is open, we record changes in the fair value of the derivative as an unrealized gain or loss. When a derivative contract matures or is settled, we reverse the previously recorded unrealized gain or loss and record a realized gain or loss. We do not draw such a distinction between realized and unrealized gains and losses on derivatives of the TPSL, Mid-Con, and Gas Blending businesses, which are included in discontinued operations, and certain businesses within our Liquids Logistics segment. The primary hedging strategy of these businesses is to hedge against the risk of declines in the value of inventory over the course of the contract cycle, and many of the hedges cover extended periods of time. The "inventory valuation adjustment" row in the reconciliation table reflects the difference between the market value of the inventory of these businesses at the balance sheet date and its cost, adjusted for the impact of seasonal market movements related to our base inventory and the related hedge. We include this in Adjusted EBITDA because the unrealized gains and losses associated with derivative contracts associated with the inventory of this segment, which are intended primarily to hedge inventory holding risk and are included in net income, also affect Adjusted EBITDA. In our Crude Oil Logistics segment, we purchase certain crude oil barrels using the West Texas Intermediate ("WTI") calendar month average ("CMA") price and sell the crude oil barrels using the WTI CMA price plus the Argus CMA Differential Roll Component ("CMA Differential Roll") per our contracts. To eliminate the volatility of the CMA Differential Roll, we entered into derivative instrument positions in January 2021 to secure a margin of approximately $0.20 per barrel on 1.5 million barrels per month from May 2021 through December 2023. Due to the nature of these positions, the cash flow and earnings recognized on a GAAP basis will differ from period to period depending on the current crude oil price and future estimated crude oil price which are valued utilizing third-party market quoted prices. We are recognizing in Adjusted EBITDA the gains and losses from the derivative instrument positions entered into in January 2021 to properly align with the physical margin we are hedging each month through the term of this transaction. This representation aligns with management's evaluation of the transaction.

The following table reconciles net loss to EBITDA and Adjusted EBITDA for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Net loss	$ (184,101)	$ (639,187)	$ (398,780)
Less: Net (income) loss attributable to noncontrolling interests	(655)	(632)	1,773
Net loss attributable to NGL Energy Partners LP	(184,756)	(639,819)	(397,007)
Interest expense	271,689	198,823	181,357
Income tax expense (benefit)	971	(3,444)	365
Depreciation and amortization	287,943	314,476	265,147
EBITDA	375,847	(129,964)	49,862
Net unrealized (gains) losses on derivatives	(14,977)	47,366	(38,557)
CMA Differential Roll net losses (gains) (1)	67,738	—	—
Inventory valuation adjustment (2)	8,409	1,224	(29,676)
Lower of cost or net realizable value adjustments	10,862	(30,102)	31,202
Loss on disposal or impairment of assets, net	94,059	476,601	464,483
(Gain) loss on early extinguishment of liabilities, net	(1,851)	16,692	(1,341)
Equity-based compensation expense (3)	(1,052)	6,727	26,510
Acquisition expense (4)	67	1,711	19,722
Revaluation of liabilities (5)	(6,495)	6,261	9,194
Class D Preferred Unitholder consent fee (6)	—	40,000	—
Other (7)	9,909	11,135	15,788
Adjusted EBITDA	$ 542,516	$ 447,651	$ 547,187
Adjusted EBITDA - Discontinued Operations (8)	$ —	$ (621)	$ (42,270)
Adjusted EBITDA - Continuing Operations	$ 542,516	$ 448,272	$ 589,457

(1) Adjustment to align, within Adjusted EBITDA, the net gains and losses of the Partnership's CMA Differential Roll derivative instruments positions with the physical margin being hedged. See "Non-GAAP Financial Measures" section above for a further discussion.

(2) Amount reflects the difference between the market value of the inventory at the balance sheet date and its cost, adjusted for the impact of seasonal market movements related to our base inventory and the related hedge. See "Non-GAAP Financial Measures" section above for a further discussion.

(3) Equity-based compensation expense in the table above may differ from equity-based compensation expense reported in Note 9 to our consolidated financial statements included in this Annual Report. Amounts reported in the table above include expense accruals for bonuses expected to be paid in common units, whereas the amounts reported in Note 9 to our consolidated financial statements only include expenses associated with equity-based awards that have been formally granted.

(4) Amounts represent expenses we incurred related to legal and advisory costs associated with acquisitions, including Mesquite and Hillstone.

(5) Amounts for the years ended March 31, 2022 and 2021 represent the non-cash valuation adjustment of contingent consideration liabilities, offset by the cash payments, related to royalty agreements acquired as part of acquisitions in our Water Solutions segment. Amount for the year ended March 31, 2020 represents the non-cash valuation adjustment of our contingent consideration liability issued by us as part of our acquisition of Mesquite, partially offset by the non-cash valuation adjustment of contingent consideration liabilities, offset by the cash payments, related to royalty agreements acquired as part of acquisitions in our Water Solutions segment.

(6) Represents the fee paid to the holders of the Class D Preferred Units to obtain their consent in order to complete the issuance of the 2026 Senior Secured Notes and the ABL Facility (see Note 12 to our consolidated financial statements included in this Annual Report).

(7) Amounts for the years ended March 31, 2022, 2021 and 2020 represent non-cash operating expenses related to our Grand Mesa Pipeline, unrealized losses on marketable securities and accretion expense for asset retirement obligations.

(8) Amounts include the operations of TPSL, Gas Blending and Mid-Con.

The following tables reconcile depreciation and amortization amounts per the EBITDA table above to depreciation and amortization amounts reported in our consolidated statements of operations and consolidated statements of cash flows for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Reconciliation to consolidated statements of operations:			
Depreciation and amortization per EBITDA table	$ 287,943	$ 314,476	$ 265,147
Intangible asset amortization recorded to cost of sales	(281)	(307)	(349)
Depreciation and amortization of unconsolidated entities	(768)	(756)	(561)
Depreciation and amortization attributable to noncontrolling interests	1,826	3,814	3,535
Depreciation and amortization attributable to discontinued operations	—	—	(2,460)
Depreciation and amortization per consolidated statements of operations	$ 288,720	$ 317,227	$ 265,312
Reconciliation to consolidated statements of cash flows:			
Depreciation and amortization per EBITDA table	$ 287,943	$ 314,476	$ 265,147
Amortization of debt issuance costs recorded to interest expense	16,960	13,419	10,901
Amortization of royalty expense recorded to operating expense	247	247	286
Depreciation and amortization of unconsolidated entities	(768)	(756)	(561)
Depreciation and amortization attributable to noncontrolling interests	1,826	3,814	3,535
Depreciation and amortization attributable to discontinued operations	—	—	(2,460)
Depreciation and amortization per consolidated statements of cash flows	$ 306,208	$ 331,200	$ 276,848

The following table reconciles interest expense per the EBITDA table above to interest expense reported in our consolidated statements of operations for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Interest expense per EBITDA table	$ 271,689	$ 198,823	$ 181,357
Interest expense attributable to noncontrolling interests	16	47	—
Interest expense attributable to unconsolidated entities	(65)	(71)	(62)
Interest expense attributable to discontinued operations	—	—	(111)
Interest expense per consolidated statements of operations	$ 271,640	$ 198,799	$ 181,184

The following table summarizes additional amounts attributable to discontinued operations in the EBITDA table above for the periods indicated:

	Year Ended March 31,	
	2021	2020
	(in thousands)	
Income tax (benefit) expense	$ (53)	$ 20
Inventory valuation adjustment	$ 27	$ (27,526)
Lower of cost or net realizable value adjustments	$ (27)	$ (991)
Loss on disposal or impairment of assets, net	$ 1,174	$ 203,990

The following tables reconcile operating income (loss) to Adjusted EBITDA by segment for the periods indicated.

	Year Ended March 31, 2022				
	Water Solutions	Crude Oil Logistics	Liquids Logistics	Corporate and Other	Consolidated
	(in thousands)				
Operating income (loss)	$ 94,851	$ 45,033	$ (8,441)	$ (48,400)	$ 83,043
Depreciation and amortization	214,558	48,489	18,714	6,959	288,720
Amortization recorded to cost of sales	—	—	281	—	281
Net unrealized losses (gains) on derivatives	11,652	(23,664)	(2,965)	—	(14,977)
CMA Differential Roll net losses (gains)	—	67,738	—	—	67,738
Inventory valuation adjustment	—	—	8,409	—	8,409
Lower of cost or net realizable value adjustments	—	2,235	8,627	—	10,862
Loss (gain) on disposal or impairment of assets, net	25,598	(3,101)	71,807	(50)	94,254
Equity-based compensation expense	—	—	—	(1,052)	(1,052)
Acquisition expense	4	—	—	63	67
Other income, net	718	353	711	472	2,254
Adjusted EBITDA attributable to unconsolidated entities	2,363	—	14	(145)	2,232
Adjusted EBITDA attributable to noncontrolling interest	(2,212)	—	(528)	—	(2,740)
Revaluation of liabilities	(6,495)	—	—	—	(6,495)
Other	921	9,064	(65)	—	9,920
Adjusted EBITDA	$ 341,958	$ 146,147	$ 96,564	$ (42,153)	$ 542,516

	Year Ended March 31, 2021						
	Water Solutions	Crude Oil Logistics	Liquids Logistics	Corporate and Other	Continuing Operations	Discontinued Operations (TPSL, Mid-Con, Gas Blending)	Consolidated
	(in thousands)						
Operating (loss) income	$ (92,720)	$ (304,330)	$ 70,441	$ (64,144)	$ (390,753)	$ —	$ (390,753)
Depreciation and amortization	222,107	60,874	29,184	5,062	317,227	—	317,227
Amortization recorded to cost of sales	—	—	307	—	307	—	307
Net unrealized losses (gains) on derivatives	24,500	23,432	(566)	—	47,366	—	47,366
Inventory valuation adjustment	—	—	1,197	—	1,197	—	1,197
Lower of cost or net realizable value adjustments	—	(29,458)	(617)	—	(30,075)	—	(30,075)
Loss on disposal or impairment of assets, net	76,942	384,143	3,350	11,001	475,436	—	475,436
Equity-based compensation expense	—	—	—	6,727	6,727	—	6,727
Acquisition expense	27	—	—	1,684	1,711	—	1,711
Other income (expense), net	266	1,565	1,301	(39,635)	(36,503)	—	(36,503)
Adjusted EBITDA attributable to unconsolidated entities	3,019	—	(3)	(252)	2,764	—	2,764
Adjusted EBITDA attributable to noncontrolling interest	(1,647)	—	(2,887)	—	(4,534)	—	(4,534)
Revaluation of liabilities	6,261	—	—	—	6,261	—	6,261
Class D Preferred Unitholder consent fee	—	—	—	40,000	40,000	—	40,000
Intersegment transactions (1)	—	—	(27)	—	(27)	—	(27)
Other	2,751	8,317	100	—	11,168	—	11,168
Discontinued operations	—	—	—	—	—	(621)	(621)
Adjusted EBITDA	$ 241,506	$ 144,543	$ 101,780	$ (39,557)	$ 448,272	$ (621)	$ 447,651

	Year Ended March 31, 2020						
	Water Solutions	Crude Oil Logistics	Liquids Logistics	Corporate and Other	Continuing Operations	Discontinued Operations (TPSL, Mid-Con, Gas Blending)	Consolidated
	(in thousands)						
Operating (loss) income	$ (173,064)	$ 117,768	$ 142,411	$ (90,447)	$ (3,332)	$ —	$ (3,332)
Depreciation and amortization	163,588	70,759	27,930	3,035	265,312	—	265,312
Amortization recorded to cost of sales	—	—	349	—	349	—	349
Net unrealized (gains) losses on derivatives	(29,861)	(11,315)	2,619	—	(38,557)	—	(38,557)
Inventory valuation adjustment	—	—	(2,150)	—	(2,150)	—	(2,150)
Lower of cost or net realizable value adjustments	—	29,469	2,724	—	32,193	—	32,193
Loss (gain) on disposal or impairment of assets, net	255,285	(1,144)	7,645	—	261,786	—	261,786
Equity-based compensation expense	—	—	—	26,510	26,510	—	26,510
Acquisition expense	4,079	—	—	15,643	19,722	—	19,722
Other (expense) income, net	(448)	717	21	1,394	1,684	—	1,684
Adjusted EBITDA attributable to unconsolidated entities	2,152	—	24	(263)	1,913	—	1,913
Adjusted EBITDA attributable to noncontrolling interest	(1,210)	—	(1,842)	—	(3,052)	—	(3,052)
Revaluation of liabilities	9,194	—	—	—	9,194	—	9,194
Intersegment transactions (1)	—	—	2,099	—	2,099	—	2,099
Other	2,607	12,965	214	—	15,786	—	15,786
Discontinued operations	—	—	—	—	—	(42,270)	(42,270)
Adjusted EBITDA	$ 232,322	$ 219,219	$ 182,044	$ (44,128)	$ 589,457	$ (42,270)	$ 547,187

(1) Amount reflects the transactions with TPSL, Mid-Con and Gas Blending that are eliminated in consolidation.

Liquidity, Sources of Capital and Capital Resource Activities

General

Our principal sources of liquidity and capital resource requirements are the cash flows from our operations, borrowings under our ABL Facility, debt issuances and the issuance of common and preferred units. We expect our primary cash outflows to be related to purchases of inventory, capital expenditures, interest and repayment of debt maturities.

On February 4, 2021, we closed on our $2.05 billion 2026 Senior Secured Notes offering and entered into a $500.0 million ABL Facility. See Note 7 to our consolidated financial statements included in this Annual Report for a further discussion of these transactions and a description of the 2026 Senior Secured Notes and ABL Facility. These transactions extended the maturity of our debt and provided us with improved liquidity. In conjunction with the transaction, we agreed to certain restricted payment provisions, one of which requires us to temporarily suspend the quarterly common unit distribution which began with the quarter ended December 31, 2020, as well as distributions on all of our preferred units, which began with the quarter ended March 31, 2021, until our total leverage ratio (as defined in the indenture for the 2026 Senior Secured Notes) falls below 4.75 to 1.00. The cash savings from the suspension of the distributions should accelerate the deleveraging of our balance sheet and increase our liquidity and should create more financial flexibility going forward.

We believe that our anticipated cash flows from operations and the borrowing capacity under the ABL Facility will be sufficient to meet our liquidity needs. Our borrowing needs vary during the year due in part to the seasonal nature of certain businesses within our Liquids Logistics segment. Our greatest working capital borrowing needs generally occur during the period of June through December, when we are building our natural gas liquids inventories in anticipation of the butane blending and heating seasons. Our working capital borrowing needs generally decline during the period of January through March, when the cash inflows from our Liquids Logistics segment are the greatest.

Cash Management

We manage cash by utilizing a centralized cash management program that concentrates the cash assets of our operating subsidiaries in joint accounts for the purposes of providing financial flexibility and lowering the cost of borrowing, transaction costs and bank fees. Our centralized cash management program provides that funds in excess of the daily needs of our operating subsidiaries are concentrated, consolidated or otherwise made available for use by other entities within our consolidated group. All of our wholly-owned operating subsidiaries participate in this program. Under the cash management program, depending on whether a participating subsidiary has short-term cash surpluses or cash requirements, we provide cash to the subsidiary or the subsidiary provides cash to us.

Short-Term Liquidity

On February 4, 2021, we closed on the $500.0 million ABL Facility, which provides liquidity to operate our business and manage our working capital requirements. The ABL Facility is scheduled to mature at the earliest of (a) February 4, 2026 or (b) 91 days prior to the earliest maturity date in respect to any of our indebtedness in an aggregate principal amount of $50.0 million or greater, if such indebtedness is outstanding at such time, subject to certain exceptions. We currently anticipate to have minimal needs for acquisitions or expansion projects and expect to fund these items through cash flows from operations, acquisition specific financing transactions or borrowings under the ABL Facility. At March 31, 2022, $116.0 million had been borrowed under the ABL Facility and we had letters of credit outstanding of approximately $155.1 million.

On April 13, 2022, we amended the ABL Facility to increase the commitments to $600.0 million under the accordion feature within the ABL Facility. As part of the amendment, we agreed to reduce the commitments back to $500.0 million on or before March 31, 2023. In addition, the sub-limit for letters of credit was increased to $250.0 million. The increase in the commitments was to support working capital needs through the existing higher commodity price environment.

As of March 31, 2022, our current assets exceeded our current liabilities by approximately $269.1 million.

For additional information related to our ABL Facility, see Note 7 to our consolidated financial statements included in this Annual Report.

Long-Term Financing

In addition to our principal sources of short-term liquidity discussed above, we expect to fund our longer-term financing requirements by issuing long-term notes, common units and/or preferred units, loans from financial institutions, asset securitizations or the sale of assets.

Senior Secured Notes

On February 4, 2021, we issued $2.05 billion of 2026 Senior Secured Notes in a private placement. The 2026 Senior Secured Notes bear interest at 7.50%, which is payable on February 1 and August 1 of each year, beginning on August 1, 2021. The 2026 Senior Secured Notes mature on February 1, 2026.

Senior Unsecured Notes

The senior unsecured notes include the 2023 Notes, 6.125% Senior Unsecured Notes Due 2025 and 7.5% Senior Unsecured Notes Due 2026 (“2026 Notes”) (collectively, the “Senior Unsecured Notes”).

Repurchases

During the year ended March 31, 2022, we repurchased $79.5 million of the 2023 Notes and $6.0 million of the 2026 Notes at a cumulative cash cost of $83.2 million (excluding payments of accrued interest).

Other Long-term Debt

The Sawtooth credit agreement was paid off and terminated prior to us selling our ownership interest in Sawtooth on June 18, 2021 (see Note 17 to our consolidated financial statements included in this Annual Report).

On October 29, 2020, we entered into an equipment loan for $45.0 million which bears interest at a rate of 8.6% and is secured by certain of our barges and towboats. Under this agreement, we are required to make monthly payments of $0.5 million (principal and interest) and a balloon payment of $23.9 million when this loan matures on November 1, 2027.

For additional information related to our long-term debt, see Note 7 to our consolidated financial statements included in this Annual Report.

Capital Expenditures, Acquisitions and Other Investments

The following table summarizes expansion and maintenance capital expenditures (which excludes additions for tank bottoms and linefill and has been prepared on the accrual basis), acquisitions and other investments for the periods indicated.

	Capital Expenditures			
Year Ended March 31,	**Expansion (1)**	**Maintenance**	**Acquisitions**	**Other Investments (2)**
		(in thousands)		
2022	$ 75,554	$ 59,468	$ —	$ 350
2021	$ 90,920	$ 28,787	$ (901)	$ 963
2020	$ 571,154	$ 61,353	$ 1,268,474	$ 21,218

(1) Amounts for the years ended March 31, 2021 and 2020 include $18.2 million and $49.1 million, respectively, of transactions classified as acquisitions of assets.

(2) Amounts for the years ended March 31, 2022, 2021 and 2020 primarily related to contributions made to unconsolidated entities and the purchase of membership interests in a water services and land company in November 2019.

Capital expenditures for the year ending March 31, 2023 are expected to be approximately $100 million.

Distributions Declared

The board of directors of our general partner decided to temporarily suspend all distributions in order to deleverage our balance sheet until we meet the 4.75 to 1.00 total leverage ratio set forth within the indenture of the 2026 Senior Secured Notes. This resulted in the suspension of the quarterly common unit distributions, which began with the quarter ended December 31, 2020, and all preferred unit distributions, which began with the quarter ended March 31, 2021. The board of directors of our general partner expects to evaluate the reinstatement of the common unit and all preferred unit distributions in due course, taking into account a number of important factors, including our leverage, liquidity, the sustainability of cash flows, upcoming debt maturities, capital expenditures and the overall performance of our businesses.

See further discussion of our cash distribution policy in Part II, Item 5–“Market for Registrant’s Common Equity, Related Unitholder Matters and Issuer Purchases of Equity Securities” included in this Annual Report.

Contractual Obligations

Our contractual obligations primarily consist of purchase commitments, outstanding debt principal and interest obligations, operating lease obligations, pipeline commitments, asset retirement obligations and other commitments.

Purchase Commitments

Our fixed-price and index-price commodity purchase commitments result from contracts we have entered into for which we expect the parties to physically settle and deliver the inventory in future periods. As of March 31, 2022, our purchase commitments totaled $10.1 billion, with $5.5 billion due within one year. See Note 8 to our consolidated financial statements included in this Annual Report for information regarding our commodity purchase commitments and timing of our expected purchase commitments payments.

Debt Principal and Interest Obligations

As of March 31, 2022, our aggregate principal amount of outstanding debt was $3.4 billion, with $2.4 million due within one year. Our obligation for interest on the debt totaled $903.3 million, with $246.3 million due within one year, based on our outstanding balances and interest rates as of March 31, 2022. See Note 7 to our consolidated financial statements included in this Annual Report for information regarding our outstanding debt principal and interest obligations and timing of our expected payments.

Operating Lease Obligations

As of March 31, 2022, our undiscounted operating lease obligation was $145.9 million, with $46.6 million due within one year. See Note 15 to our consolidated financial statements included in this Annual Report for information regarding our lease obligations and timing of our expected lease payments.

Pipeline Commitments

Our pipeline commitments are noncancelable agreements with crude oil pipeline operators, which guarantee us minimum monthly shipping capacity on their pipelines. As of March 31, 2022, our future minimum throughput payments totaled $101.6 million, with $35.3 million due within one year. See Note 8 to our consolidated financial statements included in this Annual Report for information regarding our pipeline commitments and timing of our expected pipeline commitments payments.

Asset Retirement Obligations

We have contractual and regulatory obligations at certain facilities for which we have to perform remediation, dismantlement or removal activities when the assets are retired. As of March 31, 2022, our asset retirement obligations were $29.9 million, of which we expect to settle $0.2 million during the next year. See Note 8 to our consolidated financial statements included in this Annual Report for information regarding our asset retirement obligations and timing of our expected asset retirement obligations payments.

Other Commitments

We have noncancelable agreements for product storage, railcar spurs, real estate and subsidy payments. As of March 31, 2022, our commitment obligations were $31.4 million, with $12.1 million due within one year. See Note 8 to our consolidated financial statements included in this Annual Report for information regarding our other commitments and timing of our expected commitment payments.

Cash Flows

The following table summarizes the sources (uses) of our cash flows from continuing operations for the periods indicated:

	Year Ended March 31,		
Cash Flows Provided by (Used in):	**2022**	**2021**	**2020**
		(in thousands)	
Operating activities, before changes in operating assets and liabilities	$ 342,362	$ 295,301	$ 342,736
Changes in operating assets and liabilities	(136,516)	10,462	39,690
Operating activities-continuing operations	$ 205,846	$ 305,763	$ 382,426
Investing activities-continuing operations	$ (212,408)	$ (221,493)	$ (1,737,620)
Financing activities-continuing operations	$ 5,555	$ (100,376)	$ 978,833

Operating Activities-Continuing Operations. The seasonality of our Liquids Logistics segment has a significant effect on our cash flows from operating activities. Increases in natural gas liquids prices typically reduce our operating cash flows due to higher cash requirements to fund increases in inventories, and decreases in natural gas liquids prices typically increase our operating cash flows due to lower cash requirements to fund increases in inventories. In our Liquids Logistics segment, we typically experience operating losses or lower operating income during our first and second quarters, or the six months ending September 30, as a result of lower volumes of natural gas liquids sales and when we are building our inventory levels for the upcoming butane blending and heating seasons, which generally begin in late fall, under normal demand conditions, and run

through February or March. We borrow under the revolving credit facility to supplement our operating cash flows during the periods in which we are building inventory. Our operations, and as a result our cash flows, are also impacted by positive and negative movements in commodity prices, which cause fluctuations in the value of inventory, accounts receivable and payables, due to increases and decreases in revenues and cost of sales. The decrease in net cash provided by operating activities during the year ended March 31, 2022 was due primarily to fluctuations in the value of accounts receivable and accounts payable, increased inventory valuations and higher interest expense during the year ended March 31, 2022. The decrease in net cash provided by operating activities during the year ended March 31, 2021 was due primarily to fluctuations in the value of accounts receivable, inventories and accounts payable during the year ended March 31, 2021.

Investing Activities-Continuing Operations. Net cash used in investing activities was $212.4 million during the year ended March 31, 2022, compared to net cash used in investing activities of $221.5 million during the year ended March 31, 2021. The decrease in net cash used in investing activities was due primarily to:

- net proceeds (gross cash proceeds less the amount of cash sold, excluding accrued expenses) of $63.5 million from the sale of our interest in Sawtooth in June 2021 (see Note 17 to our consolidated financial statements included in this Annual Report);
- a decrease in capital expenditures from $186.8 million (includes payment of amounts accrued as of March 31, 2020) during the year ended March 31, 2021 to $142.4 million (includes payment of amounts accrued as of March 31, 2021) during the year ended March 31, 2022 due primarily to fewer expansion projects in our Water Solutions segment; and
- proceeds of $18.5 million from certain asset sales during the year ended March 31, 2022 (see Note 4 to our consolidated financial statements included in this Annual Report).

These decreases in net cash used in investing activities were partially offset by:

- a $71.7 million increase in payments to settle derivatives; and
- total proceeds of $43.2 million from the sale of certain permits, land and a saltwater disposal facility to a third-party during the year ended March 31, 2021 (see Note 17 to our consolidated financial statements included in this Annual Report).

Net cash used in investing activities was $221.5 million during the year ended March 31, 2021, compared to net cash used in investing activities of $1.7 billion during the year ended March 31, 2020. The decrease in net cash used in investing activities was due primarily to:

- a $1.3 billion in cash paid for acquisitions and investments in unconsolidated entities during the year ended March 31, 2020; and
- a decrease in capital expenditures from $555.7 million (includes payment of amounts accrued as of March 31, 2019) during the year ended March 31, 2020 to $186.8 million (includes payment of amounts accrued as of March 31, 2020) during the year ended March 31, 2021 due primarily to expansion projects in our Delaware Basin system in the Water Solutions segment during the year ended March 31, 2020.

These decreases in net cash used in investing activities were partially offset by a $167.1 million increase in payments to settle derivatives.

Financing Activities-Continuing Operations. Net cash provided by financing activities was $5.6 million during the year ended March 31, 2022, compared to net cash used in financing activities of $100.4 million during the year ended March 31, 2021. The decrease in net cash used in financing activities was due primarily to:

- an increase of $1.6 billion in borrowings on the revolving credit facilities (net of repayments) during the year ended March 31, 2022;
- the repayment and termination of our $250.0 million term credit agreement in February 2021;
- a decrease of $144.6 million in distributions paid to our general partners and common unitholders, preferred unitholders and noncontrolling interest owners during the year ended March 31, 2022 due primarily to the reduction and subsequent suspension of the quarterly common unit and preferred unit distributions;

- $93.4 million in contingent consideration payments during the year ended March 31, 2021 due to installment payments related to the Mesquite acquisition;
- a make-whole fee of $55.6 million related to the termination of our term credit agreement in February 2021;
- a decrease of $50.6 million in debt issuance costs related to the termination of our term credit agreement and the issuance of the 2026 Senior Secured Notes in February 2021; and
- a decrease of $32.6 million paid in cash to repurchase a portion of our Senior Unsecured Notes during the year ended March 31, 2022.

These decreases in net cash used in financing activities were partially offset by:

- $2.05 billion in proceeds from the issuance of the 2026 Senior Secured Notes during the year ended March 31, 2021; and
- proceeds of $45.0 million for an equipment loan that is secured by certain of our barges and towboats during the year ended March 31, 2021.

Net cash used in financing activities was $100.4 million during the year ended March 31, 2021, compared to net cash provided by financing activities of $978.8 million during the year ended March 31, 2020. The decrease in net cash provided by financing activities was due primarily to:

- a decrease of $1.8 billion in borrowings on the revolving credit facilities (net of repayments) during the year ended March 31, 2021;
- $622.4 million in net proceeds from the issuance of the 9.625% Class C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (“Class C Preferred Units”) and the Class D Preferred Units during the year ended March 31, 2020;
- $450.0 million in proceeds from the issuance of the 2026 Notes during the year ended March 31, 2020;
- $115.8 million paid in cash to repurchase a portion of our Senior Unsecured Notes during the year ended March 31, 2021;
- a make-whole fee of $55.6 million related to the termination of our term credit agreement in February 2021; and
- an increase of $50.6 million in debt issuance costs related to the termination of our term credit agreement and the issuance of the 2026 Senior Secured Notes in February 2021.

These decreases in net cash provided by financing activities were partially offset by:

- $2.05 billion in proceeds from the issuance of the 2026 Senior Secured Notes during the year ended March 31, 2021;
- $265.1 million in payments for the redemption of the 10.75% Class A Convertible Preferred Units during the year ended March 31, 2020; and
- a decrease of $99.3 million in distributions paid to our general partners and common unitholders, preferred unitholders and noncontrolling interest owners during the year ended March 31, 2021 due primarily to the reduction and subsequent suspension of the quarterly common unit and preferred unit distributions.

Guarantor Summarized Financial Information

NGL Energy Partners LP (parent) and NGL Energy Finance Corp. are co-issuers of the Senior Unsecured Notes (see Note 7 to our consolidated financial statements included in this Annual Report). Certain of our wholly owned subsidiaries (“Guarantor Subsidiaries”) have, jointly and severally, fully and unconditionally guaranteed the Senior Unsecured Notes.

The guarantees are senior unsecured obligations of each Guarantor Subsidiary and rank equally in right of payment with other existing and future senior indebtedness of such Guarantor Subsidiary, and senior in right of payment to all existing and future subordinated indebtedness of such Guarantor Subsidiary. The guarantee of our Senior Unsecured Notes by each Guarantor Subsidiary is subject to certain automatic customary releases, including in connection with the sale, disposition or transfer of all of the capital stock, or of all or substantially all of the assets, of such Guarantor Subsidiary to one or more persons that are not us or a restricted subsidiary, the exercise of legal defeasance or covenant defeasance options, the satisfaction and

discharge of the indentures governing our Senior Unsecured Notes, the designation of such Guarantor Subsidiary as a non-guarantor restricted subsidiary or as an unrestricted subsidiary in accordance with the indentures governing our Senior Unsecured Notes, the release of such Guarantor Subsidiary from its guarantee under our revolving credit facility, the liquidation or dissolution of such Guarantor Subsidiary or upon the consolidation, merger or transfer of all assets of the Guarantor Subsidiary to us or another Guarantor Subsidiary in which the Guarantor Subsidiary dissolves or ceases to exist (collectively, the "Releases"). The obligations of each Guarantor Subsidiary under its note guarantee are limited as necessary to prevent such note guarantee from constituting a fraudulent conveyance under applicable law. We are not restricted from making investments in the Guarantor Subsidiaries and there are no significant restrictions on the ability of the Guarantor Subsidiaries to make distributions to NGL Energy Partners LP (parent). None of the assets of the Guarantor Subsidiaries (other than the investments in non-guarantor subsidiaries) are restricted net assets pursuant to Rule 4-08(e)(3) of Regulation S-X under the Securities Act of 1933, as amended.

The rights of holders of our Senior Unsecured Notes against the Guarantor Subsidiaries may be limited under the U.S. Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law.

The following is the summarized financial information for NGL Energy Partners LP (parent) and the Guarantor Subsidiaries on a combined basis after elimination of intercompany transactions, which includes related receivable and payable balances, and the investment in and equity earnings from the non-guarantor subsidiaries. This summarized financial information is provided in accordance with the reporting requirements of Rule 13-01 under Securities and Exchange Commission Regulation S-X.

Balance sheet information:

	NGL Energy Partners LP (Parent) and Guarantor Subsidiaries
	March 31, 2022
	(in thousands)
ASSETS:	
Current assets	$ 1,544,169
Noncurrent assets (1)(2)	$ 4,496,111
LIABILITIES AND EQUITY (3):	
Current liabilities	$ 1,276,612
Noncurrent liabilities	$ 3,524,560
Class D Preferred Units	$ 551,097

(1) Excludes $3.3 million of net intercompany payables due from NGL Energy Partners LP (parent) and the Guarantor Subsidiaries to the non-guarantor subsidiaries.

(2) Includes $1.9 billion of goodwill and intangible assets.

(3) There are no noncontrolling interests held at the co-issuers or Guarantor Subsidiaries.

Statement of operations information:

	NGL Energy Partners LP (Parent) and Guarantor Subsidiaries
	Twelve Months Ended March 31, 2022
	(in thousands)
Revenues	$ 7,945,689
Operating income	$ 80,096
Loss from continuing operations	$ (188,236)
Net loss (1)	$ (188,236)
Loss from continuing operations allocated to common unitholders	$ (292,765)

(1) There are no noncontrolling interests held at the co-issuers or Guarantor Subsidiaries.

Environmental Legislation

See Part I, Item 1–"Business–Government Regulation–Greenhouse Gas Regulation" for a discussion of proposed environmental legislation and regulations that, if enacted, could result in increased compliance and operating costs. However, at this time we cannot predict the structure or outcome of any future legislation or regulations or the eventual cost we could incur in compliance.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements that are applicable to us, see Note 2 to our consolidated financial statements included in this Annual Report.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with GAAP requires the selection and application of appropriate accounting principles to the relevant facts and circumstances of our operations and the use of estimates made by management. We have identified the following more critical judgment areas in the application of our accounting policies that are most important to the portrayal of our consolidated financial position and results of operations. The application of these accounting policies, which requires subjective or complex judgments regarding estimates and projected outcomes of future events, and changes in these accounting policies, could have a material effect on our consolidated financial statements.

Impairment of Goodwill

The goodwill relating to each of our reporting units is tested for impairment annually as well as when an event or change in circumstances indicates an impairment may have occurred. For each reporting unit, we perform a qualitative assessment of relevant events and circumstances about the likelihood of goodwill impairment. If it is deemed more likely than not that the fair value of the reporting unit is less than its carrying value, we calculate the fair value of the reporting unit. Otherwise, further testing is not required. The qualitative assessment is based on reviewing several factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other entity specific events (for example, changes in management) or other events such as selling or disposing of a reporting unit. The determination of a reporting unit's fair value is predicated on our assumptions regarding the future economic prospects of the reporting unit. Such assumptions include (i) discrete financial forecasts for the assets contained within the reporting unit, which rely on management's estimates of operating margins, (ii) long-term growth rates for cash flows beyond the discrete forecast period, (iii) appropriate discount rates and (iv) estimates of the cash flow multiples to apply in estimating the market value of our reporting units. An estimate of the sensitivity to changes in underlying assumptions of a fair value calculation is not practicable, given the numerous assumptions that can materially affect our estimates. If the fair value of the reporting unit (including its inherent goodwill) is less than its carrying value, an impairment loss is recognized to the extent that the implied fair value of the goodwill of the reporting unit is less than its carrying value, limited to the total amount of goodwill for the reporting unit. If future results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations. During the years ended March 31, 2021 and 2020, we recorded goodwill impairments of $237.8 million and $250.0 million, respectively. We did not record a goodwill impairment during the year ended March 31, 2022. See Note 5 to our consolidated financial statements included in this Annual Report for a further discussion of our goodwill impairment assessment.

Impairment of Long-Lived Assets

We evaluate the carrying value of our long-lived assets (property, plant and equipment and amortizable intangible assets) for potential impairment when events and circumstances warrant such a review. A long-lived asset group is considered impaired when the anticipated undiscounted future cash flows from the use and eventual disposition of the asset group is less than its carrying value. Individual assets are grouped at the lowest level for which the related identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future net cash flows include estimating future volumes, future margins or tariff rates, future operating costs and other estimates and assumptions consistent with our business plans as well as external factors such as industry and economic trends. An estimate of the sensitivity to changes in underlying assumptions of a fair value calculation is not practicable, given the numerous assumptions that can materially affect our estimates. If the carrying value is not recoverable, an impairment loss is measured as the excess of the asset's carrying value over its estimated fair value. If future results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations. See Note 4 and Note 6 to our consolidated financial statements included in this Annual Report for a further discussion of our impairments of long-lived assets.

We evaluate our investments in unconsolidated entities for impairment whenever events or changes in circumstances indicate, in management's judgment, that the fair value of such investment may have experienced a decline to less than its carrying value and the decline is other than temporary.

Depreciation and Amortization Methods and Estimated Useful Lives of Property, Plant and Equipment and Intangible Assets

Depreciation and amortization expense is the systematic write-off of the cost of our property, plant and equipment (net of residual or salvage value, if any) and the cost of our amortizable intangible assets to the results of operations for the quarterly and annual periods during which the assets are used. We depreciate our property, plant and equipment and amortize the majority of our intangible assets using the straight-line method, which results in our recording depreciation and amortization expense evenly over the estimated life of the individual asset. The estimate of depreciation and amortization expense requires us to make assumptions regarding the useful economic lives and residual values of our assets. When we acquire and place our property, plant and equipment in service or acquire intangible assets, we develop assumptions about the useful economic lives and residual values of such assets that we believe to be reasonable; however, circumstances may develop that could require us to change these assumptions in future periods, which would change our depreciation and amortization expense prospectively and have a material impact on our results of operations. Examples of such circumstances include changes in laws and regulations that limit the estimated economic life of an asset, changes in technology that render an asset obsolete, changes in expected salvage values or changes in customer attrition rates. See Note 2, Note 4 and Note 6 to our consolidated financial statements included in this Annual Report for a further discussion.

Derivative Financial Instruments

We record all derivative financial instrument contracts at fair value in our consolidated balance sheets except for normal purchase and normal sale transactions that are expected to result in physical delivery. Changes in the fair value are recorded within revenue (for sales contracts) or cost of sales (for purchase contracts) in our consolidated statements of operations. We determine the fair value of our exchange traded derivative financial instruments utilizing publicly available prices, and for non-exchange traded derivative financial instruments, we utilize pricing models for similar instruments including publicly available prices and forward curves generated from a compilation of data gathered from third parties. Actual amounts could vary materially from estimated fair values due to changes in market prices. In addition, changes in the methods or assumptions used to determine the fair value of our derivative financial instruments could have a material effect on our consolidated financial statements. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk to see the impact of a 10% increase in the underlying commodity value and Note 2 and Note 10 to our consolidated financial statements included in this Annual Report for a further discussion of our derivative financial instruments.

Revenue Recognition

Our Water Solutions segment has certain long-term contracts with customers that include variable consideration that must be estimated at contract inception and re-assessed at each reporting period. Total consideration for these arrangements is recognized as revenue over the applicable contract period and is based on our measure of satisfaction of our corresponding performance obligation, and the difference in timing of revenue recognition and billings results in contract assets and liabilities. The estimated performance obligation over the life of a contract includes significant judgments by management including volume and forecasted production information. Changes in these assumptions or a contract modification could have a material effect on the amount of variable consideration recognized as revenue. See Note 14 to our consolidated financial statements included in this Annual Report for a further discussion of our revenue recognition policies.

Asset Retirement Obligations

We have contractual and regulatory obligations at certain facilities for which we have to perform remediation, dismantlement, or removal activities when the assets are retired. Our largest asset retirement obligations involve the abandonment or removal of pipelines and saltwater and freshwater disposal wells. We are required to recognize the fair value of a liability for an asset retirement obligation if a reasonable estimate of fair value can be made. In order to determine the fair value of such a liability, we must make certain estimates and assumptions including, among other things, projected cash flows, the estimated timing of retirement, a credit-adjusted risk-free interest rate, and an assessment of market conditions, which could significantly impact the estimated fair value of the asset retirement obligation. Most of these retirement obligations are many years, or decades, in the future and the contracts and regulations often have vague descriptions of what removal practices and criteria must be met when the removal event actually occurs. These estimates and assumptions are very subjective and can vary

over time. Our consolidated balance sheet at March 31, 2022 includes a liability of $29.9 million related to asset retirement obligations, which is reported within other noncurrent liabilities.

In addition to the obligations described above, we may be obligated to remove facilities or perform other remediation upon retirement of certain other assets. However, the fair value of the asset retirement obligation cannot currently be reasonably estimated because the settlement dates are indeterminable. We will record an asset retirement obligation for these assets in the periods in which settlement dates are reasonably determinable.

Acquisitions

Fair values of assets acquired and liabilities assumed are based upon available information and may involve engaging an independent third party to perform an appraisal. Estimating fair values can be complex and subject to significant business judgment. We must also identify and include in the allocation all acquired tangible and intangible assets that meet certain criteria, including assets that were not previously recorded by the acquired entity. The estimates most commonly involve property, plant and equipment and intangible assets, including those with indefinite lives. The estimates also include the fair value of contracts including commodity purchase and sale agreements, storage contracts, and transportation contracts. The judgments made in the determination of the estimated fair value assigned to the assets acquired, the liabilities assumed and any noncontrolling interest in the investee, as well as the estimated useful life of each asset and the duration of each liability, can materially impact the financial statements in periods after acquisition, such as through depreciation and amortization expense. While we believe we have made reasonable assumptions to calculate the fair value, if future results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations. For a business combination, the excess of the purchase price over the net fair value of acquired assets and assumed liabilities is recorded as goodwill, which is not amortized but instead is evaluated for impairment at least annually. Pursuant to GAAP, an entity is allowed a reasonable period of time (not to exceed one year) to obtain the information necessary to identify and measure the fair value of the assets acquired and liabilities assumed in a business combination.

Inventories

Our inventories consist of crude oil, natural gas liquids, diesel, ethanol and biodiesel. Our inventories are valued at the lower of cost or net realizable value, with cost determined using either the weighted-average cost or the first in, first out (FIFO) methods, including the cost of transportation and storage, and with net realizable value defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. In performing this analysis, we consider fixed-price forward commitments. At the end of each fiscal year, we also perform a “lower of cost or net realizable value” analysis; if the cost basis of the inventories would not be recoverable based on the net realizable value at the end of the year, we reduce the book value of the inventories to the recoverable amount. When performing this analysis during interim periods within a fiscal year, accounting standards do not require us to record a lower of cost or net realizable value write-down if we expect the net realizable value to recover by our fiscal year end. The net realizable values of these commodities change on a daily basis as supply and demand conditions change. We are unable to control changes in the net realizable value of these commodities and are unable to determine whether write-downs will be required in future periods.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

A portion of our long-term debt is variable-rate debt. Changes in interest rates impact the interest payments of our variable-rate debt but generally do not impact the fair value of the liability. Conversely, changes in interest rates impact the fair value of our fixed-rate debt but do not impact its cash flows.

The ABL Facility is variable-rate debt with interest rates that are generally indexed to the Wall Street Journal prime rate or LIBOR interest rate (or successor rate, which has since been determined to be an adjusted forward-looking term rate based on the secured overnight financing rate). At March 31, 2022, we had $116.0 million of outstanding borrowings under the ABL Facility at a weighted average interest rate of 4.64%. A change in interest rates of 0.125% would result in an increase or decrease of our annual interest expense of $0.1 million, based on borrowings outstanding at March 31, 2022.

In addition, on and after certain dates, distributions for our Class B Preferred Units and Class C Preferred Units will be calculated using the applicable three-month LIBOR interest rate (or alternative rate as determined in the partnership agreement) plus a spread. For our Class B Preferred Units, distributions on and after July 1, 2022 will accumulate at a percentage of the $25.00 liquidation preference equal to the applicable three-month LIBOR interest rate (or alternative rate as determined in the partnership agreement) plus a spread of 7.213%. For our Class C Preferred Units, distributions on and after April 15, 2024 will

accumulate at a percentage of the $25.00 liquidation preference equal to the applicable three-month LIBOR interest rate (or alternative rate as determined in the partnership agreement) plus a spread of 7.384%.

Commodity Price Risk

Our operations are subject to certain business risks, including commodity price risk. Commodity price risk is the risk that the market value of crude oil, natural gas liquids, or refined and renewables products will change, either favorably or unfavorably, in response to changing market conditions. Procedures and limits for managing commodity price risks are specified in our market risk policy. Open commodity positions and market price changes are monitored daily and are reported to senior management and to marketing operations personnel.

The crude oil, natural gas liquids, and refined and renewables products industries are “margin-based” and “cost-plus” businesses in which gross profits depend on the differential of sales prices over supply costs. We have no control over market conditions. As a result, our profitability may be impacted by sudden and significant changes in the price of crude oil, natural gas liquids, and refined and renewables products.

We engage in various types of forward contracts and financial derivative transactions to reduce the effect of price volatility on our product costs, to protect the value of our inventory positions, and to help ensure the availability of product during periods of short supply. We attempt to balance our contractual portfolio by purchasing volumes when we have a matching purchase commitment from our wholesale and retail customers. We may experience net unbalanced positions from time to time. In addition to our ongoing policy to maintain a balanced position, for accounting purposes we are required, on an ongoing basis, to track and report the market value of our derivative portfolio.

Although we use financial derivative instruments to reduce the market price risk associated with forecasted transactions, we do not account for financial derivative transactions as hedges. All changes in the fair value of our physical contracts that do not qualify as normal purchases and normal sales and settlements (whether cash transactions or non-cash mark-to-market adjustments) are reported either within revenue (for sales contracts) or cost of sales (for purchase contracts) in our consolidated statements of operations, regardless of whether the contract is physically or financially settled. See “Critical Accounting Estimates” above for a discussion of how we determine the fair value of our financial derivative instruments.

The following table summarizes the hypothetical impact on the March 31, 2022 fair value of our commodity derivatives of an increase of 10% in the value of the underlying commodity (in thousands):

	Increase (Decrease) To Fair Value
Crude oil (Water Solutions segment)	$ (4,838)
Crude oil (Crude Oil Logistics segment)	$ (8,612)
Propane (Liquids Logistics segment)	$ 532
Butane (Liquids Logistics segment)	$ (3,026)
Refined Products (Liquids Logistics segment)	$ (2,598)
Other Products (Liquids Logistics segment)	$ 4,106

Changes in commodity prices may also impact the volumes that we are able to transport, dispose, store and market, which also impact our cash flows.

Credit Risk

Our operations are also subject to credit risk, which is the risk of loss from nonperformance by suppliers, customers or financial counterparties to a contract. Procedures and limits for managing credit risk are specified in our credit policy. Credit risk is monitored daily and we try to minimize exposure through the following,

- requiring certain customers to prepay or place deposits for our products and services;
- requiring certain customers to post letters of credit or other forms of surety;
- monitoring individual customer receivables relative to previously-approved credit limits;
- requiring certain customers to take delivery of their contracted volume ratably rather than allow them to take delivery at their discretion;

- entering into master netting agreements that allow for offsetting counterparty receivable and payable balances for certain transactions;
- reviewing the receivable aging regularly to identify issues or trends that may develop; and
- requiring marketing personnel to manage their customers' receivable position and suspend sales to customers that have not timely paid outstanding invoices.

At March 31, 2022, our primary counterparties were retailers, resellers, energy marketers, producers, refiners, and dealers.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements beginning on page F-1 of this Annual Report, together with the report of Grant Thornton LLP, our independent registered public accounting firm, are incorporated by reference into this Item 8.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13(a)-15(e) and 15(d)-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to provide the information required to be disclosed in our filings and submissions under the Exchange Act is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission ("SEC") and that such information is accumulated and communicated to our management, including the principal executive officer and principal financial officer of our general partner, as appropriate, to allow timely decisions regarding required disclosure.

We completed an evaluation under the supervision and with participation of our management, including the principal executive officer and principal financial officer of our general partner, of the effectiveness of the design and operation of our disclosure controls and procedures at March 31, 2022. Based on this evaluation, the principal executive officer and principal financial officer of our general partner have concluded that as of March 31, 2022, such disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

The management of our Delaware limited partnership (the "Partnership") and subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13(a)-15(f). Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer of our general partner, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO framework.

Based on our evaluation under the COSO framework, our management concluded that our internal control over financial reporting was effective as of March 31, 2022.

Our internal control over financial reporting as of March 31, 2022 has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report, which appears below in this section of the Annual Report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal controls over financial reporting (as defined in Rule 13(a)-15(f) of the Exchange Act) during the three months ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors of NGL Energy Holdings LLC and
Unitholders of NGL Energy Partners LP

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of NGL Energy Partners LP (a Delaware limited partnership) and subsidiaries (the "Partnership") as of March 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of March 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Partnership as of and for the year ended March 31, 2022, and our report dated June 6, 2022 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Tulsa, Oklahoma
June 6, 2022

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Board of Directors of our General Partner

NGL Energy Holdings LLC, our general partner, manages our operations and activities on our behalf through its directors and executive officers. Unitholders are not entitled to elect the directors of our general partner or directly or indirectly participate in our management or operations. The NGL Energy GP Investor Group appoints all members to the board of directors of our general partner.

The board of directors of our general partner currently has eight members. The board of directors of our general partner has determined that Mr. James M. Collingsworth, Mr. Stephen L. Cropper, Mr. Bryan K. Guderian and Mr. Derek S. Reiners satisfy the New York Stock Exchange ("NYSE") and Securities and Exchange Commission ("SEC") independence requirements. The NYSE does not require a listed publicly traded limited partnership like NGL to have a majority of independent directors on the board of directors of its general partner. In addition, we are not required to have a nominating and corporate governance committee.

In evaluating director candidates, the NGL Energy GP Investor Group assesses whether a candidate possesses the integrity, judgment, knowledge, experience, skill and expertise that are likely to enhance the ability of the board of directors of our general partner to manage and direct our affairs and business, including, when applicable, to enhance the ability of committees of the board to fulfill their duties. Our general partner has no minimum qualifications for director candidates. In general, however, the NGL Energy GP Investor Group reviews and evaluates both incumbent and potential new directors in an effort to achieve diversity of skills and experience among the directors of our general partner and in light of the following criteria:

- experience in business, government, education, technology or public interests;
- high-level managerial experience in large organizations;
- breadth of knowledge regarding our business and industry;
- specific skills, experience or expertise related to an area of importance to us, such as energy production, consumption, distribution or transportation, government, policy, finance or law;
- moral character and integrity;
- commitment to our unitholders' interests;
- ability to provide insights and practical wisdom based on experience and expertise;
- ability to read and understand financial statements; and
- ability to devote the time necessary to carry out the duties of a director, including attendance at meetings and consultation on partnership matters.

Although our general partner does not have a formal policy in regard to the consideration of diversity in identifying director nominees, qualified candidates for nomination to the board are considered without regard to race, color, religion, gender, ancestry or national origin.

Directors and Named Executive Officers

Directors of our general partner are appointed by the NGL Energy GP Investor Group and hold office until their successors have been duly elected and qualified or until the earlier of their death, resignation, removal or disqualification. Named executive officers are appointed by, and serve at the discretion of, the board of directors of our general partner. The following table summarizes information regarding the directors of our general partner and our named executive officers as of June 1, 2022.

Name	Age	Position with NGL Energy Holdings LLC
H. Michael Krimbill	68	Chief Executive Officer and Director
Linda J. Bridges	38	Executive Vice President and Chief Financial Officer
John A. Ciolek	58	Executive Vice President, Strategic Initiatives
Kurston P. McMurray	50	Executive Vice President and General Counsel and Secretary
Lawrence J. Thuillier	51	Chief Accounting Officer
Shawn W. Coady	60	Director
James M. Collingsworth	67	Director
Stephen L. Cropper	72	Director
Bryan K. Guderian	62	Director
John T. Raymond	51	Director
Derek S. Reiners	51	Director
Randall S. Wade	52	Director

H. Michael Krimbill. Mr. Krimbill has served as our Chief Executive Officer since October 2010 and as a member of the board of directors of our general partner since its formation in September 2010. Mr. Krimbill was the President and Chief Financial Officer of Energy Transfer Partners, L.P. from 2004 until his resignation in January 2007. Mr. Krimbill joined Heritage Propane Partners, L.P., the predecessor of Energy Transfer Partners, L.P., as Vice President and Chief Financial Officer in 1990. Mr. Krimbill was President of Heritage Propane Partners, L.P. from 1999 to 2000 and President and Chief Executive Officer of Heritage Propane Partners, L.P. from 2000 to 2005. Mr. Krimbill also served as a director of Energy Transfer Equity, the general partner of Energy Transfer Partners, L.P., from 2000 to January 2007, Williams Partners L.P. from 2007 to September 2012, and Pacific Commerce Bank from January 2011 to March 2015.

Mr. Krimbill brings leadership, oversight and financial experience to the board. Mr. Krimbill provides expertise in managing and operating a publicly traded partnership, including substantial expertise in successfully acquiring and integrating midstream businesses. Mr. Krimbill also brings financial expertise to the board, including his prior service as a chief financial officer. Mr. Krimbill's experience serving on other public company boards is also a valuable asset to our board of directors.

Linda J. Bridges. Ms. Bridges has served as our Executive Vice President and Chief Financial Officer since September 30, 2021. Ms. Bridges served as our Senior Vice President, Finance and Treasurer from April 2018 to September 2021. She joined the general partner in June 2016, as Vice President of Finance and Treasurer until she was promoted. Ms. Bridges spent nine years in the commercial division at the Bank of Oklahoma, holding various positions including Vice President - Energy Lending.

John A. Ciolek. Mr. Ciolek joined us in December 2019 and was appointed as our Executive Vice President, Strategic Initiatives, by the board of directors of our general partner in January 2020. Prior to joining NGL, Mr. Ciolek served as Managing Director in the Oil and Gas Group at Credit Suisse Securities LLC ("Credit Suisse") from August 2015 to October 2019. Before joining Credit Suisse, he served as the Head of the Midstream Franchise within J.P. Morgan's North American Energy Group starting in May 2011. He previously served for 14 years with Citigroup's Global Energy Group.

Kurston P. McMurray. Mr. McMurray has served as our Executive Vice President and General Counsel and Secretary since October 2016. Mr. McMurray joined NGL in February 2015 as Vice President, Legal and Corporate Secretary. Prior to joining NGL, Mr. McMurray practiced law in the Tulsa, Oklahoma area since 1998 at firms including Moyers, Martin, Santee, Imel & Tetrick LLP. and Robinett & Osmond and was a founding shareholder of Kurston P. McMurray, PC and Wilkin/McMurray PLLC. Mr. McMurray's private practice specialized in business transactions, real estate, construction, healthcare, banking, corporate governance, corporate management and commercial litigation.

Lawrence J. Thuillier. Mr. Thuillier has served as our Chief Accounting Officer since January 2016. Prior to joining NGL, Mr. Thuillier served in various roles at Eagle Rock Energy Partners, L.P. from December 2007 through October 2015, most recently as Vice President of Financial Reporting and Corporate Controller. Mr. Thuillier served as Assistant Corporate

Controller for Exterran Holdings, Inc. (formerly Universal Compression) from November 2006 through November 2007. Prior to that, Mr. Thuillier served in various roles at Deloitte & Touche LLP, most recently as Audit Senior Manager.

Shawn W. Coady. Dr. Coady served as our President and Chief Operating Officer, Retail Division, from April 2012 to March 2018, when we sold a portion of our Retail Propane segment to DCC LPG ("DCC"), and previously served as our Co-President and Chief Operating Officer, Retail Division from October 2010 through April 2012. Dr. Coady served as an executive officer of DCC from April 2018 until his retirement in December 2020. Dr. Coady served as a member of the board of directors of our general partner since its formation in September 2010. Dr. Coady has served as an officer of Hicks Oils & Hicksgas, Incorporated ("HOH"), from March 1989 to September 2010 when HOH contributed its propane and propane related assets to Hicksgas LLC, and the membership interests in Hicksgas LLC were contributed to us as part of our formation transactions. Dr. Coady was also the President of Hicksgas Gifford, Inc. from March 1989 until the membership interests in the company were contributed to us as part of our formation transactions. Dr. Coady has served as a director for the National Propane Gas Association from 2004 to 2015 and as a member of the executive committee of the Illinois Propane Gas Association from 2004 to March 2015.

Dr. Coady brings valuable operational experience to the board. Dr. Coady has over 25 years of experience in the retail propane industry, and provides expertise in both acquisition and organic growth strategies. Dr. Coady also provides insight into developments and trends in the propane industry through his leadership roles in industry associations.

James M. Collingsworth. Mr. Collingsworth has served on the board of directors of our general partner since January 2015. Mr. Collingsworth previously served as a Senior Vice President of the general partner of Enterprise Products Partners L.P. from November 2001 through January 2014. Prior to that, Mr. Collingsworth served as a board member of Texaco Canada Petroleum Inc. from July 1998 to October 2001 and was employed by Texaco from 1991 to 2001 in various management positions, including Senior Vice President of NGL Assets and Business Services from July 1998 to October 2001. Prior to joining Texaco, Mr. Collingsworth was director of feedstocks for Rexene Petrochemical Company from 1988 to 1991 and served in the MAPCO, Inc. organization from 1973 to 1988 in various capacities, including customer service and business development manager of the Mid-America and Seminole pipelines. Mr. Collingsworth served as a director of American Ethane Co. Mr. Collingsworth currently serves on the board of directors of Martin Midstream Partners L.P.

Mr. Collingsworth brings a wealth of in-depth industry experience to the board. Mr. Collingsworth has worked in all facets of the midstream and petrochemical industry for more than 40 years.

Stephen L. Cropper. Mr. Cropper joined the board of directors of our general partner in June 2011. Mr. Cropper held various positions during his 25-year career at The Williams Companies, Inc., including serving as the President and Chief Executive Officer of Williams Energy Services, a Williams operating unit involved in various energy-related businesses, until his retirement in 1998. Mr. Cropper served as a director of Energy Transfer Partners, L.P. from 2000 through 2005. Since Mr. Cropper's retirement from The Williams Companies, Inc. in 1998, he has been a consultant and private investor and also served as a director of Sunoco Logistics Partners, L.P., NRG Energy, Inc., Berry Petroleum Company, Rental Car Finance Corp., a subsidiary of Dollar Thrifty Automotive Group and Wawa Inc. Mr. Cropper currently serves on the board of directors of QuikTrip Corporation.

Mr. Cropper brings substantial experience in the energy business and in the marketing of energy products to the board. With his significant management and governance experience, Mr. Cropper provides important skills in identifying, assessing and addressing various business issues. As a director for other public companies, Mr. Cropper also provides cross board experience.

Bryan K. Guderian. Mr. Guderian joined the board of directors of our general partner in May 2012. Mr. Guderian currently serves as a Principal of BKG Consulting LLC, an energy related consulting firm. Mr. Guderian has served as Executive Vice President of Business Development of WPX Energy, Inc. ("WPX") from February 2018 until his retirement in January 2021. Mr. Guderian served as Senior Vice President of Business Development of WPX from October 2014 to February 2018 and as Senior Vice President of Operations of WPX from August 2011 to October 2014. Mr. Guderian previously served as Vice President of the Exploration & Production unit of The Williams Companies, Inc. from 1998 until August 2011, where he had responsibility for overseeing international operations. Mr. Guderian served as a director of Apco Oil & Gas International Inc., from 2002 to 2015 and as a director of Petrolera Entre Lomas S.A. from 2003 to 2015.

Mr. Guderian brings considerable upstream experience to the board including executive, operational and financial expertise from 30 years of petroleum industry involvement, the majority of which has been focused in exploration and production.

John T. Raymond. Mr. Raymond joined the board of directors of our general partner in August 2013. Mr. Raymond is the Founder and Majority Owner of The Energy & Minerals Group ("EMG") of which he has been a Managing Partner and the Chief Executive Officer since its September 2006 inception. Mr. Raymond has held executive leadership positions with various energy companies, including President and Chief Executive Officer of Plains Resources Inc. (the predecessor entity of Vulcan Energy Corporation), President and Chief Operating Officer of Plains Exploration and Production Company and was a Director of Plains All American Pipeline, LP.

Mr. Raymond also currently serves as a director of Ferus Inc., Ferus Natural Gas Fuels Inc., MarkWest Utica EMG, LLC, Medallion Midstream, LLC and PAA GP Holdings LLC. Mr. Raymond manages various private investments through personally held Lynx Holdings, LLC.

Mr. Raymond brings extensive financial and industry experience to the board. As a director for other public companies, Mr. Raymond also provides cross board experience.

Derek S. Reiners. Mr. Reiners joined the board of directors of our general partners in December 2019 and was appointed to serve on the Audit Committee. Mr. Reiners currently serves as the President of Contango Energy Capital LLC, a privately held investment and consulting firm. Prior to that, Mr. Reiners served in various senior financial and accounting roles at ONEOK, Inc. and ONEOK Partners, L.P. from August 2009 to May 2019, including Senior Vice President and Chief Accounting Officer from August 2009 to December 2012, Senior Vice President, Chief Financial Officer from January 2013 to May 2017 and Senior Vice President, Finance and Treasurer from June 2017 to May 2019. Prior to joining ONEOK, Mr. Reiners was a partner at Grant Thornton LLP from August 2004 to July 2009. Mr. Reiners is a certified public accountant.

Mr. Reiners brings extensive executive, financial and operational experience to the board. With over ten years of experience in the natural gas liquids industry in numerous positions, Mr. Reiners provides valuable insight into our business and industry.

Randall S. Wade. Mr. Wade has served on the board of directors of our general partner since February 2021. Mr. Wade is the President of EIG Global Energy Partners ("EIG") and a member of its Investment and Executive Committees. He has broad involvement in the firm's various activities including investments, investor relations, operations and strategic initiatives. Since joining EIG in 1996, Mr. Wade has filled various roles including Chief Operating Officer, head of the direct lending strategy, investment principal with coverage responsibility for Australia and an analyst for the oil and gas team. Prior to joining EIG, Mr. Wade was a Commercial Lending Officer for First Interstate Bank of Texas, where he was responsible for developing a middle-market loan portfolio.

Mr. Wade brings extensive financial and industry experience to the board.

Director Appointment Rights

The Limited Liability Company Agreement of NGL Energy Holdings LLC grants certain parties the right to designate a specified number of persons to serve on the board of directors of our general partner. EMG NGL HC LLC has the right to designate one person to serve on the board of directors of our general partner, and has designated John T. Raymond. EIG has the right to designate one person to serve on the board of directors of our general partner, and has designated Randall S. Wade. The Coady Group (which consists of certain entities controlled by Shawn W. Coady and his brother Todd M. Coady) and the investors who formed the Partnership ("IEP Parties") (which consists of certain entities controlled by H. Michael Krimbill, and two other investors) each have the right to designate one person to serve on the board of directors of our general partner. The Coady Group has designated Shawn W. Coady and the IEP Parties have designated H. Michael Krimbill.

Board Leadership Structure and Role in Risk Oversight

The board of directors of our general partner believes that whether the offices of chairman of the board and chief executive officer are combined or separated should be decided by the board, from time to time, in its business judgment after considering relevant circumstances. The board of directors of our general partner currently does not have a chairman, although our chief executive officer, Mr. Krimbill, presides over the meetings.

The board of directors and its committees regularly review material operational, financial, compensation and compliance risks with senior management. In particular, the audit committee is responsible for risk oversight with respect to financial and compliance risks and risks relating to our audit and independent registered public accounting firm. Our compensation committee considers risk in connection with its design and evaluation of compensation programs for our senior management. Each committee regularly reports to the board of directors regarding its respective risk oversight role.

Audit Committee

The board of directors of our general partner has established an audit committee. The audit committee assists the board in its oversight of the integrity of our financial statements and our compliance with legal and regulatory requirements and partnership policies and controls. The audit committee has the sole authority to, among other things:

- retain and terminate our independent registered public accounting firm;
- approve all auditing services and related fees and the terms thereof performed by our independent registered public accounting firm; and
- establish policies and procedures for the pre-approval of all non-audit services and tax services to be rendered by our independent registered public accounting firm.

The audit committee is also responsible for confirming the independence and objectivity of our independent registered public accounting firm. Our independent registered public accounting firm is given unrestricted access to the audit committee and our management, as necessary.

Mr. Collingsworth, Mr. Cropper, Mr. Guderian, and Mr. Reiners currently serve on the audit committee, and Mr. Reiners serves as the chairman. The board of directors of our general partner has determined that Mr. Reiners is an "audit committee financial expert" as defined under SEC rules and that each member of the audit committee is financially literate. In compliance with the requirements of the NYSE, all of the members of the audit committee are independent directors, as defined in the applicable NYSE and Exchange Act rules.

Compensation Committee

The board of directors of our general partner has established a compensation committee. The compensation committee's responsibilities include the following, among others:

- establishing the general partner's compensation philosophy and objectives;
- approving the compensation of the Chief Executive Officer and other officers;
- making recommendations to the board of directors with respect to the directors; and
- reviewing and making recommendations to the board of directors with respect to incentive compensation and equity-based compensation plans.

Mr. Collingsworth, Mr. Cropper, and Mr. Guderian currently serve on the compensation committee, and Mr. Cropper serves as the chairman. The board of directors of our general partner has determined that Mr. Cropper, Mr. Collingsworth and Mr. Guderian are independent directors under applicable NYSE and Exchange Act rules.

Corporate Governance

The board of directors of our general partner has adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers, or Code of Ethics, that applies to the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Corporate Controller and all other senior financial and accounting officers of our general partner. Amendments to or waivers from the Code of Ethics will be disclosed on our website. The board of directors of our general partner has also adopted Corporate Governance Guidelines that outline important policies and practices regarding our governance and a Code of Business Conduct and Ethics that applies to the directors, officers and employees of our general partner and the Partnership.

We make available free of charge, within the "Governance" section of our website at www.nglenergypartners.com/governance, and in print to any unitholder who so requests, the Code of Ethics, the Corporate Governance Guidelines, the Code of Business Conduct and Ethics and the charters of the audit committee and the compensation committee of the board of directors of our general partner. Requests for print copies may be directed to Investor Relations at investorinfo@nglep.com or to Investor Relations, NGL Energy Partners LP, 6120 South Yale Avenue, Suite 805, Tulsa, Oklahoma 74136 or made by telephone at (918) 481-1119. The information contained on, or connected to, our website is not incorporated by reference into this Annual Report and should not be considered part of this or any other report that we file with or furnish to the SEC.

Meeting of Non-Management Directors and Communications with Directors

At each quarterly meeting of the audit committee and/or the board of directors of our general partner, our independent directors meet in an executive session without participation by management or non-independent directors. Mr. Reiners presides over these executive sessions.

Unitholders or interested parties may communicate directly with the board of directors of our general partner, any committee of the board, any independent directors, or any one director, by sending written correspondence by mail addressed to the board, committee or director to the attention of our Secretary at the following address: Name of the Director(s), c/o Secretary, NGL Energy Partners LP, 6120 South Yale Avenue, Suite 805, Tulsa, Oklahoma 74136. Communications are distributed to the board, committee, or director as appropriate, depending on the facts and circumstances outlined in the communication.

Item 11. Executive Compensation

Compensation Discussion and Analysis

The year "2022" in the Compensation Discussion and Analysis and the summary compensation table refers to our fiscal year ended March 31, 2022.

Introduction

The board of directors of our general partner has responsibility and authority for compensation-related decisions for our executive officers. The board of directors has formed a compensation committee to develop our compensation program and to approve the compensation of the Chief Executive Officer and other officers. Our executive officers are also officers of our operating companies. While we reimburse our general partner and its affiliates for all expenses they incur on our behalf, our executive officers do not receive any additional compensation for the services they provide to our general partner.

Our "named executive officers" for fiscal year 2022 were:

- H. Michael Krimbill–Chief Executive Officer
- Linda J. Bridges–Executive Vice President and Chief Financial Officer (effective September 30, 2021)
- Lawrence J. Thuillier–Chief Accounting Officer
- Kurston P. McMurray–Executive Vice President and General Counsel and Secretary
- John A. Ciolek–Executive Vice President, Strategic Initiatives
- Robert W. Karlovich III–Former Executive Vice President and Chief Financial Officer (resigned effective September 30, 2021)

Compensation Philosophy

Our compensation philosophy emphasizes pay-for-performance, focused primarily on the ability to increase sustainable quarterly distributions to our unitholders. Pay-for-performance is based on a combination of our performance and the individual executive officer's contribution to our performance. We believe this pay-for-performance approach generally aligns the interests of our executive officers with the interests of our unitholders, and at the same time enables us to maintain a lower level of cash compensation expense in the event our operating and financial performance do not meet our expectations.

Our executive compensation program is designed to provide a total compensation package that allows us to:

- **Attract and retain** individuals with the background and skills necessary to successfully execute our business strategies;
- **Motivate** those individuals to reach short-term and long-term goals in a way that aligns their interests with the interests of our unitholders; and
- **Reward** success in reaching those goals.

Factors Enhancing Alignment with Unitholder Interests

- At risk incentive compensation based on annual financial performance and growth in unitholder value;
- No excise tax gross-ups; and
- Compensation committee engages an independent compensation adviser.

Compensation Setting Process

Our compensation program for our named executive officers supports our philosophy of pay-for-performance.

- **Role of Management:** Our Chief Executive Officer provides periodic recommendations to the compensation committee and the board of directors regarding the compensation of our named executive officers, other than his own.
- **Role of the Compensation Committee's Consultant:** In carrying out its responsibilities for establishing, implementing and monitoring the effectiveness of our executive compensation philosophy, plans and programs, our compensation committee has the authority to engage outside experts to assist in its deliberations. In March 2021, the compensation committee received compensation advice and data from Pearl Meyer & Partners ("PM&P"). PM&P provided advice and guidance regarding the principal components of compensation for our directors and market salary information for certain executive and senior vice president positions. The compensation committee reviewed the services provided by PM&P and determined that they are independent in providing executive compensation consulting services. In making this determination, the compensation committee noted the following:
    - PM&P did not provide any services to the Partnership or management other than compensation consulting services requested by or with the approval of the compensation committee;
    - PM&P does not provide, directly or indirectly through affiliates, any non-compensation services such as pension consulting or human resource outsourcing;
    - PM&P maintains a conflicts policy, which was provided to the compensation committee with specific policies and procedures designed to ensure independence;
    - Fees paid to PM&P by the Partnership for the services provided in March 2021 were less than 1% of PM&P's total revenue;
    - None of the PM&P consultants working on Partnership matters had any business or personal relationship with compensation committee members;
    - None of the PM&P consultants working on Partnership matters (or any consultants at PM&P) had any business or personal relationship with any executive officer of the Partnership; and
    - None of the PM&P consultants working on Partnership matters own Partnership interests.

The compensation committee continues to monitor the independence of its compensation consultant on a periodic basis.

Elements of Executive Compensation

As part of our pay-for-performance approach to executive compensation, the compensation of our executive officers includes a significant component of incentive compensation based on our performance. The following table summarizes the primary elements of compensation in our executive compensation program:

			Objective Supported		
Element	**Primary Purpose**	**How Amount Determined**	**Attract & Retain**	**Motivate & Pay-for-Performance**	**Unitholder Alignment**
Base Salary	Fixed income to compensate executive officers for their level of responsibility, expertise and experience	Based on competition in the marketplace for executive talent and abilities	X		
Discretionary Cash Bonus Awards	Rewards achievement of specific annual financial and operational performance goals Recognizes individual contributions to our performance	Based on the named executive officer's relative contribution to the ongoing business of the Partnership	X	X	X
Long-Term Equity Incentive Awards	Motivates and rewards the achievement of long-term performance goals, including increasing the market price of our common units and the quarterly distributions to our unitholders Provides a forfeitable long-term incentive to encourage executive retention	Based on the named executive officer's expected contribution to long-term performance goals	X	X	X

Base Salary

The compensation committee periodically reviews the base salaries of our named executive officers and may recommend adjustments as necessary. We do not make automatic annual adjustments to base salary.

Our named executive officers are entitled to the following annual base salaries:

Name	**Fiscal Year Ended March 31, 2021 Base Salary Rate($)(1)**	**Fiscal Year Ended March 31, 2022 Base Salary Rate($)(2)**
H. Michael Krimbill	625,000	625,000
Linda J. Bridges	—	500,000
Lawrence J. Thuillier	300,000	312,000
Kurston P. McMurray	500,000	500,000
John A. Ciolek	500,000	500,000
Robert W. Karlovich III	500,000	500,000

(1) Messrs. Thuillier and McMurray's base salary rates became effective March 28, 2021. All other named executive officers' base salary rates were effective April 1, 2020, other than Ms. Bridges who was not serving as a named executive officer during the relevant fiscal year.

(2) Ms. Bridges base salary rate became effective with her appointment to Executive Vice President and Chief Financial Officer on September 30, 2021. Mr. Thuillier's base salary rate became effective on January 16, 2022. Mr. Karlovich's base salary rate for the fiscal year was prorated through September 30, 2021, the date of his resignation from employment. All other named executive officers' base salary rates were effective April 1, 2021.

Discretionary Cash Bonus Awards

None of the named executive officers is subject to a formal cash bonus plan, and any cash bonuses are at the discretion of the compensation committee of the board of directors. During fiscal year 2022, cash bonuses of $0.3 million were paid to

both Mr. Ciolek and Mr. McMurray and cash bonuses of $0.2 million were paid to both Ms. Bridges and Mr. Thuillier. Neither Mr. Krimbill nor Mr. Karlovich received a cash bonus during fiscal year 2022.

Long-Term Equity Incentive Awards

The Partnership previously adopted a long-term incentive plan ("LTIP"), which allowed for the issuance of equity-based compensation. The LTIP expired with respect to future awards on May 10, 2021. Prior to expiring, on May 5, 2021, the compensation committee of our board of directors granted certain restricted units to the named executive officers, which vest in tranches, subject to the continued service of the recipients through the vesting date (the "Service Awards"). See "*2022 Grants of Plan Based Awards*" for details about the number of restricted Service Award units granted in fiscal year 2022 and the relevant vesting terms.

The following table summarizes Service Award units activity for all outstanding Service Award grants during fiscal year 2022 with respect to the named executive officers:

Name	Unvested Units at March 31, 2021	Units Granted	Units Vested	Units Forfeited	Unvested Units at March 31, 2022
H. Michael Krimbill (1)	75,000	250,000	(137,500)	—	187,500
Linda J. Bridges (2)	6,250	100,000	(31,250)	—	75,000
Lawrence J. Thuillier (3)	5,000	55,000	(18,750)	—	41,250
Kurston P. McMurray (4)	10,000	150,000	(47,500)	—	112,500
John A. Ciolek (5)	12,500	150,000	(50,000)	—	112,500
Robert W. Karlovich III (6)	12,500	150,000	—	(162,500)	—

(1) Mr. Krimbill vested in 75,000 Service Awards on November 12, 2021 and 62,500 Service Awards on February 10, 2022. He was granted 250,000 Service Awards on May 5, 2021.

(2) Ms. Bridges vested in 6,250 Service Awards on November 12, 2021 and 25,000 Service Awards on February 10, 2022. She was granted 100,000 Service Awards on May 5, 2021.

(3) Mr. Thuillier vested in 5,000 Service Awards on November 12, 2021 and 13,750 Service Awards on February 10, 2022. He was granted 55,000 on May 5, 2021.

(4) Mr. McMurray vested in 10,000 Service Awards on November 12, 2021 and 37,500 Service Awards on February 10, 2022. He was granted 150,000 Service Awards on May 5, 2021.

(5) Mr. Ciolek vested in 12,500 Service Awards on November 12, 2021 and 37,500 Service Awards on February 10, 2022. He was granted 150,000 Service Awards on May 5, 2021.

(6) Mr. Karlovich was granted 150,000 Service Awards on May 5, 2021. He forfeited all outstanding Service Awards upon his resignation from employment on September 30, 2021.

The following table summarizes the vesting dates of unvested Service Award units at March 31, 2022:

	Units by Vesting Date			Unvested Units at
Name	November 14, 2022	February 13, 2023	November 15, 2023	March 31, 2022
H. Michael Krimbill	62,500	62,500	62,500	187,500
Linda J. Bridges	25,000	25,000	25,000	75,000
Lawrence J. Thuillier	13,750	13,750	13,750	41,250
Kurston P. McMurray	37,500	37,500	37,500	112,500
John A. Ciolek	37,500	37,500	37,500	112,500

Severance and Change in Control Benefits

We do not provide any severance or change of control benefits to our named executive officers, other than to Mr. McMurray, who is entitled to receive severance benefits pursuant to his employment agreement in the event of certain terminations of his employment (as described below after the "Summary Compensation Table" under the heading, "Employment Agreement with Mr. McMurray"). The board of directors has the option to accelerate the vesting of the Service Awards in the event of a change in control of the Partnership, although it is not under any obligation to do so. If the board of directors were to exercise its discretion to accelerate the vesting of Service Awards upon a change in control, that hypothetically occurred on March 31, 2022, the value of such units would be the same as reported in the "Outstanding Equity Awards at March 31, 2022" table below (in the "Market Value of Service Award Units that Have Not Yet Vested" column).

401(k) Plan

We have established a defined contribution 401(k) plan to assist our eligible employees in saving for retirement on a tax-deferred basis. The 401(k) plan permits all eligible employees, including our named executive officers, to make voluntary pre-tax contributions to the plan, subject to applicable tax limitations. For every dollar that employees contribute up to 4% of their eligible compensation (as defined in the plan), we contribute one dollar, plus 50 cents for every dollar employees contribute between 4% and 6% of their eligible compensation (as defined in the plan). Our matching contributions vest over an employee's first two years of employment, subject to a participant's continued service.

Other Benefits

We do not maintain a defined benefit or pension plan for our executive officers, because we believe such plans primarily reward longevity rather than performance. We offer a benefits package available to substantially all full-time employees, which includes a 401(k) plan and medical, dental, vision, disability and life insurance.

Other Officers

Certain officers who have leadership roles within our individual business segments, but who are not executive officers, participate in formulaic bonus programs that are based on the performance of the individual business segments with which they are involved. In most cases, similar programs were in place prior to our acquisition of the businesses, and we have left the programs substantially intact.

Employment Agreements

We do not have employment agreements with any of our named executive officers, other than Mr. McMurray (as described below after the "Summary Compensation Table" under the heading, "Employment Agreement with Mr. McMurray").

Deductibility of Compensation

We believe that the compensation paid to the named executive officers is generally fully deductible for federal income tax purposes. We are a limited partnership and do not meet the definition of a "corporation" subject to deduction limitations under Section 162(m) of the Internal Revenue Code of 1986, as amended.

Compensation Committee Report

The compensation committee of the board of directors of our general partner has reviewed and discussed the Compensation Discussion and Analysis set forth above with management. Based on this review and discussion, the compensation committee recommended to the board of directors of our general partner that the Compensation Discussion and Analysis be included in this Annual Report.

Members of the Compensation Committee:

Stephen L. Cropper (Chairman)
James M. Collingsworth
Bryan K. Guderian

Relation of Compensation Policies and Practices to Risk Management

Our compensation arrangements contain a number of design elements that serve to minimize the incentive for taking excessive or inappropriate risk to achieve short-term, unsustainable results. This includes using restricted unit grants as a significant element of executive compensation, as the restricted units are designed to reward the executive officers based on the long-term performance of the Partnership. In combination with our risk management practices, we do not believe that risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2022, James M. Collingsworth, Stephen L. Cropper, and Bryan K. Guderian served on the compensation committee. None of these individuals is an employee or an officer of our general partner.

Summary Compensation Table

The following table summarizes the compensation earned by our named executive officers for fiscal years 2020 through 2022.

Name and Position	Fiscal Year	Salary ($)	Bonus ($)	Restricted Unit Awards (Service Awards) (1) ($)	All Other Compensation (2) ($)	Total ($)
H. Michael Krimbill	2022	625,000	—	537,500	15,719	1,178,219
Chief Executive Officer	2021	625,000	—	—	17,632	642,632
	2020	625,000	1,500,000	1,000,011	11,019	3,136,030
Linda J. Bridges (3)	2022	413,846	200,000	215,000	15,632	844,478
Executive Vice President and Chief Financial Officer						
Lawrence J. Thuillier	2022	300,692	150,000	118,250	15,353	584,295
Chief Accounting Officer	2021	270,000	150,000	—	14,849	434,849
	2020	269,923	—	135,004	9,751	414,678
Kurston P. McMurray	2022	495,192	250,000	322,500	3,863	1,071,555
Executive Vice President and	2021	375,000	600,000	—	9,210	984,210
General Counsel and Secretary	2020	374,039	500,000	100,012	8,857	982,908
John A. Ciolek	2022	500,000	250,000	322,500	12,374	1,084,874
Executive Vice President,	2021	500,000	—	—	15,390	515,390
Strategic Initiatives	2020	140,385	—	501,250	119	641,754
Robert W. Karlovich III (4)	2022	276,923	—	322,500	6,907	606,330
Executive Vice President and	2021	500,000	600,000	—	12,759	1,112,759
Chief Financial Officer	2020	500,000	500,000	100,012	6,900	1,106,912

(1) The fair values of the restricted units shown in the table above were calculated in accordance with FASB Accounting Standards Codification ("ASC") Topic 718, Stock Compensation. For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the restricted unit awards, see Note 9 to our consolidated financial statements included in this Annual Report.

(2) The amounts in this column include matching contributions to our 401(k) plan and taxable group term life insurance.

(3) Ms. Bridges became Executive Vice President and Chief Financial Officer effective September 30, 2021, and thus was not a named executive officer prior to fiscal year 2022.

(4) Mr. Karlovich resigned as Executive Vice President and Chief Financial Officer effective September 30, 2021.

Employment Agreement with Mr. McMurray

Mr. McMurray is party to an employment agreement with the Partnership, dated March 10, 2017. The agreement has a term of five years from the effective date, subject to automatic renewals for one-year periods thereafter unless either party provides 60 days' notice of non-renewal of the term. The agreement was renewed by its terms as of March 10, 2022. The agreement provides that Mr. McMurray will receive a base salary of no less than $250,000 per year and will be eligible to receive an annual bonus with respect to each fiscal year of the Partnership at a target of 100% of his base salary. Mr. McMurray is also entitled to receive annual awards of unvested units under the Partnership's LTIP.

In the event that Mr. McMurray's employment is terminated by the Partnership without "cause" (as defined in his agreement), provided that he executes a general release of claims, Mr. McMurray is entitled to receive (i) continued payment of his base salary for 12 months following the termination, (ii) the guaranteed unit awards that would have been paid or granted to Mr. McMurray had Mr. McMurray remained employed for an additional three years following his termination, and (iii) his target annual bonus for the performance year in which his termination occurs. Mr. McMurray would also be entitled to receive

the severance benefits described in the foregoing sentence in the event that he voluntarily resigns due to a "constructive discharge," which circumstances would include (1) a reduction of Mr. McMurray's annual base salary below $250,000 (other than an across-the-board, pro rata reduction of no more than 10% applicable to all similarly situated executive officers of the Partnership) or the Partnership's failure to provide Mr. McMurray's elements of compensation, (2) the removal of Mr. McMurray from the position of Executive Vice President and General Counsel and Secretary without Mr. McMurray's written consent, (3) any action by the Partnership that results in significant diminution of Mr. McMurray's authority, power or responsibilities, or (4) the Partnership's relocation of its principal place of business in Oklahoma to a location more than 50 miles from its current location. Mr. McMurray is subject to non-disclosure and intellectual property rights assignment obligations, and an obligation not to solicit customers, employees or consultants lasting during his employment and for a period of 12 months thereafter.

Restricted Unit Awards

During fiscal year 2022, the compensation committee granted Service Awards to the named executive officers.

2022 Grants of Plan Based Awards

The following table summarizes the number of restricted Service Award units granted to our named executive officers, and their grant date fair values:

Name	Grant Date	Total Number of Service Award Units (#)	Grant Date Fair Value of Service Award Units ($)(1)
H. Michael Krimbill	May 5, 2021	250,000	537,500
Linda J. Bridges	May 5, 2021	100,000	215,000
Lawrence J. Thuillier	May 5, 2021	55,000	118,250
Kurston P. McMurray	May 5, 2021	150,000	322,500
John A. Ciolek	May 5, 2021	150,000	322,500
Robert W. Karlovich III	May 5, 2021	150,000	322,500

(1) The fair values of the restricted Service Award units shown in the table above were calculated in accordance with ASC Topic 718, Stock Compensation, and does not represent the amount actually realized by the named executive officer at vesting, which may be more or less than the amount reported in the table above. For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the restricted unit awards, see Note 9 to our consolidated financial statements included in this Annual Report.

The 2022 Service Awards vest and settle in common units. During fiscal year 2022, the compensation committee granted Service Awards to the named executive officers for which units vest in substantially equal installments on February 10, 2022, November 14, 2022, February 13, 2023 and November 15, 2023, subject to the continued service of the recipients through each such vesting date.

Outstanding Equity Awards at March 31, 2022

The following table summarizes the number of unvested Service Awards outstanding and their fair values at March 31, 2022:

Name	Number of Service Award Units that Have Not Yet Vested (#)(1)	Market Value of Service Award Units that Have Not Yet Vested ($)(2)
H. Michael Krimbill	187,500	416,250
Linda J. Bridges	75,000	166,500
Lawrence J. Thuillier	41,250	91,575
Kurston P. McMurray	112,500	249,750
John A. Ciolek	112,500	249,750
Robert W. Karlovich III (3)	—	—

(1) Reflects Service Awards that have not vested and are held by each named executive officer. The outstanding Service Awards units vest in substantially equal installments on November 14, 2022, February 13, 2023 and November 15, 2023.

(2) Calculated based on the closing market price of our common units at March 31, 2022 of $2.22. No adjustments were made to reflect the fact that the restricted units are not entitled to distributions during the vesting period.

(3) Mr. Karlovich resigned effective September 30, 2021 resulting in the forfeiture of his Service Awards. As a result, Mr. Karlovich did not have any outstanding equity awards as of March 31, 2022.

2022 Units Vested

During fiscal year 2022, certain of the restricted Service Awards vested. The following table summarizes the value of the awards on the vesting date which was calculated based of the closing market price per common unit on the vesting dates.

Name	Number of Service Award Units Acquired on Vesting (#)	Value Realized on Vesting ($)
H. Michael Krimbill (1)	137,500	379,500
Linda J. Bridges (2)	31,250	63,250
Lawrence J. Thuillier (3)	18,750	25,300
Kurston P. McMurray (4)	47,500	43,925
John A. Ciolek (5)	50,000	63,250
Robert W. Karlovich III (6)	—	—

(1) Mr. Krimbill vested in 75,000 Service Awards on November 12, 2021 and 62,500 Service Awards on February 10, 2022.

(2) Ms. Bridges vested in 6,250 Service Awards on November 12, 2021 and 25,000 Service Awards on February 10, 2022.

(3) Mr. Thuillier vested in 5,000 Service Awards on November 12, 2021 and 13,750 Service Awards on February 10, 2022.

(4) Mr. McMurray vested in 10,000 Service Awards on November 12, 2021 and 37,500 Service Awards on February 10, 2022.

(5) Mr. Ciolek vested in 12,500 Service Awards on November 12, 2021 and 37,500 Service Awards on February 10, 2022.

(6) Mr. Karlovich forfeited all outstanding Service Awards upon his resignation from employment on September 30, 2021.

Upon vesting, certain of the named executive officers elected for us to remit payments to taxing authorities in lieu of issuing common units. The following table summarizes the number of common units issued and the number of common units withheld for taxes:

Name	Number of Units Issued	Number of Units Withheld	Total
H. Michael Krimbill	137,500	—	137,500
Linda J. Bridges	16,753	14,497	31,250
Lawrence J. Thuillier	10,489	8,261	18,750
Kurston P. McMurray	25,489	22,011	47,500
John A. Ciolek	50,000	—	50,000

Potential Payments Upon Termination or Change in Control

We do not provide any severance or change of control benefits to our named executive officers, other than Mr. McMurray, who is entitled to receive severance benefits for certain types of terminations (as described in more detail above under the heading, “Employment Agreement with Mr. McMurray”). In the event that Mr. McMurray’s employment had been terminated as of March 31, 2022 by the Partnership without “cause” or due to a “constructive discharge,” Mr. McMurray would have been entitled to receive the following amounts:

Cash Severance	Value of Guaranteed Unit Awards	Target Annual Bonus	Total
$ 500,000	$ 249,750	$ 500,000	$ 1,249,750

The board of directors has the option to accelerate the vesting of the Service Awards in the event of a change in control of the Partnership, although it is not under any obligation to do so. If the board of directors were to exercise its discretion to accelerate the vesting of Service Awards upon a change in control, that hypothetically occurred on March 31, 2022, the value of such units would be the same as reported in the “Outstanding Equity Awards at March 31, 2022” table above (in the “Market Value of Service Award Units that Have Not Yet Vested” column).

Pay Ratio Disclosure

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information regarding the ratio of the annual total compensation of our Chief Executive Officer, Mr. Krimbill, to the median of the annual total compensation of our employees for our last fiscal year.

For the year ended March 31, 2022:

- The median of the annual total compensation of all employees (other than the Chief Executive Officer) was $88,063; and
- The annual total compensation of Mr. Krimbill, as reported in the Summary Compensation Table above, was $1,178,219.

Based on the information for the year ended March 31, 2022, the ratio of the annual total compensation of our Chief Executive Officer to the annual total compensation of our median employee was approximately 13 to 1.

To determine our median employee, we identified each individual employed by us on January 1, 2022, our determination date. As of that date, we had 876 employees located in two countries. We identified the median employee by examining only base pay plus overtime for the period from January 1, 2021 through December 31, 2021. We included all employees, with the exception of four employees that work in Canada, whether employed on a full-time or part-time basis, and did not make any estimates, assumptions or adjustments to any base pay plus overtime amounts. After identifying the median employee, we calculated the annual total compensation for the median employee using the same methodology we use to calculate total annual compensation for our named executive officers, as set forth in the Summary Compensation Table above.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described above. The SEC rules for identifying the median employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

Hedging of Partnership Common Units

Our Supplemental Trading Policy prohibits directors, named executive offices and other designated employees from engaging in hedging activities with respect to our common units.

Director Compensation

Officers or employees of our general partner or its affiliates who also serve as directors do not receive additional compensation for their service as a director of our general partner. Each director who is not an officer or employee of our general partner or its affiliates receives the following cash compensation for his board service:

- an annual retainer of $80,000;
- an annual retainer of $20,000 for the chairman of the audit committee;
- an annual retainer of $15,000 for the chairman of the compensation committee;
- an annual retainer of $14,000 for each member of the audit committee other than the chairman; and
- an annual retainer of $10,000 for each member of the compensation committee other than the chairman.

In addition, each director who is not an officer or employee of our general partner or its affiliates has been granted awards of restricted units. All of our directors are also reimbursed for all out-of-pocket expenses incurred in connection with attending board or committee meetings. Each director is indemnified for his actions associated with being a director to the fullest extent permitted under Delaware law.

The following table summarizes the compensation earned during fiscal year 2022 by each director who is not an officer or employee of our general partner or its affiliates:

Name	Fees Earned or Paid in Cash ($)	Restricted Unit Awards ($)(1)	Total ($)
Shawn W. Coady	80,000	107,500	187,500
James M. Collingsworth	104,000	107,500	211,500
Stephen L. Cropper	109,000	107,500	216,500
Bryan K. Guderian	104,000	107,500	211,500
Derek S. Reiners	100,000	107,500	207,500

(1) The amounts reflected in this column represent the grant date fair value of each director's May 5, 2021 award of 50,000 restricted units, which were calculated in accordance with ASC Topic 718, Stock Compensation. For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the restricted unit awards, see Note 9 to our consolidated financial statements included in this Annual Report. See table below for discussion of the vesting of these grants.

Long-Term Equity Incentive Awards

The following table summarizes Service Award units activity during fiscal year 2022 with respect to each director who is not an officer or employee of our general partner or its affiliates:

Name	Unvested Units at March 31, 2021	Units Granted	Units Vested (1)	Unvested Units at March 31, 2022 (2)
Shawn W. Coady	4,000	50,000	(16,500)	37,500
James M. Collingsworth	4,000	50,000	(16,500)	37,500
Stephen L. Cropper	4,000	50,000	(16,500)	37,500
Bryan K. Guderian	4,000	50,000	(16,500)	37,500
Derek S. Reiners	4,000	50,000	(16,500)	37,500

(1) 4,000 Service Awards vested on November 12, 2021 and 12,500 Service Awards vested on February 10, 2022.

(2) 12,500 Service Awards will vest on November 14, 2022, 12,500 Service Awards will vest on February 13, 2023 and 12,500 Service Awards will vest on November 15, 2023, subject to the continued service of the recipients through each such vesting date.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters

Security Ownership of Certain Beneficial Owners and Management

The following table summarizes the beneficial ownership, as of June 1, 2022, of our common units by:

- each person or group of persons known by us to be a beneficial owner of more than 5% of our outstanding common units;
- each director of our general partner;
- each named executive officer of our general partner; and
- all directors and executive officers of our general partner as a group.

Beneficial Owners	Common Units Beneficially Owned	Percentage of Common Units Beneficially Owned (1)
5% or greater unitholders (other than officers and directors):		
Invesco Ltd. (2)	19,717,009	15.09 %
EIG Neptune Equity Aggregator, L.P. (3)	16,734,375	11.35 %
Directors and named executive officers:		
Linda J. Bridges (4)	62,165	*
John A. Ciolek (5)	194,764	*
Shawn W. Coady (6)	2,614,695	2.00 %
James M. Collingsworth (7)	352,370	*
Stephen L. Cropper (8)	87,500	*
Bryan K. Guderian	85,000	*
H. Michael Krimbill (9)	4,127,518	3.16 %
Kurston P. McMurray (10)	84,231	*
John T. Raymond	50,000	*
Derek S. Reiners	38,500	*
Lawrence J. Thuillier (11)	60,319	*
Randall S. Wade	—	*
All directors and executive officers as a group (12 persons) (12)	7,757,062	5.94 %

* Less than 1.0%

(1) Based on 130,695,970 common units outstanding at June 1, 2022.

(2) The mailing address for Invesco Ltd. is 1555 Peachtree Street NE, Suite 1800, Atlanta, GA 30309. Invesco Ltd. reported sole voting and dispositive power with respect to all common units beneficially owned. The information related to Invesco Ltd. is based upon its Schedule 13G/A filed with the SEC on February 10, 2022.

(3) The mailing address for EIG Neptune Equity Aggregator, L.P. (“EIG Neptune”) is 600 New Hampshire Ave NW, Suite 1200, Washington, DC 20037. EIG Neptune reported sole voting and dispositive power with respect to all common units beneficially owned. The information related to EIG Neptune is based upon its Schedule 13D/A filed with the SEC on September 4, 2020. The common units beneficially owned relate to warrants that were exercisable on July 2, 2020. For purposes of calculating ownership percentages, the units underlying the warrants are only deemed outstanding for purposes of calculating EIG Neptune’s percentage.

(4) Does not include 75,000 unvested units, of which 25,000 will vest on each of the following dates, November 14, 2022, February 13, 2023 and November 15, 2023, subject to the continued service through each such vesting date.

(5) Does not include 112,500 unvested units, of which 37,500 will vest on each of the following dates, November 14, 2022, February 13, 2023 and November 15, 2023, subject to the continued service through each such vesting date.

(6) Dr. Coady owns 134,804 of these common units. SWC Family Partnership LP owns 2,320,391 of these common units. SWC Family Partnership LP is solely owned by SWC General Partner, LLC, of which Dr. Coady is the sole member. Dr. Coady may be deemed to have sole voting and investment power over these units, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein. The 2012 Shawn W. Coady Irrevocable Insurance Trust, which was established for the benefit of Shawn W. Coady’s children, owns 135,000 of these common units. Dr. Coady may be deemed to have sole voting and investment power over these units, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein. The Tara Nicole Coady Trust II, of which the reporting person is the trustee, owns 12,250 of these common units. The Colleen Blair Coady Trust, of which the reporting person is the trustee, owns 12,250 of these common units. Dr. Coady also owns a 12.27% interest in our general partner through Coady Enterprises, LLC, of which he owns 100% of the membership interests.

(7) Mr. Collingsworth owns 340,000 of these common units. Mr. Collingsworth holds 2,000 of these common units jointly with his spouse, Cindy Collingsworth. Cindy Collingsworth and her sister jointly own 9,500 of these common units. Cindy Collingsworth owns 870 of these common units.

(8) Mr. Cropper owns 62,500 of these common units. The Donna L. Cropper Revocable Living Trust, of which Mr. Cropper and his spouse, Donna L. Cropper, are the trustees, owns 25,000 of these common units.

(9) Mr. Krimbill owns 2,241,115 of these common units, which does not include 187,500 unvested units, of which 62,500 will vest on each of the following dates, November 14, 2022, February 13, 2023 and November 15, 2023, subject to the continued service through each such vesting date. All of the unvested units noted above were reported on Mr. Krimbill’s Form 4. Krim2010, LLC owns 904,848 of these common units. Krimbill Enterprises LP, H. Michael Krimbill and James E. Krimbill own 90.89%, 4.05%, and 5.06% of Krim2010, LLC, respectively. Krimbill Enterprises LP also owns 488,000 of these common units. Krimbill Enterprises LP is controlled by H. Michael Krimbill via his ownership of its general partner, Krimbill Holding Company. H. Michael Krimbill may be deemed to

have sole voting and investment power over these units, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein. KrimGP2010 LLC owns 363,555 of these common units. KrimGP2010 LLC is solely owned by H. Michael Krimbill. H. Michael Krimbill may be deemed to have sole voting and investment power over these units, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein. Krimbill Enterprises LP, II also owns 130,000 of these common units. Krimbill Enterprises LP, II is controlled by H. Michael Krimbill via his ownership of its general partner, Krimbill Holding Company. H. Michael Krimbill may be deemed to have sole voting and investment power over these units, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein. H. Michael Krimbill also owns a 14.81% interest in our general partner through KrimGP2010, LLC, of which he owns 100% of the membership interests.

(10) Does not include 112,500 unvested units, of which 37,500 will vest on each of the following dates, November 14, 2022, February 13, 2023 and November 15, 2023, subject to the continued service through each such vesting date. Mr. McMurray owns a 0.25% interest in our general partner through MCM Investments, LLC, of which he owns 100% of the membership interests.

(11) Does not include 41,250 unvested units, of which 13,750 will vest on each of the following dates, November 14, 2022, February 13, 2023 and November 15, 2023, subject to the continued service through each such vesting date.

(12) The directors and executive officers of our general partner also collectively own a 29.69% interest in our general partner.

Unless otherwise noted, each of the individuals listed above is believed to have sole voting and investment power with respect to the units beneficially held by them. The mailing address for each of the officers and directors of our general partner listed above is 6120 South Yale Avenue, Suite 805, Tulsa, Oklahoma 74136.

Securities Authorized for Issuance Under Equity Compensation Plan

The following table summarizes information regarding the securities that may be issued under the LTIP at March 31, 2022.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuances Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Security Holders	—	—	—
Equity Compensation Plans Not Approved by Security Holders (1)	2,188,800	—	—
Total	2,188,800	—	—

(1) Our general partner adopted the LTIP in connection with the completion of our initial public offering (“IPO”) in May 2011, which did not require the approval of our unitholders. Prior to the expiration of the LTIP on May 10, 2021, we granted approximately 3.3 million common units as Service Awards, which will vest in our 2023 and 2024 fiscal years. Due to the LTIP expiring, we have no common units available for grant and any current unvested Service Awards that are forfeited or canceled will not be available for future grants.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Our directors, executive officers, and greater than 5% unitholders collectively own an aggregate of 44,208,446 common units, representing an aggregate 33.83% limited partner interest in us. In addition, our general partner owns a 0.1% general partner interest in us and all of our incentive distribution rights (“IDRs”). As of March 31, 2022, we owned 8.69% of our general partner.

Distributions and Payments to Our General Partner and Its Affiliates

Our general partner and its affiliates do not receive any management fee or other compensation for the management of our business and affairs, but they are reimbursed for all expenses that they incur on our behalf, including general and administrative expenses. Our general partner determines the amount of these expenses. In addition, our general partner owns the 0.1% general partner interest and all of the IDRs. Our general partner is entitled to receive incentive distributions if the amount we distribute with respect to any quarter exceeds levels specified in our partnership agreement.

The following table summarizes the distributions and payments to be made by us to our directors, executive officers, and greater than 5% unitholders and our general partner in connection with our ongoing operation and any liquidation. These distributions and payments were determined by and among affiliated entities before our IPO and, consequently, are not the result of arm’s length negotiations.

Operation Stage	
Distributions of available cash to our directors, executive officers, and greater than 5% unitholders and our general partner	We generally make cash distributions 99.9% to our unitholders pro rata, including our directors, executive officers, and greater than 5% unitholders as the holders of an aggregate 44,208,446 common units, and 0.1% to our general partner. In addition, when distributions exceed the minimum quarterly distribution and other higher target distributions levels, our general partner is entitled to increasing percentages of the distributions, up to 48.1% of the distributions above the highest target distribution level. If our general partner elects to reset the target distribution levels, it will be entitled to receive common units and to maintain its general partner interest. As described in Note 7 to our consolidated financial statements included in this Annual Report, the indenture to the 2026 Senior Secured Notes restricts us from paying distributions until our total leverage ratio (as defined in the indenture) for the most recently ended four full fiscal quarters at the time of the distribution is not greater than 4.75 to 1.00. In addition, quarterly distributions on the preferred units must be fully paid for all preceding fiscal quarters before we are permitted to declare or pay any distributions on our common units.
Payments to our general partner and its affiliates	Our general partner and its affiliates do not receive any management fee or other compensation for the management of our business and affairs, but they are reimbursed for all expenses that they incur on our behalf, including general and administrative expenses. As the sole purpose of the general partner is to act as our general partner, substantially all of the expenses of our general partner are incurred on our behalf and reimbursed by us or our subsidiaries. Our general partner determines the amount of these expenses.
Withdrawal or removal of our general partner	If our general partner withdraws or is removed, its general partner interest and its IDRs will either be sold to the new general partner for cash or converted into common units, in each case for an amount equal to the fair market value of those interests.
Liquidation Stage	
Liquidation	Upon our liquidation, our partners, including our general partner, will be entitled to receive liquidating distributions according to their respective capital account balances.

Transactions with Related Persons

We purchase goods and services from certain entities that are partially owned by our named executive officers. The following table summarizes these transactions from April 1, 2021 to March 31, 2022:

Entity	Nature of Purchases	Amount Purchased	Ownership Interest in Entity
		(in thousands)	
H. Michael Krimbill			
KAIR2014 LLC (“KAIR2014”)	Aircraft	$ 670	50 %

In connection with the purchase of our 50% interest in an aircraft company, KAIR2014, we executed a joint and several guarantee for the benefit of the lender for KAIR2014’s outstanding loan. The other owner of KAIR2014, our Chief Executive Officer, H. Michael Krimbill, is a party to a similar guarantee. This guarantee obligates us for the payment and performance of KAIR2014 with respect to the repayment of the loan. As of March 31, 2022, the outstanding balance of the loan is approximately $2.5 million. Payments are made monthly, reducing the outstanding balance, and the loan matures in September 2023. As the guarantee is joint and several, we could be liable for the entire outstanding balance of the loan. The loan is collateralized by the airplane owned by KAIR2014 and in the event of a default, the lender could seek payment in full from us. As of March 31, 2022, no accrual has been recorded related to this guarantee.

Travis Krimbill, an employee of the Partnership, is the son of H. Michael Krimbill, who is a named executive officer of the Partnership and a member of the board of directors. Travis Krimbill does not report to H. Michael Krimbill and his compensation is determined by the Chief Financial Officer. During the year ended March 31, 2022, Travis Krimbill received total compensation of approximately $0.2 million.

Registration Rights Agreement

We have entered into a registration rights agreement (as amended, the "Registration Rights Agreement") with certain third parties (the "registration rights parties") pursuant to which we agreed to register for resale under the Securities Act of 1933, as amended ("Securities Act") common units owned by the parties to the Registration Rights Agreement. In connection with our IPO, we granted registration rights to the NGL Energy GP Investor Group, and subsequently, we have granted registration rights in connection with several acquisitions. We will not be required to register such common units if an exemption from the registration requirements of the Securities Act is available with respect to the number of common units desired to be sold. Subject to limitations specified in the Registration Rights Agreement, the registration rights of the registration rights parties include the following:

- *Demand Registration Rights.* Certain registration rights parties deemed "Significant Holders" under the agreement may, to the extent that they continue to own more than 4% of our common units, require us to file a registration statement with the SEC registering the offer and sale of a specified number of common units, subject to limitations on the number of requests for registration that can be made in any twelve-month period as well as customary cutbacks at the discretion of the underwriters relating to a potential offering. All other registration rights parties are entitled to notice of a Significant Holder's exercise of its demand registration rights and may include their common units in such registration. We can only be required to file a total of nine registration statements upon the Significant Holders' exercise of these demand registration rights and are only required to effect demand registration if the aggregate proposed offering price to the public is at least $10.0 million.
- *Piggyback Registration Rights.* If we propose to file a registration statement under the Securities Act to register our common units, the registration rights parties are entitled to notice of such registration and have the right to include their common units in the registration, subject to limitations that the underwriters relating to a potential offering may impose on the number of common units included in the registration. These counterparties also have the right to include their units in our future registrations, including secondary offerings of our common units.
- *Expenses of Registration.* With specified exceptions, we are required to pay all expenses incidental to any registration of common units, excluding underwriting discounts and commissions.

Review, Approval or Ratification of Transactions with Related Parties

The board of directors of our general partner has adopted a Code of Business Conduct and Ethics that, among other things, sets forth our policies for the review, approval and ratification of transactions with related persons. The Code of Business Conduct and Ethics provides that the board of directors of our general partner or its authorized committee will periodically review all related person transactions that are required to be disclosed under SEC rules and, when appropriate, initially authorize or ratify all such transactions. In the event that the board of directors of our general partner or its authorized committee considers ratification of a related person transaction and determines not to so ratify, the Code of Business Conduct and Ethics provides that our officers will make all reasonable efforts to cancel or annul the transaction.

The Code of Business Conduct and Ethics provides that, in determining whether or not to recommend the initial approval or ratification of a related person transaction, the board of directors of our general partner or its authorized committee should consider all of the relevant facts and circumstances available, including (if applicable) but not limited to:

- whether there is an appropriate business justification for the transaction;
- the benefits that accrue to the Partnership as a result of the transaction;
- the terms available to unrelated third parties entering into similar transactions;
- the impact of the transaction on a director's independence (in the event the related party is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer);
- the availability of other sources for comparable products or services;

- whether it is a single transaction or a series of ongoing, related transactions; and
- whether entering into the transaction would be consistent with the Code of Business Conduct and Ethics.

Director Independence

The NYSE does not require a listed publicly traded limited partnership like NGL to have a majority of independent directors on the board of directors of its general partner. For a discussion of the independence of the board of directors of our general partner, see Part III, Item 10–"Directors, Executive Officers and Corporate Governance–Board of Directors of our General Partner."

Item 14. Principal Accountant Fees and Services

We have engaged Grant Thornton LLP as our independent registered public accounting firm. The following table summarizes fees we have paid Grant Thornton LLP to audit our annual consolidated financial statements and for other services for the periods indicated:

	March 31,	
	2022	2021
	(in thousands)	
Audit fees (1)	$ 1,882	$ 2,149
Audit-related fees (2)	—	7
Tax fees	—	—
All other fees	—	—
Total	$ 1,882	$ 2,156

(1) Includes fees for audits of the Partnership's financial statements, reviews of the related quarterly financial statements, and services that are normally provided by the independent accountants in connection with statutory and regulatory filings or engagements, including reviews of documents filed with the SEC and the preparation of letters to underwriters and other requesting parties.

(2) Includes fees in fiscal year 2021 for review services for one of our subsidiaries.

Audit Committee Approval of Audit and Non-Audit Services

The audit committee of the board of directors of our general partner has adopted a pre-approval policy with respect to services which may be performed by Grant Thornton LLP. This policy lists specific audit-related services as well as any other services that Grant Thornton LLP is authorized to perform and sets out specific dollar limits for each specific service, which may not be exceeded without additional audit committee authorization. The audit committee receives quarterly reports on the status of expenditures pursuant to the pre-approval policy. The audit committee reviews the policy at least annually in order to approve services and limits for the current year. Any service that is not clearly enumerated in the policy must receive specific pre-approval by the audit committee prior to engagement.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report:

1. *Financial Statements*. See the accompanying Index to Financial Statements.
2. *Financial Statement Schedules*. All schedules have been omitted because they are either not applicable, not required or the information required in such schedules appears in the financial statements or the related notes.
3. *Exhibits.*

Exhibit Number	Description
2.1	Membership Interest Purchase Agreement, dated as of May 30, 2018, by and among NGL Energy Operating, LLC, NGL Energy Partners LP, and Superior Plus Energy Services Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 10, 2018)
2.2	Asset Purchase and Sale Agreement, dated May 13, 2019, by and among NGL Energy Partners LP, Mesquite Disposals Unlimited, LLC and Mesquite SWD, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
2.3	Membership Interest Purchase Agreement, dated as of August 7, 2019, between NGL Energy Operating, LLC and Trajectory Acquisition Company LLC (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on October 4, 2019)
2.4	Equity Purchase Agreement, dated September 25, 2019, by and among NGL Energy Partners LP, NGL Water Solutions Permian, LLC, Water Remainco, LLC, Hillstone Environmental Partners, LLC, GGCOF HEP Blocker II, LLC, GGCOF HEP Blocker, LLC, Golden Gate Capital Opportunity Fund-A, L.P., GGCOF AIV L.P. and GGCOF HEP Blocker II Holdings, LLC (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on November 1, 2019)
2.5	Membership Interest Purchase Agreement, dated as of June 18, 2021 (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on June 21, 2021)
3.1	Certificate of Limited Partnership of NGL Energy Partners LP (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 (File No. 333-172186) filed with the SEC on April 15, 2011)
3.2	Certificate of Amendment to Certificate of Limited Partnership of NGL Energy Partners LP (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1 (File No. 333-172186) filed with the SEC on April 15, 2011)
3.3	Certificate of Formation of NGL Energy Holdings LLC (incorporated by reference to Exhibit 3.4 to the Registration Statement on Form S-1 (File No. 333-172186) filed with the SEC on April 15, 2011)
3.4	Certificate of Amendment to Certificate of Formation of NGL Energy Holdings LLC (incorporated by reference to Exhibit 3.5 to the Registration Statement on Form S-1 (File No. 333-172186) filed with the SEC on April 15, 2011)
3.5	Third Amended and Restated Limited Liability Company Agreement of NGL Energy Holdings LLC (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 28, 2013)
3.6	Amendment No. 1 to Third Amended and Restated Limited Liability Company Agreement of NGL Energy Holdings LLC, dated as of August 6, 2013 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on August 7, 2013)
3.7	Amendment No. 2 to Third Amended and Restated Limited Liability Company Agreement of NGL Energy Holdings LLC, dated as of June 27, 2014 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 3, 2014)
3.8	Amendment No. 3 to Third Amended and Restated Limited Liability Company Agreement of NGL Energy Holdings LLC, dated as of June 24, 2016 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on June 28, 2016)
3.9	Amendment No. 4 to Third Amended and Restated Limited Liability Company Agreement of NGL Energy Holdings LLC, dated as of August 20, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on August 21, 2019)
3.10	Fourth Amended and Restated Agreement of Limited Partnership of NGL Energy Partners LP, dated as of June 13, 2017 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on June 13, 2017)
3.11	Fifth Amended and Restated Agreement of Limited Partnership of NGL Energy Partners LP, dated as of April 2, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on April 2, 2019)
3.12	Sixth Amended and Restated Agreement of Limited Partnership of NGL Energy Partners LP, dated as of July 2, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
3.13	Seventh Amended and Restated Agreement of Limited Partnership of NGL Energy Partners LP, dated as of October 31, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on November 1, 2019)
3.14	First Amendment to Seventh Amended and Restated Agreement of Limited Partnership of NGL Energy Partners LP, dated as of February 4, 2021 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 8, 2021)

Exhibit Number	Description
4.1	First Amended and Restated Registration Rights Agreement, dated October 3, 2011, by and among the Partnership, Hicks Oils & Hicksgas, Incorporated, NGL Holdings, Inc., Krim2010, LLC, Infrastructure Capital Management, LLC, Atkinson Investors, LLC, E. Osterman Propane, Inc. and the other holders party thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on October 7, 2011)
4.2	Amendment No. 1 and Joinder to First Amended and Restated Registration Rights Agreement dated as of November 1, 2011 by and among the Partnership and SemStream (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on November 4, 2011)
4.3	Amendment No. 2 and Joinder to First Amended and Restated Registration Rights Agreement, dated January 3, 2012, by and among NGL Energy Holdings LLC, Liberty Propane, L.L.C., Pacer-Enviro Propane, L.L.C., Pacer-Pittman Propane, L.L.C., Pacer-Portland Propane, L.L.C., Pacer Propane (Washington), L.L.C., Pacer-Salida Propane, L.L.C. and Pacer-Utah Propane, L.L.C. (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on January 9, 2012)
4.4	Amendment No. 3 and Joinder to First Amended and Restated Registration Rights Agreement, dated May 1, 2012, by and between NGL Energy Holdings LLC and Downeast Energy Corp. (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on May 4, 2012)
4.5	Amendment No. 4 and Joinder to First Amended and Restated Registration Rights Agreement, dated June 19, 2012, by and between NGL Energy Holdings LLC and NGP M&R HS LP LLC (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on June 25, 2012)
4.6	Amendment No. 5 and Joinder to First Amended and Restated Registration Rights Agreement, dated October 1, 2012, by and between NGL Energy Holdings LLC and Enstone, LLC (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on October 3, 2012)
4.7	Amendment No. 6 and Joinder to First Amended and Restated Registration Rights Agreement, dated November 13, 2012, by and between NGL Energy Holdings LLC and Gerald L. Jensen, Thrift Opportunity Holdings, LP, Jenco Petroleum Corporation, Caritas Trust, Animosus Trust and Nitor Trust (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on November 19, 2012)
4.8	Amendment No. 7 and Joinder to First Amended and Restated Registration Rights Agreement, dated as of August 1, 2013, by and among NGL Energy Holdings LLC, Oilfield Water Lines, LP and Terry G. Bailey (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on August 7, 2013)
4.9	Amendment No. 8 and Joinder to First Amended and Restated Registration Rights Agreement, dated as of February 17, 2015, by and among NGL Energy Holdings LLC and Magnum NGL Holdco LLC (incorporated by reference to Exhibit 4.9 to the Annual Report on Form 10-K (File No. 001-35172) for the year ended March 31, 2015 filed with the SEC on June 1, 2015)
4.10	Amendment No. 9 and Joinder to First Amended and Restated Registration Rights Agreement, dated as of February 25, 2016, by and among NGL Energy Holdings LLC and Magnum NGL Holdco LLC (incorporated by reference to Exhibit 4.10 to the Annual Report on Form 10-K (File No. 001-35172) for the year ended March 31, 2016 filed with the SEC on May 31, 2016)
4.11	Registration Rights Agreement, dated December 2, 2013, by and among NGL Energy Partners LP and the purchasers set forth on Schedule A thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on December 5, 2013)
4.12	Indenture, dated as of October 24, 2016, by and among NGL Energy Partners LP, NGL Energy Finance Corp., the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on October 24, 2016)
4.13	Forms of 7.5% Senior Notes due 2023 (incorporated by reference to Exhibit 4.2 and included as Exhibits A1 and A2 to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on October 24, 2016)
4.14	Registration Rights Agreement, dated as of October 24, 2016, by and among NGL Energy Partners LP, NGL Energy Finance Corp., the guarantors listed therein on Exhibit A and Barclays Capital Inc. as representative of the several initial purchasers (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on October 24, 2016)
4.15	First Supplemental Indenture, dated as of February 21, 2017, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.8 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2018 filed with the SEC on February 11, 2019)
4.16	Second Supplemental Indenture, dated as of July 18, 2018, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.9 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2018 filed with the SEC on February 11, 2019)
4.17	Third Supplemental Indenture, dated as of January 25, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.10 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2018 filed with the SEC on February 11, 2019)
4.18	Fourth Supplemental Indenture, dated as of October 31, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.3 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended September 30, 2019 filed with the SEC on November 8, 2019)
4.19	Fifth Supplemental Indenture, dated as of December 27, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2019 filed with the SEC on February 6, 2020)

Exhibit Number	Description
4.20	Sixth Supplemental Indenture, dated as of June 30, 2020, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended June 30, 2020 filed with the SEC on August 10, 2020)
4.21	Seventh Supplemental Indenture, dated as of February 18, 2021, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.21 to the Annual Report on Form 10-K (File No. 001-35172) for the year ended March 31, 2021 filed with the SEC on June 3, 2021)
4.22*	Eighth Supplemental Indenture, dated as of March 25, 2022 among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee
4.23	Indenture, dated as of February 22, 2017, by and among NGL Energy Partners LP, NGL Energy Finance Corp., the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 22, 2017)
4.24	Forms of 6.125% Senior Notes due 2025 (incorporated by reference to Exhibit 4.2 and included as Exhibits A1 and A2 to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 22, 2017)
4.25	Registration Rights Agreement, dated as of February 22, 2017, by and among NGL Energy Partners LP, NGL Energy Finance Corp., the guarantors listed therein on Exhibit A and RBC Capital Markets, LLC and Deutsche Bank Securities Inc., as representatives of the several initial purchasers (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 22, 2017)
4.26	First Supplemental Indenture, dated as of July 18, 2018, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.11 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2018 filed with the SEC on February 11, 2019)
4.27	Second Supplemental Indenture, dated as of January 25, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.12 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2018 filed with the SEC on February 11, 2019)
4.28	Third Supplemental Indenture, dated as of October 31, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.4 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended September 30, 2019 filed with the SEC on November 8, 2019)
4.29	Fourth Supplemental Indenture, dated as of December 27, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.6 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2019 filed with the SEC on February 6, 2020)
4.30	Fifth Supplemental Indenture, dated as of June 30, 2020, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended June 30, 2020 filed with the SEC on August 10, 2020)
4.31	Sixth Supplemental Indenture, dated as of February 18, 2021, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.30 to the Annual Report on Form 10-K (File No. 001-35172) for the year ended March 31, 2021 filed with the SEC on June 3, 2021)
4.32*	Seventh Supplemental Indenture, dated as of March 25, 2022, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee
4.33	Indenture, dated as of April 9, 2019, by and among NGL Energy Partners LP, NGL Energy Finance Corp., the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on April 9, 2019)
4.34	Forms of 7.5% Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 and included as Exhibits A1 and A2 to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on April 9, 2019)
4.35	Registration Rights Agreement, dated as of April 9, 2019, by and among NGL Energy Partners LP, NGL Energy Finance Corp., the guarantors listed therein on Exhibit A and RBC Capital Markets, LLC and Mizuho Securities USA LLC, as representatives of the several initial purchasers (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on April 9, 2019)
4.36	First Supplemental Indenture, dated as of October 31, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended September 30, 2019 filed with the SEC on November 8, 2019)
4.37	Second Supplemental Indenture, dated as of December 27, 2019, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.7 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended December 31, 2019 filed with the SEC on February 6, 2020)
4.38	Third Supplemental Indenture, dated as of June 30, 2020, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.3 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended June 30, 2020 filed with the SEC on August 10, 2020)

Exhibit Number	Description
4.39	Fourth Supplemental Indenture, dated as of February 18, 2021, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.37 to the Annual Report on Form 10-K (File No. 001-35172) for the year ended March 31, 2021 filed with the SEC on June 3, 2021)
4.40*	Fifth Supplemental Indenture, dated as of March 25, 2022, among NGL Energy Partners LP, NGL Energy Finance Corp., the Guaranteeing Subsidiaries party thereto, the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee
4.41	Indenture, dated as of February 4, 2021, by and among NGL Energy Operating LLC, NGL Energy Finance Corp., the guarantors party thereto and U.S. Bank National Association, as trustee and notes collateral agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 8, 2021)
4.42	Form of 7.500% Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.1 and included as Exhibit A to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 8, 2021)
4.43*	First Supplemental Indenture, dated as of March 28, 2022, among NGL Shared Services, LLC, NGL Shared Services Holdings, Inc., NGL Energy Operating LLC, NGL Energy Finance Corp., the other Guarantors and U.S. Bank Trust Company, National Association, as Trustee
4.44	Amended and Restated Guaranty Agreement, dated as of March 31, 2017 and effective as of December 31, 2016, among NGL Energy Partners LP and the purchasers named therein (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended June 30, 2017 filed with the SEC on August 4, 2017)
4.45	Registration Rights Agreement, dated July 2, 2019, by and among NGL Energy Partners LP, EIG Neptune Aggregator, L.P. and FS Energy and Power Fund (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
4.46	Amended and Restated Registration Rights Agreement, dated October 31, 2019, by and among NGL Energy Partners LP, EIG Neptune Equity Aggregator, L.P., FS Energy and Power Fund and GCM Pellit Holdings, LLC (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on November 1, 2019)
4.47*	Description of NGL Energy Partners LP's securities
10.1	Credit Agreement, dated as of February 4, 2021, by and among NGL Energy Operating LLC, NGL Energy Partners LP, JPMorgan Chase Bank, N.A. and certain other financial institutions (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on February 8, 2021)
10.2	First Amendment to Credit Agreement (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended September 30, 2021 filed with the SEC on November 9, 2021)
10.3*	Second Amendment to Credit Agreement
10.4*	Credit Party Accession Agreement, dated as of March 28, 2022, among NGL Shared Services, LLC, NGL Shared Services Holdings, Inc., and JPMorgan Chase Bank, N.A., as Administrative Agent and as Collateral Agent
10.5	Common Unit Purchase Agreement, dated November 5, 2013, by and among NGL Energy Partners LP and the purchasers listed on Schedule A thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on December 5, 2013)
10.6+	NGL Energy Partners LP 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on May 17, 2011)
10.7+	Form of Restricted Unit Award Agreement under the NGL Energy Partners LP 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q (File No. 001-35172) for the quarter ended June 30, 2012 filed with the SEC on August 14, 2012)
10.8	Class D Preferred Unit and Warrant Purchase Agreement, dated July 2, 2019, by and among NGL Energy Partners LP, EIG Neptune Equity Aggregator, L.P. and FS Energy and Power Fund (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
10.9	Board Representation Rights Agreement, dated July 2, 2019, by and among NGL Energy Partners LP, NGL Energy Holdings LLC and certain affiliates of EIG Neptune Equity Aggregator, L.P. and FS Energy and Power Fund (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
10.10	Voting Agreement, dated July 2, 2019, by and among the members of NGL Energy Holdings LLC named therein (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
10.11	Letter Agreement, dated July 2, 2019, by and among NGL Energy Partners LP, Mesquite Disposals Unlimited, LLC and Mesquite SWD, Inc. (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
10.12	Form of Par Warrant (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
10.13	Form of Premium Warrant (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on July 8, 2019)
10.14	Class D Preferred Unit and Warrant Purchase Agreement, dated September 25, 2019, by and among NGL Energy Partners LP, EIG Neptune Equity Aggregator, L.P., FS Energy and Power Fund and GCM Pellit Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on September 30, 2019)
10.15	Form of Par Warrant (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on November 1, 2019)

Exhibit Number	Description
10.16	Form of Premium Warrant (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-35172) filed with the SEC on November 1, 2019)
21.1*	List of Subsidiaries of NGL Energy Partners LP
22.1*	List of Issuers and Guarantor Subsidiaries of NGL Energy Partners LP
23.1*	Consent of Grant Thornton LLP
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH**	Inline XBRL Schema Document
101.CAL**	Inline XBRL Calculation Linkbase Document
101.DEF**	Inline XBRL Definition Linkbase Document
101.LAB**	Inline XBRL Label Linkbase Document
101.PRE**	Inline XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Exhibits filed with this report.

** The following documents are formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets at March 31, 2022 and 2021, (ii) Consolidated Statements of Operations for the years ended March 31, 2022, 2021, and 2020, (iii) Consolidated Statements of Comprehensive Loss for the years ended March 31, 2022, 2021, and 2020, (iv) Consolidated Statements of Changes in Equity for the years ended March 31, 2022, 2021, and 2020, (v) Consolidated Statements of Cash Flows for the years ended March 31, 2022, 2021, and 2020, and (vi) Notes to Consolidated Financial Statements.

\+ Management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on June 6, 2022.

NGL ENERGY PARTNERS LP
By: NGL Energy Holdings LLC, its general partner
By: /s/ H. Michael Krimbill
H. Michael Krimbill
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ H. Michael Krimbill	Chief Executive Officer and Director	June 6, 2022
H. Michael Krimbill	(Principal Executive Officer)	
/s/ Linda J. Bridges	Chief Financial Officer	June 6, 2022
Linda J. Bridges	(Principal Financial Officer)	
/s/ Lawrence J. Thuillier	Chief Accounting Officer	June 6, 2022
Lawrence J. Thuillier	(Principal Accounting Officer)	
/s/ Shawn W. Coady	Director	June 6, 2022
Shawn W. Coady		
/s/ James M. Collingsworth	Director	June 6, 2022
James M. Collingsworth		
/s/ Stephen L. Cropper	Director	June 6, 2022
Stephen L. Cropper		
/s/ Bryan K. Guderian	Director	June 6, 2022
Bryan K. Guderian		
/s/ John T. Raymond	Director	June 6, 2022
John T. Raymond		
/s/ Derek S. Reiners	Director	June 6, 2022
Derek S. Reiners		
/s/ Randall S. Wade	Director	June 6, 2022
Randall S. Wade		

INDEX TO FINANCIAL STATEMENTS

NGL Energy Partners LP

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors of NGL Energy Holdings LLC and
Unitholders of NGL Energy Partners LP

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of NGL Energy Partners LP (a Delaware limited partnership) and subsidiaries (the "Partnership") as of March 31, 2022 and 2021, the related consolidated statements of operations, comprehensive loss, changes in equity, and cash flows for each of the three years in the period ended March 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of March 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Partnership's internal control over financial reporting as of March 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated June 6, 2022 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment

As described further in Note 5 to the consolidated financial statements, the Partnership's consolidated goodwill balance was $744.4 million as of March 31, 2022. Management evaluates goodwill for impairment on January 1 of each year, or more frequently to the extent events or conditions indicate a risk of possible impairment. Management performed a quantitative impairment assessment for the Crude Oil Logistics reporting unit to test goodwill for impairment as of January 1, 2022. As a result of the assessment performed for the reporting unit, and as described further in Note 5 to the consolidated financial statements, the Partnership concluded the fair value of the Crude Oil Logistics reporting unit exceeded its carrying value and no goodwill impairment was recorded. We identified the goodwill impairment assessment as a critical audit matter.

The principal considerations for our determination that the goodwill impairment assessment was a critical audit matter are that there was a high estimation uncertainty due to significant judgments with respect to assumptions used to estimate the future revenues and cash flows, including revenue growth rates, operating expenses and cash outflows necessary to support the cash flows, weighted average costs of capital and future market conditions as well as the valuation methodologies applied by the Partnership. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to management's forecasted future revenues and cash flows. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Our audit procedures related to the goodwill impairment assessment included the following, among others. We tested the effectiveness of controls relating to management's goodwill impairment tests, including controls over the determination of the fair value of the reporting unit. In addition to testing the effectiveness of controls, we also performed the following:

- Utilized a valuation specialist to evaluate:
  - The methodologies used and whether they were acceptable for the underlying assets or operations and being applied correctly by performing an independent calculation,
  - The appropriateness of the discount rate by recalculating the weighted average costs of capital and evaluating future market conditions, and
  - Other significant assumptions, including the terminal growth rate.
- Tested the reasonableness of management's process for determining the fair value of the reporting unit, including the revenue growth rate, forecasted costs and operating margins by comparing such items to the industry projections and conditions found in industry reports as well as historical operating results of the reporting unit and by assessing the likelihood or capability of the reporting unit to undertake activities or initiatives underpinning significant drivers of growth in the forecasted period.

/s/ GRANT THORNTON LLP

We have served as the Partnership's auditor since 2010.

Tulsa, Oklahoma
June 6, 2022

NGL ENERGY PARTNERS LP AND SUBSIDIARIES
Consolidated Balance Sheets
(in Thousands, except unit amounts)

	March 31,	
	2022	**2021**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,822	$ 4,829
Accounts receivable-trade, net of allowance for expected credit losses of $2,626 and $2,192, respectively	1,123,163	725,943
Accounts receivable-affiliates	8,591	9,435
Inventories	251,277	158,467
Prepaid expenses and other current assets	159,486	109,164
Total current assets	1,546,339	1,007,838
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation of $887,006 and $776,279, respectively	2,462,390	2,706,853
GOODWILL	744,439	744,439
INTANGIBLE ASSETS, net of accumulated amortization of $507,285 and $517,518, respectively	1,135,354	1,262,613
INVESTMENTS IN UNCONSOLIDATED ENTITIES	21,897	22,719
OPERATING LEASE RIGHT-OF-USE ASSETS	114,124	152,146
OTHER NONCURRENT ASSETS	45,802	50,733
Total assets	$ 6,070,345	$ 5,947,341
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable-trade	$ 1,084,837	$ 679,868
Accounts payable-affiliates	73	119
Accrued expenses and other payables	140,719	170,400
Advance payments received from customers	7,934	11,163
Current maturities of long-term debt	2,378	2,183
Operating lease obligations	41,261	47,070
Total current liabilities	1,277,202	910,803
LONG-TERM DEBT, net of debt issuance costs of $42,988 and $55,555, respectively, and current maturities	3,350,463	3,319,030
OPERATING LEASE OBLIGATIONS	72,784	103,637
OTHER NONCURRENT LIABILITIES	104,346	114,615
COMMITMENTS AND CONTINGENCIES (NOTE 8)		
CLASS D 9.00% PREFERRED UNITS, 600,000 and 600,000 preferred units issued and outstanding, respectively	551,097	551,097
EQUITY:		
General partner, representing a 0.1% interest, 130,827 and 129,724 notional units, respectively	(52,478)	(52,189)
Limited partners, representing a 99.9% interest, 130,695,970 and 129,593,939 common units issued and outstanding, respectively	401,486	582,784
Class B preferred limited partners, 12,585,642 and 12,585,642 preferred units issued and outstanding, respectively	305,468	305,468
Class C preferred limited partners, 1,800,000 and 1,800,000 preferred units issued and outstanding, respectively	42,891	42,891
Accumulated other comprehensive loss	(308)	(266)
Noncontrolling interests	17,394	69,471
Total equity	714,453	948,159
Total liabilities and equity	$ 6,070,345	$ 5,947,341

The accompanying notes are an integral part of these consolidated financial statements.

NGL ENERGY PARTNERS LP AND SUBSIDIARIES
Consolidated Statements of Operations
(in Thousands, except unit and per unit amounts)

	Year Ended March 31,		
	2022	**2021**	**2020**
REVENUES:			
Water Solutions	$ 544,866	$ 370,986	$ 422,059
Crude Oil Logistics	2,505,496	1,721,636	2,549,767
Liquids Logistics	4,897,553	3,133,146	4,611,136
Corporate and Other	—	1,255	1,038
Total Revenues	7,947,915	5,227,023	7,584,000
COST OF SALES:			
Water Solutions	33,980	9,622	(33,870)
Crude Oil Logistics	2,352,932	1,515,993	2,293,953
Liquids Logistics	4,752,400	2,966,391	4,342,526
Corporate and Other	—	1,816	1,774
Total Cost of Sales	7,139,312	4,493,822	6,604,383
OPERATING COSTS AND EXPENSES:			
Operating	285,535	254,562	332,993
General and administrative	63,546	70,468	113,664
Depreciation and amortization	288,720	317,227	265,312
Loss on disposal or impairment of assets, net	94,254	475,436	261,786
Revaluation of liabilities	(6,495)	6,261	9,194
Operating Income (Loss)	83,043	(390,753)	(3,332)
OTHER INCOME (EXPENSE):			
Equity in earnings of unconsolidated entities	1,400	1,938	1,291
Interest expense	(271,640)	(198,799)	(181,184)
Gain (loss) on early extinguishment of liabilities, net	1,813	(16,692)	1,341
Other income (expense), net	2,254	(36,503)	1,684
Loss From Continuing Operations Before Income Taxes	(183,130)	(640,809)	(180,200)
INCOME TAX (EXPENSE) BENEFIT	(971)	3,391	(345)
Loss From Continuing Operations	(184,101)	(637,418)	(180,545)
Loss From Discontinued Operations, net of Tax	—	(1,769)	(218,235)
Net Loss	(184,101)	(639,187)	(398,780)
LESS: NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(655)	(632)	1,773
NET LOSS ATTRIBUTABLE TO NGL ENERGY PARTNERS LP	$ (184,756)	$ (639,819)	$ (397,007)
NET LOSS FROM CONTINUING OPERATIONS ALLOCATED TO COMMON UNITHOLDERS (NOTE 3)	$ (288,630)	$ (730,683)	$ (367,246)
NET LOSS FROM DISCONTINUED OPERATIONS ALLOCATED TO COMMON UNITHOLDERS (NOTE 3)	$ —	$ (1,767)	$ (218,017)
NET LOSS ALLOCATED TO COMMON UNITHOLDERS (NOTE 3)	$ (288,630)	$ (732,450)	$ (585,263)
BASIC LOSS PER COMMON UNIT			
Loss From Continuing Operations	$ (2.22)	$ (5.67)	$ (2.88)
Loss From Discontinued Operations, net of Tax	$ —	$ (0.01)	$ (1.71)
Net Loss	$ (2.22)	$ (5.68)	$ (4.59)
DILUTED LOSS PER COMMON UNIT			
Loss From Continuing Operations	$ (2.22)	$ (5.67)	$ (2.88)
Loss From Discontinued Operations, net of Tax	$ —	$ (0.01)	$ (1.71)
Net Loss	$ (2.22)	$ (5.68)	$ (4.59)
BASIC WEIGHTED AVERAGE COMMON UNITS OUTSTANDING	129,840,234	128,980,823	127,411,908
DILUTED WEIGHTED AVERAGE COMMON UNITS OUTSTANDING	129,840,234	128,980,823	127,411,908

The accompanying notes are an integral part of these consolidated financial statements.

NGL ENERGY PARTNERS LP AND SUBSIDIARIES
Consolidated Statements of Comprehensive Loss
(in Thousands)

	Year Ended March 31,		
	2022	**2021**	**2020**
Net loss	$ (184,101)	$ (639,187)	$ (398,780)
Other comprehensive (loss) income	(42)	119	(130)
Comprehensive loss	$ (184,143)	$ (639,068)	$ (398,910)

The accompanying notes are an integral part of these consolidated financial statements.

NGL ENERGY PARTNERS LP AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Years Ended March 31, 2022, 2021, and 2020
(in Thousands, except unit amounts)

	Limited Partners							
		Preferred		Common				
	General Partner	Units	Amount	Units	Amount	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
BALANCES AT MARCH 31, 2019	$ (50,603)	8,400,000	$ 202,731	124,508,497	$ 2,067,197	$ (255)	$ 58,748	$ 2,277,818
Distributions to general and common unit partners and preferred unitholders (Note 9)	(342)	—	—	—	(258,020)	—	—	(258,362)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	(1,145)	(1,145)
Issuance of Class B preferred units, net of offering costs (Note 9)	—	4,185,642	102,737	—	—	—	—	102,737
Issuance of Class C preferred units, net of offering costs (Note 9)	—	1,800,000	42,891	—	—	—	—	42,891
Issuance of warrants, net of offering costs (Note 9)	—	—	—	—	52,742	—	—	52,742
Warrants exercised (Note 9)	—	—	—	1,458,371	15	—	—	15
Accretion of beneficial conversion feature of 10.75% Class A convertible preferred units (Note 9)	—	—	—	—	(36,517)	—	—	(36,517)
10.75% Class A convertible preferred units redemption - amount paid in excess of carrying value (Note 9)	—	—	—	—	(78,797)	—	—	(78,797)
Equity issued pursuant to incentive compensation plan	33	—	—	2,938,481	32,931	—	—	32,964
Common unit repurchases and cancellations	—	—	—	(133,634)	(1,644)	—	—	(1,644)
Mesquite Disposals Unlimited, LLC ("Mesquite") acquisition	—	—	—	—	—	—	17,124	17,124
Investment in NGL Energy Holdings LLC (Note 12)	—	—	—	—	(15,226)	—	—	(15,226)
Net loss	(478)	—	—	—	(396,529)	—	(1,773)	(398,780)
Other comprehensive loss	—	—	—	—	—	(130)	—	(130)
BALANCES AT MARCH 31, 2020	(51,390)	14,385,642	348,359	128,771,715	1,366,152	(385)	72,954	1,735,690
Distributions to general and common unit partners and preferred unitholders (Note 9)	(65)	—	—	—	(147,715)	—	—	(147,780)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	(4,115)	(4,115)
Common unit repurchases and cancellations	—	—	—	(70,226)	(182)	—	—	(182)
Equity issued pursuant to incentive compensation plan	—	—	—	892,450	4,727	—	—	4,727
Net (loss) income	(733)	—	—	—	(639,086)	—	632	(639,187)
Other comprehensive income	—	—	—	—	—	119	—	119
Cumulative effect adjustment for adoption of ASU 2016-13 (Note 16)	(1)	—	—	—	(1,112)	—	—	(1,113)
BALANCES AT MARCH 31, 2021	(52,189)	14,385,642	348,359	129,593,939	582,784	(266)	69,471	948,159
Distributions to noncontrolling interest owners	—	—	—	—	—	—	(1,635)	(1,635)
Sawtooth joint venture disposition (Note 17)	—	—	—	—	—	—	(51,097)	(51,097)
Common unit repurchases and cancellations (Note 9)	—	—	—	(44,769)	(90)	—	—	(90)
Equity issued pursuant to incentive compensation plan (Note 9)	—	—	—	1,146,800	3,259	—	—	3,259
Net (loss) income	(289)	—	—	—	(184,467)	—	655	(184,101)
Other comprehensive loss	—	—	—	—	—	(42)	—	(42)
BALANCES AT MARCH 31, 2022	$ (52,478)	14,385,642	$ 348,359	130,695,970	$ 401,486	$ (308)	$ 17,394	$ 714,453

The accompanying notes are an integral part of these consolidated financial statements.

NGL ENERGY PARTNERS LP AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(in Thousands)

	Year Ended March 31,		
	2022	**2021**	**2020**
OPERATING ACTIVITIES:			
Net loss	$ (184,101)	$ (639,187)	$ (398,780)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Loss from discontinued operations, net of tax	—	1,769	218,235
Depreciation and amortization, including amortization of debt issuance costs	306,208	331,200	276,848
(Gain) loss on early extinguishment or revaluation of liabilities, net	(8,308)	22,953	7,853
Non-cash equity-based compensation expense	(1,052)	6,727	26,510
Loss on disposal or impairment of assets, net	94,254	475,436	261,786
Change in provision for expected credit losses	929	5,988	1,002
Net adjustments to fair value of commodity derivatives	116,556	83,578	(85,941)
Equity in earnings of unconsolidated entities	(1,400)	(1,938)	(1,291)
Distributions of earnings from unconsolidated entities	2,205	3,364	—
Lower of cost or net realizable value adjustments	14,761	3,898	33,973
Other	2,310	1,513	2,541
Changes in operating assets and liabilities, exclusive of acquisitions:			
Accounts receivable-trade and affiliates	(397,607)	(162,031)	436,349
Inventories	(119,806)	(92,731)	29,779
Other current and noncurrent assets	40,158	92,555	14,081
Accounts payable-trade and affiliates	405,420	207,505	(375,257)
Other current and noncurrent liabilities	(64,681)	(34,836)	(65,262)
Net cash provided by operating activities-continuing operations	205,846	305,763	382,426
Net cash (used in) provided by operating activities-discontinued operations	—	(1,769)	81,629
Net cash provided by operating activities	205,846	303,994	464,055
INVESTING ACTIVITIES:			
Capital expenditures	(142,359)	(186,801)	(555,713)
Acquisitions, net of cash acquired	—	901	(1,268,474)
Net settlements of commodity derivatives	(152,055)	(80,372)	86,702
Proceeds from sales of assets	18,500	45,742	17,621
Proceeds from divestitures of businesses and investments, net	63,489	—	—
Investments in unconsolidated entities	(350)	(963)	(21,218)
Distributions of capital from unconsolidated entities	367	—	440
Repayments on loan for natural gas liquids facility	—	—	3,022
Net cash used in investing activities-continuing operations	(212,408)	(221,493)	(1,737,620)
Net cash provided by investing activities-discontinued operations	—	—	298,864
Net cash used in investing activities	(212,408)	(221,493)	(1,438,756)
FINANCING ACTIVITIES:			
Proceeds from borrowings under revolving credit facilities	1,815,000	1,261,000	4,074,000
Payments on revolving credit facilities	(1,703,000)	(2,727,000)	(3,775,000)
Issuance of senior secured and unsecured notes and term credit agreement	—	2,300,000	700,000
Repayment of term credit agreements	—	(555,562)	—
Repayment and repurchase of senior unsecured notes	(83,167)	(115,796)	(454)
Proceeds from borrowings on other long-term debt	—	50,000	—
Payments on other long-term debt	(7,390)	(5,590)	(653)
Debt issuance costs	(12,932)	(65,566)	(14,950)
Distributions to general and common unit partners and preferred unitholders	—	(142,128)	(244,400)
Distributions to noncontrolling interest owners	(1,635)	(4,115)	(1,145)
Proceeds from sale of preferred units, net of offering costs	—	—	622,391
Payments for redemption of preferred units	—	—	(265,128)
Common unit repurchases and cancellations	(90)	(182)	(1,644)
Payments to settle contingent consideration liabilities	(1,231)	(95,437)	(98,958)
Investment in NGL Energy Holdings LLC	—	—	(15,226)
Net cash provided by (used in) financing activities	5,555	(100,376)	978,833
Net (decrease) increase in cash and cash equivalents	(1,007)	(17,875)	4,132
Cash and cash equivalents, beginning of period	4,829	22,704	18,572
Cash and cash equivalents, end of period	$ 3,822	$ 4,829	$ 22,704
Supplemental cash flow information:			
Cash interest paid	$ 254,814	$ 168,642	$ 155,445
Income taxes paid (net of income tax refunds)	$ 2,480	$ 2,586	$ 4,931
Supplemental non-cash investing and financing activities:			
Distributions declared but not paid to preferred unitholders	$ —	$ 13,814	$ 18,687
Accrued capital expenditures	$ 14,558	$ 21,824	$ 88,917

The accompanying notes are an integral part of these consolidated financial statements.

Note 1—Nature of Operations and Organization

NGL Energy Partners LP ("we," "us," "our," or the "Partnership") is a Delaware limited partnership formed in September 2010. NGL Energy Holdings LLC serves as our general partner. At March 31, 2022, our operations included three segments:

- Our Water Solutions segment transports, treats, recycles and disposes of produced and flowback water generated from crude oil and natural gas production. We also sell produced water for reuse and recycle and brackish non-potable water to our producer customers to be used in their crude oil exploration and production activities. As part of processing water, we aggregate and sell recovered crude oil, also known as skim oil. We also dispose of solids such as tank bottoms, drilling fluids and drilling muds and perform other ancillary services such as truck and frac tank washouts. Our activities in this segment are underpinned by long-term, fixed fee contracts and acreage dedications, some of which contain minimum volume commitments with leading oil and gas companies including large, investment grade producer customers.
- Our Crude Oil Logistics segment purchases crude oil from producers and marketers and transports it to refineries or for resale at pipeline injection stations, storage terminals, barge loading facilities, rail facilities, refineries, and other trade hubs, and provides storage, terminaling and transportation services through its owned assets. Our activities in this segment are supported by certain long-term, fixed rate contracts which include minimum volume commitments on our owned and leased pipelines.
- Our Liquids Logistics segment conducts supply operations for natural gas liquids, refined petroleum products and biodiesel to a broad range of commercial, retail and industrial customers across the United States and Canada. These operations are conducted through our 24 owned terminals, third-party storage and terminal facilities, nine common carrier pipelines and a fleet of leased railcars. We also provide services for marine exports of butane through our facility located in Chesapeake, Virginia, and expect to commence operations on our propane pipeline in Michigan in June 2022.

Note 2—Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The accompanying consolidated financial statements include our accounts and those of our controlled subsidiaries. Intercompany transactions and account balances have been eliminated in consolidation. Investments we do not control, but can exercise significant influence over, are accounted for using the equity method of accounting. We also own an undivided interest in a crude oil pipeline, and include our proportionate share of assets, liabilities, and expenses related to this pipeline in our consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amount of assets and liabilities reported at the date of the consolidated financial statements and the amount of revenues and expenses reported during the periods presented.

Critical accounting estimates we make in the preparation of our consolidated financial statements include, among others, determining the impairment of goodwill and long-lived assets, useful lives and recoverability of property, plant and equipment and amortizable intangible assets, the fair value of derivative instruments, estimating certain revenues, the fair value of asset retirement obligations, the fair value of assets and liabilities acquired in acquisitions, the recoverability of inventories, the collectibility of accounts and notes receivable and accruals for environmental matters. Although we believe these estimates are reasonable, actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Fair value is based upon assumptions that market participants would use when pricing an asset or liability. We use the following fair value hierarchy, which prioritizes valuation technique inputs used to measure fair value into three broad levels:

- Level 1: Quoted prices in active markets for identical assets and liabilities that we have the ability to access at the measurement date.
- Level 2: Inputs (other than quoted prices included within Level 1) that are either directly or indirectly observable for the asset or liability, including (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in inactive markets, (iii) inputs other than quoted prices that are observable for the asset or liability, and (iv) inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 include non-exchange traded derivatives such as over-the-counter commodity price swap and option contracts and forward commodity contracts. We determine the fair value of all of our derivative financial instruments utilizing pricing models for similar instruments. Inputs to the pricing models include publicly available prices and forward curves generated from a compilation of data gathered from third parties.
- Level 3: Unobservable inputs for the asset or liability including situations where there is little, if any, market activity for the asset or liability.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall into different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to a fair value measurement requires judgment, considering factors specific to the asset or liability.

Derivative Financial Instruments

We record all derivative financial instrument contracts at fair value in our consolidated balance sheets except for normal purchase and normal sale transactions that are expected to result in physical delivery. For these transactions, we do not record the physical contracts at fair value at each balance sheet date; instead, we record the purchase or sale at the contracted value once the delivery occurs.

We have not designated any financial instruments as hedges for accounting purposes. All changes in the fair value of our physical contracts that do not qualify as normal purchases and normal sales and settlements (whether cash transactions or non-cash mark-to-market adjustments) are reported either within revenue (for sales contracts) or cost of sales (for purchase contracts) in our consolidated statements of operations, regardless of whether the contract is physically or financially settled.

We utilize various commodity derivative financial instrument contracts to attempt to reduce our exposure to price fluctuations. We do not enter into such contracts for trading purposes. Changes in assets and liabilities from commodity derivative financial instruments result primarily from changes in market prices, newly originated transactions, and the timing of settlements and are reported within cost of sales on the consolidated statements of operations, along with related settlements. We attempt to balance our contractual portfolio in terms of notional amounts and timing of performance and delivery obligations. However, net unbalanced positions can exist or are established based on our assessment of anticipated market movements. Inherent in the resulting contractual portfolio are certain business risks, including commodity price risk and credit risk. Commodity price risk is the risk that the market value of crude oil, natural gas liquids, or refined and renewables products will change, either favorably or unfavorably, in response to changing market conditions. Credit risk is the risk of loss from nonperformance by suppliers, customers or financial counterparties to a contract. Procedures and limits for managing commodity price risks and credit risks are specified in our market risk policy and credit policy, respectively. Open commodity positions and market price changes are monitored daily and are reported to senior management and to marketing operations personnel. Credit risk is monitored daily and exposure is minimized through customer deposits, restrictions on product liftings, letters of credit, and entering into master netting agreements that allow for offsetting counterparty receivable and payable balances for certain transactions.

Cost of Sales

We include all costs we incur to acquire products, including the costs of purchasing, terminaling, and transporting inventory, prior to delivery to our customers, in cost of sales. Cost of sales excludes depreciation of our property, plant and equipment.

Depreciation and Amortization

Depreciation and amortization in our consolidated statements of operations includes all depreciation of our property, plant and equipment and amortization of intangible assets other than debt issuance costs, for which the amortization is recorded

to interest expense and certain contract-based intangible assets, for which the amortization is recorded to either cost of sales or operating expense.

Income Taxes

We qualify as a partnership for income tax purposes. As such, we generally do not pay United States federal income tax. Rather, each owner reports his or her share of our income or loss on his or her individual tax return. The aggregate difference in the basis of our net assets for financial and tax reporting purposes cannot be readily determined, as we do not have access to information regarding each partner's basis in the Partnership.

We have certain taxable corporate subsidiaries in the United States and Canada, and our operations in Texas are subject to a state franchise tax that is calculated based on revenues net of cost of sales. Our fiscal years 2018 to 2021 generally remain subject to examination by federal, state, and Canadian tax authorities. We utilize the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which these temporary differences are expected to be recovered or settled. Changes in tax rates are recognized in income in the period that includes the enactment date.

A publicly traded partnership is required to generate at least 90% of its gross income (as defined for federal income tax purposes) from certain qualifying sources. Income generated by our taxable corporate subsidiaries is excluded from this qualifying income calculation. Although we routinely generate income outside of our corporate subsidiaries that is non-qualifying, we believe that at least 90% of our gross income has been qualifying income for each of the calendar years since our initial public offering.

We have a deferred tax liability of $43.5 million and $45.8 million at March 31, 2022 and 2021, respectively, as a result of acquiring corporations in connection with certain of our acquisitions, which is included within other noncurrent liabilities in our consolidated balance sheets. The deferred tax liability is the tax effected cumulative temporary difference between the GAAP basis and tax basis of the acquired assets within the corporation. For GAAP purposes, certain of the acquired assets will be depreciated and amortized over time which will lower the GAAP basis. The deferred tax benefit recorded during the year ended March 31, 2022 was $1.2 million with an effective tax rate of 11.3%. The deferred tax benefit recorded during the year ended March 31, 2021 was $4.7 million with an effective tax rate of 39.7%.

We evaluate uncertain tax positions for recognition and measurement in the consolidated financial statements. To recognize a tax position, we determine whether it is more likely than not that the tax position will be sustained upon examination, including resolution of any related appeals or litigation, based on the technical merits of the position. A tax position that meets the more likely than not threshold is measured to determine the amount of benefit to be recognized in the consolidated financial statements. We had no uncertain tax positions that required recognition in our consolidated financial statements at March 31, 2022 or 2021.

Cash and Cash Equivalents

Management considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. We place our cash and cash equivalents with financial institutions that are insured by the Federal Deposit Insurance Corporation; however, we maintain deposits in banks which exceed the amount of deposit insurance available. Management routinely assesses the financial condition of the institutions and believes that any possible credit loss would be minimal.

Accounts Receivable and Concentration of Credit Risk

We operate in the United States and Canada. We grant unsecured credit to customers under normal industry standards and terms, and have established policies and procedures that allow for an evaluation of each customer's creditworthiness as well as general economic conditions. See Note 16 for a further discussion of our allowance for expected credit losses.

We execute netting agreements with certain customers to mitigate our credit risk. Receivables and payables are reflected at a net balance to the extent a netting agreement is in place and we intend to settle on a net basis.

CITGO Petroleum Corporation accounted for 12.8% of our consolidated revenues for the year ended March 31, 2022. The majority of the revenue for this customer pertains to our Crude Oil Logistics segment activities, and sales to this customer

occur mainly out of our crude oil terminal in Cushing, Oklahoma. We did not have any customers that represented over 10% of consolidated revenues for the years ended March 31, 2021 and 2020.

Inventories

Our inventories are valued at the lower of cost or net realizable value, with cost determined using either the weighted-average cost or the first in, first out (FIFO) methods, including the cost of transportation and storage, and with net realizable value defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. In performing this analysis, we consider fixed-price forward commitments.

Inventories consist of the following at the dates indicated:

	March 31,	
	2022	2021
	(in thousands)	
Crude oil	$ 135,485	$ 64,916
Propane	43,971	45,521
Butane	33,144	19,189
Biodiesel	20,474	16,169
Diesel	3,504	2,252
Ethanol	3,503	3,056
Other	11,196	7,364
Total	$ 251,277	$ 158,467

Investments in Unconsolidated Entities

Investments we do not control, but can exercise significant influence over, are accounted for using the equity method of accounting. Investments in partnerships and limited liability companies, unless our investment is considered to be minor, and investments in unincorporated joint ventures are also accounted for using the equity method of accounting. Under the equity method, we do not report the individual assets and liabilities of these entities on our consolidated balance sheets; instead, our ownership interests are reported within investments in unconsolidated entities on our consolidated balance sheets. Under the equity method, the investment is recorded at acquisition cost, increased by our proportionate share of any earnings and additional capital contributions and decreased by our proportionate share of any losses, distributions paid, and amortization of any excess investment. Excess investment is the amount by which our total investment exceeds our proportionate share of the net assets of the investee. We consider distributions received from unconsolidated entities which do not exceed cumulative equity in earnings subsequent to the date of investment to be a return on investment and are classified as operating activities in our consolidated statements of cash flows. We consider distributions received from unconsolidated entities in excess of cumulative equity in earnings subsequent to the date of investment to be a return of investment and are classified as investing activities in our consolidated statements of cash flows.

At March 31, 2022, cumulative equity earnings and cumulative distributions of our unconsolidated entities since they were acquired were $6.5 million and $9.4 million, respectively.

Our investments in unconsolidated entities consist of the following at the dates indicated:

Entity	Segment	Ownership Interest	March 31, 2022	March 31, 2021
			(in thousands)	
Water services and land company	Water Solutions	50%	$ 15,714	$ 15,832
Water services and land company	Water Solutions	10%	2,863	3,254
Water services and land company	Water Solutions	50%	2,210	2,284
Aircraft company (1)	Corporate and Other	50%	538	748
Water services company	Water Solutions	50%	409	424
Natural gas liquids terminal company	Liquids Logistics	50%	163	177
Total			$ 21,897	$ 22,719

(1) This is an investment with a related party. See Note 12 for a further discussion.

Other Noncurrent Assets

Other noncurrent assets consist of the following at the dates indicated:

	March 31, 2022	March 31, 2021
	(in thousands)	
Linefill (1)	$ 28,065	$ 28,110
Minimum shipping fees - pipeline commitments (2)	8,899	13,171
Loan receivable (3)	3,147	2,962
Other	5,691	6,490
Total	$ 45,802	$ 50,733

(1) Represents minimum volumes of product we are required to leave on certain third-party owned pipelines under long-term shipment commitments. At March 31, 2022 and 2021, linefill consisted of 423,978 barrels of crude oil. Linefill held in pipelines we own is included within property, plant and equipment (see Note 4). During the three months ended March 31, 2020, we recorded an impairment of $7.7 million primarily due to adjusting the cost basis of pipeline linefill to the market price of propane as of March 31, 2020.

(2) Represents the noncurrent portion of minimum shipping fees paid in excess of volumes shipped, or deficiency credits, for a contract with a crude oil pipeline operator. This amount can be recovered when volumes shipped exceed the minimum monthly volume commitment (see Note 8). As of March 31, 2022, the deficiency credit was $13.2 million, of which $4.3 million is recorded within prepaid expenses and other current assets in our consolidated balance sheet.

(3) Represents the noncurrent portion of a loan receivable, net of an allowance for an expected credit loss, with a former related party.

Accrued Expenses and Other Payables

Accrued expenses and other payables consist of the following at the dates indicated:

	March 31, 2022	March 31, 2021
	(in thousands)	
Accrued interest	$ 56,104	$ 56,299
Derivative liabilities	27,108	21,562
Accrued compensation and benefits	18,417	41,456
Excise and other tax liabilities	10,451	10,970
Product exchange liabilities	853	1,188
Other	27,786	38,925
Total	$ 140,719	$ 170,400

Property, Plant and Equipment

We record property, plant and equipment at cost, less accumulated depreciation. Acquisitions and improvements are capitalized, and maintenance and repairs are expensed as incurred. As we dispose of assets, we remove the cost and related accumulated depreciation from the accounts, and any resulting gain or loss is included within loss on disposal or impairment of

assets, net. We compute depreciation expense of our property, plant and equipment using the straight-line method over the estimated useful lives of the assets (see Note 4).

Intangible Assets

Our intangible assets include contracts and arrangements acquired in business combinations, including customer relationships, customer commitments, pipeline capacity rights, rights-of-way and easements, water rights, executory contracts and other agreements, covenants not to compete, and trade names. In addition, we capitalize certain debt issuance costs associated with the ABL Facility (as defined herein) and the Sawtooth Caverns, LLC ("Sawtooth") credit agreement. We amortize the majority of our intangible assets on a straight-line basis over the estimated useful lives of the assets (see Note 6). We amortize debt issuance costs over the terms of the related debt using a method that approximates the effective interest method.

Impairment of Long-Lived Assets

We evaluate the carrying value of our long-lived assets (property, plant and equipment and amortizable intangible assets) for potential impairment when events and circumstances warrant such a review. A long-lived asset group is considered impaired when the anticipated undiscounted future cash flows from the use and eventual disposition of the asset group is less than its carrying value. If the carrying value is not recoverable, an impairment loss is measured as the excess of the asset's carrying value over its estimated fair value. When we cease to use an acquired trade name, we test the trade name for impairment using the relief from royalty method and we begin amortizing the trade name over its estimated useful life as a defensive asset. See Note 4 and Note 6 for a further discussion of long-lived asset impairments recognized in the consolidated statements of operations.

We evaluate our investments in unconsolidated entities for impairment whenever events or changes in circumstances indicate, in management's judgment, that the fair value of such investment may have experienced a decline to less than its carrying value and the decline is other than temporary.

Goodwill

Goodwill represents the excess of the consideration paid for the acquired businesses over the fair value of the individual assets acquired, net of liabilities assumed. Business combinations are accounted for using the "acquisition method". We expect that all of our goodwill at March 31, 2022 is deductible for federal income tax purposes.

Goodwill and indefinite-lived intangible assets are not amortized, but instead are evaluated for impairment at least annually. We perform our annual assessment of impairment on January 1 of our fiscal year, and more frequently if circumstances warrant.

For purposes of the goodwill impairment assessment, assets are grouped into "reporting units." A reporting unit is either an operating segment or a component of an operating segment, depending on how similar the components of the operating segment are to each other in terms of operational and economic characteristics. For each reporting unit, we perform a qualitative assessment of relevant events and circumstances about the likelihood of goodwill impairment. If it is deemed more likely than not that the fair value of the reporting unit is less than its carrying value, we calculate the fair value of the reporting unit. Otherwise, further testing is not required. If the fair value of the reporting unit (including its inherent goodwill) is less than its carrying value, goodwill is considered to be impaired and the goodwill balance is reduced by the difference between the fair value and carrying value of the reporting unit.

Estimates and assumptions used to perform the impairment evaluation are inherently uncertain and can significantly affect the outcome of the analysis. The estimates and assumptions we used in the annual goodwill impairment assessment included market participant considerations and future forecasted operating results. Changes in operating results and other assumptions could materially affect these estimates. See Note 5 for a further discussion and analysis of our goodwill impairment assessment.

Product Exchanges

Quantities of products receivable or returnable under exchange agreements are reported within prepaid expenses and other current assets and within accrued expenses and other payables in our consolidated balance sheets. We estimate the value of product exchange assets and liabilities based on the weighted-average cost basis of the inventory we have delivered or will deliver on the exchange, plus or minus location differentials.

Noncontrolling Interests

Noncontrolling interests represent the portion of certain consolidated subsidiaries that are owned by third parties. Amounts are adjusted by the noncontrolling interest holder's proportionate share of the subsidiaries' earnings or losses each period and any distributions that are paid. Noncontrolling interests are reported as a component of equity, unless the noncontrolling interest is considered redeemable, in which case the noncontrolling interest is recorded between liabilities and equity (mezzanine or temporary equity) in our consolidated balance sheet.

Acquisitions

To determine if a transaction should be accounted for as a business combination or an acquisition of assets, we first calculate the relative fair values of the assets acquired. If substantially all of the relative fair value is concentrated in a single asset or group of similar assets, or if not but the transaction does not include a significant process (does not meet the definition of a business), we record the transaction as an acquisition of assets. For acquisitions of assets, the purchase price is allocated based on the relative fair values and goodwill is not recorded. All other transactions are recorded as business combinations. We record the assets acquired and liabilities assumed in a business combination at their acquisition date fair values. For a business combination, the excess of the purchase price over the net fair value of acquired assets and assumed liabilities is recorded as goodwill, which is not amortized but instead is evaluated for impairment at least annually (as described above).

Pursuant to GAAP, an entity is allowed a reasonable period of time (not to exceed one year) to obtain the information necessary to identify and measure the fair value of the assets acquired and liabilities assumed in a business combination.

Reclassifications

We have reclassified certain prior period financial statement information to be consistent with the classification methods used in the current fiscal year. These reclassifications did not impact previously reported amounts of assets, liabilities, equity, net income or cash flows.

Recent Accounting Pronouncements

In November 2020, the Securities and Exchange Commission ("SEC") issued a Final Rule, "Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information", to modernize, simplify and enhance certain financial disclosure requirements in Regulation S-K. The Final Rule eliminates Regulation S-K, Item 301. Selected Financial Data, streamlines the requirements in Item 302. Supplementary Financial Information, and updates certain requirements in Item 303. Management's Discussion and Analysis of Financial Condition and Results of Operations. The guidance is effective for fiscal periods ending on or after August 9, 2021, although early adoption is permitted if an entity complies with an amended Item in its entirety. Effective March 31, 2021, we adopted a portion of this guidance by electing to comply with guidance related to Item 301, which eliminated the Selected Financial Data, and Item 302, which allowed us to eliminate the Quarterly Financial Data from the Annual Report on Form 10-K for the year ended March 31, 2021. Effective March 31, 2022, we adopted the guidance to comply with the requirements in Item 303. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-06, "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity." This ASU (i) simplifies an issuer's accounting for convertible instruments by eliminating two of the three models in Accounting Standards Codification ("ASC") 470-20 that require separate accounting for embedded conversion features, (ii) amends diluted earnings per share calculations for convertible instruments by requiring the use of the if-converted method and (iii) simplifies the settlement assessment entities are required to perform on contracts that can potentially settle in an entity's own equity by removing certain requirements. We adopted this guidance on April 1, 2022 using the modified retrospective method. Under our Class D Preferred Unit (as defined in Note 9) agreement, we are permitted to issue common units to redeem a portion of the outstanding Class D Preferred Units. Using the if-converted method, we expect our calculation of earnings per unit to be impacted by both an increase in the number of diluted weighted average common units outstanding and a decrease in the amount of Class D Preferred Unit distributions, when they are determined to be dilutive. Other than the potential impact to our future earnings per unit calculations, the adoption of this guidance did not impact our financial position, results of operations or cash flows related to any debt or preferred units issued prior to adoption.

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The ASU provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This guidance is effective prospectively upon issuance through December 31, 2022 and may be applied from the beginning of an interim period that includes the issuance date of this ASU. On April 13, 2022, the ABL Facility (as defined herein) was amended to replace the LIBOR benchmark with the SOFR (as defined herein) benchmark (as discussed further in Note 7). We are continuing to evaluate the effect that this guidance will have on our financial position, results of operations and cash flows.

Note 3—Loss Per Common Unit

The following table presents our calculation of basic and diluted weighted average common units outstanding for the periods indicated:

	Year Ended March 31,		
	2022	**2021**	**2020**
Weighted average common units outstanding during the period:			
Common units - Basic	129,840,234	128,980,823	127,411,908
Common units - Diluted	129,840,234	128,980,823	127,411,908

For the years ended March 31, 2022, 2021 and 2020, all potential common units or convertible securities were considered antidilutive.

Our loss per common unit is as follows for the periods indicated:

	Year Ended March 31,		
	2022	**2021**	**2020**
	(in thousands, except unit and per unit amounts)		
Loss from continuing operations	$ (184,101)	$ (637,418)	$ (180,545)
Less: Continuing operations (income) loss attributable to noncontrolling interests	(655)	(632)	1,773
Net loss from continuing operations attributable to NGL Energy Partners LP	(184,756)	(638,050)	(178,772)
Less: Distributions to preferred unitholders (1)(2)	(104,163)	(93,364)	(188,734)
Less: Continuing operations net loss allocated to general partner (3)	289	731	260
Net loss from continuing operations allocated to common unitholders	$ (288,630)	$ (730,683)	$ (367,246)
Loss from discontinued operations, net of tax	$ —	$ (1,769)	$ (218,235)
Less: Discontinued operations net loss allocated to general partner (3)	—	2	218
Net loss from discontinued operations allocated to common unitholders	$ —	$ (1,767)	$ (218,017)
Net loss allocated to common unitholders	$ (288,630)	$ (732,450)	$ (585,263)
Basic loss per common unit			
Loss from continuing operations	$ (2.22)	$ (5.67)	$ (2.88)
Loss from discontinued operations, net of tax	$ —	$ (0.01)	$ (1.71)
Net loss	$ (2.22)	$ (5.68)	$ (4.59)
Diluted loss per common unit			
Loss from continuing operations	$ (2.22)	$ (5.67)	$ (2.88)
Loss from discontinued operations, net of tax	$ —	$ (0.01)	$ (1.71)
Net loss	$ (2.22)	$ (5.68)	$ (4.59)
Basic weighted average common units outstanding	129,840,234	128,980,823	127,411,908
Diluted weighted average common units outstanding	129,840,234	128,980,823	127,411,908

(1) This amount includes distributions to preferred unitholders. The final accretion for the beneficial conversion of the 10.75% Class A Preferred Units (as defined herein) and the excess of the 10.75% Class A Preferred Units repurchase price over the carrying value of the units, as discussed further in Note 9, are included in the year ended March 31, 2020.

(2) Includes cumulative distributions for the year ended March 31, 2022 and for the quarter ended March 31, 2021 which were earned but not declared or paid (see Note 9 for a further discussion of the suspension of common unit and preferred unit distributions).

(3) Net loss allocated to the general partner includes distributions to which it is entitled as the holder of incentive distribution rights.

Note 4—Property, Plant and Equipment

Our property, plant and equipment consists of the following at the dates indicated:

Description	Estimated Useful Lives	March 31, 2022	March 31, 2021
	(in years)	(in thousands)	
Natural gas liquids terminal and storage assets	2 - 30	$ 173,199	$ 319,554
Pipeline and related facilities	30 - 40	265,643	264,405
Vehicles and railcars	3 - 25	93,126	126,088
Water treatment facilities and equipment	3 - 30	2,040,687	1,930,437
Crude oil tanks and related equipment	2 - 30	236,805	238,924
Barges and towboats	5 - 30	138,778	137,386
Information technology equipment	3 - 7	48,664	50,220
Buildings and leasehold improvements	3 - 40	151,071	165,679
Land		100,038	100,352
Tank bottoms and linefill (1)		30,443	20,237
Other	3 - 20	15,252	15,054
Construction in progress		55,690	114,796
		3,349,396	3,483,132
Accumulated depreciation		(887,006)	(776,279)
Net property, plant and equipment		$ 2,462,390	$ 2,706,853

(1) Tank bottoms, which are product volumes required for the operation of storage tanks, are recorded at historical cost. We recover tank bottoms when the storage tanks are removed from service. Linefill, which represents our portion of the product volume required for the operation of the proportionate share of a pipeline we own, is recorded at historical cost.

The following table summarizes depreciation expense and capitalized interest expense for the periods indicated:

	Year Ended March 31, 2022	2021	2020
		(in thousands)	
Depreciation expense	$ 203,783	$ 190,204	$ 132,791
Capitalized interest expense	$ 916	$ 2,778	$ 650

Amounts in the table above do not include depreciation expense and capitalized interest related to TransMontaigne Product Services, LLC (“TPSL”), as these amounts have been classified as discontinued operations within our consolidated statement of operations for the year ended March 31, 2020 (see Note 18).

We record (gains) losses from the sales of property, plant and equipment and any write-downs in value due to impairment within loss on disposal or impairment of assets, net in our consolidated statement of operations. The following table summarizes (gains) losses on the disposal or impairment of property, plant and equipment by segment for the periods indicated:

	Year Ended March 31, 2022	2021	2020
		(in thousands)	
Water Solutions	$ 28,068	$ 36,492	$ 22,491
Crude Oil Logistics	(3,194)	1,766	36
Liquids Logistics	11,750	3,350	(30)
Corporate and Other	—	228	—
Total	$ 36,624	$ 41,836	$ 22,497

During the year ended March 31, 2022, the following transactions were recorded:

- A net loss of $22.3 million related to write-down or write off of certain assets, including facilities damaged by lightning strikes and abandoned projects, and the sale of certain other miscellaneous assets in our Water Solutions segment.
- A loss of $11.8 million on the sale of a natural gas liquids terminals in our Liquids Logistics segment.
- An impairment charge of $5.8 million to write down the value of an inactive saltwater disposal facility that we do not expect to bring back online as a result of suspended operations from increased seismic activity in our Water Solutions segment.
- A loss of $2.2 million from the retirement of certain crude oil terminal assets damaged as part of Hurricane Ida in our Crude Oil Logistics segment.
- A gain of $5.5 million on the sale of our trucking assets in our Crude Oil Logistics segment.

During the year ended March 31, 2021, the following transactions were recorded within our Water Solutions segment:

- An impairment charge of $30.6 million to write down the value of an asset group due to a decline in producer activity, resulting in lower disposal volumes. See Note 6 for a discussion of the impairment of intangible assets within this asset group.
- An impairment charge of $11.9 million to write down the value of certain inactive saltwater disposal facilities that we do not expect to bring back online.
- A net loss of $6.7 million related to write-down or write off of certain assets, including facilities damaged by lightning strikes and abandoned projects, and the sale of certain other miscellaneous assets.
- A gain of $12.8 million related to the sale of certain permits, land and a saltwater disposal facility (see Note 17).

During the year ended March 31, 2020, the following transactions were recorded within our Water Solutions segment:

- An impairment charge of $13.5 million to write down the value of certain inactive saltwater disposal facilities.
- A net loss of $9.0 million related to write-down or write off of certain assets, including abandoned projects, and the sale of certain other miscellaneous assets.

Note 5—Goodwill

The following table summarizes changes in goodwill by segment for the period indicated:

	Water Solutions	Crude Oil Logistics	Liquids Logistics	Total
		(in thousands)		
Balances at March 31, 2020	$ 294,658	$ 579,846	$ 119,083	$ 993,587
Revisions to acquisition accounting	(11,348)	—	—	(11,348)
Impairment	—	(237,800)	—	(237,800)
Balances at March 31, 2021	$ 283,310	$ 342,046	$ 119,083	$ 744,439
Balances at March 31, 2022	$ 283,310	$ 342,046	$ 119,083	$ 744,439

Fiscal Year 2022 Goodwill Impairment Assessment

We performed a qualitative assessment as of January 1, 2022 to determine whether it was more likely than not that the fair value of each reporting unit was greater than the carrying value of the reporting unit. Based on these qualitative assessments, we determined that the fair value of each of our reporting units was more likely than not greater than the carrying value of the reporting units as of January 1, 2022, with the exception of our Crude Oil Logistics reporting unit. See below for a further discussion of the testing.

Due to lower than expected operating results, it was decided that the goodwill within the Crude Oil Logistics reporting unit should be tested for impairment as of January 1, 2022. We estimated the fair value of the Crude Oil Logistics reporting unit

based on the income approach, also known as the discounted cash flow method, which utilizes the present value of future expected cash flows to estimate the fair value. The future cash flows of the Crude Oil Logistics reporting unit were projected based upon estimates as of the test date of future revenues, operating expenses and cash outflows necessary to support these cash flows, including working capital and maintenance capital expenditures. We also considered expectations regarding: (i) the crude oil price environment as reflected in crude oil forward prices as of the test date, (ii) volumes based on historical information and estimates of future drilling and completion activity, as well as expectations for future demand recovery and (iii) estimated fixed and variable costs. The discounted cash flows for the Crude Oil Logistics reporting unit were based on five years of projected cash flows and we applied a discount rate and terminal multiple that we believe would be applied by a theoretical market participant in similar market transactions. Based on this test, we concluded that the fair value of the Crude Oil Logistics reporting unit exceeded its carrying value by approximately 12.0%.

Fiscal Year 2021 Goodwill Impairment Assessment

We performed a qualitative assessment as of January 1, 2021 to determine whether it was more likely than not that the fair value of each reporting unit was greater than the carrying value of the reporting unit. Based on these qualitative assessments, we determined that the fair value of each of our reporting units was more likely than not greater than the carrying value of the reporting units as of January 1, 2021, with the exception of our Water Solutions reporting unit, and our Crude Oil Logistics reporting unit, which was tested for impairment as of December 31, 2020. See below for a further discussion of the testing.

Due to lower than expected disposal volumes as a result of a slower than expected recovery in oil production in the various basins in which our Water Solutions reporting unit operates and the completion of our annual budget process, it was decided that the goodwill within the Water Solutions reporting unit should be tested for impairment as of January 1, 2021. We estimated the fair value of our Water Solutions reporting unit based on the income approach, also known as the discounted cash flow method, which utilizes the present value of future expected cash flows to estimate the fair value. The future cash flows of the Water Solutions reporting unit were projected based upon estimates as of the test date of future revenues, operating expenses and cash outflows necessary to support these cash flows, including working capital and maintenance capital expenditures. We also considered expectations regarding: (i) the crude oil price environment as reflected in crude oil forward prices as of the test date, (ii) disposal volumes based on historical information and estimates of future drilling and completion activity, as well as expectations for future demand recovery and (iii) estimated fixed and variable costs. The discounted cash flows for the Water Solutions reporting unit were based on five years of projected cash flows and we applied a discount rate and terminal multiple that we believe would be applied by a theoretical market participant in similar market transactions. Based on this test, we concluded that the fair value of the Water Solutions reporting unit exceeded its carrying value by approximately 3.0%.

As discussed in Note 17, in December 2020, we reached a settlement in the Extraction Oil & Gas, Inc.(“Extraction”) bankruptcy case, which is expected to result in decreases in future cash flows for certain of our assets. Based on this aforementioned event, we concluded that a triggering event occurred, which required us to perform a quantitative impairment test as of December 31, 2020 for our Crude Oil Logistics reporting unit. We estimated the fair value of the Crude Oil Logistics reporting unit based on the income approach, also known as the discounted cash flow method, which utilizes the present value of future expected cash flows to estimate the fair value. The future cash flows of the Crude Oil Logistics reporting unit were projected based upon estimates as of the test date of future revenues, operating expenses and cash outflows necessary to support these cash flows, including working capital and maintenance capital expenditures. We also considered expectations regarding: (i) the crude oil price environment as reflected in crude oil forward prices as of the test date, (ii) volumes based on historical information and estimates of future drilling and completion activity, as well as expectations for future demand recovery and (iii) estimated fixed and variable costs. The discounted cash flows for the Crude Oil Logistics reporting unit were based on five years of projected cash flows and we applied a discount rate and terminal multiple that we believe would be applied by a theoretical market participant in similar market transactions. Based on this test, we concluded that the fair value of the Crude Oil Logistics reporting unit was less than its carrying value by approximately 17.0%.

During the three months ended December 31, 2020, in our Crude Oil Logistics reporting unit, we recorded a goodwill impairment charge of $237.8 million within loss on disposal or impairment of assets, net in our consolidated statement of operations.

Fiscal Year 2020 Goodwill Impairment Assessment

We performed a qualitative assessment as of January 1, 2020 to determine whether it was more likely than not that the fair value of each reporting unit was greater than the carrying value of the reporting unit. Based on these qualitative assessments, we determined that the fair value of each of these reporting units was more likely than not greater than the carrying value of the reporting units as of January 1, 2020.

During the month of March 2020, our market capitalization declined significantly driven by current macroeconomic conditions including the collapse of oil prices driven by both the decrease in demand caused by the novel strain of coronavirus (COVID-19) pandemic and excess supply, as well as changing market conditions and expected lower crude oil production in certain regions, resulting in expected decreases in future cash flows for certain of our assets. In addition, the uncertainty related to oil demand continues to have a significant impact on the investment and operating plans of our primary customers. Based on these events, we concluded that a triggering event occurred which required us to perform a quantitative impairment test as of March 31, 2020 for our reporting units. We estimated the fair value of our reporting units based on the income approach, also known as the discounted cash flow method, which utilizes the present value of future expected cash flows to estimate the fair value. The future cash flows of our reporting units were projected based upon estimates as of the test date of future revenues, operating expenses and cash outflows necessary to support these cash flows, including working capital and maintenance capital expenditures. We also considered expectations regarding: (i) the crude oil price environment as reflected in crude oil forward prices as of the test date, (ii) volumes based on historical information and estimates of future drilling and completion activity, as well as expectations for future demand recovery and (iii) estimated fixed and variable costs. The discounted cash flows for each reporting unit were based on five years of projected cash flows and we applied discount rates and terminal multiples that we believe would be applied by a theoretical market participant in similar market transactions. Based on these tests, we concluded that the fair values of each of our reporting units exceeded their carrying values with the exception of our Water Solutions reporting unit, whose fair value was less than its carrying value by 7.3%.

During the three months ended March 31, 2020, in our Water Solutions reporting unit, we recorded a goodwill impairment charge of $250.0 million within loss on disposal or impairment of assets, net in our consolidated statement of operations.

Note 6—Intangible Assets

Our intangible assets consist of the following at the dates indicated:

Description	Weighted-Average Remaining Useful Life	March 31, 2022			March 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
	(in years)	(in thousands)					
Amortizable:							
Customer relationships	19.4	$ 1,200,919	$ (436,837)	$ 764,082	$ 1,318,638	$ (450,639)	$ 867,999
Customer commitments	22.3	192,000	(21,120)	170,880	192,000	(13,440)	178,560
Pipeline capacity rights	21.7	7,799	(2,167)	5,632	7,799	(1,907)	5,892
Rights-of-way and easements	31.8	91,664	(12,201)	79,463	90,703	(9,270)	81,433
Water rights	17.1	99,869	(20,404)	79,465	100,369	(14,454)	85,915
Executory contracts and other agreements	22.5	20,931	(3,014)	17,917	48,709	(21,300)	27,409
Non-compete agreements	0.6	7,000	(6,487)	513	12,100	(6,102)	5,998
Debt issuance costs (1)	3.9	22,202	(5,055)	17,147	9,558	(406)	9,152
Total amortizable		1,642,384	(507,285)	1,135,099	1,779,876	(517,518)	1,262,358
Non-amortizable:							
Trade names		255	—	255	255	—	255
Total		$ 1,642,639	$ (507,285)	$ 1,135,354	$ 1,780,131	$ (517,518)	$ 1,262,613

(1) Includes debt issuance costs related to the ABL Facility (as defined herein) and the Sawtooth credit agreement. Debt issuance costs related to fixed-rate notes are reported as a reduction of the carrying amount of long-term debt.

Write off of Intangible Assets

For intangible assets other than debt issuance costs, we record (gains) losses from the sales of intangible assets and any write-downs in value due to impairment within loss on disposal or impairment of assets, net in our consolidated statement of operations. We record the write-off of debt issuance costs within gain (loss) on early extinguishment of liabilities, net in our consolidated statement of operations.

During the year ended March 31, 2022, we recorded the following:

- A gain of $1.6 million related to the sale of certain intangible assets in our Water Solutions segment.
- A loss of $0.1 million from the write-off of debt issuance costs related to the Sawtooth credit agreement which was paid off and terminated prior to us selling our ownership interest in Sawtooth (see Note 17).

During the year ended March 31, 2021, we recorded the following:

- An impairment charge of $145.8 million against the customer commitment intangible asset related to a transportation contract with Extraction that was rejected as part of Extraction's bankruptcy. See Note 17 for a further discussion of Extraction's bankruptcy and the impairment of the intangible asset.
- An impairment charge of $39.2 million to write down the value of a customer relationship intangible asset as part of the write down in value of a larger asset group (see Note 4).
- A $4.5 million write off of the debt issuance costs related to a former revolving credit facility which was repaid and terminated on February 4, 2021 (see Note 7).
- An impairment charge of $2.5 million to write down the value of the trade name as part of the write down of a larger asset group (see Note 4).

Amortization expense is as follows for the periods indicated:

	Year Ended March 31,		
Recorded In	**2022**	**2021**	**2020**
		(in thousands)	
Depreciation and amortization	$ 84,937	$ 127,023	$ 132,521
Cost of sales	281	307	349
Interest expense	4,779	5,572	5,462
Operating expenses	247	247	286
Total	$ 90,244	$ 133,149	$ 138,618

Amounts in the table above do not include amortization expense related to TPSL, as these amounts have been classified as discontinued operations within our consolidated statement of operations for the year ended March 31, 2020 (see Note 18).

The following table summarizes expected amortization of our intangible assets at March 31, 2022 (in thousands):

Year Ending March 31,	
2023	$ 82,380
2024	75,663
2025	67,445
2026	64,639
2027	60,233
Thereafter	784,739
Total	$ 1,135,099

Note 7—Long-Term Debt

Our long-term debt consists of the following at the dates indicated:

	March 31, 2022			March 31, 2021		
	Face Amount	Unamortized Debt Issuance Costs (1)	Book Value	Face Amount	Unamortized Debt Issuance Costs (1)	Book Value
	(in thousands)					
Senior secured notes:						
7.500% Notes due 2026 (“2026 Senior Secured Notes”)	$ 2,050,000	$ (35,140)	$ 2,014,860	$ 2,050,000	$ (44,246)	$ 2,005,754
Asset-based revolving credit facility (“ABL Facility”)	116,000	—	116,000	4,000	—	4,000
Senior unsecured notes:						
7.500% Notes due 2023 (“2023 Notes”)	475,702	(1,873)	473,829	555,251	(3,564)	551,687
6.125% Notes due 2025 (“2025 Notes”)	380,020	(2,456)	377,564	380,020	(3,297)	376,723
7.500% Notes due 2026 (“2026 Notes”)	332,402	(3,460)	328,942	338,402	(4,378)	334,024
Other long-term debt	41,705	(59)	41,646	49,095	(70)	49,025
	3,395,829	(42,988)	3,352,841	3,376,768	(55,555)	3,321,213
Less: Current maturities	2,378	—	2,378	2,183	—	2,183
Long-term debt	$ 3,393,451	$ (42,988)	$ 3,350,463	$ 3,374,585	$ (55,555)	$ 3,319,030

(1) Debt issuance costs related to the ABL Facility and the Sawtooth credit agreement (included in other long-term debt) are reported within intangible assets, rather than as a reduction of the carrying amount of long-term debt.

2026 Senior Secured Notes

On February 4, 2021, we closed on our private offering of $2.05 billion of 7.5% 2026 Senior Secured Notes. Interest is payable on February 1 and August 1 of each year, beginning on August 1, 2021. The 2026 Senior Secured Notes mature on February 1, 2026. The 2026 Senior Secured Notes were issued pursuant to an indenture dated February 4, 2021 (the “Indenture”).

The 2026 Senior Secured Notes are secured by first priority liens in substantially all of our assets other than our accounts receivable, inventory, pledged deposit accounts, cash and cash equivalents, renewable energy tax credits and related assets and second priority liens in our accounts receivable, inventory, pledged deposit accounts, cash and cash equivalents, renewable energy tax credits and related assets.

The Indenture contains covenants that, among other things, limit our ability to: pay distributions or make other restricted payments or repurchase stock; incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock; make certain investments; create or incur liens; sell assets; enter into restrictions affecting the ability of restricted subsidiaries to make distributions, make loans or advances or transfer assets to the guarantors (including the Partnership); enter into certain transactions with our affiliates; designate restricted subsidiaries as unrestricted subsidiaries; and merge, consolidate or transfer or sell all or substantially all of our assets. The Indenture specifically restricts our ability to pay distributions until our total leverage ratio (as defined in the Indenture) for the most recently ended four full fiscal quarters at the time of the distribution is not greater than 4.75 to 1.00. These covenants are subject to a number of important exceptions and qualifications.

We have an option to redeem all or a portion of the 2026 Senior Secured Notes at any time on or after February 1, 2023 at fixed redemption prices contained within the Indenture. Prior to such time, we, at our option, may redeem up to 40% of the aggregate principal amount of the 2026 Senior Secured Notes with an amount of cash not greater than the net cash proceeds from certain equity offerings at the redemption price specified in the Indenture. In addition, before February 1, 2023, we may redeem some or all of the 2026 Senior Secured Notes at a redemption price equal to 100% of the aggregate principal amount of the 2026 Senior Secured Notes redeemed, plus the applicable premium as specified in the Indenture and accrued and unpaid interest, if any, to, but not including, the redemption date. If we experience certain kinds of change of control triggering events, we will be required to offer to repurchase the 2026 Senior Secured Notes at 101% of the aggregate principal amount of the 2026 Senior Secured Notes repurchased plus accrued and unpaid interest on the 2026 Senior Secured Notes repurchased to, but not including, the date of purchase.

Compliance

At March 31, 2022, we were in compliance with the covenants under the 2026 Senior Secured Notes indenture.

ABL Facility

On February 4, 2021, we closed on our ABL Facility that is subject to a borrowing base, which includes a sub-limit for letters of credit. The initial commitments totaled $500.0 million and the sub-limit for letters of credit was $200.0 million. The ABL Facility is secured by a lien on substantially all of our assets, including among other things, a first priority lien on our accounts receivable, inventory, pledged deposit accounts, cash and cash equivalents, renewable energy tax credits and related assets and a second priority lien on all of our other assets. At March 31, 2022, $116.0 million had been borrowed under the ABL Facility and we had letters of credit outstanding of approximately $155.1 million.

The ABL Facility is scheduled to mature at the earliest of (a) February 4, 2026 or (b) 91 days prior to the earliest maturity date in respect to any of our indebtedness in an aggregate principal amount of $50.0 million or greater, if such indebtedness is outstanding at such time, subject to certain exceptions. All borrowings under the ABL Facility bear interest at our option, at either (i) a LIBOR-based rate (with such customary provisions under the ABL Facility providing for the replacement of LIBOR with any successor rate such rate having been determined to be a SOFR-base rate (as defined herein) or (ii) an alternate base rate, in each case plus an applicable borrowing margin based on our fixed charge coverage ratio (as defined in the ABL Facility). The applicable margin for alternate base rate loans varies from 1.50% to 2.00% and the applicable margin for LIBOR/SOFR-based loans varies from 2.50% to 3.00%. In addition, a commitment fee will be charged and payable quarterly in arrears based on the average daily unused portion of the revolving commitments under the ABL Facility. Such commitment fee will be 0.50% per year, subject to a reduction to 0.375% in the event our fixed charge coverage ratio is greater than or equal to 1.75 to 1.00.

At March 31, 2022, the borrowings under the ABL Facility had a weighted average interest rate of 4.64% calculated as the prime rate of 3.50% plus a margin of 2.00% on the alternate base rate borrowings and weighted average LIBOR of 0.50% plus a margin of 3.00% for the LIBOR borrowings. On March 31, 2022, the interest rate in effect on letters of credit was 3.00%.

The ABL Facility contains various affirmative and negative covenants, including financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, distributions and other restricted payments, investments (including acquisitions) and transactions with affiliates. The ABL Facility contains, as the only financial covenant, a fixed charge coverage ratio financial covenant that is tested based on the financial statements for the most recently ended fiscal quarter upon the occurrence and during the continuation of a Cash Dominion Event (as defined in the ABL Facility). At March 31, 2022, no Cash Dominion Event had occurred.

On April 13, 2022, we amended the ABL Facility to increase the commitments to $600.0 million under the accordion feature within the ABL Facility. As part of the amendment, we agreed to reduce the commitments back to $500.0 million on or before March 31, 2023. In addition, the sub-limit for letters of credit was increased to $250.0 million and the LIBOR benchmark was replaced with an adjusted forward-looking term rate based on the secured overnight financing rate (“SOFR”) as the interest rate benchmark.

At March 31, 2022, we were in compliance with the covenants under the ABL Facility.

Senior Unsecured Notes

The senior unsecured notes include the 2023 Notes, 2025 Notes and 2026 Notes (collectively, the “Senior Unsecured Notes”).

The Partnership and NGL Energy Finance Corp. are co-issuers of the Senior Unsecured Notes, and the obligations under the Senior Unsecured Notes are fully and unconditionally guaranteed by certain of our existing and future restricted subsidiaries that incur or guarantee indebtedness under certain of our other indebtedness, including the ABL Facility. The indentures governing the Senior Unsecured Notes contain various customary covenants, including certain covenants that govern our ability to (i) pay distributions on, purchase or redeem our common equity or purchase or redeem our subordinated debt, (ii) incur or guarantee additional indebtedness or issue preferred units, (iii) create or incur certain liens, (iv) enter into agreements that restrict distributions or other payments from our restricted subsidiaries to us, (v) consolidate, merge or transfer all or substantially all of our assets, and (vi) engage in transactions with affiliates.

Our obligations under the Senior Unsecured Notes may be accelerated following certain events of default (subject to applicable cure periods), including, without limitation, (i) the failure to pay principal or interest when due, (ii) experiencing an event of default on certain other debt agreements, or (iii) certain events of bankruptcy or insolvency.

Issuances

On October 24, 2016, we issued $700.0 million of 7.5% 2023 Notes. Interest is payable on May 1 and November 1 of each year. The 2023 Notes mature on November 1, 2023.

On February 22, 2017, we issued $500.0 million of 6.125% 2025 Notes. Interest is payable on March 1 and September 1 of each year. The 2025 Notes mature on March 1, 2025.

On April 9, 2019, we issued $450.0 million of 7.5% 2026 Notes in a private placement. Interest is payable on April 15 and October 15 of each year. The 2026 Notes mature on April 15, 2026.

Repurchases

The following table summarizes repurchases of Senior Unsecured Notes for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
2023 Notes			
Notes repurchased	$ 79,549	$ 52,072	$ —
Cash paid (excluding payments of accrued interest)	$ 77,847	$ 33,566	$ —
Gain on early extinguishment of debt (1)	$ 1,318	$ 18,096	$ —
2025 Notes			
Notes repurchased	$ —	$ 7,300	$ 1,815
Cash paid (excluding payments of accrued interest)	$ —	$ 3,647	$ 454
Gain on early extinguishment of debt (2)	$ —	$ 3,575	$ 1,341
2026 Notes			
Notes repurchased	$ 6,000	$ 111,598	$ —
Cash paid (excluding payments of accrued interest)	$ 5,320	$ 78,583	$ —
Gain on early extinguishment of debt (3)	$ 610	$ 31,463	$ —

(1) Gain on early extinguishment of debt for the 2023 Notes during the years ended March 31, 2022 and 2021 is inclusive of the write off of debt issuance costs of $0.4 million and $0.4 million, respectively. The gain is reported within gain (loss) on early extinguishment of liabilities, net within our consolidated statements of operations.

(2) Gain on early extinguishment of debt for the 2025 Notes during the years ended March 31, 2021 and 2020 is inclusive of the write off of debt issuance costs of $0.1 million and less than $0.1 million, respectively. The gain is reported within gain (loss) on early extinguishment of liabilities, net within our consolidated statements of operations.

(3) Gain on early extinguishment of debt for the 2026 Notes during the years ended March 31, 2022 and 2021 is inclusive of the write off of debt issuance costs of $0.1 million and $1.6 million, respectively. The gain is reported within gain (loss) on early extinguishment of liabilities, net within our consolidated statement of operations.

Compliance

At March 31, 2022, we were in compliance with the covenants under all of the Senior Unsecured Notes indentures.

Other Long-Term Debt

The Sawtooth credit agreement was paid off and terminated prior to us selling our ownership interest in Sawtooth on June 18, 2021 (see Note 17).

On October 29, 2020, we entered into an equipment loan for $45.0 million which bears interest at a rate of 8.6% and is secured by certain of our barges and towboats. We have an aggregate principal balance of $41.7 million at March 31, 2022. The loan matures on November 1, 2027.

Debt Maturity Schedule

The scheduled maturities of our long-term debt are as follows at March 31, 2022:

Year Ending March 31,	2026 Senior Secured Notes	ABL Facility	Senior Unsecured Notes	Other Long-Term Debt	Total
			(in thousands)		
2023	$ —	$ —	$ —	$ 2,378	$ 2,378
2024	—	—	475,702	2,816	478,518
2025	—	—	380,020	3,068	383,088
2026	2,050,000	116,000	—	3,343	2,169,343
2027	—	—	332,402	3,642	336,044
Thereafter	—	—	—	26,458	26,458
Total	$ 2,050,000	$ 116,000	$ 1,188,124	$ 41,705	$ 3,395,829

Amortization of Debt Issuance Costs

Amortization expense for debt issuance costs related to long-term debt was $12.2 million, $7.8 million and $5.4 million during the years ended March 31, 2022, 2021 and 2020, respectively.

The following table summarizes expected amortization of debt issuance costs at March 31, 2022 (in thousands):

Year Ending March 31,	
2023	$ 12,049
2024	11,560
2025	10,801
2026	8,526
2027	46
Thereafter	6
Total	$ 42,988

Note 8—Commitments and Contingencies

Legal Contingencies

In August 2015, LCT Capital, LLC ("LCT") filed a lawsuit against NGL Energy Holdings LLC (the "GP") and the Partnership seeking payment for investment banking services relating to the purchase of TransMontaigne Inc. and related assets in July 2014. After pre-trial rulings, LCT was limited to pursuing claims of (i) *quantum meruit* (the value of the services rendered by LCT) and (ii) fraudulent misrepresentation against the defendants. Following a jury trial conducted in Delaware state court from July 23, 2018 through August 1, 2018, the jury returned a verdict consisting of an award of $4.0 million for *quantum meruit* and $29.0 million for fraudulent misrepresentation, subject to statutory interest. On December 5, 2019, in response to the defendants' post-trial motion, the Court issued an Order overturning the jury's damages award and ordering the case to be set for a damages-only trial (the "December 5th Order"). Both parties filed applications with the trial court asking the trial court to certify the December 5th Order for interlocutory, immediate review by the Appellate Court. On January 7, 2020, the Supreme Court of Delaware ("Supreme Court") entered an Order accepting an interlocutory appeal of various issues relating to both the *quantum meruit* and fraudulent misrepresentation verdicts. The Supreme Court heard oral arguments of the parties on November 4, 2020, took the matters presented under advisement and on January 28, 2021, issued a ruling that (a) LCT is not entitled to "benefit-of-the-bargain" damages on its fraud claim; (b) LCT is not entitled to receive fraudulent misrepresentation damages separate from its *quantum meruit* damages; (c) the trial court abused its discretion when it ordered a new trial on damages relating to LCT's claim of fraudulent misrepresentation; and (d) the trial court properly ordered a new trial on LCT's claim of *quantum meruit* damages. The date for the new trial, to be limited to the *quantum meruit* claim, has been set by the trial court for November 7, 2022. Any allocation of the ultimate verdict award, if any, between the GP and the Partnership will be

made by the board of directors of our general partner once all information is available to it and after the new trial, any post-trial and/or any appellate process has concluded and the verdict is final as a matter of law. As of March 31, 2022, we have accrued $2.5 million related to this matter.

We are party to various other claims, legal actions, and complaints arising in the ordinary course of business. In the opinion of our management, the ultimate resolution of these claims, legal actions, and complaints, after consideration of amounts accrued, insurance coverage, and other arrangements, is not expected to have a material adverse effect on our consolidated financial position, results of operations or cash flows. However, the outcome of such matters is inherently uncertain, and estimates of our liabilities may change materially as circumstances develop.

Environmental Matters

At March 31, 2022, we have an environmental liability, measured on an undiscounted basis, of $1.8 million, which is recorded within accrued expenses and other payables in our consolidated balance sheet. Our operations are subject to extensive federal, state, and local environmental laws and regulations. Although we believe our operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in our business, and there can be no assurance that we will not incur significant costs. Moreover, it is possible that other developments, such as increasingly stringent environmental laws, regulations and enforcement policies thereunder, and claims for damages to property or persons resulting from the operations, could result in substantial costs. Accordingly, we have adopted policies, practices, and procedures in the areas of pollution control, product safety, occupational health, and the handling, storage, use, and disposal of hazardous materials designed to prevent material environmental or other damage, and to limit the financial liability that could result from such events. However, some risk of environmental or other damage is inherent in our business.

Asset Retirement Obligations

We have contractual and regulatory obligations at certain facilities for which we have to perform remediation, dismantlement, or removal activities when the assets are retired. Our liability for asset retirement obligations is discounted to present value. To calculate the liability, we make estimates and assumptions about the retirement cost and the timing of retirement. Changes in our assumptions and estimates may occur as a result of the passage of time and the occurrence of future events. The following table summarizes changes in our asset retirement obligation, which is reported within other noncurrent liabilities in our consolidated balance sheets (in thousands):

Balance at March 31, 2020	$	18,416
Liabilities incurred		7,952
Liabilities associated with disposed assets (1)		(22)
Accretion expense		1,733
Balance at March 31, 2021		28,079
Liabilities incurred		1,865
Liabilities associated with disposed assets (2)		(1,716)
Accretion expense		1,713
Balance at March 31, 2022	$	29,941

(1) Relates to the sale of certain permits, land and saltwater disposal facility (see Note 17).

(2) Relates primarily to the disposition of Sawtooth (see Note 17) as well as the sale of certain water disposal wells.

In addition to the obligations described above, we may be obligated to remove facilities or perform other remediation upon retirement of certain other assets. However, the fair value of the asset retirement obligation cannot currently be reasonably estimated because the settlement dates are indeterminable. We will record an asset retirement obligation for these assets in the periods in which settlement dates are reasonably determinable.

Pipeline Capacity Agreements

We have noncancelable agreements with crude oil pipeline operators, which guarantee us minimum monthly shipping capacity on their pipelines. As a result, we are required to pay the minimum shipping fees if actual shipments are less than our allotted capacity. Under certain agreements we have the ability to recover minimum shipping fees previously paid if our shipping volumes exceed the minimum monthly shipping commitment during each month remaining under the agreement, with some contracts containing provisions that allow us to continue shipping up to six months after the maturity date of the contract in order to recapture previously paid minimum shipping delinquency fees. We currently have an asset recorded in prepaid

expenses and other current assets and in other noncurrent assets in our consolidated balance sheet for minimum shipping fees paid in both the current and previous periods that are expected to be recovered in future periods by exceeding the minimum monthly volumes (see Note 2).

The following table summarizes future minimum throughput payments under these agreements at March 31, 2022 (in thousands):

Year Ending March 31,	
2023	$ 35,314
2024	35,410
2025	30,897
Total	$ 101,621

Sales and Purchase Contracts

We have entered into product sales and purchase contracts for which we expect the parties to physically settle and deliver the inventory in future periods.

At March 31, 2022, we had the following commodity purchase commitments:

	Crude Oil (1)		**Natural Gas Liquids**	
	Value	**Volume (in barrels)**	**Value**	**Volume (in gallons)**
		(in thousands)		
Fixed-Price Commodity Purchase Commitments:				
2023	$ 188,915	1,815	$ 15,619	14,280
2024	—	—	4,588	6,048
Total	$ 188,915	1,815	$ 20,207	20,328
Index-Price Commodity Purchase Commitments:				
2023	$ 3,875,415	42,808	$ 1,428,476	999,240
2024	2,269,526	29,188	20,314	26,327
2025	1,654,300	22,775	—	—
2026	687,824	10,410	—	—
Total	$ 8,487,065	105,181	$ 1,448,790	1,025,567

(1) Our crude oil index-price purchase commitments exceed our crude oil index-price sales commitments (presented below) due primarily to our long-term purchase commitments for crude oil that we purchase and ship on the Grand Mesa Pipeline. As these purchase commitments are deliver-or-pay contracts, whereby our counterparty is required to pay us for any volumes not delivered, we have not entered into corresponding long-term sales contracts for volumes we may not receive.

At March 31, 2022, we had the following commodity sale commitments:

	Crude Oil		Natural Gas Liquids	
	Value	Volume (in barrels)	Value	Volume (in gallons)
		(in thousands)		
Fixed-Price Commodity Sale Commitments:				
2023	$ 187,058	1,839	$ 53,795	46,853
2024	—	—	7,844	9,692
2025	—	—	46	50
Total	$ 187,058	1,839	$ 61,685	56,595
Index-Price Commodity Sale Commitments:				
2023	$ 3,093,185	32,502	$ 720,695	420,793
2024	837,815	10,248	1,074	842
2025	777,060	10,220	—	—
2026	28,698	390	—	—
Total	$ 4,736,758	53,360	$ 721,769	421,635

We account for the contracts shown in the tables above using the normal purchase and normal sale election. Under this accounting policy election, we do not record the physical contracts at fair value at each balance sheet date; instead, we record the purchase or sale at the contracted value once the delivery occurs. Contracts in the tables above may have offsetting derivative contracts (described in Note 10) or inventory positions (described in Note 2).

Certain other forward purchase and sale contracts do not qualify for the normal purchase and normal sale election. These contracts are recorded at fair value in our consolidated balance sheet and are not included in the tables above. These contracts are included in the derivative disclosures in Note 10, and represent $52.0 million of our prepaid expenses and other current assets and $23.0 million of our accrued expenses and other payables at March 31, 2022.

Other Commitments

We have noncancelable agreements for product storage, railcar spurs and real estate. The following table summarizes future minimum payments under these agreements at March 31, 2022 (in thousands):

Year Ending March 31,	
2023	$ 12,092
2024	8,204
2025	3,257
2026	1,195
2027	1,182
Thereafter	5,502
Total	$ 31,432

As part of the acquisition of Hillstone Environmental Partners, LLC (“Hillstone”), we assumed an obligation to pay a quarterly subsidy payment in the event that specified volumetric thresholds are not exceeded at a third-party facility. This agreement expires on December 31, 2022. During the years ended March 31, 2022, 2021 and 2020, we recorded $2.1 million, $2.6 million and $0.8 million, respectively, within operating expense in our consolidated statements of operations. At March 31, 2022, the range of potential payments we could be obligated to make pursuant to the subsidy agreement could be from $0.0 million to $2.4 million.

Note 9—Equity

Partnership Equity

The Partnership’s equity consists of a 0.1% general partner interest and a 99.9% limited partner interest, which consists of common units. Our general partner has the right, but not the obligation, to contribute a proportionate amount of

capital to us to maintain its 0.1% general partner interest. Our general partner is not required to guarantee or pay any of our debts or obligations. As of March 31, 2022, we owned 8.69% of our general partner.

General Partner Contributions

In connection with the issuance of common units for the vesting of restricted units and warrants that were exercised for common units during the years ended March 31, 2022, 2021 and 2020, we issued 1,103, 823 and 4,268, respectively, notional units to our general partner which represented less than $0.1 million in each of the years, in order to maintain its 0.1% interest in us.

Common Unit Repurchase Program

On August 30, 2019, the board of directors of our general partner authorized a common unit repurchase program, under which we may repurchase up to $150.0 million of our outstanding common units through September 30, 2021 from time to time in the open market or in other privately negotiated transactions. We did not repurchase any units under this plan and this plan has expired.

Suspension of Common Unit and Preferred Unit Distributions

The board of directors of our general partner temporarily suspended all distributions (common unit distributions which began with the quarter ended December 31, 2020 and preferred unit distributions which began with the quarter ended March 31, 2021) in order to deleverage our balance sheet and meet the financial performance ratios set within the Indenture of the 2026 Senior Secured Notes, as discussed further in Note 7.

Our Distributions

The following table summarizes distributions declared on our common units during the years ended March 31, 2021 and 2020:

Date Declared	Record Date	Payment Date	Amount Per Unit	Amount Paid to Limited Partners	Amount Paid to General Partner
				(in thousands)	(in thousands)
April 24, 2019	May 7, 2019	May 15, 2019	$ 0.3900	$ 49,127	$ 85
July 23, 2019	August 7, 2019	August 14, 2019	$ 0.3900	$ 49,217	$ 85
October 23, 2019	November 7, 2019	November 14, 2019	$ 0.3900	$ 49,936	$ 86
January 23, 2020	February 7, 2020	February 14, 2020	$ 0.3900	$ 50,056	$ 86
April 27, 2020	May 7, 2020	May 15, 2020	$ 0.2000	$ 25,754	$ 26
July 23, 2020	August 6, 2020	August 14, 2020	$ 0.2000	$ 25,754	$ 26
October 27, 2020	November 6, 2020	November 13, 2020	$ 0.1000	$ 12,877	$ 13

Class A Convertible Preferred Units

On April 21, 2016, we entered into a private placement agreement to issue $200 million of 10.75% Class A Convertible Preferred Units (“Class A Preferred Units”) to Oaktree Capital Management L.P. and its co-investors (“Oaktree”). On June 23, 2016, the private placement agreement was amended to increase the aggregate principal amount from $200 million to $240 million. We received net proceeds of $235.0 million (net of offering costs of $5.0 million) in connection with the issuance of 19,942,169 Class A Preferred Units and 4,375,112 warrants, which have an exercise price of $0.01. As noted below, the remaining Class A Preferred Units were redeemed and all remaining warrants were exercised during the year ended March 31, 2020.

We paid a cumulative, quarterly distribution in arrears at an annual rate of 10.75% on the Class A Preferred Units to the extent declared by the board of directors of our general partner. To the extent declared, such distributions were paid for each such quarter within 45 days after each quarter end.

We allocated the net proceeds on a relative fair value basis to the Class A Preferred Units, which includes the value of a beneficial conversion feature, and warrants. We recorded the accretion attributable to the beneficial conversion feature as a deemed distribution. Accretion for the beneficial conversion feature was $36.5 million for the year ended March 31, 2020.

On April 5, 2019, we redeemed 7,468,978 of the Class A Preferred Units. The applicable Class A redemption price was $13.389 per Class A Preferred Unit, calculated at 111.25% of $12.035 (the Class A Preferred Unit price), plus accrued but unpaid and accumulated distributions of $0.338. The amount per Class A Preferred Unit paid to each Class A preferred unitholder was $13.727, for a total payment of $102.5 million. On April 5, 2019, all 1,458,371 outstanding warrants to purchase common units were exercised for proceeds of less than $0.1 million.

On May 11, 2019, we redeemed the remaining 12,473,191 outstanding Class A Preferred Units. The applicable Class A redemption price was $13.2385 per Class A Preferred Unit, calculated at 110% of $12.035 (the Class A Preferred Unit price), plus accrued but unpaid and accumulated distributions of $0.1437. The amount per Class A Preferred Unit paid to each Class A preferred unitholder was $13.3822, for a total payment of $166.9 million. In addition, we paid the Class A preferred unitholders the distribution declared on April 24, 2019 for the quarter ended March 31, 2019 of $4.0 million, or $0.3234 per unit, which was paid to the holders of the Class A Preferred Units on May 10, 2019.

Class B Preferred Units

On June 13, 2017, we issued 8,400,000 of our 9.00% Class B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (“Class B Preferred Units”) representing limited partner interests at a price of $25.00 per unit for net proceeds of $202.7 million (net of the underwriters’ discount of $6.6 million and offering costs of $0.7 million).

On July 2, 2019, we issued 4,185,642 Class B Preferred Units to fund a portion of the purchase price for the Mesquite acquisition.

At any time on or after July 1, 2022, we may redeem our Class B Preferred Units, in whole or in part, at a redemption price of $25.00 per Class B Preferred Unit plus an amount equal to all accumulated and unpaid distributions to, but not including, the date of redemption, whether or not declared. We may also redeem the Class B Preferred Units upon a change of control as defined in our partnership agreement. If we choose not to redeem the Class B Preferred Units, the Class B preferred unitholders may have the ability to convert the Class B Preferred Units to common units at the then applicable conversion rate. Class B preferred unitholders have no voting rights except with respect to certain matters set forth in our partnership agreement.

Distributions on the Class B Preferred Units are payable on the 15th day of each January, April, July and October of each year to holders of record on the first day of each payment month. The initial distribution rate for the Class B Preferred Units from and including the date of original issue to, but not including, July 1, 2022 is 9.00% per year of the $25.00 liquidation preference per unit (equal to $2.25 per unit per year). On and after July 1, 2022, distributions on the Class B Preferred Units will accumulate at a percentage of the $25.00 liquidation preference equal to the applicable three-month LIBOR interest rate (or alternative rate as determined in accordance with the partnership agreement) plus a spread of 7.213%.

The following table summarizes distributions declared on our Class B Preferred Units for the years ended March 31, 2021 and 2020:

Date Declared	Record Date	Payment Date	Amount Per Unit	Amount Paid to Class B Preferred Unitholders
				(in thousands)
March 15, 2019	April 1, 2019	April 15, 2019	$ 0.5625	$ 4,725
June 14, 2019	July 1, 2019	July 15, 2019	$ 0.5625	$ 4,725
September 16, 2019	October 1, 2019	October 15, 2019	$ 0.5625	$ 7,079
December 16, 2019	December 31, 2019	January 15, 2020	$ 0.5625	$ 7,079
March 16, 2020	March 31, 2020	April 15, 2020	$ 0.5625	$ 7,079
June 15, 2020	June 30, 2020	July 15, 2020	$ 0.5625	$ 7,079
September 15, 2020	September 30, 2020	October 15, 2020	$ 0.5625	$ 7,079
December 17, 2020	January 1, 2021	January 15, 2021	$ 0.5625	$ 7,079

The current distribution rate for the Class B Preferred Units is 9.00% per year of the $25.00 liquidation preference per unit (equal to $2.25 per unit per year). For the quarter ended March 31, 2022, we did not declare or pay distributions to the holders of the Class B Preferred Units, thus the quarterly distribution for March 31, 2022 is $0.5625 and the cumulative distributions since suspension for each Class B Preferred unit is $2.8125. In addition, the amount of cumulative but unpaid distribution shall continue to accumulate at the then applicable rate until all unpaid distributions have been paid in full. The total amount due as of March 31, 2022 is $36.9 million.

Class C Preferred Units

On April 2, 2019, we issued 1,800,000 of our 9.625% Class C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units ("Class C Preferred Units") representing limited partner interests at a price of $25.00 per unit for net proceeds of $42.9 million (net of the underwriters' discount of $1.4 million and estimated offering costs of $0.7 million).

At any time on or after April 15, 2024, we may redeem our Class C Preferred Units, in whole or in part, at a redemption price of $25.00 per Class C Preferred Unit plus an amount equal to all accumulated and unpaid distributions to, but not including, the date of redemption, whether or not declared. We may also redeem the Class C Preferred Units upon a change of control as defined in our partnership agreement. If we choose not to redeem the Class C Preferred Units, the Class C preferred unitholders may have the ability to convert the Class C Preferred Units to common units at the then applicable conversion rate. Class C preferred unitholders have no voting rights except with respect to certain matters set forth in our partnership agreement.

Distributions on the Class C Preferred Units are payable on the 15th day of each January, April, July and October of each year to holders of record on the first day of each payment month. On and after April 15, 2024, distributions on the Class C Preferred Units will accumulate at a percentage of the $25.00 liquidation preference equal to the applicable three-month LIBOR interest rate (or alternative rate as determined in accordance with the partnership agreement) plus a spread of 7.384%.

The following table summarizes distributions declared on our Class C Preferred Units for the years ended March 31, 2021 and 2020:

Date Declared	Record Date	Payment Date	Amount Per Unit	Amount Paid to Class C Preferred Unitholders
				(in thousands)
June 14, 2019	July 1, 2019	July 15, 2019	$ 0.5949	$ 1,071
September 16, 2019	October 1, 2019	October 15, 2019	$ 0.6016	$ 1,083
December 16, 2019	December 31, 2019	January 15, 2020	$ 0.6016	$ 1,083
March 16, 2020	March 31, 2020	April 15, 2020	$ 0.6016	$ 1,083
June 15, 2020	June 30, 2020	July 15, 2020	$ 0.6016	$ 1,083
September 15, 2020	September 30, 2020	October 15, 2020	$ 0.6016	$ 1,083
December 17, 2020	January 1, 2021	January 15, 2021	$ 0.6016	$ 1,083

The current distribution rate for the Class C Preferred Units is 9.625% per year of the $25.00 liquidation preference per unit (equal to $2.41 per unit per year). For the quarter ended March 31, 2022, we did not declare or pay distributions to the holders of the Class C Preferred Units, thus the quarterly distribution for each Class C Preferred Unit is $0.6016 and the cumulative distribution since suspension for each Class C Preferred Unit is $3.0078. In addition, the amount of cumulative but unpaid distributions shall continue to accumulate at the then applicable rate until all unpaid distributions have been paid in full. The total amount due as of March 31, 2022 is $5.7 million.

Class D Preferred Units

On July 2, 2019, we completed a private placement of an aggregate of 400,000 preferred units ("Class D Preferred Units") and warrants exercisable to purchase an aggregate of 17,000,000 common units for an aggregate purchase price of $400.0 million. The private placement resulted in aggregate net proceeds to us of approximately $385.4 million (net of a closing fee of $14.6 million payable to affiliates of the purchasers and certain estimated expenses and expense reimbursements). We allocated the net proceeds, on a relative fair value basis, to the Class D Preferred Units ($343.7 million) and warrants ($41.7 million). Proceeds from this issuance of Class D Preferred Units were used to fund a portion of the purchase price for the Mesquite acquisition.

On October 31, 2019, we completed a private placement of an aggregate of 200,000 Class D Preferred Units and warrants exercisable to purchase an aggregate of 8,500,000 common units for an aggregate purchase price of $200.0 million. The private placement resulted in aggregate net proceeds to us of approximately $194.7 million (net of a closing fee of $5.3 million payable to affiliates of the purchasers and certain estimated expenses and expense reimbursements). We allocated the net proceeds, on a relative fair value basis, to the Class D Preferred Units ($183.6 million) and warrants ($11.1 million). Proceeds from this issuance of Class D Preferred Units were used to fund a portion of the purchase price for the Hillstone acquisition.

The holders of the Class D Preferred Units are entitled to receive a cumulative, quarterly distribution in arrears on each Class D Preferred Unit then held at an annual rate of (i) 9.00% per annum for all periods during which the Class D Preferred Units are outstanding beginning on July 2, 2019 (the "Closing Date") and ending on the date and including the last day of the eleventh full quarter following Closing Date, (ii) 10.00% per annum for all periods during which the Class D Preferred Units are outstanding beginning on and including the first day of the twelfth full quarter following the Closing Date and ending on the last day of the nineteenth full quarter following the Closing Date, and (iii) thereafter, 10.00% per annum or, at the purchasers' election from time to time, a floating rate equal to the applicable three-month LIBOR (or alternative rate as determined in accordance with the partnership agreement), plus 7.00% per annum.

The following table summarizes cash distributions declared on our Class D Preferred Units for the years ended March 31, 2021 and 2020:

Date Declared	Record Date	Payment Date	Amount Per Unit	Amount Paid to Class D Preferred Unitholders
				(in thousands)
October 23, 2019	November 7, 2019	November 14, 2019	$ 11.25	$ 4,450
January 23, 2020	February 7, 2020	February 14, 2020	$ 11.25	$ 6,075
April 27, 2020	May 7, 2020	May 15, 2020	$ 11.25	$ 6,868
July 23, 2020	August 6, 2020	August 14, 2020	$ 11.25	$ 6,946
October 27, 2020	November 6, 2020	November 13, 2020	$ 26.01	$ 15,608
January 20, 2021	February 5, 2021	February 12, 2021	$ 26.01	$ 15,608

The current distribution rate for the Class D Preferred Units is 9.00% per year per unit (equal to $90.00 per every $1,000 in unit value per year), plus an additional 1.5% rate increase due to us exceeding the adjusted total leverage ratio and due to a Class D distribution payment default, as defined within the Amended and Restated Partnership Agreement. For the quarter ended March 31, 2022, we did not declare or pay distributions to the holders of the Class D Preferred Units, thus the average quarterly distribution at March 31, 2022 is $27.32 and the average cumulative distribution since suspension for each Class D Preferred unit is $135.28. In addition, the amount of cumulative but unpaid distributions shall continue to accumulate at the then applicable rate until all unpaid distributions have been paid in full. The total amount due as of March 31, 2022 is $85.4 million.

The distributions for the quarters ended September 30, 2020 and December 31, 2020 include a 1.0% rate increase due to us exceeding the adjusted total leverage ratio, as defined within the Amended and Restated Partnership Agreement. The distributions paid in cash for the three months ended June 30, 2020 of $6.9 million represented 50% of the Class D Preferred Units distributions amount, as represented in the table above. In accordance with the terms of our Amended and Restated Partnership Agreement, the value of each Class D Preferred Unit automatically increased by the non-cash accretion which was approximately $6.9 million in the aggregate with respect to the distribution for the three months ended June 30, 2020. The distributions paid in cash for the year ended March 31, 2020 of $17.4 million represented 50% of the Class D Preferred Units distribution amount. In accordance with the terms of our Amended and Restated Partnership Agreement, the value of each Class D Preferred Unit automatically increased by the non-cash accretion, which was approximately $17.4 million in the aggregate with respect to the distributions for the year ended March 31, 2020.

At any time after the Closing Date, the Partnership shall have the right to redeem all of the outstanding Class D Preferred Units at a price per Class D Preferred Unit equal to the sum of the then-unpaid accumulations with respect to such Class D Preferred Unit and the greater of either the applicable multiple on invested capital or the applicable redemption price based on an applicable internal rate of return, as more fully described in the Amended and Restated Partnership Agreement. At any time on or after the eighth anniversary of the Closing Date, each Class D Preferred Unitholder will have the right to require the Partnership to redeem on a date not prior to the 180th day after such anniversary all or a portion of the Class D Preferred Units then held by such preferred unitholder for the then-applicable redemption price, which may be paid in cash or, at the Partnership's election, a combination of cash and a number of common units not to exceed one-half of the aggregate then-applicable redemption price, as more fully described in the Amended and Restated Partnership Agreement. Upon a Class D Change of Control (as defined in the Amended and Restated Partnership Agreement), each Class D Preferred Unitholder will have the right to require the Partnership to redeem the Class D Preferred Units then held by such Preferred Unitholder at a price per Class D Preferred Unit equal to the applicable redemption price. The Class D Preferred Units generally will not have any voting rights, except with respect to certain matters which require the vote of the Class D Preferred Units. The Class D Preferred Units generally do not have any voting rights, except that the Class D Preferred Units shall be entitled to vote as a separate class on any matter on which unitholders are entitled to vote that adversely affects the rights, powers, privileges or preferences of the Class D Preferred Units in relation to other classes of Partnership Interests (as defined in the Amended and Restated Partnership Agreement) or as required by law. The consent of a majority of the then-outstanding Class D Preferred Units, with one vote per Class D Preferred Unit, shall be required to approve any matter for which the preferred unitholders are entitled to vote as a separate class or the consent of the representative of the Class D Preferred Unitholders, as applicable.

The warrants issued in the July 2, 2019 private placement are exercisable for, in the aggregate, 17,000,000 common units, of which 10,000,000 were issued with an exercise price of $17.45 per common unit (the "Premium Warrants"), and the remaining warrants to purchase 7,000,000 common units were issued with an exercise price of $14.54 per common unit (the "Par Warrants"). The warrants issued in the October 31, 2019 private placement are exercisable for, in the aggregate, 8,500,000 common units, of which, 5,000,000 (which are considered Premium Warrants) were issued with an exercise price of $16.28 per common unit, and the remaining warrants to purchase 3,500,000 (which are considered Par Warrants) common units were issued with an exercise price of $13.56 per common unit. The warrants may be exercised from and after the first anniversary of the date of issuance. Unexercised warrants will expire on the tenth anniversary of the date of issuance. The warrants will not participate in cash distributions.

Upon a change of control, all unvested warrants shall immediately vest and be exercisable in full. A change of control occurs when (a) the current general partner owners cease to own, directly or indirectly, at least 50% of the outstanding voting securities of the general partner, (b) the general partner withdraws or is removed by the limited partners, (c) the common units are no longer listed on a national exchange, or (d) the general partners and/or its affiliates become beneficial owner, directly or indirectly, of 80% or more of the outstanding common units or any transaction or event that occurs due to default on our credit agreement.

Board Rights Agreement

In connection with the issuance of the Class D Preferred Units, we entered into a board rights agreement pursuant to which affiliates of the purchasers of the Class D Preferred Units ("Purchasers") will have the right to designate one director on the board of directors of our general partner, so long as the Purchasers and their respective affiliates, in the aggregate, own either at least (i) (A) 50% of the number of Class D Preferred Units issued on the Closing Date or (B) 50% of the aggregate liquidation preference of any class or series of Class D Parity Securities (as defined in the Amended and Restated Partnership Agreement), or (ii) warrants and/or common units that, in the aggregate, comprise 10% or more of the then-outstanding common units.

Amended and Restated Partnership Agreement

On February 4, 2021, NGL Energy Holdings LLC executed the First Amendment to the Seventh Amended and Restated Agreement of Limited Partnership for the purpose of amending certain consent rights in relation to the Class D Preferred Units.

On October 31, 2019, NGL Energy Holdings LLC executed the Seventh Amended and Restated Agreement of Limited Partnership. The preferences, rights, powers and duties of holders of Class D Preferred Units are defined in the Amended and Restated Partnership Agreement. The Class D Preferred Units rank senior to the common units with respect to payment of distributions and distribution of assets upon liquidation, dissolution and winding up, and are in parity with the Class B Preferred Units and Class C Preferred Units. The Class D Preferred Units have no stated maturity, but we may redeem the Class D Preferred Units at any time after the Closing Date or upon the occurrence of a change in control.

On April 2, 2019, NGL Energy Holdings LLC executed the Fifth Amended and Restated Agreement of Limited Partnership. The preferences, rights, powers and duties of holders of the Class C Preferred Units are defined in the Amended and Restated Partnership Agreement. The Class C Preferred Units rank senior to the common units, with respect to the payment of distributions and distribution of assets upon liquidation, dissolution and winding up, and are on parity with the Class A Preferred Units (see above discussion regarding the redemption of these units) and Class B Preferred Units. The Class C Preferred Units have no stated maturity but we may redeem the Class C Preferred Units at any time on or after April 15, 2024 or upon the occurrence of a change in control.

Equity-Based Incentive Compensation

Our general partner has adopted a long-term incentive plan ("LTIP"), which allowed for the issuance of equity-based compensation. Our general partner granted certain restricted units to employees and directors, which vest in tranches, subject to the continued service of the recipients through the vesting date (the "Service Awards"). The Service Awards may also vest upon a change of control, at the discretion of the board of directors of our general partner. No distributions accrue to or are paid on the Service Awards during the vesting period. The LTIP expired on May 10, 2021.

The following table summarizes the Service Award activity during the year ended March 31, 2022:

	Number of Units	Weighted-Average Grant Date Fair Value Per Unit
Unvested Service Award units at March 31, 2021	446,975	$6.61
Units granted	3,294,750	$2.15
Units vested and issued	(1,146,800)	$3.72
Units forfeited	(406,125)	$2.63
Unvested Service Award units at March 31, 2022	2,188,800	$2.15

The weighted-average grant prices for the years ended March 31, 2022, 2021 and 2020 were $2.15, $3.76 and $12.84, respectively.

In connection with the vesting of certain Service Award units during the year ended March 31, 2022, we canceled 44,769 of the newly-vested common units in satisfaction of $0.1 million of employee tax liability paid by us. Pursuant to the expiration of the LTIP discussed below, those canceled units are not available for future grants.

As of March 31, 2022, there are 1,459,075 unvested Service Award units which are expected to vest during the year ended March 31, 2023 and 729,725 unvested Service Award units which are expected to vest during the year ended March 31, 2024.

Service Awards are valued at the average of the high/low sales price as of the grant date less the present value of the expected distribution stream over the vesting period using a risk-free interest rate. We record the expense for each Service Award on a straight-line basis over the requisite period for the entire award (that is, over the requisite service period of the last separately vesting portion of the award), ensuring that the amount of compensation cost recognized at any date at least equals the portion of the grant date value of the award that is vested at that date.

During the years ended March 31, 2022, 2021 and 2020, we recorded compensation expense related to Service Award units of $3.3 million, $4.7 million and $8.5 million, respectively.

During the years ended March 31, 2022 and 2021, no Service Award units were granted as performance bonuses. Of the Service Award units granted and vested during the year ended March 31, 2020, 1,886,131 units were granted for performance bonuses. The total amount of the bonus payment for the year ended March 31, 2020 was $24.5 million, of which we had accrued $8.7 million as of March 31, 2019.

As of March 31, 2022, we had estimated future expense of $3.1 million on unvested Service Award units which we expect to record during the year ended March 31, 2023 and $1.3 million which we expect to record during the year ended March 31, 2024.

As the LTIP expired on May 10, 2021, we have no common units available for grant and any current unvested Service Awards that are forfeited or canceled will not be available for future grants.

Note 10—Fair Value of Financial Instruments

Our cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and other current assets and liabilities (excluding derivative instruments) are carried at amounts which reasonably approximate their fair values due to their short-term nature.

Commodity Derivatives

The following table summarizes the estimated fair values of our commodity derivative assets and liabilities reported in our consolidated balance sheet at the dates indicated:

	March 31, 2022		March 31, 2021	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(in thousands)			
Level 1 measurements	$ 73,353	$ (47,585)	$ 12,312	$ (17,857)
Level 2 measurements	51,968	(27,372)	37,520	(24,474)
	125,321	(74,957)	49,832	(42,331)
Netting of counterparty contracts (1)	(47,585)	47,585	(12,648)	12,648
Net cash collateral provided	839	—	2,660	5,543
Commodity derivatives	$ 78,575	$ (27,372)	$ 39,844	$ (24,140)

(1) Relates to commodity derivative assets and liabilities that are expected to be net settled on an exchange or through a netting arrangement with the counterparty. Our physical contracts that do not qualify as normal purchase normal sale transactions are not subject to such netting arrangements.

The following table summarizes the accounts that include our commodity derivative assets and liabilities in our consolidated balance sheets at the dates indicated:

	March 31,	
	2022	2021
	(in thousands)	
Prepaid expenses and other current assets	$ 78,575	$ 39,844
Accrued expenses and other payables	(27,108)	(21,562)
Other noncurrent liabilities	(264)	(2,578)
Net commodity derivative asset	$ 51,203	$ 15,704

The following table summarizes our open commodity derivative contract positions at the dates indicated. We do not account for these derivatives as hedges.

Contracts	Settlement Period	Net Long (Short) Notional Units (in barrels)	Fair Value of Net Assets (Liabilities)
			(in thousands)
At March 31, 2022:			
Crude oil fixed-price (1)	April 2022–December 2023	(1,330)	$ 35,662
Propane fixed-price (1)	April 2022–December 2023	184	3,785
Refined products fixed-price (1)	April 2022–December 2022	685	(6,063)
Butane fixed-price (1)	April 2022–December 2023	(268)	(1,711)
Other	April 2022–March 2023		18,691
			50,364
Net cash collateral provided			839
Net commodity derivative asset			$ 51,203
At March 31, 2021:			
Crude oil fixed-price (1)	April 2021–December 2023	(1,850)	$ (5,414)
Propane fixed-price (1)	April 2021–December 2023	(195)	2,188
Refined products fixed-price (1)	April 2021–January 2022	(503)	1,928
Butane fixed-price (1)	April 2021–March 2022	(753)	(3,764)
Other	April 2021–June 2022		12,563
			7,501
Net cash collateral provided			8,203
Net commodity derivative asset			$ 15,704

(1) We may have fixed price physical purchases, including inventory, offset by floating price physical sales or floating price physical purchases offset by fixed price physical sales. These contracts are derivatives we have entered into as an economic hedge against the risk of mismatches between fixed and floating price physical obligations.

The following table summarizes the net (losses) gains recorded from our commodity derivatives to revenues and cost of sales in our consolidated statements of operations for the periods indicated (in thousands):

Year Ended March 31,	
2022	$ (116,556)
2021	$ (83,578)
2020	$ 85,941

Amounts in the table above do not include net (losses) gains from our commodity derivatives related to Mid-Con, Gas Blending and TPSL as these amounts have been classified as discontinued operations within our consolidated statements of operations for the years ended March 31, 2021 and 2020 (see Note 18).

Credit Risk

We have credit policies that we believe minimize our overall credit risk, including an evaluation of potential counterparties' financial condition (including credit ratings), collateral requirements under certain circumstances, and the use of industry standard master netting agreements, which allow for offsetting counterparty receivable and payable balances for certain transactions. At March 31, 2022, our primary counterparties were retailers, resellers, energy marketers, producers, refiners, and dealers. This concentration of counterparties may impact our overall exposure to credit risk, either positively or negatively, as the counterparties may be similarly affected by changes in economic, regulatory or other conditions. If a counterparty does not perform on a contract, we may not realize amounts that have been recorded in our consolidated balance sheets and recognized in our net income.

Interest Rate Risk

The ABL Facility is variable-rate debt with interest rates that are generally indexed to the Wall Street Journal prime rate or LIBOR interest rate (or successor rate, which has since been determined to be SOFR). At March 31, 2022, we had $116.0 million of outstanding borrowings under the ABL Facility at a weighted average interest rate of 4.64%.

In addition, on and after certain dates, distributions for our Class B Preferred Units and Class C Preferred Units will be calculated using the applicable three-month LIBOR interest rate (or alternative rate as determined in accordance with the partnership agreement) plus a spread (see Note 9 for a further discussion).

Fair Value of Fixed-Rate Notes

The following table provides fair values estimates of our fixed-rate notes at March 31, 2022 (in thousands):

Senior Secured Notes:		
2026 Senior Secured Notes	$	2,016,688
Senior Unsecured Notes:		
2023 Notes	$	455,485
2025 Notes	$	329,984
2026 Notes	$	290,298

For the 2026 Senior Secured Notes and Senior Unsecured Notes, the fair value estimates were developed based on publicly traded quotes and would be classified as Level 2 in the fair value hierarchy.

Note 11—Segments

Our operations are organized into three reportable segments: (i) Water Solutions, (ii) Crude Oil Logistics and (iii) Liquids Logistics, consistent with the manner in which our chief operating decision maker evaluates performance and allocates resources. These segments have been identified based on the differing products and services, regulatory environment and the expertise required for these operations. Our Liquids Logistics reportable segment includes operating segments that have been aggregated based on the nature of the products and services provided. Operating income of these segments is reviewed by the chief operating decision maker to evaluate performance and make business decisions. Intersegment transactions are recorded based on prices negotiated between the segments and are eliminated upon consolidation.

See Note 1 for a discussion of the products and services of our reportable segments. The remainder of our business operations is presented as “Corporate and Other” and consists of certain corporate expenses that are not allocated to the reportable segments. The following table summarizes revenues related to our segments for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Revenues:			
Water Solutions:			
Topic 606 revenues			
Disposal service fees	$ 409,548	$ 317,640	$ 330,877
Sale of recovered crude oil	77,203	28,599	59,445
Sale of water	39,518	13,569	12,381
Other service revenues	18,597	11,178	19,356
Total Water Solutions revenues	544,866	370,986	422,059
Crude Oil Logistics:			
Topic 606 revenues			
Crude oil sales	2,432,393	1,574,699	2,383,812
Crude oil transportation and other	75,484	142,233	170,138
Non-Topic 606 revenues	8,687	11,355	13,991
Elimination of intersegment sales	(11,068)	(6,651)	(18,174)
Total Crude Oil Logistics revenues	2,505,496	1,721,636	2,549,767
Liquids Logistics:			
Topic 606 revenues			
Refined products sales	1,899,761	1,123,963	2,399,642
Propane sales	1,322,210	1,023,479	842,400
Butane sales	861,998	516,358	562,053
Other product sales	551,841	373,707	484,373
Service revenues	8,781	22,270	37,938
Non-Topic 606 revenues	254,285	79,442	289,713
Elimination of intersegment sales	(1,323)	(6,073)	(4,983)
Total Liquids Logistics revenues	4,897,553	3,133,146	4,611,136
Corporate and Other:			
Non-Topic 606 revenues	—	1,255	1,038
Total Corporate and Other revenues	—	1,255	1,038
Total revenues	$ 7,947,915	$ 5,227,023	$ 7,584,000

The following table summarizes depreciation and amortization expense (including amortization expense recorded within interest expense, cost of sales and operating expenses in Note 6 and Note 7) and operating income (loss) by segment for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Depreciation and Amortization:			
Water Solutions	$ 214,805	$ 222,354	$ 163,874
Crude Oil Logistics	48,489	60,874	70,759
Liquids Logistics	19,000	29,503	28,279
Corporate and Other	23,914	18,469	13,936
Total	$ 306,208	$ 331,200	$ 276,848
Operating Income (Loss):			
Water Solutions	$ 94,851	$ (92,720)	$ (173,064)
Crude Oil Logistics	45,033	(304,330)	117,768
Liquids Logistics	(8,441)	70,441	142,411
Corporate and Other	(48,400)	(64,144)	(90,447)
Total	$ 83,043	$ (390,753)	$ (3,332)

The following table summarizes additions to property, plant and equipment and intangible assets by segment for the periods indicated. This information has been prepared on the accrual basis, and includes property, plant and equipment and intangible assets acquired in acquisitions.

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Water Solutions	$ 115,267	$ 66,649	$ 2,076,866
Crude Oil Logistics	6,422	9,933	28,828
Liquids Logistics	11,185	31,172	19,753
Corporate and Other	2,148	11,953	7,968
Total	$ 135,022	$ 119,707	$ 2,133,415

All of the tables above do not include amounts related to Mid-Con, Gas Blending and TPSL, as these amounts have been classified as discontinued operations within our consolidated statements of operations for the years ended March 31, 2021 and 2020 (see Note 18).

The following tables summarize long-lived assets (consisting of property, plant and equipment, intangible assets, operating lease right-of-use assets and goodwill) and total assets by segment at the dates indicated:

	March 31,	
	2022	2021
	(in thousands)	
Long-lived assets, net:		
Water Solutions	$ 2,970,911	$ 3,104,450
Crude Oil Logistics	1,050,546	1,090,578
Liquids Logistics (1)	385,783	626,221
Corporate and Other	49,067	44,802
Total	$ 4,456,307	$ 4,866,051

(1) Includes $17.1 million and $20.9 million of non-US long-lived assets at March 31, 2022 and 2021, respectively.

	March 31,	
	2022	2021
	(in thousands)	
Total assets:		
Water Solutions	$ 3,130,659	$ 3,204,850
Crude Oil Logistics	1,952,048	1,665,005
Liquids Logistics (1)	888,927	1,003,370
Corporate and Other	98,711	74,116
Total	$ 6,070,345	$ 5,947,341

(1) Includes $40.2 million and $37.9 million of non-US total assets at March 31, 2022 and 2021, respectively.

Note 12—Transactions with Affiliates

The following table summarizes our related party transactions for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Sales to entities affiliated with management	$ —	$ 18,402	$ 8,367
Purchases from entities affiliated with management	$ 1,489	$ 1,239	$ 3,799
Sales to equity method investees	$ —	$ —	$ 203
Purchases from equity method investees	$ 1,091	$ 3,249	$ 2,120
Sales to WPX (1)		$ 39,129	$ 48,222
Purchases from WPX (1)		$ 216,487	$ 313,578
Sales to SemGroup (2)			$ 458

(1) As previously disclosed, a member of the board of directors of our general partner was an executive officer of WPX Energy, Inc. ("WPX") and has subsequently retired. Therefore, we are no longer classifying transactions with WPX as a related party. The prior year amounts relate to purchases and sales of crude oil with WPX as well as the treatment and disposal of produced water and solids received from WPX.

(2) As previously disclosed, SemGroup Corporation ("SemGroup"), who holds ownership interests in our general partner, was acquired by Energy Transfer LP ("ET") in December 2019. During the three months ended December 31, 2019, we reevaluated our related parties and determined that SemGroup/ET no longer meet the criteria to be disclosed as a related party. Therefore, information for the six months ended September 30, 2019 has been retained but we have not disclosed any information related to transactions subsequent to September 30, 2019.

Accounts receivable from affiliates consist of the following at the dates indicated:

	March 31,	
	2022	2021
	(in thousands)	
NGL Energy Holdings LLC	$ 8,483	$ 8,245
Equity method investees	107	462
Entities affiliated with management	1	728
Total	$ 8,591	$ 9,435

Accounts payable to affiliates consist of the following at the dates indicated:

	March 31,	
	2022	2021
	(in thousands)	
Equity method investees	$ 27	$ 107
Entities affiliated with management	46	12
Total	$ 73	$ 119

Other Related Party Transactions

Guarantee of Outstanding Loan for KAIR2014 LLC ("KAIR2014")

In connection with the purchase of our 50% interest in an aircraft company, KAIR2014, discussed below, we executed a joint and several guarantee for the benefit of the lender for KAIR2014's outstanding loan. The other owner of KAIR2014, our Chief Executive Officer, H. Michael Krimbill, is a party to a similar guarantee. This guarantee obligates us for the payment and performance of KAIR2014 with respect to the repayment of the loan. As of March 31, 2022, the outstanding balance of the loan is approximately $2.5 million. Payments are made monthly, reducing the outstanding balance, and the loan matures in September 2023. As the guarantee is joint and several, we could be liable for the entire outstanding balance of the loan. The loan is collateralized by the airplane owned by KAIR2014 and in the event of a default, the lender could seek payment in full from us. As of March 31, 2022, no accrual has been recorded related to this guarantee.

During the three months ended June 30, 2019, we purchased a 50% interest in KAIR2014 for $0.9 million in cash and accounted for our interest using the equity method of accounting (see Note 2). The remaining interest in KAIR2014 is owned by our Chief Executive Officer, H. Michael Krimbill.

2026 Senior Secured Notes and ABL Facility

To complete the issuance of the 2026 Senior Secured Notes and the ABL Facility (see Note 7), we were required to receive the consent of the holders of our Class D Preferred Units, who are represented on the board of directors of our general partner. For their consent, we paid to the holders of the Class D Preferred Units $40.0 million.

Acquisition of Interest in NGL Energy Holdings LLC

During the year ended March 31, 2020, we purchased, in three transactions, a 2.97% interest in our general partner, NGL Energy Holdings LLC, for $3.8 million in cash and accounted for this as a deduction within limited partners' equity in our consolidated balance sheet. We also purchased a 5.73% interest in our general partner, NGL Energy Holdings LLC, for $11.5 million in cash and accounted for this as a deduction within limited partners' equity in our consolidated balance sheet. This interest was purchased from a fund controlled by The Energy & Minerals Group, which is represented on the board of directors of our general partner.

Note 13—Employee Benefit Plan

We have established a defined contribution 401(k) plan to assist our eligible employees in saving for retirement on a tax-deferred basis. The 401(k) plan permits all eligible employees to make voluntary pre-tax contributions to the plan, subject to applicable tax limitations. For every dollar that employees contribute up to 1% of their eligible compensation (as defined in the plan), we contribute one dollar, plus 50 cents for every dollar employees contribute between 1% and 6% of their eligible compensation (as defined in the plan). Our matching contributions vest over an employee's first two years of employment, subject to a participant's continued service. Effective January 1, 2020, for every dollar that employees contribute up to 4% of their eligible compensation (as defined in the plan), we contribute one dollar, plus 50 cents for every dollar employees contribute between 4% and 6% of their eligible compensation (as defined in the plan). Expenses under the plan for the years ended March 31, 2022, 2021 and 2020 were $3.9 million, $3.4 million and $2.3 million, respectively, and do not include expenses for matching contributions related to Mid-Con, Gas Blending and TPSL which have been classified as discontinued operations within our consolidated statements of operations for the years ended March 31, 2021 and 2020 (see Note 18).

Note 14—Revenue from Contracts with Customers

We recognize revenue for services and products under revenue contracts as our obligations to either perform services or deliver or sell products under the contracts are satisfied. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation in the contract and is recognized as revenue when, or as, the performance obligation is satisfied. Our revenue contracts in scope under ASC 606 primarily have a single performance obligation. The evaluation of when performance obligations have been satisfied and the transaction price that is allocated to our performance obligations requires significant judgment and assumptions, including our evaluation of the timing of when control of the underlying good or service has transferred to our customers and the relative stand-alone selling price of goods and services provided to customers under contracts with multiple performance obligations. Actual results can vary from those judgments and assumptions. We do not have any material contracts with multiple performance obligations or under which we receive material amounts of non-cash consideration. Our costs to obtain or fulfill our revenue contracts were not material as of March 31, 2022.

The majority of our revenue agreements are within scope under ASC 606 and the remainder of our revenue comes from contracts that are accounted for as derivatives under ASC 815 or that contain nonmonetary exchanges or leases and are in scope under Topics 845 and 842, respectively. See Note 11 for a detail of disaggregated revenue. Revenue from contracts accounted for as derivatives under ASC 815 within our Liquids Logistics segment includes $2.4 million of net gains related to changes in the mark-to-market value of these arrangements recorded during the year ended March 31, 2022.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined our contracts generally do not include a significant financing component. The primary purpose of our invoicing terms is to allow customers to secure the right to reserve the product or storage capacity to be received or used at a later date, not to receive financing from our customers or to provide customers with financing.

We report taxes collected from customers and remitted to taxing authorities, such as sales and use taxes, on a net basis. We include amounts billed to customers for shipping and handling costs in revenues in our consolidated statements of operations.

Water Solutions Performance Obligations

Within the Water Solutions segment, revenue is disaggregated into two primary revenue streams that include service revenue and commodity sales revenue. For contracts involving disposal services, we accept produced water and solids for disposal at our facilities. In cases where we have agreed within a contract or are required by law to remove crude oil from the produced water, the skim oil will be valued as non-cash consideration. Ordinarily, it is required that the fair value of the skim oil is to be estimated at contract inception; however, due to variability of the form of the non-cash consideration, the amount and dollar value is unknown at the contract inception date. Accordingly, ASC 606-10-32-11 allows us to value the skim oil on the date in which the value becomes known.

The Water Solutions segment has certain disposal contracts that contain the following types of terms or pricing structures that involve significant judgment that impacts the determination and timing of revenue.

- *Minimum volume commitments.* We receive a shortfall fee if the customer does not deliver a certain amount of volume of produced water over a specified period of time. At each reporting period, we make a determination as to the likelihood of earning this fee. We recognize revenue from these contracts when (i) actual volumes are received; and (ii) when the likelihood of a customer exercising its remaining rights to make up the deficient volumes under minimum volume commitments becomes remote (also known as the breakage model).
- *Tiered pricing.* For contracts with tiered pricing provisions, the period in which the tiers are earned and settled (i.e. the “reset period”) may vary from monthly to over a period of multiple months. If the tiered pricing is based on a month, we allocate the fee to the distinct daily service to which it relates. If the tiered pricing spans across multiple reporting periods, we estimate the total transaction price at the beginning of each reset period, based on the expected volumes. We revise the estimate of variable consideration at each reporting date throughout each reset period.
- *Volume discount pricing.* Volume discount pricing is a form of variable consideration whereby the customer pays for the volumes delivered on a cumulative basis. Similar to tiered pricing, the period in which the cumulative volumes are earned and settled (i.e. the “reset period”) may vary from daily to over a period of multiple months. If the volume discount is based on a month, we allocate the fee to the distinct daily service to which it relates. If the volume discount period spans across multiple reporting periods, we estimate the total transaction price at the beginning of each reset period, based on the expected volumes. We revise the estimate of variable consideration at each reporting date throughout each reset period.

For all of our disposal contracts within the Water Solutions segment, revenue will be recognized over time utilizing the output method based on the volume of produced water or solids we accept from the customer. For contracts that involve the sale of recovered crude oil and reuse, recycled and brackish non-potable water, we will recognize revenue at a point in time, based on when control of the product is transferred to the customer.

Crude Oil Logistics Performance Obligations

Within the Crude Oil Logistics segment, revenue is disaggregated into two primary revenue streams that include revenue from the sale of commodities and service revenue. For sales of commodities, we are obligated to deliver a predetermined amount of crude oil, primarily on a month-to-month basis, to our customers. For these types of agreements, revenue is recognized at a point in time based on when the crude oil is delivered and control is transferred to the customer.

For revenue received from services rendered, we are obligated to provide throughput services to move crude oil via pipeline, truck, railcar, or marine vessel or to provide terminal maintenance services. In either case, the obligation is satisfied over time utilizing the output method based on each volume of crude oil that is moved from the origination point to the final destination or based on the passage of time.

Liquids Logistics Performance Obligations

Within the Liquids Logistics segment, revenue is disaggregated into two primary revenue streams that include revenue from the sale of commodities and service revenue. For sales of commodities, we are obligated to deliver a specified amount of

product over a specified period of time. For these types of agreements, revenue is recognized at a point in time based on when the product is delivered and control is transferred to the customer.

For revenue received from services rendered, we offer a variety of services which include: (i) storage services where product is commingled; (ii) railcar transportation services; (iii) transloading services; and (iv) logistics services. We are obligated to provide these services over a predetermined period of time. All revenue from services is recognized over time utilizing the output method based on volumes stored or moved.

Remaining Performance Obligations

Most of our service contracts are such that we have the right to consideration from a customer in an amount that corresponds directly with the value to the customer of our performance completed to date. Therefore, we utilized the practical expedient in ASC 606-10-55-18 under which we recognize revenue in the amount to which we have the right to invoice. Applying this practical expedient, we are not required to disclose the transaction price allocated to remaining performance obligations under these agreements. The following table summarizes the amount and timing of revenue recognition for such contracts at March 31, 2022 (in thousands):

Year Ending March 31,		
2023	$	117,792
2024		96,205
2025		73,224
2026		17,240
2027		3,727
Thereafter		2,071
Total	$	310,259

Many agreements are short-term in nature with a contract term of one year or less. For those contracts, we utilized the practical expedient in ASC 606-10-50 that exempts us from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less. Additionally, for our product sales contracts, we have elected the practical expedient set out in ASC 606-10-50-14A, which states that we are not required to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under these agreements, each unit of product represents a separate performance obligation and therefore future volumes are wholly unsatisfied and disclosure of transaction price allocated to remaining performance obligations is not required. Under product sales contracts, the variability arises as both volume and pricing (typically index-based) are not known until the product is delivered.

Contract Assets and Liabilities

Amounts owed from our customers under our revenue contracts are typically billed as the service is being provided on a monthly basis and are due within 1-30 days of billing, and are classified as accounts receivable-trade on our consolidated balance sheets. Under certain of our contracts, we recognize revenues in excess of billings, referred to as contract assets, within prepaid expenses and other current assets in our consolidated balance sheets. Accounts receivable from contracts with customers are presented within accounts receivable-trade and accounts receivable-affiliates in our consolidated balance sheets. We did not record any contract assets during the year ended March 31, 2022.

Under certain of our contracts we may be entitled to receive payments in advance of satisfying our performance obligations under the contract. We recognize a liability for these payments in excess of revenue recognized, referred to as deferred revenue or contract liabilities, within advance payments received from customers in our consolidated balance sheets. Our deferred revenue primarily relates to:

- *Prepayments.* Some revenue contracts contain prepayment provisions within our Liquids Logistics segment. In some cases, we also receive prepayments from customers purchasing commodities, which allows the customer to secure the right to receive their requested volumes in a future period. Revenue from these contracts is initially deferred, thus creating a contract liability.
- *Multi-period contract in which fee escalates each subsequent year of the contract.* Revenue from these contracts is recognized over time based on a weighted average of what is expected to be received over the life of the contract. As the actual amount billed and received from the customer differs from the amount of revenue recognized, a contract liability is recorded.

- *Tiered pricing and volume discount pricing.* As described above, we revise the estimate of variable consideration at each reporting date throughout each reset period. As the actual amount billed and received from the customer differs from the amount of revenue recognized, a contract liability is recorded.
- *Capital reimbursements.* Certain contracts in our Water Solutions segment require that our customers reimburse us for capital expenditures related to the construction of long-lived assets, such as water gathering pipelines and custody transfer points, utilized to provide services to them under the revenue contracts. Because we consider these amounts as consideration from customers associated with ongoing services to be provided to customers, we defer these upfront payments in deferred revenue and recognize the amounts in revenue over the life of the associated revenue contract as the performance obligations are satisfied under the contract.

Contract Assets and Liabilities

The following tables summarize the balances of our contract assets and liabilities at the dates indicated:

	March 31, 2022	March 31, 2021
	(in thousands)	
Accounts receivable from contracts with customers	$ 605,384	$ 436,682

Contract liabilities balance at March 31, 2021	$ 10,896
Payment received and deferred	49,024
Payment recognized in revenue	(44,019)
Disposition of Sawtooth (see Note 17)	(8,234)
Contract liabilities balance at March 31, 2022	$ 7,667

Note 15—Leases

We adopted ASC 842 effective April 1, 2019 using the modified retrospective method with no cumulative effect adjustment to equity. Upon adoption, we recorded operating lease right-of-use assets of $551.2 million and operating lease obligations of $549.0 million, including amounts classified as assets and liabilities held for sale as of April 1, 2019. The adoption of this standard did not impact our unaudited condensed consolidated statement of operations or unaudited condensed consolidated statement of cash flows for the three months ended June 30, 2019.

We also elected the following transitional practical expedients, which allowed us to (i) not evaluate land easements prior to April 1, 2019; (ii) use hindsight in determining the lease term; (iii) not reassess whether current or expired contracts contain leases; (iv) not reassess the lease classification for any expired or existing leases; and (v) not reassess initial costs.

Lessee Accounting

Our leasing activity primarily consists of product storage, office space, real estate, railcars, and equipment. We determine if an agreement contains a lease at the inception of the arrangement. If an arrangement is determined to contain a lease, we classify the lease as an operating lease or a finance lease depending on the terms of the arrangement. All of our leases are classified as operating leases. Operating lease right-of-use assets represent our right to use an underlying asset for the lease term when we control the use of the asset by obtaining substantially all of the economic benefits of the asset and direct the use of the asset. Operating lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and operating lease liabilities with an initial term of greater than one year are recognized at the commencement date based on the present value of lease payments over the lease term. As our leases do not provide an implicit interest rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Our incremental borrowing rate represents the interest rate which we would pay to borrow, on a collateralized basis, an amount equal to the lease payments over a similar term in a similar economic environment. We do not have any leases that provide for guarantees of residual value.

Our lease agreements may include options to extend or terminate the lease which are included in the measurement of our operating lease liability when it is reasonably certain that we will exercise the option. Lease renewal terms vary from one year to 30 years. Operating lease expense is recognized on a straight-line basis over the lease term. We have variable lease payments, including adjustments to lease payments based on an index or rate, such as a consumer price index, fair value adjustments to lease payments, and common area maintenance, real estate taxes, and insurance payments in certain real estate leases. We also have certain land leases within our Water Solutions segment that require us to pay a royalty, which could be

based on a flat rate per barrel disposed or a percentage of revenue generated. Variable lease payments are excluded from operating lease right-of-use assets and operating lease liabilities and are expensed as incurred. Operating lease right-of-use assets also include any lease prepayments and exclude lease incentives. For leases acquired as a result of an acquisition, the right-of-use asset also includes adjustments for any favorable or unfavorable market terms present in the lease.

Short-term leases with an initial term of 12 months or less that do not include a purchase option, with the exception of railcar leases, are not recorded on the consolidated balance sheet. Operating lease expense for short-term leases is recognized on a straight-line basis over the lease term and is disclosed below.

We have lease agreements with lease and non-lease components, which are generally accounted for separately. For certain leases of buildings and land, we account for the lease and non-lease components as a single lease component based on the election of the practical expedient to not separate lease components from non-lease components.

At March 31, 2022, we had operating lease right-of-use assets of $114.1 million and current and noncurrent operating lease obligations of $41.3 million and $72.8 million, respectively, on our consolidated balance sheet. At March 31, 2021, we had operating lease right-of-use assets of $152.1 million and current and noncurrent operating lease obligations of $47.1 million and $103.6 million, respectively, on our consolidated balance sheet. At March 31, 2022, the weighted-average remaining lease term and weighted-average discount rate for our operating leases was 6.46 years and 7.49%, respectively. At March 31, 2021, the weighted-average remaining lease term and weighted-average discount rate for our operating leases was 6.88 years and 7.06%, respectively.

The following table summarizes the components of our lease expense for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Operating lease expense	$ 58,535	$ 69,031	$ 72,340
Variable lease expense	22,130	18,871	19,158
Short-term lease expense	351	1,217	799
Total	$ 81,016	$ 89,119	$ 92,297

The following table summarizes maturities of our operating lease obligations at March 31, 2022 (in thousands):

Year Ending March 31,	
2023	$ 46,599
2024	30,020
2025	17,490
2026	8,416
2027	4,593
Thereafter	38,821
Total lease payments	145,939
Less imputed interest	(31,894)
Total operating lease obligations	$ 114,045

The following table summarizes supplemental cash flow and non-cash information related to our operating leases for the periods indicated:

	Year Ended March 31,		
	2022	2021	2020 (1)
	(in thousands)		
Cash paid for amounts included in the measurement of operating lease obligations	$ 57,449	$ 68,141	$ 101,678
Operating lease right-of-use assets obtained in exchange for operating lease obligations	$ 14,950	$ 33,579	$ 598,734

(1) Amounts include the leases and activity for TPSL and Gas Blending which were sold during the year ended March 31, 2020 (see Note 18).

Lessor Accounting and Subleases

Our lessor arrangements include storage and railcar contracts, of which certain agreements contain renewal options for periods of between one year and five years. We determine if an agreement contains a lease at the inception of the arrangement. If an arrangement is determined to contain a lease, we classify the lease as operating, sales-type or direct financing. Lessor accounting under ASC 842 is substantially unchanged and all of our leases will continue to be classified as operating leases. We also, from time to time, sublease certain of our storage capacity and railcars to third parties. Fixed rental revenue is recognized on a straight-line basis over the lease term. During the years ended March 31, 2022, 2021 and 2020, fixed rental revenue was $14.4 million, $15.9 million and $20.4 million, which includes $1.4 million, $2.5 million and $4.6 million of sublease revenue, respectively.

The following table summarizes future minimum lease payments receivable under various noncancelable operating lease agreements at March 31, 2022 (in thousands):

Year Ending March 31,	
2023	$ 8,947
2024	4,807
2025	692
2026	415
2027	415
Thereafter	423
Total	$ 15,699

Note 16—Allowance for Current Expected Credit Loss (CECL)

ASU 2016-13 requires that an allowance for expected credit losses be recognized for certain financial assets that reflects the current expected credit loss over the financial asset's contractual life. The valuation allowance considers the risk of loss, even if remote, and considers past events, current conditions and reasonable and supportable forecasts.

We are exposed to credit losses primarily through sale of products and services and notes receivable from third-parties. A counterparty's ability to pay is assessed through a credit process that considers the payment terms, the counterparty's established credit rating or our assessment of the counterparty's credit worthiness and other risks. We can require prepayment or collateral to mitigate credit risks.

We group our financial assets into pools of counterparties with similar risk characteristics for the purpose of determining the allowance for expected credit losses. Each reporting period, we assess whether a significant change in the risk of expected credit loss has occurred. Among the quantitative and qualitative factors considered in calculating our allowance for expected credit losses are historical financial data, including write-offs and allowances, current conditions, industry risk and current credit ratings. Financial assets will be written off in whole, or in part, when practical recovery efforts have been exhausted and no reasonable expectation of recovery exists. Subsequent recoveries of amounts previously written off are recorded as an increase to the allowance. We manage receivable pools using past due balances as a key credit quality indicator.

The following table summarizes changes in our expected credit loss allowance for accounts receivable - trade for the periods indicated:

	Year Ended March 31,		
	2022	**2021**	**2020 (1)**
	(in thousands)		
Balance at beginning of year	$ 2,192	$ 4,540	$ 4,016
Cumulative effect adjustment	—	433	—
Change in provision for expected credit losses	929	319	1,202
Write-offs charged against the provision	(491)	(3,100)	(678)
Disposition of Sawtooth (See Note 17)	(4)	—	—
Balance at end of year	$ 2,626	$ 2,192	$ 4,540

(1) We adopted ASU 2016-13 as of April 1, 2020. The allowance reported for the year ended March 31, 2020 has not been changed from its previous presentation.

The following table summarizes changes in our expected credit loss allowance for notes receivable and other for the periods indicated:

	Year Ended March 31,	
	2022	2021 (1)
	(in thousands)	
Balance at beginning of year	$ 458	$ —
Cumulative effect adjustment	—	680
Write-offs charged against the provision	—	(222)
Balance at end of year	$ 458	$ 458

(1) We adopted ASU 2016-13 as of April 1, 2020. An allowance had not been established for notes receivable and other prior to the adoption of ASU 2016-13.

In addition to the provision for expected credit losses above, we also wrote off $5.7 million during the year ended March 31, 2021 as discussed in Note 17.

Note 17—Other Matters

Sale of Sawtooth

On June 18, 2021, we sold our approximately 71.5% interest in Sawtooth to a group of buyers for total consideration of $70.0 million less expenses of approximately $2.0 million. We recorded a loss of $60.1 million within loss on disposal or impairment of assets, net in our consolidated statement of operations for the year ended March 31, 2022.

As this sale transaction did not represent a strategic shift that will have a major effect on our operations or financial results, operations related to this portion of our Liquids Logistics segment have not been classified as discontinued operations.

Third-party Loan Receivable

As previously disclosed, we had an outstanding loan receivable of $26.7 million, including accrued interest, associated with our interest in a natural gas liquids loading/unloading facility (the "Facility") that was utilized by a third party. Our loan receivable was secured by title to and a lien interest on the Facility. The third party filed a petition for bankruptcy under Chapter 11 of the bankruptcy code in July 2019, at which time we filed our Proof of Claim within the bankruptcy case. On June 26, 2020, we settled our claim with the third party and agreed to receive $16.3 million, for which we released any and all claims and/or liens with respect to the Facility and transferred title of the Facility to the third party. For the remaining $10.4 million of the loan receivable, we filed an unsecured claim within the bankruptcy. As of June 30, 2020, we wrote-off approximately $9.4 million, the portion of the unsecured claimed we have deemed uncollectible, and this amount was recorded as a loss within loss (gain) on disposal or impairment of assets, net in our unaudited condensed consolidated statement of operations. As of March 31, 2022, the remaining balance of $0.6 million, net of an allowance for an expected credit loss, is recorded within prepaid expenses and other current assets in our consolidated balance sheet.

Third-party Bankruptcy

As previously disclosed, during the three months ended June 30, 2020, Extraction, who is a significant shipper on our Grand Mesa pipeline, filed a petition for bankruptcy under Chapter 11 of the bankruptcy code. Extraction had transportation contracts pursuant to which it had committed to ship crude oil on our pipeline through October 2026. As part of the bankruptcy filing, Extraction requested that the court authorize it to reject these transportation contracts, effective June 14, 2020, and on November 2, 2020, the bankruptcy court issued a bench ruling granting Extraction's motion to reject the transportation contracts effective as of June 14, 2020. On December 21, 2020, we announced a global settlement agreement with Extraction, as it relates to Extraction's emergence from bankruptcy, which occurred on January 21, 2021. Among other consideration, the global settlement agreement provides for the following: (i) a new long-term supply agreement, which includes a significant acreage dedication in the DJ Basin, and retains Extraction's crude oil volumes for shipping on our Grand Mesa Pipeline; (ii) a new rate structure under the supply agreement which is based on calendar month average New York Mercantile Exchange ("NYMEX") prices with an agreed upon differential plus an increase in the rate when those NYMEX prices exceed $50.00 per barrel; and (iii) the receipt of $35.0 million from Extraction as a liquidated payment for our unsecured claims, which was received on January 21, 2021.

As a result of entering into the global settlement agreement, we determined that the customer commitment intangible asset related to one of the transportation contracts was impaired as of December 31, 2020 and recorded an impairment charge of $145.8 million, which was calculated as the difference between the carrying value of the intangible asset of $180.8 million and the $35.0 million received from Extraction. We recorded the impairment charge within loss on disposal or impairment of assets, net in our consolidated statement of operations for the year ended March 31, 2021. We also determined, as a result of these transactions, that it was more likely than not, that the fair value of our Crude Oil Logistics reporting unit was less than its carrying value and assessed goodwill for impairment, which resulted in an impairment charge of $237.8 million. See Note 5 for a further discussion of the impairment of goodwill.

Extraction continued to utilize, during the bankruptcy period, the services under the transportation contracts by nominating and delivering barrels to be shipped on our pipeline. As of September 30, 2020, Extraction owed us $5.7 million related to deficiency volumes, which was the difference between the actual volumes shipped and the minimum volume commitment specified under the contracts. Following our global settlement, we deemed this amount uncollectible and wrote off the entire balance to bad debt expense within our consolidated statement of operations during the year ended March 31, 2021.

Sale of Certain Assets

During the three months ended December 31, 2020, we sold certain permits, land and a saltwater disposal facility to WaterBridge Resources LLC for total proceeds of $43.2 million. We recorded a gain of $14.0 million within loss on disposal or impairment of assets, net in our consolidated statement of operations for the year ended March 31, 2021.

As part of the sale of our South Pecos water disposal business in February 2019, WaterBridge Resources LLC also had the option to acquire additional land and permits once the permitting process had been completed. During the year ended March 31, 2020, WaterBridge Resources LLC acquired two additional permits and we received proceeds of $15.0 million and recorded a gain of $14.5 million within loss on disposal or impairment of assets, net in our consolidated statement of operations for the year ended March 31, 2020.

Note 18—Discontinued Operations

As previously disclosed, on September 30, 2019, we completed the sale of TPSL to Trajectory Acquisition Company, LLC. On January 3, 2020, we completed the sale of our refined products business in the mid-continent region of the United States ("Mid-Con") to a third-party. On March 30, 2020, we completed the sale of our gas blending business in the southeastern and eastern regions of the United States ("Gas Blending") to another third-party. As the sale of each of these businesses represented strategic shifts, the results of operations and cash flows related to these businesses are classified as discontinued operations for the periods presented.

The following table summarizes the results of operations from discontinued operations for the periods indicated:

	Year Ended March 31,	
	2021	2020
	(in thousands)	
Revenues	$ 16,198	$ 12,186,862
Cost of sales	16,556	12,193,307
Operating expenses	290	6,997
General and administrative expense	—	56
Depreciation and amortization	—	749
Loss on disposal or impairment of assets, net (1)	1,174	203,990
Operating loss from discontinued operations	(1,822)	(218,237)
Interest expense	—	(111)
Other income, net	—	133
Loss from discontinued operations before taxes	(1,822)	(218,215)
Income tax benefit (expense)	53	(20)
Loss from discontinued operations, net of tax	$ (1,769)	$ (218,235)

(1) Amount for the year ended March 31, 2021 includes a loss of $1.0 million on the sale of Gas Blending and $0.2 million on the sale of TPSL. Amount for the year ended March 31, 2020 includes a loss of $182.1 million on the sale of TPSL, a loss of $6.3 million on the sale of Mid-Con, a loss of $14.5 million on the sale of Gas Blending and a loss of $1.0 million on the sale of virtually all of our remaining Retail Propane segment to Superior Plus Corp. on July 10, 2018.

Note 19—Subsequent Events

On April 13, 2022, we amended the ABL Facility to increase the commitments to $600.0 million under the accordion feature within the ABL Facility. As part of the amendment, we agreed to reduce the commitments back to $500.0 million on or before March 31, 2023. In addition, the sub-limit for letters of credit was increased to $250.0 million, and the LIBOR benchmark was replaced with the adjusted daily simple SOFR benchmark.

Exhibit 4.22

EIGHTH SUPPLEMENTAL INDENTURE

EIGHTH SUPPLEMENTAL INDENTURE, dated as of March 25, 2022 (this "*Supplemental Indenture*"), among NGL Energy Partners LP, a Delaware limited partnership (the "*Company*"), NGL Energy Finance Corp., a Delaware corporation ("*Finance Corp.*," and, together with the Company, the "*Issuers*"), each of the Persons listed on Exhibit A to this Supplemental Indenture (each, a "*Guaranteeing Subsidiary*" and collectively, the "*Guaranteeing Subsidiaries*"), the other Guarantors (as defined in the Indenture referred to below), and U.S. Bank Trust Company, National Association, as successor trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to U.S. Bank National Association, as trustee (the "*Predecessor Trustee*") under the indenture, dated as of October 24, 2016 (the "*Original Indenture*"), providing for the issuance by the Issuers of 7.5% Senior Notes due 2023 (the "*Notes*");

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the First Supplemental Indenture, dated as of February 21, 2017 (the "*First Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Second Supplemental Indenture, dated as of July 18, 2018 (the "*Second Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Third Supplemental Indenture, dated as of January 25, 2019 (the "*Third Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Fourth Supplemental Indenture, dated as of October 31, 2019 (the "*Fourth Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Fifth Supplemental Indenture, dated as of December 27, 2019 (the "*Fifth Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Sixth Supplemental Indenture, dated as of June 30, 2020 (the "*Sixth Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Seventh Supplemental Indenture, dated as of February 18, 2021 (the "*Seventh Supplemental Indenture*"), pursuant to which a Subsidiary of the Company became a Guarantor;

WHEREAS, the Original Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture is referred to herein as the "*Indenture*";

WHEREAS, the Indenture provides that under certain circumstances, each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, partner, employee, incorporator, organizer, manager, unitholder or other owner of Capital Stock (as defined in the Indenture) of a Guaranteeing Subsidiary or agent thereof, as such, shall have any liability for any obligations of the Issuers, the Guarantors, or such Guaranteeing Subsidiary or any other Subsidiary of an Issuer providing a Note Guarantee under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

5. NEW YORK LAW TO GOVERN. THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of signed copies of this Supplemental Indenture by facsimile transmission or emailed portable document format (pdf) shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and such copies may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or portable document format (pdf) shall be deemed to be their original signatures for all purposes other than authentication of Notes by the Trustee.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guaranteeing Subsidiary and the Issuers.

(*Signature Pages Follow)*

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

NGL SHARED SERVICES HOLDINGS, INC.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL SHARED SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Eighth Supplemental Indenture)

ISSUERS:

NGL ENERGY PARTNERS LP

By: NGL Energy Holdings, LLC,
its general partner

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL ENERGY FINANCE CORP.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Eighth Supplemental Indenture)

EXISTING GUARANTORS:

ANTICLINE DISPOSAL, LLC
AWR DISPOSAL, LLC
CENTENNIAL ENERGY, LLC
CENTENNIAL GAS LIQUIDS ULC
CHOYA OPERATING, LLC
DISPOSALS OPERATING, LLC
GGCOF HEP BLOCKER II, LLC
GGCOF HEP BLOCKER, LLC
GRAND MESA PIPELINE, LLC
GSR NORTHEAST TERMINALS LLC
HEP OPERATIONS, LLC
HILLSTONE ENVIRONMENTAL PARTNERS, LLC
LOVING FORTRESS, LLC
NGL CRUDE CUSHING, LLC
NGL CRUDE LOGISTICS, LLC
NGL CRUDE TERMINALS, LLC
NGL CRUDE TRANSPORTATION, LLC
NGL DELAWARE BASIN HOLDINGS, LLC
NGL ENERGY EQUIPMENT LLC
NGL ENERGY GP LLC
NGL ENERGY HOLDINGS II, LLC
NGL ENERGY LOGISTICS, LLC
NGL ENERGY OPERATING LLC
NGL LIQUIDS, LLC
NGL MARINE, LLC
NGL MILAN INVESTMENTS, LLC
NGL RECYCLING SERVICES, LLC
NGL SOUTH RANCH, INC.
NGL SUPPLY TERMINAL COMPANY, LLC
NGL SUPPLY WHOLESALE, LLC
NGL WATER PIPELINES, LLC
NGL WATER SOLUTIONS - ORLA SWD, LLC
NGL WATER SOLUTIONS DJ, LLC
NGL WATER SOLUTIONS EAGLE FORD, LLC
NGL WATER SOLUTIONS PERMIAN, LLC
NGL WATER SOLUTIONS, LLC
NGL WATER SOLUTIONS PRODUCT SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Eighth Supplemental Indenture)

TRUSTEE:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /s/ Michael K. Herberger
Name: Michael K. Herberger
Title: Vice President

(Signature Page to Eighth Supplemental Indenture)

Guaranteeing Subsidiary	
Name	Jurisdiction and Form of Organization
NGL Shared Services Holdings, Inc.	Delaware corporation
NGL Shared Services, LLC	Delaware limited liability company

Exhibit 4.32

SEVENTH SUPPLEMENTAL INDENTURE

SEVENTH SUPPLEMENTAL INDENTURE, dated as of March 25, 2022 (this "*Supplemental Indenture*"), among NGL Energy Partners LP, a Delaware limited partnership (the "*Company*"), NGL Energy Finance Corp., a Delaware corporation ("*Finance Corp.*," and, together with the Company, the "*Issuers*"), each of the Persons listed on Exhibit A to this Supplemental Indenture (each, a "*Guaranteeing Subsidiary*" and collectively, the "*Guaranteeing Subsidiaries*"), the other Guarantors (as defined in the Indenture referred to below), and U.S. Bank Trust Company, National Association, as successor trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to U.S. Bank National Association, as trustee (the "*Predecessor Trustee*") under the indenture, dated as of February 22, 2017 (the "*Original Indenture*"), providing for the issuance by the Issuers of 6.125% Senior Notes due 2025 (the "*Notes*");

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the First Supplemental Indenture, dated as of July 18, 2018 (the "*First Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Second Supplemental Indenture, dated as of January 25, 2019 (the "*Second Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Third Supplemental Indenture, dated as of October 31, 2019 (the "*Third Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Fourth Supplemental Indenture, dated as of December 27, 2019 (the "*Fourth Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Fifth Supplemental Indenture, dated as of June 30, 2020 (the "*Fifth Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Sixth Supplemental Indenture, dated as of February 18, 2021 (the "*Sixth Supplemental Indenture*"), pursuant to which a Subsidiary of the Company became a Guarantor;

WHEREAS, the Original Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture is referred to herein as the "*Indenture*";

WHEREAS, the Indenture provides that under certain circumstances, each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, partner, employee, incorporator, organizer, manager, unitholder or other owner of Capital Stock (as defined in the Indenture) of a Guaranteeing Subsidiary or agent thereof, as such, shall have any liability for any obligations of the Issuers, the Guarantors, or such Guaranteeing Subsidiary or any other Subsidiary of an Issuer providing a Note Guarantee under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

5. NEW YORK LAW TO GOVERN. THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of signed copies of this Supplemental Indenture by facsimile transmission or emailed portable document format (pdf) shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and such copies may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or portable document format (pdf) shall be deemed to be their original signatures for all purposes other than authentication of Notes by the Trustee.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guaranteeing Subsidiary and the Issuers.

(*Signature Pages Follow*)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

NGL SHARED SERVICES HOLDINGS, INC.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL SHARED SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Seventh Supplemental Indenture)

ISSUERS:

NGL ENERGY PARTNERS LP

By: NGL Energy Holdings, LLC,
its general partner

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL ENERGY FINANCE CORP.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Seventh Supplemental Indenture)

EXISTING GUARANTORS:

ANTICLINE DISPOSAL, LLC
AWR DISPOSAL, LLC
CENTENNIAL ENERGY, LLC
CENTENNIAL GAS LIQUIDS ULC
CHOYA OPERATING, LLC
DISPOSALS OPERATING, LLC
GGCOF HEP BLOCKER II, LLC
GGCOF HEP BLOCKER, LLC
GRAND MESA PIPELINE, LLC
GSR NORTHEAST TERMINALS LLC
HEP OPERATIONS, LLC
HILLSTONE ENVIRONMENTAL PARTNERS, LLC
LOVING FORTRESS, LLC
NGL CRUDE CUSHING, LLC
NGL CRUDE LOGISTICS, LLC
NGL CRUDE TERMINALS, LLC
NGL CRUDE TRANSPORTATION, LLC
NGL DELAWARE BASIN HOLDINGS, LLC
NGL ENERGY EQUIPMENT LLC
NGL ENERGY GP LLC
NGL ENERGY HOLDINGS II, LLC
NGL ENERGY LOGISTICS, LLC
NGL ENERGY OPERATING LLC
NGL LIQUIDS, LLC
NGL MARINE, LLC
NGL MILAN INVESTMENTS, LLC
NGL RECYCLING SERVICES, LLC
NGL SOUTH RANCH, INC.
NGL SUPPLY TERMINAL COMPANY, LLC
NGL SUPPLY WHOLESALE, LLC
NGL WATER PIPELINES, LLC
NGL WATER SOLUTIONS - ORLA SWD, LLC
NGL WATER SOLUTIONS DJ, LLC
NGL WATER SOLUTIONS EAGLE FORD, LLC
NGL WATER SOLUTIONS PERMIAN, LLC
NGL WATER SOLUTIONS, LLC
NGL WATER SOLUTIONS PRODUCT SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Seventh Supplemental Indenture)

TRUSTEE:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /s/ Michael K. Herberger
Name: Michael K. Herberger
Title: Vice President

(Signature Page to Seventh Supplemental Indenture)

Guaranteeing Subsidiary	
Name	Jurisdiction and Form of Organization
NGL Shared Services Holdings, Inc.	Delaware corporation
NGL Shared Services, LLC	Delaware limited liability company

Exhibit 4.40

FIFTH SUPPLEMENTAL INDENTURE

FIFTH SUPPLEMENTAL INDENTURE, dated as of March 25, 2022 (this "*Supplemental Indenture*"), among NGL Energy Partners LP, a Delaware limited partnership (the "*Company*"), NGL Energy Finance Corp., a Delaware corporation ("*Finance Corp.*," and, together with the Company, the "*Issuers*"), each of the Persons listed on Exhibit A to this Supplemental Indenture (each, a "*Guaranteeing Subsidiary*" and collectively, the "*Guaranteeing Subsidiaries*"), the other Guarantors (as defined in the Indenture referred to below), and U.S. Bank Trust Company, National Association, as successor trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to U.S. Bank National Association, as trustee (the "*Predecessor Trustee*") under the indenture, dated as of April 9, 2019 (the "*Original Indenture*"), providing for the issuance by the Issuers of 7.5% Senior Notes due 2026 (the "*Notes*");

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the First Supplemental Indenture, dated as of October 31, 2019 (the "*First Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Second Supplemental Indenture, dated as of December 27, 2019 (the "*Second Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Third Supplemental Indenture, dated as of June 30, 2020 (the "*Third Supplemental Indenture*"), pursuant to which certain Subsidiaries of the Company became Guarantors;

WHEREAS, the Issuers and certain Subsidiaries of the Company have heretofore executed and delivered to the Predecessor Trustee the Fourth Supplemental Indenture, dated as of February 18, 2021 (the "*Fourth Supplemental Indenture*"), pursuant to which a Subsidiary of the Company became a Guarantor;

WHEREAS, the Original Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture is referred to herein as the "*Indenture*";

WHEREAS, the Indenture provides that under certain circumstances, each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, partner, employee, incorporator, organizer, manager, unitholder or other owner of Capital Stock (as defined in the Indenture) of a Guaranteeing Subsidiary or agent thereof, as such, shall have any liability for any obligations of the Issuers, the Guarantors, or such Guaranteeing Subsidiary or any other Subsidiary of an Issuer providing a Note Guarantee under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

5. NEW YORK LAW TO GOVERN. THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of signed copies of this Supplemental Indenture by facsimile transmission or emailed portable document format (pdf) shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and such copies may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or portable document format (pdf) shall be deemed to be their original signatures for all purposes other than authentication of Notes by the Trustee.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guaranteeing Subsidiary and the Issuers.

(*Signature Pages Follow*)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

NGL SHARED SERVICES HOLDINGS, INC.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL SHARED SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Fifth Supplemental Indenture)

ISSUERS:

NGL ENERGY PARTNERS LP

By: NGL Energy Holdings, LLC,
its general partner

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL ENERGY FINANCE CORP.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Fifth Supplemental Indenture)

EXISTING GUARANTORS:

ANTICLINE DISPOSAL, LLC
AWR DISPOSAL, LLC
CENTENNIAL ENERGY, LLC
CENTENNIAL GAS LIQUIDS ULC
CHOYA OPERATING, LLC
DISPOSALS OPERATING, LLC
GGCOF HEP BLOCKER II, LLC
GGCOF HEP BLOCKER, LLC
GRAND MESA PIPELINE, LLC
GSR NORTHEAST TERMINALS LLC
HEP OPERATIONS, LLC
HILLSTONE ENVIRONMENTAL PARTNERS, LLC
LOVING FORTRESS, LLC
NGL CRUDE CUSHING, LLC
NGL CRUDE LOGISTICS, LLC
NGL CRUDE TERMINALS, LLC
NGL CRUDE TRANSPORTATION, LLC
NGL DELAWARE BASIN HOLDINGS, LLC
NGL ENERGY EQUIPMENT LLC
NGL ENERGY GP LLC
NGL ENERGY HOLDINGS II, LLC
NGL ENERGY LOGISTICS, LLC
NGL ENERGY OPERATING LLC
NGL LIQUIDS, LLC
NGL MARINE, LLC
NGL MILAN INVESTMENTS, LLC
NGL RECYCLING SERVICES, LLC
NGL SOUTH RANCH, INC.
NGL SUPPLY TERMINAL COMPANY, LLC
NGL SUPPLY WHOLESALE, LLC
NGL WATER PIPELINES, LLC
NGL WATER SOLUTIONS - ORLA SWD, LLC
NGL WATER SOLUTIONS DJ, LLC
NGL WATER SOLUTIONS EAGLE FORD, LLC
NGL WATER SOLUTIONS PERMIAN, LLC
NGL WATER SOLUTIONS, LLC
NGL WATER SOLUTIONS PRODUCT SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

(Signature Page to Fifth Supplemental Indenture)

TRUSTEE:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /s/ Michael K. Herberger
Name: Michael K. Herberger
Title: Vice President

(Signature Page to Fifth Supplemental Indenture)

Guaranteeing Subsidiary	
Name	Jurisdiction and Form of Organization
NGL Shared Services Holdings, Inc.	Delaware corporation
NGL Shared Services, LLC	Delaware limited liability company

Exhibit 4.43

FIRST SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

FIRST SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of March 28, 2022 among NGL SHARED SERVICES, LLC, a Delaware limited liability company ("*NGLSS*"), NGL SHARED SERVICES HOLDINGS, INC., a Delaware corporation ("*NGLSSH*", and together with NGLSS, the "*Guaranteeing Subsidiaries*"), each a subsidiary (or a permitted successor thereof) of NGL Energy Operating LLC ("*NGL LP*"), a Delaware limited liability company, or NGL Energy Finance Corp. ("*Finance Corp.*," and, together with NGL LP, the "*Issuers*"), a Delaware corporation, the Issuers, the other Guarantors (as defined in the Indenture referred to herein) and U.S. Bank Trust Company, National Association, as successor trustee and collateral agent under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Issuers have heretofore executed and delivered to U.S. Bank National Association, as trustee (the "*Predecessor Trustee")* under the indenture (the "*Indenture*"), dated as of February 4, 2021 providing for the issuance of 7.500% Senior Secured Notes due 2026 (the "*Notes*");

WHEREAS, the Trustee has succeeded to U.S. Bank, National Association pursuant to Section 7.09 of the Indenture;

WHEREAS, the Indenture provides that under certain circumstances, the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall each unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article X thereof.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, partner, employee, incorporator, organizer, manager, unitholder or other owner of Capital Stock (as defined in the Indenture) of the Guaranteeing Subsidiaries or agent thereof, as such, shall have any liability for any obligations of the Issuers, the Guarantors, the Guaranteeing Subsidiaries or any other Subsidiary of an Issuer providing a Note Guarantee under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

5. NEW YORK LAW TO GOVERN. THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of signed copies of this Supplemental Indenture by facsimile transmission or emailed portable document format (pdf) shall constitute effective

execution and delivery of this Supplemental Indenture as to the parties hereto and such copies may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or portable document format (pdf) shall be deemed to be their original signatures for all purposes other than authentication of Notes by the Trustee.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Issuers.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: March 25, 2022

GUARANTEEING SUBSIDIARIES:

NGL SHARED SERVICES, LLC

By: /s/ Linda Bridges
Name: Linda Bridges
Title: Chief Financial Officer

NGL SHARED SERVICES HOLDINGS, INC.

By: /s/ Linda Bridges
Name: Linda Bridges
Title: Chief Financial Officer

ISSUERS:

NGL ENERGY PARTNERS LP

By: NGL Energy Holdings, LLC,
its general partner

By: /s/ Linda Bridges
Name: Linda Bridges
Title: Chief Financial Officer

NGL ENERGY FINANCE CORP.

By: /s/ Linda Bridges
Name: Linda Bridges
Title: Chief Financial Officer

[Signature Page to First Supplemental Indenture]

EXISTING GUARANTORS:

ANTICLINE DISPOSAL, LLC
AWR DISPOSAL, LLC
CENTENNIAL ENERGY, LLC
CENTENNIAL GAS LIQUIDS ULC
CHOYA OPERATING, LLC
DISPOSALS OPERATING, LLC
GGCOF HEP BLOCKER II, LLC
GGCOF HEP BLOCKER, LLC
GRAND MESA PIPELINE, LLC
GSR NORTHEAST TERMINALS LLC
HEP OPERATIONS, LLC
HILLSTONE ENVIRONMENTAL PARTNERS, LLC
LOVING FORTRESS, LLC
NGL CRUDE CUSHING, LLC
NGL CRUDE LOGISTICS, LLC
NGL CRUDE TERMINALS, LLC
NGL CRUDE TRANSPORTATION, LLC
NGL DELAWARE BASIN HOLDINGS, LLC
NGL ENERGY EQUIPMENT LLC
NGL ENERGY GP LLC
NGL ENERGY HOLDINGS II, LLC
NGL ENERGY LOGISTICS, LLC
NGL ENERGY OPERATING LLC
NGL LIQUIDS, LLC
NGL MARINE, LLC
NGL MILAN INVESTMENTS, LLC
NGL RECYCLING SERVICES, LLC
NGL SOUTH RANCH, INC.
NGL SUPPLY TERMINAL COMPANY, LLC
NGL SUPPLY WHOLESALE, LLC
NGL WATER PIPELINES, LLC
NGL WATER SOLUTIONS - ORLA SWD, LLC
NGL WATER SOLUTIONS DJ, LLC
NGL WATER SOLUTIONS EAGLE FORD, LLC
NGL WATER SOLUTIONS PERMIAN, LLC
NGL WATER SOLUTIONS PRODUCT SERVICES, LLC
NGL WATER SOLUTIONS, LLC

By: /s/ Linda Bridges
Name: Linda Bridges
Title: Chief Financial Officer

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee and Collateral Agent

By: /s/ Michael K. Herberger
Name: Michael K. Herberger
Title: Vice President

[Signature Page to First Supplemental Indenture]

Exhibit 4.47

DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

NGL Energy Partners LP ("NGL"), a limited partnership, has three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each of which is listed on the New York Stock Exchange ("NYSE"), as set forth in the table below:

Title of Class	Trading Symbol	Exchange
Common Units ("Common Units")	NGL	NYSE
Class B fixed-to-floating rate cumulative redeemable perpetual preferred units ("Class B Preferred Units")	NGL-PB	NYSE
Class C fixed-to-floating rate cumulative redeemable perpetual preferred units ("Class C Preferred Units")	NGL-PC	NYSE

The following summary of the material terms of our Common Units, Class B Preferred Units and Class C Preferred Units is based upon our Seventh Amended and Restated Limited Partnership, dated October 31, 2019, as may be amended or amended and restated from time to time (the "Partnership Agreement") relating to our outstanding classes of partnership interests. The summary is not complete and is qualified by reference to our Partnership Agreement, which we have incorporated by reference as an exhibit to this Annual Report on Form 10-K of which this exhibit is a part.

Description of Common Units

The Common Units represent limited partner interests that entitle the holders to participate in NGL's partnership distributions and exercise the rights or privileges available to limited partners under our Partnership Agreement.

Listing

Our Common Units are traded on the NYSE under the symbol "NGL." Any additional Common Units that we issue also will be traded on the NYSE.

Voting Rights

Each holder of Common Units is entitled to one vote for each unit on all matters submitted to a vote of the Common Unitholders, subject to any limitations contained in the Partnership Agreement. See "The Partnership Agreement—Voting Rights" below.

Cash Distributions

Our Partnership Agreement provides for a minimum quarterly distribution of $0.3375 per Common Unit per complete quarter, or $1.35 per unit on an annualized basis, subject to adjustments. Quarterly distributions, if any, will be paid within 45 days after the end of each quarter. Our ability to make cash distributions equal to the minimum quarterly distribution will be subject to various factors, including those described under "Risk Factors" in our annual and quarterly filings with the Securities and Exchange Commission ("SEC"). See "Our Cash Distribution Policy" below.

Transfer Agent and Registrar

Duties. Equiniti Trust Company (formerly Wells Fargo Bank, National Association) serves as the registrar and transfer agent for the Common Units. We will pay all fees charged by the transfer agent for transfers of Common Units, except the following that must be paid by unitholders:

- surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges in connection therewith;
- special charges for services requested by a common unitholder; and
- other similar fees or charges.

There will be no charge to our unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Resignation or Removal. The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If no successor is appointed, our general partner may act as the transfer agent and registrar until a successor is appointed.

Transfer of Common Units

By transfer of Common Units in accordance with our Partnership Agreement, each transferee of Common Units shall be admitted as a limited partner with respect to the Common Units transferred when such transfer and admission are reflected in our books and records. Each transferee:

- automatically becomes bound by the terms and conditions of, and is deemed to have executed, our Partnership Agreement;
- represents that the transferee has the capacity, power and authority to become bound by our Partnership Agreement; and
- gives the consents, waivers and approvals contained in our Partnership Agreement.

Our general partner, NGL Energy Holdings LLC, will cause any transfers to be recorded on our books and records from time to time as necessary to accurately reflect the transfers.

We may, at our discretion, treat the nominee holder of a Common Unit as the absolute owner. In that case, the beneficial holder’s rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common Units are securities, and any transfers are subject to the laws governing the transfer of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a substituted limited partner in our partnership for the transferred Common Units.

Until a Common Unit has been transferred on our books, we and the transfer agent may treat the record holder of the unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

DESCRIPTION OF PREFERRED UNITS

The Class B Preferred Units and Class C Preferred Units represent limited partner interests that entitle the holders to receive cash distributions and to exercise rights and privileges set forth in the Partnership Agreement. Please read "The Partnership Agreement" below.

Class B Preferred Units

On June 13, 2017, we issued 8,400,000 of our 9.00% Class B Preferred Units, liquidation preference $25.00 per Class B Preferred Unit, representing limited partner interests in us. On July 2, 2019, we issued 4,185,642 Class B Preferred Units in a private placement transaction pursuant to the terms of that certain Asset Purchase and Sale Agreement, dated as of May 13, 2019, by and among our wholly owned subsidiary, Mesquite Disposals Unlimited, LLC and Mesquite SWD, Inc.

Distributions. Distributions on the Class B Preferred Units are cumulative from date of issuance and will be payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, when, as and if declared by our general partner out of legally available funds for such purpose. Distributions on the Class B Preferred Units are paid on an equal priority basis with distributions on outstanding parity securities, if any. Distributions are paid to holders of record as of the opening of business on the January 1, April 1, July 1 or October 1 next preceding the distribution payment date. The initial distribution rate for the Class B Preferred Units from and including the date of issuance to, but not including, July 1, 2022, will be 9.00% per annum of the $25.00 liquidation preference per unit (equal to $2.25 per Class B Preferred Unit per annum). On and after July 1, 2022, distributions on the Class B Preferred Units will accumulate for each quarterly distribution period at a percentage of the $25.00 liquidation preference equal to the applicable Class B Three-Month LIBOR (as defined in our Partnership Agreement) plus a spread of 721.3 basis points.

No distribution may be declared or paid or set apart for payment on any junior securities (other than a distribution payable solely in junior securities), unless full cumulative distributions have been or contemporaneously are being paid or provided for on all outstanding Class B Preferred Units and any parity securities through the most recent respective distribution payment dates.

Redemption. At any time on or after July 1, 2022, we will have the right to redeem, in whole or in part, the Class B Preferred Units at a redemption price in cash of $25.00 per Class B Preferred Unit plus an amount equal to all accumulated and unpaid distributions thereon to, but not including, the date of redemption, regardless of whether declared. We must provide not less than 30 days' and not more than 60 days' advance written notice of any such redemption.

Change of Control. Upon the occurrence of a Class B Change of Control (as defined in our Partnership Agreement), we will have the right, at our option, to redeem the Class B Preferred Units, in whole or in part, within 120 days after the first date on which such Class B Change of Control occurred, by paying $25.00 per Class B Preferred Unit, plus all accumulated and unpaid distributions to, but not including, the date of redemption, regardless of whether declared. If, prior to the Class B Change of Control Conversion Date (as defined in our Partnership Agreement), we exercise our redemption rights relating to Class B Preferred Units, holders of the Class B Preferred Units that we elected to redeem will not have the conversion right related to a Class B Change of Control.

Upon the occurrence of a Class B Change of Control, each holder of Class B Preferred Units will have the right (unless, prior to the Class B Change of Control Conversion Date, we provide notice of our election to redeem the Class B Preferred Units) to convert some or all of the Class B Preferred Units held by such holder on the Change of Class B Change of Control Conversion Date into a number of common units per Class B Preferred Unit to be converted equal to the lesser of (a) the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference plus the amount of any accumulated and unpaid distributions to, but not including, the Class B Change of Control Conversion Date (unless the Class B Change of Control Conversion Date is after a record date for a Class B Preferred Unit distribution payment and prior to the corresponding Class B Distribution Payment Date, in which

case no additional amount for such accumulated and unpaid distribution will be included in this sum) by (ii) the common unit price, and (b) 3.63636, subject, in each case, to certain exceptions and adjustments.

Voting. The Class B Preferred Units will have no voting rights, except as set forth below or as otherwise provided by Delaware law. Unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Class B Preferred Units, voting as a separate class, we cannot adopt any amendment to our Partnership Agreement that has a material adverse effect on the terms of the Class B Preferred Units. In addition, unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Class B Preferred Units, voting as a single class with holders of any future parity securities upon which like voting rights have been conferred and are exercisable, we may not (a) create or issue any additional parity securities if the cumulative distributions payable on the then-outstanding Class B Preferred Units or parity securities are in arrears or (b) create or issue any senior securities. On any matter described above on which the holders of the Class B Preferred Units are entitled to vote as a class, such holders will be entitled to one vote per Class B Preferred Unit.

Liquidation. Any amounts distributed by us upon a liquidation will be made to our partners in accordance with their respective positive capital account balances. The holders of outstanding Class B Preferred Units will be specially allocated items of our gross income and gain in a manner designed to achieve, in the event of any liquidation, dissolution or winding up of the Partnership's affairs, whether voluntary or involuntary, a capital account balance equal to the liquidation preference of $25.00 per Class B Preferred Unit (subject to adjustment for any splits, combinations or similar adjustment to the Class B Preferred Units). However, if the amount of the our gross income and gain available to be specially allocated to the Class B Preferred Units is not sufficient to cause the capital account of a Class B Preferred Unit to equal the liquidation preference of a Class B Preferred Unit, then the amount that a holder of Class B Preferred Units would receive upon liquidation may be less than the Class B Preferred Unit liquidation preference. Any accumulated and unpaid distributions on the Class B Preferred Units will be paid prior to any distributions in liquidation made in accordance with capital accounts.

Class C Preferred Units

On April 2, 2019, we issued 1,800,000 of our 9.625% Class C Preferred Units, liquidation preference $25.00 per Class C Preferred Unit, representing limited partner interests in us.

Distributions. Distributions on the Class C Preferred Units are cumulative from date of issuance and will be payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, when, as and if declared by our general partner out of legally available funds for such purpose. Distributions on the Class C Preferred Units are paid on an equal priority basis with distributions on outstanding parity securities, if any. Distributions are paid to holders of record as of the opening of business on the January 1, April 1, July 1 or October 1 next preceding the distribution payment date. The initial distribution rate for the Class C Preferred Units from and including the date of issuance to, but not including, April 15, 2024, will be 9.625% per annum of the $25.00 liquidation preference per Class C Preferred Unit (equal to $2.40625 per Class C Preferred Unit per annum). On and after April 15, 2024, distributions on the Class C Preferred Units will accumulate for each quarterly distribution period at a percentage of the $25.00 liquidation preference equal to the applicable Class C Three-Month LIBOR (as defined in our Partnership Agreement) plus a spread of 738.4 basis points.

No distribution may be declared or paid or set apart for payment on any junior securities (other than a distribution payable solely in junior securities), unless full cumulative distributions have been or contemporaneously are being paid or provided for on all outstanding Class C Preferred Units and any parity securities through the most recent respective distribution payment dates.

Redemption. At any time on or after April 15, 2024, we will have the right to redeem, in whole or in part, the Class C Preferred Units at a redemption price in cash of $25.00 per Class C Preferred Unit plus an amount equal to all accumulated and unpaid distributions thereon to, but not including, the date of redemption, regardless of whether declared. We must provide not less than 30 days' and not more than 60 days' advance written notice of any such redemption.

Change of Control. Upon the occurrence of a Class C Change of Control (as defined in our Partnership Agreement), we will have the right, at our option, to redeem the Class C Preferred Units, in whole or in part, within 120 days after the first date on which such Class C Change of Control occurred, by paying $25.00 per Class C Preferred Unit, plus all accumulated and unpaid distributions to, but not including, the date of redemption, regardless of whether declared. If, prior to the Class C Change of Control Conversion Date (as defined in our Partnership Agreement), we exercise our redemption rights relating to Class C Preferred Units, holders of the Class C Preferred Units that we elected to redeem will not have the conversion right related to a Class C Change of Control.

Upon the occurrence of a Class C Change of Control, each holder of Class C Preferred Units will have the right (unless, prior to the Class C Change of Control Conversion Date, we provide notice of our election to redeem the Class C Preferred Units) to convert some or all of the Class C Preferred Units held by such holder on the Change of Class C Change of Control Conversion Date into a number of Common Units per Class C Preferred Unit to be converted equal to the lesser of (a) the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference plus the amount of any accumulated and unpaid distributions to, but not including, the Class C Change of Control Conversion Date (unless the Class C Change of Control Conversion Date is after a record date for a Class C Preferred Unit distribution payment and prior to the corresponding Class C Distribution Payment Date, in which case no additional amount for such accumulated and unpaid distribution will be included in this sum) by (ii) the Common Unit price, and (b) 3.5791, subject, in each case, to certain exceptions and adjustments.

Voting. The Class C Preferred Units will have no voting rights, except as set forth below or as otherwise provided by Delaware law. Unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Class C Preferred Units, voting as a separate class, we cannot adopt any amendment to our Partnership Agreement that has a material adverse effect on the terms of the Class C Preferred Units. In addition, unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Class C Preferred Units, voting as a single class with holders of any future parity securities upon which like voting rights have been conferred and are exercisable, we may not (a) create or issue any additional parity securities if the cumulative distributions payable on the then-outstanding Class C Preferred Units or parity securities are in arrears or (b) create or issue any senior securities. On any matter described above on which the holders of the Class C Preferred Units are entitled to vote as a class, such holders will be entitled to one vote per Class C Preferred Unit.

Liquidation. Any amounts distributed by us upon a liquidation will be made to our partners in accordance with their respective positive capital account balances. The holders of outstanding Class C Preferred Units will be specially allocated items of our gross income and gain in a manner designed to achieve, in the event of any liquidation, dissolution or winding up of the Partnership's affairs, whether voluntary or involuntary, a capital account balance equal to the liquidation preference of $25.00 per Class C Preferred Unit (subject to adjustment for any splits, combinations or similar adjustment to the Class C Preferred Units). However, if the amount of the our gross income and gain available to be specially allocated to the Class C Preferred Units is not sufficient to cause the capital account of a Class C Preferred Unit to equal the liquidation preference of a Class C Preferred Unit, then the amount that a holder of Class C Preferred Units would receive upon liquidation may be less than the Class C Preferred Unit liquidation preference. Any accumulated and unpaid distributions on the Class C Preferred Units will be paid prior to any distributions in liquidation made in accordance with capital accounts.

OUR CASH DISTRIBUTION POLICY

General

We have summarized below selected provisions of our Partnership Agreement. However, because this summary is not complete it is subject to and is qualified in its entirety by reference to our Partnership Agreement. We suggest that you read the complete text of our Partnership Agreement, which we have incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part.

Our Minimum Quarterly Distribution

Our Partnership Agreement provides for a minimum quarterly distribution of $0.3375 per Common Unit per complete quarter, or $1.35 per unit on an annualized basis, subject to adjustments. Quarterly distributions, if any, will be paid within 45 days after the end of each quarter. Our ability to make cash distributions equal to the minimum quarterly distribution will be subject to various factors, including those described under “Risk Factors” in our annual and quarterly filings with the SEC.

Our general partner currently is entitled to 0.1% of all distributions that we make prior to our liquidation. In the future, our general partner’s initial 0.1% general partner interest in these distributions may be reduced if we issue additional units and our general partner does not contribute a proportionate amount of capital to us to maintain its initial 0.1% general partner interest. Our general partner will also hold the incentive distribution rights, which entitle the holder to increasing percentages, up to a maximum of 48.0%, of the cash we distribute in excess of $0.388125 per unit per quarter.

We do not have a legal obligation to pay distributions on our Common Units at our minimum quarterly distribution rate or at any other rate except as provided in our Partnership Agreement. Our Partnership Agreement requires that we distribute all of our available cash quarterly. Under our Partnership Agreement, available cash is generally defined to mean, for each quarter, cash generated from our business in excess of the amount of cash reserves established by our general partner to provide for the conduct of our business, to comply with applicable law, any of our debt instruments or other agreements or to provide for future distributions to our unitholders and our general partner for any one or more of the next four quarters. Our available cash may also include, if our general partner so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter.

If we do not pay the minimum quarterly distribution on our Common Units, our unitholders will not be entitled to receive such payments in the future.

Although our unitholders may pursue judicial action to enforce provisions of our Partnership Agreement, including those related to requirements to make cash distributions as described above, our Partnership Agreement provides that any determination made by our general partner in its capacity as our general partner must be made in good faith and that any such determination will not be subject to any other standard imposed by the Delaware Revised Uniform Limited Partnership Act (the “Delaware LP Act”) or any other law, rule or regulation or at equity. Our Partnership Agreement provides that, in order for a determination by our general partner to be made in “good faith,” our general partner must believe that the determination is in, or not opposed to, our best interest.

Our cash distribution policy, as expressed in our Partnership Agreement, may not be modified or repealed without amending our Partnership Agreement. However, the actual amount of our cash distributions for any quarter is subject to fluctuations based on the amount of cash we generate from our business and the amount of reserves our general partner establishes in accordance with our Partnership Agreement as described above.

We will pay our distributions on the 14th or 15th of each February, May, August and November to holders of record on or about the 1st of each such month. If the distribution date does not fall on a business day, we will make the distribution on the business day immediately preceding the indicated distribution date. Our general partner, through its board of directors, may suspend distributions in accordance with the Partnership Agreement.

Distributions of Available Cash

General. Our Partnership Agreement requires that, within 45 days after the end of each quarter, we distribute all of our available cash to unitholders of record on the applicable record date.

Definition of Available Cash. Available cash, for any quarter, consists of all cash on hand at the end of that quarter:

- *less*, the amount of cash reserves established by our general partner at the date of determination of available cash for the quarter to:
    - provide for the proper conduct of our business;
    - comply with applicable law, any of our debt instruments or other agreements; and
    - provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters (unless our general partner determines that the establishment of cash reserves for such purpose will prevent us from distributing the minimum quarterly distribution on all common units for the next four quarters);
- *plus*, if our general partner so determines, all or a portion of cash on hand on the date of determination of available cash for the quarter.

The purpose and effect of the last bullet point above is to allow our general partner, if it so decides, to use cash on hand after the end of the quarter but on or before the date of determination of available cash for that quarter to pay distributions to unitholders.

Intent to Distribute the Minimum Quarterly Distribution. We intend to distribute to our common unitholders on a quarterly basis at least the minimum quarterly distribution of $0.3375 per unit, or $1.35 on an annualized basis, to the extent we have sufficient cash from our operations after payment of distributions on our preferred units, establishment of cash reserves and payment of fees and expenses, including payments to our general partner and its affiliates. However, there is no guarantee that we will pay the minimum quarterly distribution or any amount on our Common Units in any quarter. Even if our cash distribution policy is not modified or revoked, the amount of distributions paid under our policy and the decision to make any distribution is determined by our general partner, taking into consideration the terms of our Partnership Agreement.

General Partner Interest and Incentive Distribution Rights. Our general partner currently is entitled to 0.1% of all quarterly distributions that we make prior to our liquidation. Our general partner has the right, but not the obligation, to contribute a proportionate amount of capital to us to maintain its current general partner interest. Our general partner's initial 0.1% interest in our distributions may be reduced if we issue additional limited partner interests in the future (other than the issuance of common units upon a reset of the incentive distribution rights) and our general partner does not contribute a proportionate amount of capital to us to maintain its 0.1% general partner interest.

Our general partner also currently holds incentive distribution rights, which represent a potentially material variable interest in our distributions. Incentive distribution rights entitle our general partner to receive increasing percentages, up to a maximum of 48.1%, of the cash we distribute from operating surplus (as defined below) in excess of $0.388125 per unit per quarter. The maximum distribution of 48.1% includes distributions paid to our general partner on its 0.1% general partner interest and assumes that our general partner maintains its general partner interest at 0.1%. The maximum distribution of 48.1% does not include any distributions that our general partner may receive on common units that it owns. See "—General Partner Interest and Incentive Distribution Rights" for additional information.

Operating Surplus and Capital Surplus

General. All cash distributed will be characterized as either being paid from "operating surplus" or "capital surplus." Our Partnership Agreement requires that we distribute available cash from operating surplus differently than available cash from capital surplus.

Operating Surplus. Operating surplus for any period consists of:

- $20.0 million; *plus*
- all of our cash receipts, excluding cash from interim capital transactions, which include the following:
    - borrowings, refinancing or refundings (including sales of debt securities) that are not working capital borrowings;
    - sales of equity interests;
    - sales or other dispositions of assets outside the ordinary course of business; and
    - capital contributions received;
    - provided that cash receipts from the termination of commodity hedges or interest rate hedges prior to their specified termination date shall be included in operating surplus in equal quarterly installments over the remaining scheduled life of such commodity hedge or interest rate hedge; *plus*
- working capital borrowings made after the end of the period but on or before the date of determination of operating surplus for the period; *plus*
- cash distributions paid on equity issued (including incremental distributions on incentive distribution rights), other than equity issued in our initial public offering, to finance all or a portion of the construction, acquisition or improvement of a capital improvement or replacement of a capital asset (such as equipment or facilities) and paid in respect of the period beginning on the date that we enter into a binding obligation to commence the construction, acquisition or improvement of a capital improvement or replacement of a capital asset and ending on the earlier to occur of the date the capital improvement or replacement capital asset commences commercial service and the date that it is abandoned or disposed of; *plus*
- cash distributions paid on equity issued (including incremental distributions on incentive distribution rights) to pay the construction period interest on debt incurred, or to pay construction period distributions on equity issued, to finance the capital improvements or capital assets referred to above; *less*
- all of our operating expenditures (as defined below); *less*
- the amount of cash reserves established by our general partner to provide funds for future operating expenditures; *less*
- all working capital borrowings not repaid within twelve months after having been incurred or repaid within such twelve-month period with the proceeds from additional working capital borrowings; *less*
- any loss realized in disposition of an investment capital expenditure.

Under our Partnership Agreement, working capital borrowings are borrowings that are made under a credit facility, commercial paper facility or similar financing arrangement, and in all cases are used solely for working capital purposes or to pay distributions to partners and with the intent of the borrower to repay such borrowings within twelve months from sources other than additional working capital borrowings.

As described above, operating surplus does not reflect actual cash on hand that is available for distribution to our unitholders and is not limited to cash generated by our operations. In addition, the effect of including, as described above, certain cash distributions on equity interests in operating surplus will be to increase operating surplus by the

amount of any such cash distributions and to permit the distribution as operating surplus of additional amounts of cash that we receive from non-operating sources.

The proceeds of working capital borrowings increase operating surplus and repayments of working capital borrowings are generally operating expenditures, as described below, and thus reduce operating surplus when made. However, if a working capital borrowing is not repaid during the twelve-month period following the borrowing, it will be deemed repaid at the end of such period, thus decreasing operating surplus at such time.

When such working capital borrowing is in fact repaid, it will be excluded from operating expenditures because operating surplus will have been previously reduced by the deemed repayment.

We define operating expenditures as all of our cash expenditures, including, but not limited to, taxes, reimbursement of expenses to our general partner and its affiliates, payments made in the ordinary course of business under interest rate hedge agreements or commodity hedge contracts (provided that (i) with respect to amounts paid in connection with the initial purchase of an interest rate hedge contract or a commodity hedge contract, such amounts will be amortized over the life of the applicable interest rate hedge contract or commodity hedge contract and (ii) payments made in connection with the termination of any interest rate hedge contract or commodity hedge contract prior to the expiration of its stipulated settlement or termination date will be included in operating expenditures in equal quarterly installments over the remaining scheduled life of such interest rate hedge contract or commodity hedge contract), officer and other employee compensation, repayment of working capital borrowings, debt service payments and maintenance capital expenditures (as discussed in further detail below), provided that operating expenditures will not include:

- repayment of working capital borrowings deducted from operating surplus pursuant to the next to the last bullet point of the definition of operating surplus above when such repayment actually occurs;
- payments (including prepayments and prepayment penalties) of principal of and premium on indebtedness, other than working capital borrowings;
- expansion capital expenditures;
- investment capital expenditures;
- payment of transaction expenses (including taxes) relating to interim capital transactions;
- distributions to our partners (including distributions in respect of our incentive distribution rights); or
- repurchases of partnership interests except to fund obligations under employee benefit plans.

Capital Surplus. We define capital surplus as any distribution of available cash in excess of our cumulative operating surplus. A distribution from capital surplus would potentially be generated by a distribution of cash from:

- borrowings other than working capital borrowings;
- issuances of our equity and debt securities; and
- sales or other dispositions of assets for cash, other than inventory, accounts receivable and other assets sold in the ordinary course of business or as part of normal retirement or replacement of assets.

Characterization of Cash Distributions. Our Partnership Agreement requires that we treat all available cash distributed as coming from operating surplus until the sum of all available cash distributed since the completion of our initial public offering equals the operating surplus from the completion of our initial public offering through the end of the quarter immediately preceding that distribution. Our Partnership Agreement requires that we treat any

amount distributed in excess of operating surplus, regardless of its source, as capital surplus. We do not anticipate that we will make any distributions from capital surplus.

Capital Expenditures

Maintenance capital expenditures are cash expenditures (including expenditures for the addition or improvement to, or the replacement of, our capital assets or for the acquisition of existing, or the construction or development of new, capital assets) made to maintain, including over the long term, our operating capacity or operating income. Our Partnership Agreement provides that maintenance capital expenditures will also include interest (and related fees) on debt incurred and distributions on equity issued (including incremental distributions on incentive distribution rights) to finance all or any portion of the construction or development of a replacement asset that is paid in respect of the period that begins when we enter into a binding obligation to commence constructing or developing a replacement asset and ending on the earlier to occur of the date that any such replacement asset commences commercial service and the date that it is abandoned or disposed of.

Expansion capital expenditures are cash expenditures incurred for acquisitions or capital improvements and do not include maintenance capital expenditures or investment capital expenditures. Expansion capital expenditures are those capital expenditures that we expect will increase our operating capacity or operating income over the long term. Our Partnership Agreement provides that expansion capital expenditures will also include interest payments (and related fees) on debt incurred and distributions on equity issued (including incremental incentive distribution rights in respect of newly issued equity) to finance all or any portion of the construction of a capital improvement in respect of the period that commences when we enter into a binding obligation to commence construction of the capital improvement and ending on the earlier to occur of the date any such capital improvement commences commercial service and the date that it is abandoned or disposed of.

Investment capital expenditures are those capital expenditures that are neither maintenance capital expenditures nor expansion capital expenditures. Investment capital expenditures largely will consist of capital expenditures made for investment purposes. Examples of investment capital expenditures include traditional capital expenditures for investment purposes, such as purchases of securities, as well as other capital expenditures that might be made in lieu of such traditional investment capital expenditures, such as the acquisition of a capital asset for investment purposes or development of facilities that are in excess of the maintenance of our existing operating capacity or operating income, but which are not expected to expand, for more than the short term, our operating capacity or operating income.

Neither investment capital expenditures nor expansion capital expenditures will be included in operating expenditures, and thus will not reduce operating surplus. Because expansion capital expenditures include interest payments (and related fees) on debt incurred to finance all or a portion of the construction, replacement or improvement of a capital asset in respect of the period that begins when we enter into a binding obligation to commence construction of the capital asset and ending on the earlier to occur of the date the capital asset commences commercial service or the date that it is abandoned or disposed of, such interest payments are also not subtracted from operating surplus. Losses on disposition of an investment capital expenditure will reduce operating surplus when realized and cash receipts from an investment capital expenditure will be treated as a cash receipt for purposes of calculating operating surplus only to the extent the cash receipt is a return on principal.

Capital expenditures that are made in part for maintenance capital purposes, investment capital purposes and/or expansion capital purposes will be allocated as maintenance capital expenditures, investment capital expenditures or expansion capital expenditure by our general partner.

Distributions of Available Cash from Operating Surplus

Our Partnership Agreement requires that we make distributions of available cash from operating surplus in the following manner, after payment of distributions on our preferred units:

- *first*, 99.9% to all unitholders (other than holders of preferred units), *pro rata*, and 0.1% to our general partner, until we distribute for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and

- *thereafter*, in the manner described in "—General Partner Interest and Incentive Distribution Rights" below.

The preceding discussion assumes that our general partner maintains its 0.1% general partner interest and that we do not issue additional classes of equity interests.

General Partner Interest and Incentive Distribution Rights

Our Partnership Agreement provides that our general partner initially was entitled to 0.1% of all distributions that we make prior to our liquidation.

Our general partner has the right, but not the obligation, to contribute a proportionate amount of capital to us to maintain its 0.1% general partner interest if we issue additional units. Our general partner's 0.1% general partner interest, and the percentage of our cash distributions to which it is entitled from its general partner interest, will be proportionately reduced if we issue additional units in the future (other than the issuance of Common Units upon a reset of the incentive distribution rights) and our general partner does not contribute a proportionate amount of capital to us in order to maintain its 0.1% general partner interest. Our Partnership Agreement does not require that the general partner fund its capital contribution with cash and our general partner may fund its capital contribution by the contribution to us of Common Units or other property.

Incentive distribution rights represent a potentially material variable interest in our distributions. The holder of the incentive distribution rights has the right to receive an increasing percentage (13.0%, 23.0% and 48.0%) of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the incentive distribution rights, and may transfer these rights separately from its general partner interest.

The following discussion assumes that our general partner maintains its 0.1% general partner interest and that our general partner continues to own all of the incentive distribution rights.

If, for any quarter, we have distributed available cash from operating surplus to the common unitholders in an amount equal to the minimum quarterly distribution, then our Partnership Agreement requires that we distribute any additional available cash from operating surplus for that quarter among the unitholders and the general partner in the following manner:

- *first*, 99.9% to all unitholders (other than holders of preferred units), *pro rata*, and 0.1% to our general partner, until each unitholder receives a total of $0.388125 per unit for that quarter (the "first target distribution");

- *second*, 86.9% to all unitholders (other than holders of preferred units), *pro rata*, and 13.1% to our general partner, until each unitholder receives a total of $0.421875 per unit for that quarter (the "second target distribution");

- *third*, 76.9% to all unitholders (other than holders of preferred units), *pro rata*, and 23.1% to our general partner, until each unitholder receives a total of $0.506250 per unit for that quarter (the "third target distribution"); and

- *thereafter*, 51.9% to all unitholders (other than holders of preferred units), *pro rata*, and 48.1% to our general partner.

Percentage Allocations of Available Cash from Operating Surplus

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders (other than holders of preferred units) and our general partner based on the specified target distribution levels. The amounts set forth under "Marginal Percentage Interest in Distributions" are the percentage interests of our general partner and the unitholders (other than holders of preferred units) in any available cash from operating surplus we distribute, after payment of distributions on our preferred units, up to and including the corresponding amount in the column "Total Quarterly Distribution per Unit." The percentage interests shown for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner include its 0.1% general partner interest, assume our general partner has contributed any additional capital necessary to maintain its 0.1% general partner interest and has not transferred its incentive distribution rights.

	Total Quarterly Distribution per Unit						Marginal Percentage Interest in Distributions	
							Limited Partner Unitholders	General Partner
Minimum Quarterly Distribution					$	0.337500	99.9 %	0.1 %
First target distribution	above	$	0.337500	up to	$	0.388125	99.9 %	0.1 %
Second target distribution	above	$	0.388125	up to	$	0.421875	86.9 %	13.1 %
Third target distribution	above	$	0.421875	up to	$	0.506250	76.9 %	23.1 %
Thereafter	above	$	0.506250				51.9 %	48.1 %

General Partner's Right to Reset Incentive Distribution Levels

Our general partner, as the initial holder of our incentive distribution rights, has the right under our Partnership Agreement to elect to relinquish the right to receive incentive distribution payments based on the initial target distribution levels and to reset, at higher levels, the minimum quarterly distribution amount and target distribution levels upon which the incentive distribution payments to our general partner would be set. If our general partner transfers all or a portion of our incentive distribution rights in the future, then the holder or holders of a majority of our incentive distribution rights will be entitled to exercise this right. The following discussion assumes that our general partner holds all of the incentive distribution rights at the time that a reset election is made. Our general partner's right to reset the minimum quarterly distribution amount and the target distribution levels upon which the incentive distributions payable to our general partner are based may be exercised, without approval of our unitholders or our conflicts committee, at any time when we have made cash distributions to the holders of the incentive distribution rights at the highest level of incentive distribution for each of the prior four consecutive fiscal quarters. The reset minimum quarterly distribution amount and target distribution levels will be higher than the minimum quarterly distribution amount and the target distribution levels prior to the reset such there will be no incentive distributions paid under the reset target distribution levels until cash distributions per unit following this event increase as described below. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would otherwise not be sufficiently accretive to cash distributions per common unit, taking into account the existing levels of incentive distribution payments being made to our general partner.

In connection with the resetting of the minimum quarterly distribution amount and the target distribution levels and the corresponding relinquishment by our general partner of incentive distribution payments based on the target distribution levels prior to the reset, our general partner will be entitled to receive a number of newly issued common units based on a predetermined formula described below that takes into account the "cash parity" value of the average cash distributions related to the incentive distribution rights received by our general partner for the two quarters prior to the reset event as compared to the average cash distributions per Common Unit during this period. Our general partner's general partner interest in us (currently 0.1%) will be maintained at the percentage interest immediately prior to the reset election.

The number of Common Units that our general partner would be entitled to receive from us in connection with a resetting of the minimum quarterly distribution amount and the target distribution levels then in effect would be equal to the quotient determined by dividing (x) the average aggregate amount of cash distributions received by our general partner in respect of its incentive distribution rights during the two consecutive fiscal quarters ended immediately prior to the date of such reset election by (y) the average of the amount of cash distributed per Common Unit during each of these two quarters.

Following a reset election, the minimum quarterly distribution amount will be reset to an amount equal to the average cash distribution amount per unit for the two fiscal quarters immediately preceding the reset election (which amount we refer to as the "reset minimum quarterly distribution") and the target distribution levels will be reset to be correspondingly higher such that we would thereafter distribute all of our available cash from operating surplus for each quarter, after payment of distributions on our preferred units, as follows:

- *first*, 99.9% to all unitholders (other than holders of preferred units), *pro rata*, and 0.1% to our general partner, until each unitholder receives an amount per unit equal to 115.0% of the reset minimum quarterly distribution for that quarter;

- *second*, 86.9% to all unitholders (other than holders of preferred units), *pro rata*, and 13.1% to our general partner, until each unitholder receives an amount per unit equal to 125.0% of the reset minimum quarterly distribution for the quarter;

- *third*, 76.9% to all unitholders (other than holders of preferred units), *pro rata*, and 23.1% to our general partner, until each unitholder receives an amount per unit equal to 150.0% of the reset minimum quarterly distribution for the quarter; and

- *thereafter*, 51.9% to all unitholders (other than holders of preferred units), *pro rata*, and 48.1% to our general partner.

Our general partner will be entitled to cause the minimum quarterly distribution amount and the target distribution levels to be reset on more than one occasion, provided that it may not make a reset election except at a time when it has received incentive distributions for the prior four consecutive fiscal quarters based on the highest level of incentive distributions that it is entitled to receive under our Partnership Agreement.

Distributions from Capital Surplus

How Distributions from Capital Surplus Will Be Made. Our Partnership Agreement requires that we make distributions of available cash from capital surplus, if any, in the following manner, after payment of distributions on our preferred units:

- *first*, 99.9% to all unitholders (other than holders of preferred units), *pro rata*, and 0.1% to our general partner, until we distribute for each Common Unit that was issued in our initial public offering, an amount of available cash from capital surplus equal to the initial public offering price in our initial public offering; and

- *thereafter*, as if they were from operating surplus.

The preceding paragraph assumes that our general partner maintains its 0.1% general partner interest and that we do not issue additional classes of equity interests.

Effect of a Distribution from Capital Surplus. Our Partnership Agreement treats a distribution of capital surplus as the repayment of the initial unit price from our initial public offering, which is a return of capital. The initial public offering price less any distributions of capital surplus per unit is referred to as the “unrecovered initial unit price.” Each time a distribution of capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the corresponding reduction in the unrecovered initial unit price.

Because distributions of capital surplus will reduce the minimum quarterly distribution and target distribution levels after any of these distributions are made, it may be easier for our general partner to receive incentive distributions.

However, any distribution of capital surplus before the unrecovered initial unit price is reduced to zero cannot be applied to the payment of the minimum quarterly distribution.

Once we distribute capital surplus on a common unit issued in our initial public offering in an amount equal to the initial unit price, we will reduce the minimum quarterly distribution and the target distribution levels to zero. We will then make all future distributions from operating surplus, after payment of distributions on our preferred units, with 51.9% being paid to the unitholders (other than holders of preferred units), *pro rata*, and 48.1% to our general partner. The percentage interests shown for our general partner include its 0.1% general partner interest and assume our general partner has not transferred the incentive distribution rights.

Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels

In addition to adjusting the minimum quarterly distribution and target distribution levels to reflect a distribution of capital surplus, if we combine our units into fewer units or subdivide our units into a greater number of units, our Partnership Agreement specifies that the following items will be proportionately adjusted:

- the minimum quarterly distribution;
- the target distribution levels; and
- the unrecovered initial unit price as described below.

For example, if a two-for-one split of the units should occur, the minimum quarterly distribution, the target distribution levels and the unrecovered initial unit price would each be reduced to 50.0% of its initial level. Our Partnership Agreement provides that we do not make any adjustment by reason of the issuance of additional units for cash or property.

In addition, if as a result of a change in law or interpretation thereof, we or any of our subsidiaries is treated as an association taxable as a corporation or is otherwise subject to additional taxation as an entity for U.S. federal, state, local or non-U.S. income or withholding tax purposes, our general partner may, in its sole discretion, reduce the minimum quarterly distribution and the target distribution levels for each quarter by multiplying the minimum quarterly distribution and each target distribution level by a fraction, the numerator of which is available cash for that quarter (after deducting our general partner's estimate of our additional aggregate liability for the quarter for such income and withholdings taxes payable by reason of such change in law or interpretation thereof) and the denominator of which is the sum of (i) available cash for that quarter, plus (ii) our general partner's estimate of our additional aggregate liability for the quarter for such income and withholding taxes payable by reason of such change in law or interpretation thereof. To the extent that the actual tax liability differs from the estimated tax liability for any quarter, the difference will be accounted for in distributions with respect to subsequent quarters.

Distributions of Cash Upon Liquidation

General. If we dissolve in accordance with our Partnership Agreement, we will sell or otherwise dispose of our assets in a process called liquidation.

We will first apply the proceeds of liquidation to the payment of our creditors. We will distribute any remaining proceeds to the unitholders and our general partner, in accordance with capital account balances, including any capital account balance attributable to the preferred unit liquidation preference, as adjusted to reflect any gain or loss upon the sale or other disposition of our assets in liquidation. For additional information concerning the preferred unit liquidation preference, see "Description of Preferred Units."

Manner of Adjustments for Gain. The manner of the adjustment for gain is set forth in our Partnership Agreement. Upon our liquidation, we will allocate any gain to our partners in the following manner:

- *first*, to our general partner to the extent of any negative balance in its capital account;
- *second*, 99.9% to the common unitholders, *pro rata*, and 0.1% to our general partner, until the capital account for each common unit is equal to the sum of:
    - the unrecovered initial unit price;
    - the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs;
- *third*, 99.9% to all unitholders (other than holders of preferred units), *pro rata*, and 0.1% to our general partner, until we allocate under this paragraph an amount per unit equal to:
    - the sum of the excess of the first target distribution per unit over the minimum quarterly distribution per unit for each quarter of our existence; *less*
    - the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the minimum quarterly distribution per unit that we distributed 99.9% to the unitholders, *pro rata*, and 0.1% to our general partner, for each quarter of our existence;
- *fourth*, 86.9% to all unitholders (other than holders of preferred units), *pro rata*, and 13.1% to our general partner, until we allocate under this paragraph an amount per unit equal to:
    - the sum of the excess of the second target distribution per unit over the first target distribution per unit for each quarter of our existence; *less*
    - the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the first target distribution per unit that we distributed 86.9% to the unitholders, *pro rata*, and 13.1% to our general partner for each quarter of our existence;
- *fifth*, 76.9% to all unitholders (other than holders of preferred units), *pro rata*, and 23.1% to our general partner, until we allocate under this paragraph an amount per unit equal to:
    - the sum of the excess of the third target distribution per unit over the second target distribution per unit for each quarter of our existence; *less*
    - the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the second target distribution per unit that we distributed 76.9% to the unitholders, *pro rata*, and 23.1% to our general partner for each quarter of our existence; and
- *thereafter*, 51.9% to all unitholders (other than holders of preferred units), *pro rata*, and 48.1% to our general partner.

The percentages set forth above for our general partner include its 0.1% general partner interest and assume our general partner has not transferred the incentive distribution rights and that we have not issued additional classes of equity interests.

Manner of Adjustments for Losses. Upon our liquidation, after making allocations of loss to the general partner and the unitholders in a manner

intended to offset in reverse order the allocations of gains that have previously been allocated, we will generally allocate any loss to our partners in the following manner:

- *first*, 99.9% to the holders of common units in proportion to the positive balances in their capital accounts and 0.1% to our general partner, until the capital accounts of the common unitholders have been reduced to zero;

- *second*, to the holders of preferred units in proportion to the positive balances on their capital accounts, until the capital accounts of the holders of preferred units have been reduced to zero; and

- *thereafter*, 100.0% to our general partner.

Adjustments to Capital Accounts

Our Partnership Agreement requires that we make adjustments to capital accounts upon the issuance of additional units. In this regard, our Partnership Agreement specifies that we allocate any unrealized and, for tax purposes, unrecognized gain resulting from the adjustments to the unitholders and the general partner in the same manner as we allocate gain upon liquidation. If we make positive adjustments to the capital accounts upon the issuance of additional units as a result of such gain, our Partnership Agreement requires that we generally allocate any negative adjustments to the capital accounts resulting from the issuance of additional units or upon our liquidation in a manner that results, to the extent possible, in the partners' capital account balances equaling the amount that they would have been if no earlier positive adjustments to the capital accounts had been made. By contrast to the allocations of gain, and except as provided above, we generally will allocate any unrealized and unrecognized loss resulting from the adjustments to capital accounts upon the issuance of additional units to the unitholders and our general partner based on their respective percentage ownership of us. In the event we make negative adjustments to the capital accounts as a result of such loss, future positive adjustments resulting from the issuance of additional units will be allocated in a manner designed to reverse the prior negative adjustments, and special allocations will be made upon liquidation in a manner designed to result, to the extent possible, in our unitholders' capital account balances equaling the amounts they would have been if no earlier adjustments for loss had been made.

OUR PARTNERSHIP AGREEMENT

We have summarized below selected provisions of our Partnership Agreement. However, because this summary is not complete it is subject to and is qualified in its entirety by reference to our Partnership Agreement. We suggest that you read the complete text of our Partnership Agreement, which we have incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part. The following provisions of our Partnership Agreement are summarized elsewhere in this exhibit: distributions of our available cash are described under "Cash Distribution Policy;" and rights of holders of Common Units and Preferred Units are described under "Description of Common Units" and "Description of Preferred Units."

Organization and Duration

Our partnership was organized in September 2010 and will have a perpetual existence.

Purpose

Our purpose, as set forth in our Partnership Agreement, is limited to any business activity that is approved by our general partner and that lawfully may be conducted by a limited partnership organized under Delaware law; provided, that our general partner shall not cause us to engage, directly or indirectly, in any business activity that the general partner determines would be reasonably likely to cause us to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes.

Although our general partner has the ability to cause us and our subsidiaries to engage in activities other than the businesses that we currently conduct, our general partner has no obligation to do so and may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners. Our general partner is generally authorized to perform all acts it determines to be necessary or appropriate to carry out our purposes and to conduct our business.

Cash Distributions

Our Partnership Agreement specifies the manner in which we will make cash distributions to holders of our Common Units, Preferred Units and other partnership securities as well as to our general partner in respect of its general partner interest and its incentive distribution rights. For a description of these cash distribution provisions, see "Our Cash Distribution Policy."

Capital Contributions

Unitholders are not obligated to make additional capital contributions, except as described below under "—Limited Liability."

For a discussion of our general partner's right to contribute capital to maintain its 0.1% general partner interest if we issue additional units, please read "—Issuance of Additional Partnership Interests."

Voting Rights

The following is a summary of the unitholder vote required for approval of the matters specified below. Matters that require the approval of a "Common Unit majority" require the approval of a majority of the Common Units, and matters that require the approval of either the Class B Preferred Units or Class C Preferred Units require the approval of two thirds of the applicable class of preferred units, voting separately as a class, with one vote per Class B or Class C Preferred Unit, as applicable.

In voting their Common Units, our general partner and its affiliates will have no fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners.

Action	Voting Right
Issuance of additional units	No approval right in respect of Common Unit issuances. Approval of at least two thirds of each of the outstanding Class B Preferred Units and Class C Preferred Units, voting as a single class, and the consent of the Class D Preferred Unit Representative (defined below) is required for issuance of any senior securities. Approval of at least two thirds of each of the outstanding Class B Preferred Units and Class C Preferred Units, voting as a single class, is required for any issuance of parity securities if cumulative distributions payable on our then-outstanding parity securities are in arrears.
Amendment of our Partnership Agreement	Certain amendments may be made by our general partner without the approval of the unitholders. Other amendments generally require the approval of a Common Unit majority and/or two thirds of each of our outstanding Class B Preferred Units and Class C Preferred Units and/or the Class D Preferred Unit Representative (defined below). See "-Amendment of our Partnership Agreement."
Merger of our partnership or the sale of all or substantially all of our assets	Common Unit majority in certain circumstances. See "-Merger, Consolidation, Conversion, Sale or Other Disposition of Assets."
Dissolution of our partnership	Common Unit majority. Please read "-Dissolution."
Continuation of our business upon dissolution	Common Unit majority. Please read "-Dissolution."
Withdrawal of our general partner	Prior to the first day of the first quarter beginning after May 17, 2021 (tenth anniversary of the closing date of our initial public offering), the approval of a Common Unit majority, excluding Common Units held by our general partner and its affiliates, is generally required for the withdrawal of our general partner. See "-Withdrawal or Removal of Our General Partner."
Removal of our general partner	Not less than 66 2/3% of the outstanding units, including units held by our general partner and its affiliates. See "-Withdrawal or Removal of Our General Partner."
Transfer of our general partner interest	Our general partner may transfer all, but not less than all, of its general partner interest in us without a vote of our unitholders to an affiliate or another person in connection with its merger or consolidation with or into, or sale of all or substantially all of its assets to, such person. The approval of a Common Unit majority, excluding Common Units held by our general partner and its affiliates, is required in other circumstances for a transfer of the general partner interest to a third party prior to the first day of the first quarter beginning after May 17, 2021 (tenth anniversary of the closing date of our initial public offering). See "-Transfer of General Partner Interest."
Transfer of incentive distribution rights	No approval required.
Transfer of ownership interests in our general partner	No approval required at any time. See "-Transfer of Ownership Interests in the General Partner."

If any person or group other than our general partner and its affiliates acquires beneficial ownership of 20% or more of any class of units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply to: (i) any person or group that acquired the units from our general partner or its affiliates; (ii) any person or

group that acquired the units directly or indirectly from our general partner of its affiliates, provided that our general partner notifies such transferees that the limitation does not apply; (iii) any person or group that acquired 20% or more of any class of units with the prior approval of the general partner; or (iv) any holder of preferred units in connection with any vote, consent or approval of the holders of the preferred units as a separate class or together with any parity securities as a single class.

Applicable Law; Forum, Venue and Jurisdiction

Our Partnership Agreement is governed by Delaware law. Our Partnership Agreement requires that any claims, suits, actions or proceedings:

- arising out of or relating in any way to our Partnership Agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of our Partnership Agreement or the duties, obligations or liabilities among limited partners or of limited partners, or the rights or powers of, or restrictions on, the limited partners or us);

- brought in a derivative manner on our behalf;

- asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of us or our general partner, or owed by our general partner, to us or the limited partners;

- asserting a claim arising pursuant to any provision of the Delaware LP Act; and

- asserting a claim governed by the internal affairs doctrine shall be exclusively brought in the Court of Chancery of the State of Delaware, in each case regardless of whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims.

By purchasing a Common Unit, a limited partner is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of the Court of Chancery of the State of Delaware in connection with any such claims, suits, actions or proceedings.

We believe these forum selection provisions will benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings. However, such provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents.

In light of prior legal challenges of similar forum selection provisions in other companies' governing documents, a court could find that the forum selection provisions contained in our Partnership Agreement are inapplicable or unenforceable with respect to some particular claims, including with respect to claims arising under the federal securities laws. We believe that our limited partners will not be deemed, by operation of these forum selection provisions alone, to have waived, beyond what is legally permissible, any rights arising under the federal securities laws and the rules and regulations thereunder. However, we anticipate that these forum selection provisions should apply to the fullest extent permitted by applicable law to the types of actions and proceedings specified in those provisions, including, to the extent permitted by the federal securities laws, to lawsuits asserting both the above-specified claims and federal securities claims. The limitations imposed by applicable law would include those set forth in Section 27 of the Exchange Act, which provides: "The district courts of the United States ... shall have exclusive jurisdiction of violations of the Exchange Act or the rules and regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by the Exchange Act or the rules and regulations thereunder." Consequently, we anticipate that the forum selection provisions would not apply to actions arising under the Exchange Act or the rules and regulations thereunder. However, Section 22 of the Securities Act provides for concurrent federal and state court jurisdiction over actions under the Securities Act and the rules and regulations thereunder, subject to a limited exception for certain "covered class actions" as defined in Section 16 of the Securities Act and interpreted by the courts. Accordingly, we believe that the forum selection provisions would

apply to actions arising under the Securities Act or the rules and regulations thereunder, except to the extent a particular action fell within the exception for covered class actions.

Limited Liability

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware LP Act and that it otherwise acts in conformity with the provisions of our Partnership Agreement, the limited partner's liability under the Delaware LP Act will be limited, subject to possible exceptions, to the amount of capital such limited partner is obligated to contribute to us for its common units plus its share of any undistributed profits and assets. However, if it were determined that the right, or exercise of the right, by the limited partners as a group:

- to remove or replace our general partner;
- to approve some amendments to our Partnership Agreement; or
- to take other action under our Partnership Agreement;

constituted "participation in the control" of our business for the purposes of the Delaware LP Act, then the limited partners could be held personally liable for our obligations under the laws of Delaware, to the same extent as our general partner. This liability would extend to persons who transact business with us under the reasonable belief that the limited partner is a general partner. Neither our Partnership Agreement nor the Delaware LP Act specifically provides for legal recourse against our general partner if a limited partner were to lose limited liability through any fault of our general partner. While this does not mean that a limited partner could not seek legal recourse, we know of no precedent for this type of a claim in Delaware case law.

Under the Delaware LP Act, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, would exceed the fair value of the assets of the limited partnership. Neither liabilities to partners on account of their partnership interests nor liabilities that are nonrecourse to the partnership are counted for purposes of determining whether a distribution is permitted. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware LP Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware LP Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware LP Act shall be liable to the limited partnership for the amount of the distribution for three years. Under the Delaware LP Act, a substituted limited partner of a limited partnership is liable for the obligations of its assignor to make contributions to the partnership, except that such person is not obligated for liabilities unknown to it at the time it became a limited partner and that could not be ascertained from our Partnership Agreement.

Our subsidiaries conduct business in numerous states and we may have subsidiaries that conduct business in other states in the future. Maintenance of our limited liability as a member of the operating company may require compliance with legal requirements in the jurisdictions in which the operating company conducts business, including qualifying our subsidiaries to do business there.

Limitations on the liability of members or limited partners for the obligations of a limited liability company or limited partnership have not been clearly established in many jurisdictions. If, by virtue of our ownership interest in our operating company or otherwise, it were determined that we were conducting business in any state without compliance with the applicable limited partnership or limited liability company statute, or that the right or exercise of the right by the limited partners as a group to remove or replace our general partner, to approve some amendments to our Partnership Agreement, or to take other action under our Partnership Agreement constituted "participation in the control" of our business for purposes of the statutes of any relevant jurisdiction, then the limited partners could be held personally liable for our obligations under the law of that jurisdiction to the same extent as

our general partner under the circumstances. We will operate in a manner that our general partner considers reasonable and necessary or appropriate to preserve the limited liability of the limited partners.

Issuance of Additional Partnership Interests

Our Partnership Agreement authorizes us to issue an unlimited number of additional partnership interests and options, rights, warrants and appreciation rights relating to partnership interests for the consideration and on the terms and conditions determined by our general partner without the approval of the unitholders, except as described herein.

We have and may continue to fund acquisitions through the issuance of additional Common Units or other partnership interests. Holders of any additional Common Units we issue will be entitled to share equally with the then-existing holders of Common Units in our distributions of available cash (subject to certain waivers of distributions that parties have or may agree to in the future). In addition, the issuance of additional Common Units or other partnership interests may dilute the value of the interests of the then-existing holders of Common Units in our net assets.

In accordance with Delaware law and the provisions of our Partnership Agreement, we may also issue additional partnership interests that, as determined by our general partner, may have special voting rights to which the Common Units are not entitled or may have other preferences, rights, powers and duties, which may be senior to existing classes and series of partnership interests. In addition, our Partnership Agreement does not prohibit our subsidiaries from issuing equity securities, which may effectively rank senior to the Common Units.

Approval of at least two thirds of each of the outstanding Class B Preferred Units and Class C Preferred Units, voting as a single class, and the consent of the Class D Preferred Unit Representative as defined in our Partnership Agreement, which represents our 600,000 Class D Preferred Units, representing limited partner interest, is required for issuance of any senior securities. Approval of at least two thirds of each of the outstanding Class B Preferred Units and Class C Preferred Units, voting as a single class, is required for any issuance of parity securities if cumulative distributions on our then-outstanding parity securities are in arrears. At all times, the consent of the Class D Preferred Unit Representative is required to issue parity securities unless we use the proceeds from an offering of parity securities to redeem a class or series of outstanding parity securities.

Upon issuance of additional partnership interests (other than the issuance of Common Units upon a reset of the incentive distribution rights) our general partner will be entitled, but not required, to make additional capital contributions to the extent necessary to maintain its 0.1% general partner interest in us. Our general partner’s 0.1% general partner interest in us will be reduced if we issue additional units in the future (other than in those circumstances described above) and our general partner does not contribute a proportionate amount of capital to us to maintain its 0.1% general partner interest. Moreover, our general partner will have the right, which it may from time to time assign in whole or in part to any of its affiliates or the beneficial owners thereof or any of their respective affiliates, to purchase Common Units or other partnership interests whenever, and on the same terms that, we issue those interests to persons other than our general partner and its affiliates and such beneficial owners, to the extent necessary to maintain the percentage interest of our general partner and its affiliates and such beneficial owners or any of their respective affiliates, including such interest represented by Common Units, that existed immediately prior to each issuance.

The holders of Common Units will not have preemptive rights under our Partnership Agreement to acquire additional Common Units or other partnership interests.

Amendment of the Partnership Agreement

General. Amendments to our Partnership Agreement may be proposed only by or with the consent of our general partner. However, to the full extent permitted by law, our general partner will have no duty or obligation to propose any amendment and may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners. To adopt a proposed amendment, other than the amendments discussed below, our general partner is required to seek written approval of the holders of the number of units required to approve the amendment or to call a meeting of the limited partners to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a unit majority.

Prohibited Amendments. No amendment may be made that would:

- enlarge the obligations of any limited partner without its consent, unless approved by at least a majority of the type or class of limited partner interests so affected; or

- enlarge the obligations of, restrict, change or modify in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by us to our general partner or any of its affiliates without the consent of our general partner, which consent may be given or withheld at its option.

The provision of our Partnership Agreement preventing the amendments having the effects described in the clauses above can be amended upon the approval of the holders of at least 90.0% of the outstanding units (including units owned by our general partner and its affiliates).

Without the consent of (i) at least two thirds of the Class B Preferred Units or Class C Preferred Units, as applicable, or (ii) the Class D Preferred Unit Representative, as applicable, no amendment to our Partnership Agreement may be made that would:

- adversely alter or change the rights, powers, privileges or preferences or duties and obligations of the preferred units; or

- modify the terms of the preferred units.

No Unitholder Approval. Our general partner may generally make amendments to our Partnership Agreement without the approval of any limited partner to reflect:

- a change in our name, the location of our principal place of business, our registered agent or our registered office;

- the admission, substitution, withdrawal or removal of partners in accordance with our Partnership Agreement;

- a change that our general partner determines to be necessary or appropriate to qualify or continue our qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that neither we nor any of our subsidiaries will be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes (to the extent not already so treated);

- an amendment that is necessary, in the opinion of our counsel, to prevent us or our general partner or its directors, officers, agents or trustees from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or “plan asset” regulations adopted under the Employee Retirement Income Security Act of 1974, as

amended ("ERISA"), whether or not substantially similar to plan asset regulations currently applied or proposed;

- an amendment that our general partner determines to be necessary or appropriate in connection with the creation, authorization or issuance of additional partnership interests and options, rights, warrants and appreciation rights relating to the partnership interests;

- any amendment expressly permitted in our Partnership Agreement to be made by our general partner acting alone;

- an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of our Partnership Agreement;

- any amendment that our general partner determines to be necessary or appropriate for the formation by us of, or our investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by our Partnership Agreement;

- a change in our fiscal year or taxable year and related changes;

- conversions into, mergers with or conveyances to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the conversion, merger or conveyance other than those it receives by way of the conversion, merger or conveyance; or

- any other amendments substantially similar to any of the matters described in the clauses above or the following paragraph.

Our general partner may also make amendments to our Partnership Agreement, without the approval of any limited partner, if our general partner determines that those amendments:

- do not adversely affect in any material respect the limited partners (or any particular class of limited partners);

- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Delaware LP Act);

- are necessary or appropriate to facilitate the trading of units or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the units are or will be listed for trading;

- are necessary or appropriate for any action taken by our general partner relating to splits or combinations of partnership interests under the provisions of our Partnership Agreement; or

- are required to effect the intent of the provisions of our Partnership Agreement or are otherwise contemplated by our Partnership Agreement.

Opinion of Counsel and Unitholder Approval. Our general partner will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to the limited partners or result in our being treated as an entity for federal income tax purposes in connection with any of the amendments described above under "—No Unitholder Approval." No other amendments to our Partnership Agreement will become effective without the approval of holders of at least 90.0% of the outstanding units voting as a single class unless we first obtain an opinion of counsel to the effect that the amendment will not affect the limited liability under applicable law of any of our limited partners.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of outstanding units in relation to other classes of units will require the approval of at least a majority of the type or class of units so affected. Any amendment that reduces the voting percentage required to take any action and any amendment which increases the voting percentage for the removal of our general partner or the calling of a special meeting must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than the voting requirement sought to be reduced or increased, as applicable.

Merger, Consolidation, Conversion, Sale or Other Disposition of Assets

A merger, consolidation or conversion of us requires the prior consent of our general partner. However, to the fullest extent permitted by law, our general partner will have no duty or obligation to consent to any merger, consolidation or conversion and may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interest of us or the limited partners.

In addition, our Partnership Agreement generally prohibits our general partner, without the prior approval of a unit majority, from causing us to sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions. Our general partner may, however, in our best interests, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without such approval. Our general partner may also sell all or substantially all of our assets under a foreclosure or other realization upon those encumbrances without such approval. Finally, our general partner may consummate any merger without the prior approval of our unitholders if we are the surviving entity in the transaction, our general partner has received an opinion of counsel regarding limited liability and tax matters, the transaction would not result in an amendment to our Partnership Agreement (other than an amendment that the general partner could adopt without the consent of the limited partners), each of our units outstanding immediately prior to the transaction will be a substantially identical unit of our partnership following the transaction and the partnership interests to be issued do not
exceed 20% of our outstanding partnership interests (other than the incentive distribution rights) immediately prior to the transaction.

If the conditions specified in our Partnership Agreement are satisfied, our general partner may convert us or any of our subsidiaries into a new limited liability entity or merge us or any of our subsidiaries into, or convey all of our assets to, a newly formed entity, if the sole purpose of that conversion, merger or conveyance is to effect a mere change in our legal form into another limited liability entity, our general partner has received an opinion of counsel regarding limited liability and tax matters and the governing instruments of the new entity provide the limited partners and our general partner with the same rights and obligations as contained in our Partnership Agreement.

Our unitholders are not entitled to dissenters' rights of appraisal under our Partnership Agreement or applicable Delaware law in the event of a conversion, merger or consolidation, a sale of substantially all of our assets or any other similar transaction or event.

Dissolution

We will continue as a limited partnership until dissolved under our Partnership Agreement.
We will dissolve upon:

- the election of our general partner to dissolve us, if approved by the holders of common units representing a common unit majority;
- there being no limited partners, unless we are continued without dissolution in accordance with applicable Delaware law;
- the entry of a decree of judicial dissolution of our partnership; or

- the withdrawal or removal of our general partner or any other event specified in our Partnership Agreement that results in its ceasing to be our general partner other than by reason of a transfer of its general partner interest in accordance with our Partnership Agreement or its withdrawal or removal following the approval and admission of a successor.

Upon a dissolution under the last clause above, the holders of a Common Unit majority may also elect, within specific time limitations, to continue our business on the same terms and conditions described in our Partnership Agreement by appointing as a successor general partner an entity approved by the holders of a Common Unit majority, subject to our receipt of an opinion of counsel to the effect that:

- the action would not result in the loss of limited liability under Delaware law of any limited partner; and

- neither our partnership nor any of our subsidiaries would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of that right to continue (to the extent not already so treated or taxed).

Liquidation and Distribution of Proceeds

Upon our dissolution, unless our business is continued, the liquidator authorized to wind up our affairs will, acting with all of the powers of our general partner that are necessary or appropriate, liquidate our assets and apply the proceeds of the liquidation as described in the Partnership Agreement. The liquidator may defer liquidation or distribution of our assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to our partners.

Withdrawal or Removal of Our General Partner

Except as described below, our general partner has agreed not to withdraw voluntarily as our general partner prior to 11:59 p.m. Central Time on the first day of the first quarter beginning after May 17, 2021 (the tenth anniversary of the closing date of our initial public offering) without obtaining the approval of a Common Unit majority, excluding Common Units held by our general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after 11:59 p.m. Central Time on the first day of the first quarter beginning after May 17, 2021 (the tenth anniversary of the closing date of our initial public offering), our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days' written notice, and that withdrawal will not constitute a violation of our Partnership Agreement.

Notwithstanding the information above, our general partner may withdraw without unitholder approval upon 90 days' notice to the limited partners if at least 50% of the outstanding Common Units are held or controlled by one person and its affiliates, other than our general partner and its affiliates. In addition, our Partnership Agreement permits our general partner, in some instances, to sell or otherwise transfer all of its general partner interest in us without the approval of the unitholders. See "—Transfer of General Partner Interest" and "—Transfer of Incentive Distribution Rights."

Upon withdrawal of our general partner under any circumstances, other than as a result of a transfer by our general partner of all or a part of its general partner interest in us, the holders of a unit majority may select a successor to that withdrawing general partner to continue the business of the partnership. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within a specified period after that withdrawal, the holders of a unit majority agree in writing to continue our business and to appoint a successor general partner. Please read "—Dissolution."

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than 66 2/3% of the outstanding units, voting together as a single class, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. Any removal of our general partner is also subject to the approval of a successor general partner by the vote of a unit majority (including

units held by our general partner and its affiliates). The ownership of more than 33 1/3% of the outstanding units by our general partner and its affiliates gives them the practical ability to prevent our general partner's removal.

In the event of the removal of our general partner under circumstances where cause exists or withdrawal of our general partner where that withdrawal violates our Partnership Agreement, a successor general partner will have the option to purchase the general partner interest and incentive distribution rights of the departing general partner for a cash payment equal to the fair market value of those interests. Under all other circumstances where our general partner withdraws or is removed by the limited partners, the departing general partner will have the option to require the successor general partner to purchase the general partner interest and the incentive distribution rights of the departing general partner or its affiliates for fair market value. In each case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. Or, if the departing general partner and the successor general partner cannot agree upon an expert, then an expert chosen by agreement of the experts selected by each of the departing general partner and the successor general partner will determine the fair market value.

If the option to purchase described above is not exercised by either the departing general partner or the successor general partner, the departing general partner's general partner interest and all of its or its affiliates' incentive distribution rights will automatically convert into common units equal to the preceding paragraph.

In addition, we will be required to reimburse the departing general partner for all amounts due the departing general partner, including, without limitation, all employee-related liabilities, including severance liabilities incurred as a result of the termination of any employees employed for our benefit by the departing general partner or its affiliates.

Transfer of General Partner Interest

Prior to the first day of the first quarter beginning after May 17, 2021 (the tenth anniversary of the closing date of our initial public offering), except for transfer by our general partner of all, but not less than all, of its general partner interest to (i) an affiliate of our general partner (other than an individual) or (ii) another entity as part of the merger or consolidation of our general partner with or into another entity or the transfer by our general partner of all or substantially all of its assets to another entity, our general partner may not transfer all or any of its general partner interest to another person without the approval of a common unit majority, excluding common units held by our general partner and its affiliates. On or after the first day of the first quarter beginning after May 17, 2021 (the tenth anniversary of the closing date of our initial public offering), our general partner may transfer all or any part of its general partner interest in us to another person without the approval of the unitholders. As a condition of this transfer, the transferee must, among other things, assume the rights and duties of our general partner, agree to be bound by the provisions of our Partnership Agreement and furnish an opinion of counsel regarding limited liability and tax matters.

Our general partner may, at any time, transfer common units to one or more persons, without unitholder approval.

Transfer of Ownership Interests in the General Partner

At any time, the owners of our general partner may sell or transfer all or part their ownership interests in our general partner to an affiliate or a third party without unitholder approval.

Transfer of Incentive Distribution Rights

The incentive distribution rights may be freely transferred.

Change of Management Provisions

Our Partnership Agreement contains specific provisions that are intended to discourage a person or group from attempting to remove NGL Energy Holdings LLC as our general partner or from otherwise changing our

management. Please read "—Withdrawal or Removal of Our General Partner" for a discussion of certain consequences of the removal of our general partner. If any person or group, other than our general partner and its affiliates, acquires beneficial ownership of 20% or more of any class of units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply in certain circumstances. Please read "—Meetings; Voting."

Limited Call Right

If at any time our general partner and its affiliates own more than 80% of the then-issued and outstanding limited partner interests of any class, our general partner will have the right, which it may assign in whole or in part to any of its affiliates or beneficial owners thereof or to us, to acquire for cash all, but not less than all, of the limited partner interests of the class held by unaffiliated persons as of a record date to be selected by our general partner, on at least 10 days', but not more than 60 days', notice. The purchase price in the event of this purchase is the greater of:

- the highest price paid by our general partner or any of its affiliates for any limited partner interests of the class purchased within the 90 days preceding the date on which our general partner first mails notice of its election to purchase those limited partner interests; and

- the average of the daily closing prices of the partnership securities of such class over the 20 consecutive trading days preceding the date three days before the date the notice is mailed.

As a result of our general partner's right to purchase outstanding limited partner interests, a holder of limited partner interests may have its limited partner interests purchased at an undesirable time or a price that may be lower than market prices at various times prior to such purchase or lower than a unitholder may anticipate the market price to be in the future. The tax consequences to a unitholder of the exercise of this call right are the same as a sale by that unitholder of its Common Units in the market.

Non-Citizen Assignees; Redemption

If our general partner, with the advice of counsel, determines we are subject to U.S. federal, state or local laws or regulations that, in the reasonable determination of our general partner, create a substantial risk of cancellation or forfeiture of any property that we have an interest in because of the nationality, citizenship or other related status of any limited partner, then our general partner may adopt such amendments to our Partnership Agreement as it determines necessary or advisable to:

- obtain proof of the nationality, citizenship or other related status of the limited partner or transferees (and their owners, to the extent relevant); and

- permit us to redeem the units held by any person whose nationality, citizenship or other related status creates substantial risk of cancellation or forfeiture of any property or who fails to comply with the procedures instituted by our general partner to obtain proof of the nationality, citizenship or other related status. The redemption price in the case of such a redemption will be the average of the daily closing prices per unit for the 20 consecutive trading days immediately prior to the date set for redemption.

Non-Taxpaying Assignees; Redemption

If our general partner, with the advice of counsel, determines that our not being treated as an association taxable as a corporation or otherwise taxable as an entity for U.S. federal income tax purposes, coupled with the tax status (or lack of proof thereof) of one or more of our limited partners, has, or is reasonably likely to have, a material adverse effect on the maximum applicable rates chargeable to customers by us, then our general partner may adopt such amendments to our Partnership Agreement as it determines necessary or advisable to:

- obtain proof of the U.S. federal income tax status of the limited partner or transferees (and their owners, to the extent relevant); and

- permit us to redeem the units held by any person whose tax status has or is reasonably likely to have a material adverse effect on the maximum applicable rates or who fails to comply with the procedures instituted by our general partner to obtain proof of the U.S. federal income tax status. The redemption price in the case of such a redemption will be the average of the daily closing prices per unit for the 20 consecutive trading days immediately prior to the date set for redemption.

Meetings; Voting

Except as described below regarding certain persons or groups owning 20% or more of any class of units then outstanding, record holders of units on the record date will be entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited.

Our general partner does not anticipate that any meeting of our unitholders will be called in the foreseeable future.

Any action that is required or permitted to be taken by the unitholders may be taken either at a meeting of the unitholders or without a meeting, if consents in writing describing the action so taken are signed by holders of the number of units necessary to authorize or take that action at a meeting. Meetings of the unitholders may be called by our general partner or by unitholders owning at least 20% of the outstanding units of the class for which a meeting is proposed.

Unitholders may vote either in person or by proxy at meetings. The holders of a majority of the outstanding units of the class or classes for which a meeting has been called, represented in person or by proxy, will constitute a quorum, unless any action by the unitholders requires approval by holders of a greater percentage of the units, in which case the quorum will be the greater percentage.

Each record holder of a unit has a vote according to its percentage interest in us, although additional limited partner interests having special voting rights could be issued. See “—Issuance of Additional Partnership Interests.”

However, if at any time any person or group, other than those specified in “—Voting Rights,” acquires, in the aggregate, beneficial ownership of 20% or more of any class of units then outstanding, that person or group will lose voting rights on all of its units and the units may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, determining the presence of a quorum or for other similar purposes.

Common Units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and its nominee provides otherwise.

Any notice, demand, request, report or proxy material required or permitted to be given or made to record holders of Common Units under our Partnership Agreement will be delivered to the record holder by us or by the transfer agent.

Status as Limited Partner

By transfer of common units in accordance with our Partnership Agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected in our books and records. Except as described under “—Limited Liability,” the Common Units will be fully paid, and unitholders will not be required to make additional contributions.

Indemnification

Under our Partnership Agreement, in most circumstances, we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events:

- our general partner;
- any departing general partner;
- any person who is or was an affiliate of our general partner or any departing general partner; any person who is or was an officer, director, manager, managing member, fiduciary or trustee of our partnership, our subsidiaries, or any entity described in the three bullet points above or any of their affiliates;
- any person who is or was serving, at the request of our general partner or any departing general partner or any of their respective affiliates, as a director, officer, manager, managing member, fiduciary or trustee of another person owing a fiduciary duty to us or our subsidiaries;
- any person who controls our general partner or any departing general partner; and
- any person designated by our general partner.

However, our Partnership Agreement provides that these persons will not be indemnified if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, with respect to the matter for which the person is seeking indemnification, the person acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the person's conduct was unlawful.
Any indemnification under these provisions will only be out of our assets. Our general partner will not be personally liable for, or have any obligation to contribute or lend funds or assets to us to enable us to effectuate, indemnification. We may purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against liabilities under our Partnership Agreement.

Reimbursement of Expenses

Our Partnership Agreement requires us to reimburse our general partner and its affiliates for all expenses they incur or payments they make on our behalf. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. Our general partner is entitled to determine the expenses that are allocable to us and our subsidiaries.

Books and Reports

Our general partner is required to keep appropriate books of our business at our principal offices. These books will be maintained for both tax and financial reporting purposes on an accrual basis. For tax purposes, our fiscal year is the calendar year. For fiscal reporting purposes, our fiscal year ends March 31st of each year.

We will furnish or make available to record holders of our common units, within 90 days after the close of each fiscal year, an annual report containing audited consolidated financial statements and a report on those consolidated financial statements by our independent public accountants. Except for our fourth quarter, we will also furnish or make available summary financial information within 45 days after the close of each quarter. We will be deemed to have made any such report available if we file such report with the SEC or make the report available on a publicly available website which we maintain.

We will furnish each record holder with information reasonably required for federal and state tax reporting purposes within 90 days after the close of each calendar year. This information is expected to be furnished in summary form so that some complex calculations normally required of partners can be avoided. Our ability to furnish this summary

information to our unitholders will depend on their cooperation in supplying us with specific information. Every unitholder will receive information to assist it in determining its federal and state tax liability and in filing its federal and state income tax returns, regardless of whether it supplies us with the necessary information.

Right to Inspect Our Books and Records

Our Partnership Agreement provides that a limited partner can, for a purpose reasonably related to its interest as a limited partner, the reasonableness of which having been determined by our general partner, upon reasonable written demand stating the purpose of such demand and at such limited partner's own expense, have furnished to it:

- a current list of the name and last known address of each partner;
- a copy of our tax returns;
- information as to the amount of cash, and a description and statement of the agreed value of any other property or services, contributed or to be contributed by each partner and the date on which each partner became a partner;
- copies of our Partnership Agreement, our certificate of limited partnership and all amendments thereto;
- information regarding the status of our business and our financial condition; and
- any other information regarding our affairs as is just and reasonable.

To the full extent permitted by law, our general partner may, and intends to, keep confidential from the limited partners trade secrets or other information the disclosure of which our general partner believes is not in our best interests or could damage us or our business or that we are required by law or by agreements with third parties to keep confidential.

Exhibit 10.3

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of April 13, 2022, is among NGL ENERGY OPERATING LLC, a Delaware limited liability company (the "Company"), NGL ENERGY PARTNERS LP, a Delaware limited partnership (the Parent"), each Guarantor party hereto, JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (in such capacity, together with its successors, the "Administrative Agent") and the Lenders party hereto.

Recitals

A. WHEREAS, the Company, the Parent, the Administrative Agent and the Lenders party thereto from time to time are parties to that certain Credit Agreement dated as of February 4, 2021 (as amended by that certain First Amendment to Credit Agreement, dated November 8, 2021, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof (the "Existing Credit Agreement") and as amended by this Amendment and as the same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have agreed to make certain loans to, and extensions of credit on behalf of, the Company.

B. WHEREAS, the Company, the Parent, the Administrative Agent and the Lenders party hereto have agreed to make certain amendments and modifications to the Existing Credit Agreement as set forth herein.

C. WHEREAS, pursuant to the Credit Agreement, the Company has requested a Revolving Credit Commitment Increase in order to increase the Revolving Credit Commitments to an aggregate amount of $600,000,000.

D. NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term used herein but not otherwise defined herein has the meaning given to such term in the Credit Agreement.

Section 2. Amendments to Credit Agreement. On the Second Amendment Effective Date, the Existing Credit Agreement (excluding the Schedules, with the exception of Schedule 1A, and Exhibits thereto) is hereby amended to read as set forth in Exhibit A attached hereto; provided that, notwithstanding the foregoing, the parties hereto acknowledge and agree that (a) any Eurodollar Loans (as defined in the Existing Credit Agreement) outstanding immediately prior to the Second Amendment Effective Date shall remain outstanding, bearing interest at the Eurodollar Rate (as defined in the Existing Credit Agreement) plus the Applicable Margin, until the expiration of the Interest Period (as defined in the Existing Credit Agreement) applicable thereto, and the related provisions of the Existing Credit Agreement shall continue in effect solely with respect to such Eurodollar Loans until such time for the limited purposes set forth in this clause (a) and (b) no Loans may be continued as or converted to Eurodollar Loans, and no new Eurodollar Loans may be requested, after such time.

Section 3. Revolving Credit Commitment Increase. On the Second Amendment Effective Date, the Borrower, the Administrative Agent, and the Lenders party hereto hereby effect a Revolving Credit Commitment Increase pursuant to the terms of Article 3 of the Existing Credit Agreement (which provisions are not waived, amended or modified hereby other than as expressly set forth herein). On the Second Amendment Effective Date and after giving effect to such Revolving Credit Commitment Increase, the Revolving Credit Commitment and Revolving Credit Commitment Percentage of each Lender shall be as set forth on Schedule 1A attached hereto which schedule supersedes and replaces Schedule 1A to the Existing Credit Agreement. Each of the parties hereto agrees (a) that the review, execution and delivery of this Amendment satisfies the notice requirements set forth in Section 3.3 of the Existing Credit Agreement, (b) this Amendment is an Incremental Facility Amendment, (c) the Second Amendment Effective Date is the Incremental Commitments Effective Date and the Incremental Facility Closing Date for the Incremental Commitment Increase effected by this Amendment and (d) this Amendment and the revised Schedule 1A attached hereto shall constitute notice from the Administrative Agent pursuant to Section 3.5 of the Existing Credit Agreement as to the final allocation of the Revolving Credit Commitments Increases and the Incremental Commitments Effective Date. The Administrative Agent and each Lender will assign, each Revolving Credit Commitment Increase Lender will assume, and the parties will hereto will take such further actions as are necessary (if any) in order to give effect to the assignments, assumptions and reallocations provided for in Section 3.8 of the Existing Credit Agreement.

Section 4. Conditions Precedent. This Amendment shall become effective on the date (such date, the "Second Amendment Effective Date") when each of the following conditions is satisfied (or waived in accordance with Section 12.1 of the Credit Agreement):

4.1 The Administrative Agent, the Lead Arrangers and the Lenders shall have received all fees and other amounts due and payable in connection with this Amendment and the documents entered into connection herewith or any other Credit Document on or prior to the Second Amendment Effective Date, and reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by the Company pursuant to this Amendment or any other Credit Document (including the out of pocket expenses of counsel to the Administrative Agent and its Affiliates).

4.2 The Administrative Agent shall have received a counterpart of this Amendment signed by the Company, the Parent, each Guarantor and each Lender.

4.3 The Administrative Agent shall have received a certificate from a Responsible Officer of the Company certifying that the representations and warranties set forth in Section 5.2(d) hereof are true and correct.

4.4 The Administrative Agent and the Lenders shall have received a Borrowing Base Certificate (along with customary supporting documentation and supplemental reporting) demonstrating a Borrowing Base of no less than $600,000,000 as of February 28, 2022.

4.5 The Administrative Agent shall have received certified copies of resolutions of the board of directors of each Credit Party approving the execution, delivery and performance of this Amendment.

4.6 The Administrative Agent shall have received a favorable opinion of counsel for the Credit Parties dated the Second Amendment Effective Date, addressed to the Administrative Agent and the Lenders and in form and substance and from counsel reasonably satisfactory to the Administrative Agent.

The Administrative Agent is hereby authorized and directed to declare this Amendment to be effective (and the Second Amendment Effective Date shall occur) when it has received documents confirming or certifying, to the satisfaction of the Administrative Agent, compliance with the conditions set forth in this Section 4 (or the waiver of such conditions as permitted in Section 12.1 of the Credit Agreement). Such declaration shall be final, conclusive and binding upon all parties to the Credit Agreement for all purposes.

Section 5. Miscellaneous.

5.1 Confirmation. All of the terms and provisions of the Credit Agreement, as amended by this Amendment, are, and shall remain, in full force and effect following the Second Amendment Effective Date.

5.2 Ratification and Affirmation; Representations and Warranties. The Company, the Parent and each Guarantor hereby (a) acknowledges the terms of this Amendment and the Credit Agreement; (b) ratifies and affirms its obligations under, and acknowledges, renews and extends its continued liability under, the Credit Agreement and the other Credit Documents and agrees that the Credit Agreement and the other Credit Documents remain in full force and effect; (c) agrees that from and after the Second Amendment Effective Date (i) each reference to the Credit Agreement in the other Credit Documents shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment and (ii) this Amendment does not constitute a novation of the Credit Agreement or any other Credit Document; and (d) represents and warrants to the Lenders that as of the date hereof, and immediately after giving effect to the terms of this Amendment, (i) each of the representations set forth in Article 6 of the Credit Agreement, or which are contained in any other Credit Document are, to the extent already qualified by materiality, true and correct in all respects, and, if not so already qualified, are true and correct in all material respects, on and as of the Second Amendment Effective Date as if made on and as of the Second Amendment Effective Date (unless stated to relate to a specific earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date) and (ii) no Default or Event of Default has occurred and is continuing on the Second Amendment Effective Date.

5.3 Credit Document. This Amendment is a Credit Document.

5.4 Counterparts.

(a) This Amendment may be executed by one or more of the parties to this Amendment in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(b) Delivery of an executed counterpart of a signature page of this Amendment and/or any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Amendment and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be.

5.5 Integration. This Amendment, the Credit Agreement and the other Credit Documents represent the entire agreement of the Credit Parties, the Agents and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Agent or any Lender relative to the subject matter hereof or thereof not expressly set forth or referred to herein, in the Credit Agreement or in the other Credit Documents.

5.6 GOVERNING LAW; NO THIRD PARTIES; SUBMISSION TO JURISDICTION; WAIVERS. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT AND THE LOANS SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. Sections 12.10 and 12.11 of the Credit Agreement are hereby incorporated herein and apply hereto *mutatis mutandis.*

5.7 Successors and Assigns. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted by the Credit Agreement.

5.8 Payment of Expenses. Pursuant to Section 12.05(a) of the Credit Agreement, the Company agrees to pay all reasonable and documented out of pocket expenses incurred by the Administrative Agent and its Affiliates in connection with the preparation and administration of this Amendment and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated).

5.9 Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

5.10 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under the Credit Agreement or any Credit Document, or constitute a waiver or amendment of any provision of the Credit Agreement or any Credit Document. Section 12.3 of the Credit Agreement remains in full force and effect and is hereby ratified and confirmed by the Company, the Parent and each Guarantor.

5.11 Post-Closing. Within one hundred and twenty (120) days of the Second Amendment Effective Date (or such later date as may be agreed to by the Administrative Agent in its sole discretion), with respect to each Mortgaged Property, either (a) the Collateral Agent shall be satisfied that (i) the recording of the existing Mortgage is the only filing or recording necessary to give constructive notice to third parties of the lien created by such Mortgage as security for the Obligations (as defined in the Mortgage), including the Revolving Credit Commitment Increase evidenced by this Amendment, and (ii) no other documents, instruments, filings, recordings, re-recordings, re-filings or other actions, including, without limitation, the payment of any mortgage recording taxes or similar taxes are necessary or appropriate under applicable law in order to maintain the continued enforceability, validity or priority of the lien created by such Mortgage as security for the Obligations, including the Revolving Credit Commitment Increase evidenced by this Amendment or (b) the Company shall, or shall cause the applicable Credit Party to, with respect to each Mortgaged Property that is not the subject of clause (a), deliver an amendment to each Mortgage (each, a "Mortgage Amendment," and collectively the "Mortgage Amendments") duly executed and acknowledged by the applicable Credit Party, and in form for recording in the applicable recording office in each case in form and substance reasonably satisfactory to the Collateral Agent.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written above.

COMPANY: **NGL ENERGY OPERATING LLC**

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Chief Financial Officer

PARENT: **NGL ENERGY PARTNERS LP**

By: NGL ENERGY HOLDINGS, LLC, its General Partner

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Chief Financial Officer

GUARANTORS:

ANTICLINE DISPOSAL, LLC
AWR DISPOSAL, LLC
CENTENNIAL ENERGY, LLC
CENTENNIAL GAS LIQUIDS ULC
CHOYA OPERATING, LLC
DISPOSALS OPERATING, LLC
GGCOF HEP BLOCKER, LLC
GGCOF HEP BLOCKER II, LLC
GRAND MESA PIPELINE, LLC
GSR NORTHEAST TERMINALS LLC
HEP OPERATIONS, LLC
HILLSTONE ENVIRONMENTAL PARTNERS, LLC
NGL CRUDE CUSHING, LLC
NGL CRUDE LOGISTICS, LLC
NGL CRUDE TERMINALS, LLC
NGL CRUDE TRANSPORTATION, LLC
NGL DELAWARE BASIN HOLDINGS, LLC
NGL ENERGY EQUIPMENT, LLC
NGL ENERGY FINANCE CORP.
NGL ENERGY GP LLC
NGL ENERGY HOLDINGS II, LLC
NGL ENERGY LOGISTICS, LLC
NGL LIQUIDS, LLC
NGL MARINE, LLC
NGL MILAN INVESTMENTS, LLC
NGL RECYCLING SERVICES, LLC
NGL SHARED SERVICES, LLC
NGL SHARED SERVICES HOLDINGS, INC.
NGL SOUTH RANCH, INC.
NGL SUPPLY TERMINAL COMPANY, LLC
NGL SUPPLY WHOLESALE, LLC
NGL WATER PIPELINES, LLC
NGL WATER SOLUTIONS, LLC
NGL WATER SOLUTIONS DJ, LLC
NGL WATER SOLUTIONS EAGLE FORD, LLC
NGL WATER SOLUTIONS - ORLA SWD, LLC
NGL WATER SOLUTIONS PERMIAN, LLC
NGL WATER SOLUTIONS PRODUCT SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Chief Financial Officer

ADMINISTRATIVE AGENT, ISSUING LENDER, SWINGLINE LENDER AND A LENDER: **JPMORGAN CHASE BANK, N.A**

By: /s/ Stephanie Balette
Name: Stephanie Balette
Title: Authorized Officer

LENDER AND ISSUING LENDER: **WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: /s/ Becky Rountree
Name: Becky Rountree
Title: Vice President

LENDER AND ISSUING LENDER: **THE TORONTO-DOMINION BANK, NEW YORK BRANCH**

By: /s/ Tyrone Nicholson
Name: Tyrone Nicholson
Title: Manager - Corporate Lending Operations

LENDER: **ROYAL BANK OF CANADA**

By: /s/ Stuart Coulter
Name: Stuart Coulter
Title: Authorized Signatory

LENDER: **BARCLAYS BANK PLC**

By: /s/ Sydney G. Dennis
Name: Sydney G. Dennis
Title: Director

EXHIBIT A

CREDIT AGREEMENT
(See Attached)

Dated as of February 4, 2021

NGL ENERGY OPERATING LLC,
as the Company,

NGL ENERGY PARTNERS LP,
as Parent,

THE FINANCIAL INSTITUTIONS PARTY HERETO AS LENDERS

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Collateral Agent and an Issuing Lender

JPMORGAN CHASE BANK, N.A.,
RBC CAPITAL MARKETS[1] and
BARCLAYS BANK PLC
as Joint Lead Arrangers

and

JPMORGAN CHASE BANK, N.A.,
RBC CAPITAL MARKETS and
BARCLAYS BANK PLC
as Joint Bookrunners

CREDIT AGREEMENT

[1] RBC Capital Markets is a brand name for the capital markets business of Royal Bank of Canada and its affiliates.

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CREDIT AGREEMENT, dated as of February 4, 2021 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time after the date hereof, this "***Agreement***"), among **NGL ENERGY OPERATING LLC**, a Delaware limited liability company (the "***Company***"), **NGL ENERGY PARTNERS LP**, a Delaware limited partnership (the "***Parent***"), the several Lenders from time to time parties hereto, and **JPMORGAN CHASE BANK, N.A.**, as administrative agent for the Lenders and as Collateral Agent (as defined below).

WHEREAS, the Company has requested that the Lenders provide asset-based loans and commitments to the Company in an aggregate amount of $600,000,000 as of the Second Amendment Effective Date;

NOW THEREFORE, in consideration of these premises and for other good and valuable consideration, effective as of the Closing Date (as defined below), the parties do hereby agree as follows:

1. DEFINITIONS

1.1 UCC Definitions

The following terms which are defined in the UCC and/or the PPSA (each as defined below) are used herein as so defined: Account, Chattel Paper, Commercial Tort Claim, Commodity Account, Deposit Account, Document (which shall include Document of Title, as defined in the PPSA), Equipment, General Intangible (which shall include Intangibles, as defined in the PPSA), Goods, Instrument, Inventory, Investment Property, Letter of Credit, Letter-of-Credit Rights, Record, Securities Account and Supporting Obligations; **provided** that, if such terms are defined both in the UCC and the PPSA, in respect of the Canadian Credit Parties, such terms shall have the meaning ascribed to them in the PPSA. Other terms defined in the UCC or the PPSA which are not otherwise defined in this Agreement or in any other Credit Document, as applicable, are used herein and/or therein as defined in the UCC or the PPSA, as the context requires.

1.2 Defined Terms

As used in this Agreement, the following terms have the following meanings:

"***ABL Priority Collateral***" has the meaning set forth in the Intercreditor Agreement.

"***ABR***" means, for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day *plus* ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) *plus* 1.00%; **provided** that, for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 A.M. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 5.17, then the ABR shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the ABR shall be less than 1.50%, such rate shall be deemed to be 1.50% for purposes of this Agreement.

"***ABR Loans***" means Loans bearing interest based upon the ABR.

"***Account Debtor***" means each Person obligated on an Account.

"***Adjusted Daily Simple SOFR***" means an interest rate per annum equal to (a) the Daily Simple SOFR, *plus* (b) 0.10%; **provided** that if Adjusted Daily Simple SOFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"***Adjusted Term SOFR Rate***" means, for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, *plus* (b) 0.10%; **provided** that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for purposes of this Agreement.

"***Adjustment Date***" has the meaning specified in the definition of "Applicable Margin".

"***Administrative Agent***" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under any of the Credit Documents, or any permitted successor administrative agent.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"***Affected Financial Institution***" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"***Affiliate***" of any Person means any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person,. For purposes of this definition, ***control*** of a Person shall mean the power, direct or indirect, either (i) to vote 10% or more of the securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"***Agent-Related Person***" has the meaning assigned to it in Section 12.5(d).

"***Agents***" means a collective reference to the Administrative Agent and the Collateral Agent.

"***Aggregate Revolving Credit Extensions of Credit***" means, at any particular time, the sum of (i) the aggregate then outstanding principal amount of the Revolving Credit Loans, (ii) the aggregate amount then available to be drawn under all outstanding Letters of Credit and (iii) the aggregate amount of all Revolving L/C Obligations.

"***Agreement***" has the meaning specified in the preamble hereof.

"***Ancillary Document***" has the meaning assigned to it in Section 12.8(b).

"***Anti-Corruption Laws***" means all laws, rules, ordinances and regulations of any jurisdiction applicable to the Parent, the Company or any of its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

"***Applicable Level***" means each level under the column titled "Applicable Level" within the definition of "Applicable Margin".

"***Applicable Margin***" means the percentage determined in accordance with the following pricing grid, **provided** that for each day during the period from the Closing Date to and including the date at the end of the first two full fiscal quarters following the Closing Date, the rate *per annum* shall be the rate set forth in Applicable Level III, and thereafter, the rate *per annum* for the relevant Type of such Loan shall be the rate set forth below opposite the Applicable Level as calculated on each Adjustment Date:

Applicable Level	Fixed Charge Coverage Ratio	ABR (for ABR Loans)	Term Benchmark and RFR (for Term Benchmark Loans and RFR Loans)
I	≥ 1.75 to 1.00	1.50%	2.50%
II	≥ 1.50 to 1.00 but < 1.75 to 1.00	1.75%	2.75%
III	< 1.50 to 1.00	2.00%	3.00%

The Applicable Margin shall be determined in accordance with the foregoing grid as of the end of each fiscal quarter of the Company based upon the Fixed Charge Coverage Ratio as calculated in the Compliance Certificate delivered with the most recent annual or quarterly financial statements of the Company pursuant to Section 8.2(b), with any changes to the Applicable Margin resulting from changes in the Fixed Charge Coverage Ratio to be effective on the first day after such fiscal quarter end (the "***Adjustment Date***"); **provided**, **however**, that:

(i) in the event that the Compliance Certificate referred to in Section 8.2(b) is not delivered when due, then during the period from the date upon which such Compliance Certificate was required to be delivered, until the date upon which the Compliance Certificate is actually delivered, the Applicable Level shall be Applicable Level III;

(ii) in the event the financial statements or Compliance Certificate referred to in Section 8.2(b) are proven to have been incorrect and the Applicable Level would have been higher than the Applicable Level actually applied, then the Applicable Level for the relevant period shall be adjusted retroactively to reflect the level which would have applied for such period based on the corrected financial statements or Compliance Certificate, and any additional interest owing as a result of such readjustment shall be payable within one (1) Business Day after the Company receives notice that such additional interest is due; and

(iii) at all times during which a Default or an Event of Default shall have occurred and is continuing, the Applicable Level shall be Applicable Level III.

"***Applicable Parties***" has the meaning assigned to it in Section 11.3(c).

"***Approved Electronic Platform***" has the meaning assigned to it in Section 11.3(a).

"***Approved Fund***" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) a Lender Affiliate or (c) an entity or an affiliate of an entity that administers or manages a Lender.

"***Asset Sale***" means any sale, sale-leaseback, assignment, conveyance, transfer or other disposition by the Parent, the Company or any Restricted Subsidiary of any of its property or assets, including the stock of any Restricted Subsidiary.

"***Asset Sale Reserve Account***" shall have the meaning assigned to such term in the Pledge and Security Agreement.

"***Asset Sale Reserve Period***" has the meaning assigned to it in Section 5.6(c).

"***Assignment and Assumption***" means an Assignment and Assumption substantially in the form of Exhibit A hereto or any other form (including electronic records generated by the use of an electronic platform) accepted by the Administrative Agent in its sole discretion.

"***Attached RIN***" means a RIN generated in accordance with RFS that is associated with a specific gallon of biofuel.

"***Auto-Extension Letter of Credit***" has the meaning assigned to it in Section 2.3(c).

"***Availability***" means, at any time, an amount equal to (a) the Line Cap at such time, *minus* (b) the sum of the aggregate outstanding amount of borrowings under the Revolving Credit Facility *plus* the undrawn amount of outstanding Letters of Credit under the Revolving Credit Facility.

"***Availability Trigger***" means Availability is less than the greater of (i) $50,000,000 and (ii) 12.5% of the Line Cap.

"***Available Revolving Credit Commitment***" means, as to any Lender, at a particular time, an amount equal to the excess, if any, of (i) the amount of such Lender's Revolving Credit Commitment at such time less (ii) the sum of (A) the aggregate then outstanding principal amount of all Revolving Credit Loans made by such Lender pursuant to Section 2.1, (B) such Lender's L/C Participating Interest in the aggregate amount then available to be drawn under all outstanding Letters of Credit, (C) such Lender's Revolving Credit Commitment Percentage of the aggregate amount of all Revolving L/C Obligations, (D) such Lender's Revolving Credit Commitment Percentage of the aggregate then outstanding principal amount at such time of all Protective Advances and (E) such Lender's Revolving Credit Commitment Percentage of the aggregate Swingline Exposure; collectively, as to all the Lenders, the "***Available Revolving Credit Commitments***."

"***Available Tenor***" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (f) of Section 5.17.

"***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of any Affected Financial Institution.

"***Bail-In Legislation***" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"***Bankruptcy Event***" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, interim receiver, monitor, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; **provided** that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets, or permits such

Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"***Benchmark***" means, initially, with respect to any (a) RFR Loan, the Daily Simple SOFR or (b) Term Benchmark Loan, the Term SOFR Rate; **provided** that if a Benchmark Transition Event and the related Benchmark Replacement Date have occurred with respect to the Daily Simple SOFR or the Term SOFR Rate, as applicable, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 5.17.

"***Benchmark Replacement***" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the Adjusted Daily Simple SOFR;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Company as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Credit Documents.

"***Benchmark Replacement Adjustment***" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Company for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

"***Benchmark Replacement Conforming Changes***" means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of "ABR," the definition of "Business Day," the definition of "U.S. Government Securities Business Day", the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

"***Benchmark Replacement Date***" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; **provided**, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, **provided** that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2 a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; **provided** that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Unavailability Period***" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 5.17 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 5.17.

"***Beneficial Ownership Certification***" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means 31 C.F.R. § 1010.230.

"***Benefit Plan***" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"***BHC Act Affiliate***" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"***Board***" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"***Borrowing Base***" means, at any time, an amount equal to the sum of the following:

(i) 100% of each Credit Party's Eligible Cash Collateral (subject to an aggregate cap of $25,000,000 at any time and excluding, for the avoidance of doubt, any cash or Cash Equivalents contained in the Material Debt Reserve Account), *plus*

(ii) 90% of each Credit Party's Eligible IG Accounts, *plus*

(iii) 90% of each Credit Party's Net Liquidating Value in Eligible Futures Accounts (subject to an aggregate cap of $25,000,000 at any time); *plus*

(iv) 85% of each Credit Party's Eligible Non-IG Accounts, *plus*

(v) 80% of the Market Value of Eligible Inventory (other than Eligible Railcar Inventory) at such time, *plus*

(vi) 80% of the Market Value of Eligible Railcar Inventory at such time (subject to an aggregate cap of $25,000,000 at any time), *plus*

(vii) Subject to an aggregate cap of $50,000,000, 80% of the difference between (A) the amount available to be drawn under all Product Inventory Letters of Credit and (B) the aggregate outstanding amounts payable by the Credit Parties to the transporters or suppliers of Product Inventory that could be drawn under all Product Inventory Letters of Credit, *minus*

(viii) Reserves.

The Administrative Agent may, in its Permitted Discretion, establish, modify or eliminate Reserves in accordance with the definition of Reserves, with any such changes to be effective three (3) Business Days after delivery of notice thereof to the Company and the Lenders; **provided** that the Company may not obtain any new Revolving Credit Loans or Letters of Credit to the extent that such Revolving Credit Loan or Letter of Credit would cause the Aggregate Revolving Credit Extensions of Credit to exceed the Line Cap after giving effect to the establishment, modification or elimination of such Reserve as set forth in such notice. The Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to and in accordance with Section 8.2(f).

"***Borrowing Base Availability***" means, as of any date of determination, the amount by which the Borrowing Base then in effect exceeds the Aggregate Revolving Credit Extensions of Credit.

"***Borrowing Base Certificate***" means a certificate by a Responsible Officer of the Company, substantially in the form of Exhibit B (or such other form as may be agreed between the Company and the Administrative Agent) setting forth the calculation of the Borrowing Base, including a calculation of each component thereof (including, to the extent the Company has received notice of any such Reserve from the Administrative Agent, any of the Reserves required to be maintained for purposes of calculation of the Borrowing Base), all in such detail as shall be satisfactory to the Administrative Agent in its Permitted Discretion. All calculations of the Borrowing Base in connection with the preparation of any Borrowing Base Certificate shall be made by the Company and certified to the Administrative Agent.

"***Borrowing Base Certification Date***" means each date on which a Borrowing Base Certificate is delivered to the Administrative Agent pursuant to Section 8.2(f).

"***Borrowing Date***" means any Business Day specified in a notice pursuant to (i) Section 5.1 as a date on which the Company requests the Lenders to make Revolving Credit Loans or Incremental Revolving Credit Loans hereunder or (ii) Section 2.5 as a date on which the Company requests the Issuing Lender to issue a Letter of Credit hereunder.

"***Burdensome Restrictions***" means any consensual encumbrance or restriction of the type described in clause (a) or (b) of Section 9.14.

"***Business Day***" means any day (other than a Saturday or a Sunday) on which commercial banks in New York City are authorized or required by law to remain opened; **provided** that, in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings of such RFR Loan, any such day that is only an U.S. Government Securities Business Day.

"***Canadian Blocked Person***" means any Person that is a "designated person", "politically exposed foreign person" or "terrorist group" as described in any applicable Canadian laws, regulations or orders governing transactions in controlled goods or technologies or dealings with countries, entities, organizations, or individuals subject to economic sanctions and similar measures, including the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Freezing Assets of Corrupt Foreign Officials Act* (Canada), Part II.1 of the *Criminal Code* (Canada) and the *Export and Import Permits Act* (Canada), and any related regulations.

"***Canadian Credit Party***" means any Subsidiary of the Company which is organized under the laws of Canada or any province or territory thereof that the Company shall elect to add as a Guarantor in its discretion.

"***Canadian Defined Benefit Plan***" means a Canadian Pension Plan, which contains a "defined benefit provision," as defined in subsection 147.1(1) of the *Income Tax Act* (Canada).

"***Canadian Pension Event***" means (a) the filing of a notice of intent to terminate in whole or in part a Canadian Defined Benefit Plan or the treatment of a Canadian Defined Benefit Plan amendment as a termination or partial termination, where the wind-up valuation of such Canadian Defined Benefit Plan's liabilities would, or could reasonably be expected to, exceed the wind-up valuation of such Canadian Defined Benefit Plan's assets; (c) the institution of proceedings by any Governmental Authority to terminate in whole or in part a Canadian Defined Benefit Plan, where the wind-up valuation of such Canadian Defined Benefit Plan's liabilities would, or could reasonably be expected to, exceed the wind-up valuation of such Canadian Defined Benefit Plan's assets; (d) the institution of proceedings by any Governmental Authority to have a trustee appointed to administer a Canadian Defined Benefit Plan; or (d) any other event or condition which might constitute grounds for the termination of, winding up or partial termination of winding up or the appointment of trustee to administer, any Canadian Defined Benefit Plan, a Canadian Defined Benefit Plan amendment as a termination or partial termination, where the wind-up valuation of such Canadian Defined Benefit Plan's liabilities would, or could reasonably be expected to, exceed the wind-up valuation of such Canadian Defined Benefit Plan's assets.

"***Canadian Pension Plan***" means a pension plan that is covered by the applicable pension standards laws of any jurisdiction in Canada including the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada) and that is maintained or sponsored by a Credit Party for employees.

"***Canadian Pledge and Security Agreement***" means the Pledge and Security Agreement dated as of the date hereof, among the Canadian Credit Parties from time to time party thereto and the Collateral Agent for the ratable benefit of the Secured Parties, a copy of which is attached as Exhibit C-1 hereto, as the same may be amended, modified or supplemented in accordance with its terms from time to time.

"***Canadian Priority Payable Reserve***" means reserves established by the Administrative Agent in its Permitted Discretion in respect of (but without duplication of any other Reserve): (a) amounts past due and owing or in respect of which any Canadian Credit Party has an obligation to remit to a Governmental Authority or other Person pursuant to any applicable law, rule or regulation, with respect to (i) goods and services taxes, sales taxes, employee income taxes, municipal taxes and other taxes payable or to be remitted or withheld; (ii) workers' compensation or employment insurance; (iii) vacation or holiday pay; and (iv) other like charges and demands, in each case, to the extent that any Governmental Authority or other Person may claim a Lien, trust or other claim or Lien ranking or which would reasonably be expected to rank in priority to or *pari passu* with one or more of the Liens granted in the other Credit Documents; and (b) the aggregate amount of any other liabilities of any Canadian Loan Party (i) in respect of which a trust or deemed trust has been imposed or may reasonably be likely to be imposed on any Collateral to provide for payment, (ii) in respect of rights or claims of suppliers under section 81.1 of the *Bankruptcy and Insolvency Act* (Canada); (iii) in respect of pension fund obligations, including in respect of unpaid or unremitted pension plan contributions, amounts representing any unfunded liability, solvency deficiency or wind-up deficiency whether or not due with respect to a Canadian Pension Plan (including "normal cost", "special payments" and any other payments in respect of any funding deficiency or shortfall), (iv) which are secured by a Lien, right, right or claim on any Collateral (including, without limitation, in respect of wages, salaries, commissions, vacation pay, or other compensation or amounts (including severance pay) payable under the *Wage Earner Protection Program Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), in each case to the extent that, pursuant to any Applicable Law, such Lien, trust, right or claim ranks or, in the Permitted Discretion of the Agent, could reasonably be expected to rank in priority to or *pari passu* with one or more of the Liens granted in the Credit Documents.

"***Capital Expenditures***" means, for any period, without duplication, all amounts or commitments to expend money for any purchase or acquisition of assets that would, in accordance with GAAP, be classified as additions to property, plant and equipment and other capital expenditures of the Credit Parties for such period.

"***Capital Lease***" means, of any Person, any lease of (or other arrangement conveying the right to use) property (whether real, personal or mixed) by such Person as lessee which would, in accordance with GAAP, be required to be accounted for as a financing lease on the balance sheet of such Person.

"***Cash Collateral Account***" means a special cash collateral account pledged to the Administrative Agent containing cash deposited pursuant to the terms hereof to be maintained with the Administrative Agent.

"***Cash Collateralize***" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Lender and the Lenders, as collateral for the Revolving L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance satisfactory to the Administrative Agent and the Issuing Lender.

"***Cash Dominion Event***" means any time that (a) an Availability Trigger shall have occurred or (b) an Event of Default has occurred and is continuing. Once commenced, a Cash Dominion Event shall be deemed to be continuing until such time as (x) no Event of Default is continuing and (y) if such Cash Dominion Event resulted from an event specified in the preceding clause (a), Availability equals or exceeds for thirty (30) consecutive days the greater of (1) $50,000,000 and (2) 12.5% of the Line Cap then in effect.

"***Cash Equivalents***" means (i) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof having maturities of no more than one year from the date of acquisition, (ii) certificates of deposit and SOFR time deposits with maturities of one year or less from the date of acquisition and overnight bank deposits of any Lender or of any commercial bank with commercial paper rated, on the day of such purchase, at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's, (iii) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clauses (i) and (ii) entered into with any financial institution meeting the qualifications specified in clause (ii) above, (iv) commercial paper issued by any Lender, the parent corporation of any Lender or any Subsidiary of such Lender's parent corporation, and commercial paper rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's and in each case maturing within one year after the date of acquisition thereof, (v) money market funds that (A) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (B) are rated AA by S&P and Aa by Moody's and (C) have portfolio assets of at least $5,000,000,000 and (vi) money market funds existing on the Closing Date that are listed on Schedule 1B and (vii) in the case of Canadian Foreign Subsidiaries, investments that are substantially equivalent to the foregoing investments described in clauses (i) through (v) above that are available in Canadian Dollars.

"***Cash Management Agreement***" means any agreement to provide cash management services, including treasury, depository, overdraft, credit, purchasing or debit card, electronic funds transfer and other cash management arrangements.

"***Cash Management Bank***" means (a) any Person that, at the time it enters into a Cash Management Agreement or on the Closing Date, is a Lender or a Lead Arranger or an Affiliate of a Lender or a Lead Arranger, in its capacity as a party to such Cash Management Agreement and (b) Bank of America, N.A. so long as Cash Management Obligations described under clause (b) of the definition thereof are outstanding.

"***Cash Management Obligation***" means, (a) as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person owing to a Cash Management Bank under or in respect of a Cash Management Agreement and (b) as applied to any Credit Party, any direct or indirect liability, contingent or otherwise, of such Person owing to Bank of America, N.A. under that certain Authorization and Agreement for Treasury Services, dated as of March 8, 2016; **provided**, that such liability referred to in this clause (b) shall cease to be a "Cash Management Obligation" hereunder on the date that is the earlier of (i) the date that the corresponding liability is established with a Lender pursuant to Section 8.14 and (ii) the termination of such Authorization and Agreement for Treasury Services.

"***CFC***" means a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"***CFC Holdco***" means any direct or indirect Domestic Subsidiary (a) substantially all of the assets of which consist of the equity of one or more CFCs or (b) that is treated as a disregarded entity for U.S. federal income tax purposes that has no material assets other than equity of one or more CFCs.

"***Change in Law***" means, with respect to any Lender, the adoption of any law, treaty, rule, regulation, policy, guideline or directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any Governmental Authority, including, without limitation, the issuance of any final rule, regulation or guideline by any regulatory agency having jurisdiction over such Lender or, in the case of Section 5.12(b) or 5.20(b), any corporation controlling such Lender, in each case, after the date such Lender becomes a party to this Agreement; **provided**, **however**, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"***Change of Control***" means the occurrence of any of the following events: (a) Parent fails to directly or indirectly own and control beneficially and of record (free and clear of all Liens other than Liens permitted under Section 9.3) the percentage of the Equity Interests of each Credit Party as set forth in Schedule 6.11 (other than as a result of a disposition permitted under Section 9.6); (b) the General Partner shall fail to directly own and control beneficially and of record (free and clear of all Liens other than Liens permitted under Section 9.3) 100% of the general partner interests of the Parent; (c) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and any Permitted Holder) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "***option right***"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 35% or more of the voting Equity Interests of the General Partner on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (d) a majority of the members of the board of managers or other equivalent governing body of the General Partner (excluding vacant seats) cease to be Continuing Members.

"***Closing Date***" means the date on which the conditions specified in Section 7.1 are satisfied (or waived in accordance with Section 12.1).

"***Closing Date Collateral Vessel***" means the Vessels listed on Schedule 1E.

"***CME Term SOFR Administrator***" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or successor administrator).

"***Code***" means the Internal Revenue Code of 1986, as amended from time to time.

"***Collateral***" means all of the "Collateral" referred to in the Collateral Documents and all of the other property and other assets of any Credit Party now existing or hereafter acquired, that is at any time required under the terms hereof or of any of the Collateral Documents to be subject to Liens in favor of the Collateral Agent for the benefit of the Secured Parties.

"***Collateral Access Agreement***" has the meaning assigned to such term in the Pledge and Security Agreement.

"***Collateral Agent***" means JPMorgan Chase Bank, N.A. in its capacity as collateral agent and/or security trustee (as applicable) for the Secured Parties and its successors and assigns in such capacity (or such of its Affiliates as it may designate from time to time).

"***Collateral Documents***" means, collectively, the Pledge and Security Agreement, the Canadian Pledge and Security Agreement, each Mortgage, each Leasehold Mortgage, each Collateral Vessel Mortgage, any additional pledges, security agreements, deeds of hypothec or mortgages that create or purport to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties and any instruments of assignment, Control Agreements, lockbox letters or other instruments or agreements executed pursuant to the foregoing.

"***Collateral Vessel***" means, as of the Closing Date, each Closing Date Collateral Vessel, and thereafter, each Vessel owned by any Credit Party that becomes a Collateral Vessel in accordance with Section 8.10(f) and is subject to a Collateral Vessel Mortgage.

"***Collateral Vessel Mortgage***" means a vessel mortgage, in a form to be reasonably agreed between the Company and the Administrative Agent, including any Credit Party and the Collateral Agent, as the same may be amended, modified or supplemented from time to time.

"***Collection Account***" shall have the meaning assigned to such term in the Pledge and Security Agreement.

"***Commitment Fee***" has the meaning specified in Section 5.9(a).

"***Commitment Percentage***" means, with respect to any Lender, the Revolving Credit Commitment Percentage of such Lender.

"***Commitments***" means the collective reference to the Revolving Credit Commitments and the Revolving Credit Commitments Increases, if any (individually, a "***Commitment***"). On the Second Amendment Effective Date, the aggregate amount of the Revolving Credit Commitments is $600,000,000. The aggregate amount of all Revolving Credit Commitments Increases shall not exceed (a) $100,000,000 after the Second Amendment Effective Date and prior to the date on which the Commitments are reduced to an amount that is no greater than $500,000,000 pursuant to Section 8.21 and (b) $200,000,000 after the date on which the Commitments are reduced to an amount that is no greater than $500,000,000 pursuant to Section 8.21.

"***Communications***" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Credit Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Lender by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

"***Company***" has the meaning specified in the preamble hereof.

"***Company Materials***" has the meaning specified in Section 8.2.

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Consolidated Cash Interest Expense***" means, for any period, the amount of Consolidated Interest Expense paid or required to be paid in cash by Credit Parties during such period.

"***Consolidated EBITDA***" means, for any period for the Credit Parties, the sum of:

(i) Consolidated Net Income for such period; *plus*

(ii) without duplication, those amounts which, in the determination of Consolidated Net Income for such period, have been deducted for:

(A) Consolidated Interest Expense;

(B) provisions for taxes based on income and profits (including state franchise taxes accounted for as income taxes in accordance with GAAP);

(C) depreciation, depletion, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), abandonment, impairment and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period);

(D) all extraordinary, unusual or non-recurring expenses, including expenses related to the fair market value of contingent consideration costs and expenses relating to payment of actual legal proceedings, settlements, judgments, orders or decrees, to the extent reasonably acceptable to the Administrative Agent; provided that the aggregate amount of such expenses that may be added back to Consolidated EBITDA in any Measurement Period pursuant to this clause (ii)(D), clause (ii)(F)(II) and clause (ii)(G) shall not exceed in the aggregate $25,000,000;

(E) any net loss realized by the Credit Parties in connection with an Asset Sale (together with any related provision for taxes);

(F) any (x) charges, losses and expenses, and (y) prepayment premiums, breakage costs and SOFR indemnities, redeployment costs or funding costs, with respect to each of clause (x) and clause (y) incurred by the Credit Parties as a result of, or in connection with, (I) this Agreement and the transactions contemplated hereto, including the issuance of the Secured 2026 Notes and the repayment of the obligations owing under the Existing Revolving Credit Agreement and the Existing Term Loan Credit Agreement, and (II) any issuance, incurrence, refinancing, redemption, repayment or prepayment of any other Indebtedness, to the extent permitted under this Agreement; **provided** that the aggregate amount of such expenses that may be added back to Consolidated EBITDA in any Measurement Period pursuant to this clause (ii)(F)(II), clause (ii)(D) and clause (ii)(G) shall not in the aggregate exceed $25,000,000; and

(G) any (x) charges, costs and expenses and (y) all cash and non-cash restructuring and integration charges, costs and expenses, in each case incurred by the Parent or any of its Restricted Subsidiaries as a result of any issuance of Equity Interests or any proposed or actual acquisitions, investments, asset sales or divestitures permitted hereunder and costs of reporting and compliance requirements pursuant to the Sarbanes-Oxley Act of 2002 and under similar legislation of any other jurisdiction; and, in the case of items described in sub-clause (y), which are factually supportable, identifiable and documents and which are reasonably acceptable to the Administrative Agent; **provided** that the aggregate amount of such expenses that may be added back to Consolidated EBITDA in any Measurement Period pursuant to this clause (ii)(G), clause (ii)(D) and clause (ii)(F)(II) shall not in the aggregate exceed $25,000,000; *minus*

(iii) (A) any amount which, in the determination of Consolidated Net Income for such period, has been added for any extraordinary or unusual gains and any non-cash income or non-cash gains (other than the accrual of revenue in the ordinary course of business), all as determined in accordance with GAAP *plus* (B) any net gain realized by the Credit Parties in connection with an Asset Sale (together with any related provision for taxes); *minus*

(iv) the aggregate amount of cash payments made during such period in respect of any non-cash accrual, reserve or other non-cash charge or expense accounted for in a prior period which were added to Consolidated Net Income to determine Consolidated EBITDA for such prior period and which do not otherwise reduce Consolidated Net Income for the current period.

Consolidated EBITDA for any Measurement Period pursuant to any determination of the Fixed Charge Coverage Ratio, shall be calculated on a pro-forma basis after giving effect to, without duplication, any Material Business Expansion Project, Permitted Acquisition with respect to which any Credit Party provided more than $50,000,000 of consideration or Material Asset Sale, as the case may be, and as if, such Material Business Expansion Project, Permitted Acquisition or Material Asset Sale occurred or was completed on the first day of the Measurement Period; **provided** that with regard to each Material Business Expansion Project such pro forma adjustment (x) shall be based upon forecasted income that is derived from binding, non-contingent contracts (the determination of which is acceptable to the Administrative Agent in its discretion), less appropriate direct and indirect costs to realize such income and (y) when aggregated with all pro-forma adjustments attributable

to Material Business Expansion Projects shall not exceed 15.0%, of the Consolidated EBITDA reflected in the most recently delivered Compliance Certificate, net of any actual Consolidated EBITDA realized from such Material Business Expansion Projects and without giving effect to increases in such Consolidated EBITDA arising from such Material Business Expansion Projects for such pro forma period; **provided** further that any such pro-forma adjustments to Consolidated EBITDA shall be reasonably acceptable to the Administrative Agent.

"***Consolidated Interest Expense***" means, for any period the amount of interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest expense in accordance with GAAP, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Contracts in respect of interest rates, for such period minus the net amount receivable under Swap Contracts in respect of interest rates; **provided** that, for purposes of calculating Consolidated Interest Expense for any period for determining the Fixed Charge Coverage Ratio, if during such period (or in the case of pro-forma calculations, during the period from the last day of such period to and including the date as of which such calculation is made) a Credit Party shall have incurred or repaid Material Indebtedness (other than any Loans), then Consolidated Interest Expense for such period shall be calculated after giving effect thereto on a pro-forma basis.

"***Consolidated Net Income***" means, for any period, the net income (or net loss) after taxes of the Credit Parties for such period, determined on a consolidated basis in accordance with GAAP; **provided** that:

(a) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of the Parent or its consolidated Restricted Subsidiaries (including pursuant to any sale or leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business and any gain (loss) realized upon the sale or other disposition of any Equity Interests of the Parent or any of its Restricted Subsidiaries will be excluded;

(b) the net income (but not loss) of any Person that is not the Parent or a Restricted Subsidiary of the Parent or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the Parent or a Restricted Subsidiary of Parent;

(c) the net income (but not loss) of any Restricted Subsidiary of the Parent that is not a Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, partners or members;

(d) any unrealized losses and gains for such period under derivative instruments included in the determination of Consolidated Net Income, including, without limitation, those resulting from the application of FASB ASC 815, will be excluded;

(e) all non-cash equity-based compensation expense, including all non-cash charges related to restricted Equity Interests and redeemable Equity Interests granted to officers, directors and employees, will be excluded;

(f) any charges associated with any write-down, amortization or impairment of goodwill or other tangible or intangible assets will be excluded; and

(g) any non-cash or other charges relating to any premium or penalty paid, write off of deferred financing costs or other financial recapitalization charges in connection with redeeming or retiring any Indebtedness prior to its stated maturity (including, without limitation, premiums or penalties paid to counterparties in connection with the breakage, termination or unwinding of Swap Obligations) will be excluded.

"***Consolidated Total Assets***" means, at any date, the total consolidated assets of the Credit Parties determined on a consolidated basis in accordance with GAAP (and excluding all intercompany items) as of the date of the most recent financial statements delivered in accordance with Section 8.1(a) or 8.1(b) of this Agreement.

"***Contingent Obligation***" means, as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness ("***primary obligations***") of any other Person (the "***primary obligor***") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation

against loss in respect thereof; **provided**, **however**, that the term "***Contingent Obligation***" shall not include (x) endorsements of instruments for deposit or collection in the ordinary course of business and (y) any obligation resulting from the existence of deferred revenue, including customer deposits. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount (based on the maximum reasonably anticipated net liability in respect thereof as determined by the Company in good faith) of the primary obligation or portion thereof in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated net liability in respect thereof (assuming such Person is required to perform thereunder) as determined by the Company in good faith.

"***Continuing Member***" means (a) individuals who on the Closing Date constituted the board of managers or other equivalent governing body of the General Partner and (b) any new members of the board of managers or other equivalent governing body of the General Partner whose election or whose nomination for election by the holders of the Equity Interests of the General Partner was approved by at least a majority of the members then still in office (or a duly constituted committee thereof) either who were members on the Closing Date or whose election or nomination for election was previously so approved.

"***Contractual Obligation***" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of the property owned by it is bound.

"***Control Agreement***" means an account control agreement (or similar agreement), in form and substance acceptable to the Administrative Agent, executed by the applicable Credit Party, the Administrative Agent, the Collateral Agent and the relevant bank, securities intermediary or commodity intermediary, as applicable, party thereto. Such agreement shall provide a first priority perfected Lien in favor of the Collateral Agent, for the benefit of the Secured Parties, in the applicable Credit Party's Deposit Account, Securities Account or Commodity Account, as applicable; **provided** any such agreement delivered in respect of a Securities Account or Commodity Account that is an Eligible Futures Account shall not be required to provide a first priority perfected Lien in favor of the Collateral Agent, for the benefit of the Secured Parties, to the extent of Brokerage Account Deducts.

"***Controlled Account***" means a Deposit Account, Securities Account or Commodity Account that is subject to a Control Agreement.

"***Corresponding Tenor***" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"***Covered Entity***" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"***Covered Party***" has the meaning assigned to it in Section 12.18.

"***Credit Documents***" means the collective reference to this Agreement, the Notes, the Guaranty (including any guarantee or Credit Party Accession Agreement executed and delivered pursuant to Section 8.10 or 9.15 of this Agreement), the Collateral Documents, the Intercreditor Agreement, any Incremental Facility Amendment and any other document or instrument designated by the Company and the Administrative Agent as a "Credit Document". Any reference in this Agreement or any other Credit Document to a Credit Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, amendments and restatements, supplements or other modifications thereto.

"***Credit Parties***" means the collective reference to the Company and each Guarantor.

"***Credit Party Accession Agreement***" means an accession agreement, substantially in the form of Exhibit D hereto, executed and delivered by a Subsidiary after the Closing Date, in accordance with Section 8.10 or Section 9.15.

"***Crude Oil***" means liquid petroleum, regardless of gravity, produced at the well by ordinary production methods and which are not the result of condensation of gas before or after it leaves the reservoir.

"***Daily Simple SOFR***" means, for any day (a "***SOFR Rate Day***"), a rate per annum equal to SOFR for the day that is five (5) U.S. Government Securities Business Days prior to (a) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (b) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Company.

"***Debtor Relief Laws***" means the Bankruptcy Code of the United States, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding Up and Restructuring Act* (Canada) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States, Canada or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"***Default***" means any of the events specified in Article 10, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"***Default Right***" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"***Defaulting Lender***" means, subject to Section 5.24, any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Finance Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Finance Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request in writing by the Administrative Agent or any Issuing Lender, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, **provided** that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Finance Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has, or has a direct or indirect parent entity that has, after the date hereof, become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

"***Delaware Assets***" shall mean the fee-owned Material Real Property Assets that are part of the Delaware Pipeline.

"***Delaware Pipeline***" shall mean pipeline systems of the Credit Parties located in Lea County, New Mexico; Eddy County, New Mexico; Loving County, Texas and Reeves County, Texas.

"***Designated Cash Management Obligations***" means, as of any date, Cash Management Obligations that are Finance Obligations and that have been designated in writing by the Company in its sole discretion (or designated in the Borrowing Base Certificate most recently delivered on or prior to such date) or by any Lender to the Administrative Agent as "Designated Cash Management Obligations"; **provided** that in each case such designation shall not become effective until the third Business Day following the Administrative Agent's receipt of such designation (it being acknowledged and agreed that, unless so designated, no Reserve in respect of such Cash Management Obligation will be instituted or maintained). All Cash Management Obligations of the Administrative Agent and its Affiliates that are Finance Obligations will be deemed to be "Designated Cash Management Obligations" without the need of further notice. The Company agrees that it shall not designate any Cash Management Obligations under clause (b) of the definition thereof as Designated Cash Management Obligations, and any such purported designation by the Company shall be null and void (and no Reserves shall be established in respect of such Cash Management Obligations in any event).

"***Designated Swap Obligations***" means, as of any date, Swap Obligations that are Finance Obligations and that have been designated in writing by the Company in its sole discretion (or designated in the Borrowing Base Certificate most recently delivered on or prior to such date) to the Administrative Agent as "Designated Swap Obligations"; **provided** that in each case such designation shall not become effective until the third Business Day following the Administrative Agent's receipt of such designation (it being acknowledged and agreed that, unless so designated, no Reserve in respect of such Swap Obligation will be instituted or maintained).

"***Designated Value***" means, with respect to any Real Property, the book value of such Real Property, together with the book value of all fixtures appurtenant thereto and all improvements thereon.

"***Detached RIN***" means a RIN generated in accordance with RFS that is no longer associated with a specific gallon of biofuel to the extent such separation has occurred as provided in 40 CFR 80.1429(b), or such successor rule or regulation that governs the separation of RINs from a volume of renewable fuel.

"***Disqualified Stock***" shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (i) except as set forth in the proviso hereto, matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment constituting a return of capital, or (ii) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (x) debt securities or (y) any Equity Interest referred to in clause (i) above, in each case of clauses (i) and (ii), at any time prior to the 91st day after the Scheduled Termination Date; **provided** that such Equity Interest may by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) become mandatorily redeemable or redeemable at the option of the holder thereof upon the occurrence of a change in control or Asset Sale subject to (1) payment in full in cash of all Obligations (other than Letters of Credit and contingent indemnification obligations not then due and owing) and (2) all Letters of Credit having been cancelled (unless the sum of sum of (A) the aggregate unpaid amount of Revolving L/C Obligations outstanding at the time of such request and (B) the maximum aggregate amount available to be drawn under all Letters of Credit outstanding at such time thereof has been Cash Collateralized in accordance with the terms of this Agreement or a backstop letter of credit reasonably satisfactory to the Issuing Lender has been provided); **provided**, **further**, that if such Equity Interest is issued to any current or former employee or to any plan for the benefit of employees, directors, officers, members of management or consultants of the Parent or its Restricted Subsidiaries or by any such plan to such employees, directors, officers, members or management or consultants, such Equity Interest shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Parent or its Restricted Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability.

"***Dollar Equivalent***" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in Canadian dollars, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the Issuing Lender, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with Canadian dollars.

"***Dollars***" and "***$***" mean dollars in lawful currency of the United States of America.

"***Domestic Subsidiary***" means any Subsidiary of the Company other than a Foreign Subsidiary.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Electronic Signature***" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

"***Eligible Account***" means, at any time, each Account of the Company or other Credit Party that is not ineligible for inclusion in the calculation of the Borrowing Base pursuant to any of clauses (a) through (y) below. Without limiting the Administrative Agent's discretion provided herein, Eligible Accounts shall not include any Account:

(a) which is not subject to a first priority perfected security interest in favor of the Collateral Agent;

(b) which is subject to any Lien other than (i) a Lien in favor of the Collateral Agent and (ii) a Lien permitted by clause (a), (b), (e), (n) or (p) of Section 9.3 (**provided** that such Liens shall not be prior to the Liens of the Collateral Agent unless a Reserve shall have been established for such Liens);

(c) (i) which is unpaid more than seventy-five (75) days after the date of the original invoice therefor or more than thirty (30) days after the original due date therefor, or (ii) which has been written off the books of the applicable Account Debtor or otherwise designated as uncollectible;

(d) which is owing by an Account Debtor for which more than 50% of the Accounts owing by such Account Debtor and its Affiliates are ineligible pursuant to clause (c) above;

(e) which is owing by (i) an Account Debtor with a rating of BBB- or higher by S&P or Baa3 or higher by Moody's (or if no such rating exists, the equivalent of such rating by any other nationally recognized securities rating agency) to the extent the aggregate amount of Accounts owing by such Account Debtor and its Affiliates to the Credit Parties that would be included as "Eligible Accounts" but for this clause (e)(i) exceeds 20% of the aggregate amount of all Eligible Accounts, to the extent of the obligations owing by such Account Debtor in excess of such percentage or (ii) an Account Debtor other than one described in clause (e)(i) to the extent the aggregate amount of Accounts owing by such Account Debtor and its Affiliates to the Credit Parties that would be included as "Eligible Accounts" but for this clause (e)(ii) exceeds 15% of the aggregate amount of all Eligible Accounts, to the extent of the obligations owing by such Account Debtor in excess of such percentage;

(f) with respect to which any covenant, representation or warranty contained in this Agreement or in the Collateral Documents has been breached or is not true in any material respect;

(g) which (i) does not arise from the sale of goods or performance of services in the ordinary course of business, (ii) is not evidenced by an invoice or other documentation in a form heretofore supplied to the Administrative Agent or its agent (or is otherwise satisfactory to the Administrative Agent) which has been sent to the Account Debtor (it being understood that the foregoing shall not be applicable in circumstances where the applicable Account Debtor has not received (or does not generally receive in the ordinary course of business) an invoice from a Credit Party requesting payment with respect to any such Account so long as (x) any such unbilled Account has been recorded in the books and records of such Credit Party, and (y) title to the underlying Inventory sold by such Credit Party has passed to the purchaser thereof), (iii) represents a progress billing, (iv) is contingent upon the Company's completion of any further performance, (v) represents a sale on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment, cash-on-delivery or any other repurchase or return basis or (vi) relates to the payment of interest;

(h) for which the goods giving rise to such Account have not been shipped to the Account Debtor or for which the services giving rise to such Account have not been performed by the applicable Credit Party;

(i) with respect to which any check or other instrument of payment has been returned uncollected for any reason;

(j) which is owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, interim receiver, monitor, custodian, trustee, or liquidator of its assets, (ii) had possession of all or a material part of its property taken by any receiver, interim receiver, monitor, custodian, trustee or liquidator, (iii) filed, or had filed against it, any assignment, application, request or petition for liquidation, reorganization, compromise, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case or proceeding under any state, provincial, territorial or federal bankruptcy laws (other than post-petition accounts payable of an Account Debtor that is a debtor-in-possession under a Bankruptcy Event and reasonably acceptable to the Administrative Agent), (iv) admitted in writing its inability, or is generally unable to, pay its debts as they become due, (v) become insolvent, or (vi) ceased operation of its business;

(k) which is owed by any Account Debtor which has sold all or substantially all of its assets;

(l) which is owed by an Account Debtor that fails to satisfy at least one of the following requirements: (i) it maintains its chief executive office in the U.S. or Canada or (ii) its jurisdiction of organization is in the U.S. or Canada;

(m) which is owed in any currency other than U.S. dollars or Canadian dollars.

(n) which is owed by (i) any Governmental Authority of any country other than the U.S. unless such Account is backed by a Letter of Credit acceptable to the Administrative Agent which is in the possession of, and is directly drawable by, the Administrative Agent (ii) any Governmental Authority of the U.S., or any department, agency, public corporation, or instrumentality thereof, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), and any other steps necessary to perfect the Lien of the Collateral Agent in such Account have been complied with, or (iii) any Governmental Authority of Canada, or any province, territory, department, agency, public corporation, or instrumentality thereof, unless the Financial Administration Act (Canada) or any provincial or territorial legislation of similar purpose and effect restricting the assignment of such Account and any other steps necessary to perfect the Lien of the Administrative Agent in such Account, have been complied with;

(o) which is owed by any Credit Party or any Affiliate of any Credit Party or any employee, officer, director, agent or stockholder of any Credit Party or any of its Affiliates;

(p) which is owed by an Account Debtor to which any Credit Party is indebted, but only to the extent of such indebtedness, or is subject to any security, deposit, progress payment, retainage or other similar advance made by or for the benefit of an Account Debtor, in each case to the extent thereof;

(q) which is subject to any counterclaim, deduction, defense, setoff or dispute, but only to the extent of any such counterclaim, deduction, defense, setoff or dispute;

(r) which is evidenced by any promissory note, Chattel Paper or Instrument unless all steps necessary to perfect the Lien of the Collateral Agent in such promissory note, Chattel Paper or Instrument have been complied with in a manner reasonably satisfactory to the Administrative Agent;

(s) which is owed by an Account Debtor (i) that to the knowledge of a Credit Party is located in any jurisdiction which requires filing of a "Notice of Business Activities Report" or other similar report in order to permit the applicable Credit Party to seek judicial enforcement in such jurisdiction of payment of such Account, unless the applicable Credit Party has filed such report or qualified to do business in such jurisdiction or (ii) which is a Sanctioned Person;

(t) with respect to which the applicable Credit Party has made any agreement with the Account Debtor for any reduction thereof, other than discounts and adjustments given in the ordinary course of business but only to the extent of any such reduction, or any Account which was partially paid and the Credit Party created a new receivable for the unpaid portion of such Account;

(u) which does not comply in all material respects with the requirements of all applicable laws and regulations, whether federal, state, provincial, territorial or local, including, without limitation, the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board;

(v) which is for goods that have been sold under a purchase order or pursuant to the terms of a contract or other agreement or understanding (written or oral) that indicates or purports that any Person (other than the applicable Credit Party) has or has had an ownership interest in such goods, or which indicates any party (other than the applicable Credit Party or the Collateral Agent) as payee or remittance party;

(w) which was created on cash on delivery terms;

(x) as to which the contract or agreement underlying such Account is governed by the laws of any jurisdiction other than (or, if no governing law is expressed therein, as to which, under applicable choice of law principles, such Account would not be governed by the laws of any of the United States, any state thereof or the District of Columbia or the federal laws of Canada or the laws of any province or territory of Canada.

"***Eligible Assignee***" means any Person that meets the requirements to be an assignee under Section 12.6 (subject to such consents, if any, as may be required thereunder).

"***Eligible Carrier***" means any of the carriers listed or described in Schedule 1C, as such Schedule 1C may be revised by the Company from time to time with the consent of the Administrative Agent, such consent not to be unreasonably withheld.

"***Eligible Cash Collateral***" means, as of any date of determination, any Dollars or Cash Equivalents of the Credit Parties (other than those of the type specified in clause (vii) of the definition thereof) that are (a) held in a segregated and fully-blocked Controlled Account with the Administrative Agent (i) from which funds cannot be withdrawn unless the requirements in Section 2.7 are satisfied and (ii) which exclusively contains such Eligible Cash Collateral and (b) not subject to Liens other than Liens in favor of the Administrative Agent for the benefit of the Secured Parties and Permitted Liens attaching by operation of law in favor of the applicable depository bank. For the avoidance of doubt, Eligible Cash Collateral does not include any amounts posted to Cash Collateralize Letters of Credit.

"***Eligible Detached RINs***" means, with respect to any RIN type at any time, the aggregate number of Detached RINs of such type owned by all Credit Parties at such time *less* the number of Detached RINs of such type that would be required to set off all renewable volume obligations of all Credit Parties under the RFS, if compliance with the renewable volume obligations under the RFS were required to be determined at such time.

"***Eligible Futures Accounts***" means at any time, a Commodity Account or Futures Account (as defined in the PPSA) of any Credit Party as of such date maintained with a reputable broker reasonably acceptable to the Administrative Agent (each, so long as such Person remains qualified as such pursuant to the next succeeding sentence, an "***Eligible Broker***") with respect to positions held by such Eligible Broker on a regulated exchange (including the New York Mercantile Exchange, the Intercontinental Commodities Exchange and CME ClearPort) that have been maintained at all times and in all respects in accordance with this Agreement (including for the avoidance of doubt, all transactions credited to such Commodity Account or related thereto) which such Commodity Account is subject to, at all times after the date that is sixty (60) days after the Closing Date, (i) a perfected first priority Lien, subject only to Liens permitted pursuant to Section 9.3 that are made superior to such first priority lien automatically by operation of law and any Lien of such Eligible Broker in connection with any Indebtedness of the Credit Party to such Eligible Broker permitted by the applicable Control Agreement (including, but not limited to, if permitted, any right of the Eligible Broker to close out open positions of such Company without prior demand for additional margin and without prior notice) (such amounts in a Commodity Account subject to the liens and close-out rights of the Eligible Broker set forth in this clause (i), the "***Brokerage Account Deducts***"), and (ii) a Control Agreement among the Collateral

Agent, such Credit Party holding such account and the Eligible Broker with which such account is maintained. For the avoidance of doubt, a broker may, at any time, cease to qualify as an "Eligible Broker" for all purposes hereunder upon two (2) Business Days' notice thereof by the Administrative Agent, acting in its reasonable discretion, to Company. The determination of the Net Liquidating Value in Eligible Futures Accounts shall include any discounted face value of any U.S. Treasury Securities held as of such date in such account that are zero coupon securities issued by the United States of America, *minus* any unearned interest on such U.S. Treasury Securities as of such date; **provided** that the maturity date thereof is within six (6) months of the relevant determination date; **provided**, **further**, that the Net Liquidating Value in Eligible Futures Accounts calculated shall be net of any Brokerage Account Deducts.

"***Eligible IG Account***" means an Eligible Account that are owned by an Account Debtor with a rating of BBB- or higher by S&P or Baa3 or higher by Moody's (or if no such rating exists, the equivalent of such rating by any other nationally recognized securities rating agency).

"***Eligible Inventory***" means all Product Inventory of the Credit Parties that is not ineligible for inclusion in the calculation of the Borrowing Base pursuant to any of clauses (a) through (t) below. Without limiting the Administrative Agent's discretion herein, Eligible Inventory shall not include any Product Inventory:

(a) which is not subject to a first priority perfected Lien in favor of the Collateral Agent, regardless of its location, under the Pledge and Security Agreement or the Canadian Pledge and Security Agreement;

(b) which is subject to any Lien other than (i) a Lien in favor of the Collateral Agent and (ii) a Lien permitted by clauses (a), (b), (f), (n), (p) and (u) of Section 9.3 (**provided** that such Liens shall not be prior to the Liens of the Collateral Agent unless a Reserve shall have been established for such Liens);

(c) [reserved];

(d) with respect to which any covenant, representation or warranty contained in this Agreement or in the Collateral Documents has been breached in any material respect and which does not conform in any material respect to any applicable standard applicable to the sale or use thereof imposed by any Governmental Authority;

(e) in which any Person other than any Credit Party shall (i) have any direct or indirect ownership, interest or title or (ii) be indicated on any purchase order or invoice with respect to such Inventory as having or purporting to have an interest therein;

(f) [reserved];

(g) (i) is not located in the U.S. or Canada or (ii) is in transit;

(h) which is located in any location leased by the applicable Credit Party unless (i) the lessor has delivered to the Administrative Agent a Collateral Access Agreement or (ii) a Reserve for rent, charges and other amounts due or to become due in the next three-month period with respect to such facility has been established;

(i) which is located in any third party warehouse or is in the possession of a bailee (other than a third party processor or an Eligible Carrier) and is not evidenced by a Document (other than bills of lading in respect of Inventory in transit pursuant to clause (g) above), unless (i) such warehouseman or bailee has delivered to the Administrative Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may require or (ii) a Reserve for charges for storage or transportation, insurance, labor and other similar expenses for which such warehouseman or bailee has a lien or a claim on the relevant Inventory has been established;

(j) which cannot be located;

(k) which is a discontinued product or component thereof;

(l) which is the subject of a consignment by a Credit Party as consignor;

(m) which is perishable;

(n) which contains or bears any intellectual property rights licensed to any Credit Party unless such Inventory may be sold or disposed of by the Credit Party or any Secured Party without (i) infringing the rights of such licensor, (ii) violating any contract with such licensor, or (iii) incurring any liability with respect to payment of royalties other than royalties incurred pursuant to the sale of such Inventory under the current licensing agreement;

(o) which is not reflected in a current perpetual inventory report (or such other inventory report acceptable to the Administrative Agent in its Permitted Discretion) of a Credit Party thereof (unless such Inventory is reflected in a report to the Administrative Agent as "in transit" Inventory);

(p) for which reclamation rights have been legally and validly asserted by the seller;

(q) [reserved];

(r) which has been acquired from a Sanctioned Person; or

(s) which in the case Inventory that is a RIN, is not Eligible RIN Inventory.

"***Eligible Non-IG Account***" means an Eligible Account that is not an Eligible IG Account.

"***Eligible Railcar Inventory***" means all Eligible Inventory of a Credit Party if such Eligible Inventory would qualify as Eligible Inventory except for any failure to satisfy clause (g) or (h) of the definition thereof that (i) has been delivered to an Eligible Carrier and either (A) a Credit Party has title to such Eligible Inventory or (B) such Credit Party has the absolute and unconditional right to obtain such Eligible Inventory from such Eligible Carrier and either (1) such Eligible Carrier has delivered to the Administrative Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may require or (2) a Reserve for charges for storage or transportation, insurance, labor and other similar expenses for which such Eligible Carrier has a Lien or a claim on the relevant Inventory has been established or (ii) is in transit in a railcar under the control and ownership of a Credit Party.

"***Eligible RIN Inventory***" means all Inventory of a Credit Party consisting of Eligible Detached RINs that satisfy the following requirements: such inventory (i) is owned by such Credit Party, (ii) subject to a first priority perfected security interest for the benefit of the Secured Parties consistent with the Pledge and Security Agreement, (iii) has an expiration date at least 31 days after the Borrowing Base Certification Date, and (iv) is valid for use in accordance with RFS.

"***Environmental Laws***" means any and all applicable federal, state, provincial, territorial, local or municipal Laws, including common law, rules, orders, regulations, statutes, ordinances, codes, decrees or legally enforceable requirements of any Governmental Authority regulating, relating to or imposing liability or standards of conduct concerning human health as they relate to Materials of Environmental Concern or the protection of the environment, including, without limitation, Materials of Environmental Concern, as now or may at any time hereafter be in effect.

"***Environmental Permit***" means any permit, approval, license or other authorization required under any Environmental Law.

"***Equity Interests***" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"***ERISA Affiliate***" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(b), (c), (m), (n) or (o) of the Code or Section 4001(a)(14) of ERISA.

"***ERISA Event***" means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) any failure to satisfy statutory minimum funding standards with respect to any Plan; (c) the filing pursuant to Section 412(c) of the Code of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any ERISA Affiliates of any liability with respect to the withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA.

"***Event of Default***" means any of the events specified in Article 10, **provided** that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"***Excess Cash***" means any cash or Cash Equivalents of the Parent and each Restricted Subsidiary that is a Wholly-Owned Subsidiary (other than Cash Collateralizing any Letter of Credit) in the aggregate at any time, net of and reduced by (without duplication): (a) any Eligible Cash Collateral and any cash and Cash Equivalents contained in any Material Debt Reserve Account, any Asset Sale Reserve Account or any accounts used exclusively for escrow, payroll, withholding, taxes, trust, fiduciary purposes, employee wages and employee benefits or held in an account subject to a Lien described in clause (c), (j) and (v) of Section 9.3 in favor of a third party (other than the Collateral Agent or the Administrative Agent), (b) any cash or Cash Equivalents constituting purchase price deposits held in escrow by any unaffiliated third party pursuant to a binding and enforceable purchase and sale agreement with such third party containing customary provisions regarding the payment and refunding of such deposits, (c) any cash or Cash Equivalents to be used by the Parent, the Company or any other Restricted Subsidiary that is a Wholly-Owned Subsidiary within five (5) Business Days to pay the purchase price for property to be acquired by the Parent, the Company or any Restricted Subsidiary that is a Wholly-Owned Subsidiary pursuant to a binding and enforceable purchase and sale agreement with an unaffiliated third party containing customary provisions regarding the payment of such purchase price in the ordinary course of business, (d) any cash and Cash Equivalents received by the Parent, the Company or any Restricted Subsidiary that is a Wholly-Owned Subsidiary in connection with any Asset Sale, disposition, casualty event or condemnation that are required to be used to make mandatory payments of the Secured 2026 Notes (or if the Payment Conditions are then satisfied, any Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien) and any Permitted Refinancing Indebtedness in respect thereof or otherwise permitted to be reinvested in assets of the Parent and its Restricted Subsidiaries constituting Collateral in accordance with the terms of the 2026 Secured Notes Indenture (or if the Payment Conditions are then satisfied, the indenture or documents governing such Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien) (but only for so long as the obligation to make such payment or the right to reinvest such proceeds, as applicable, has not expired or terminated by the terms of the 2026 Secured Notes Indenture or the indenture or documents governing such Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien and any Permitted Refinancing Indebtedness in respect thereof), and (e) any cash or Cash Equivalents in an amount up to the aggregate amount of outstanding checks or initiated wires or ACH transfers issued by any Credit Party.

"***Excess Cash Test Date***" means each Business Day, commencing with the second Business Day occurring after the Closing Date.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"***Excluded Account***" means accounts that are (a) solely used for the purposes of making payments in respect of payroll, taxes and employees' wages and benefits, (b) disbursement accounts where solely proceeds of indebtedness, including the proceeds of the Loans are deposited, (c) zero balance accounts from which balances are swept daily to a Controlled Account, (d) third party trust accounts, (e) accounts subject to Liens permitted under Section 9.3(c) or (j), and (f) other accounts with funds on deposit with a daily average balance of less than $2,000,000 individually and $10,000,000 in the aggregate.

"***Excluded Subsidiary***" means (a) any Immaterial Subsidiary, (b) any Subsidiary that is a CFC or CFC Holdco, (c) any Domestic Subsidiary that is a direct or indirect Subsidiary of a CFC or a CFC Holdco and (d) solely in the case of any Swap Obligation that constitutes a "swap" within the meaning of section 1(a)(47) of the Commodity Exchange Act, any Subsidiary of the Company that is not a Qualified ECP Participant.

"***Excluded Taxes***" means, with respect to the Administrative Agent, any Lender, any Issuing Lender or any other recipient of any payment to be made by or on account of any obligation of the Company hereunder, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Company under this Agreement) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 5.23(b), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) in the case of a Lender, Canadian federal withholding Taxes imposed on amounts paid or credited to a Lender as a result of such Lender (A) not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)) with any Canadian Credit Party, or (B) being a "specified shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of any Canadian Credit Party or not dealing at arm's length with such a specified shareholder for purposes of the *Income Tax Act* (Canada), except, in the case of (A) or (B) above, where the non-arm's length relationship arose, or the Lender was a specified shareholder or was dealing non-arm's length with a specified shareholder, solely as a result of such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under or enforced this Agreement or

any other Credit Document, (d) Taxes attributable to such recipient's failure to comply with Section 5.23(g) and (e) any withholding Taxes imposed under FATCA.

"***Existing Leasehold Mortgaged Property***" means the Leaseholds of the Credit Parties that are described in that certain Leasehold Deed of Trust, Security Agreement, Collateral Assignment of Leases and Rents and Fixture Filing Statement dated as of November 23, 2020, and recorded as of December 8, 2020, as Document No. 2020-2986 in the Official Records of Loving County, Texas.

"***Existing Revolving Credit Agreement***" means Amended and Restated Credit Agreement, dated as of February 14, 2017, among the Parent, the Company, the guarantors party thereto, Deutsche Bank Trust Company Americas, as administrative agent, and the other parties thereto.

"***Existing Term Loan Credit Agreement***" means Term Credit Agreement, dated as of June 3, 2020, among the Parent, the Company, the guarantors party thereto, Wilmington Trust, National Association, as administrative agent, and the other parties thereto.

"***Extensions of Credit***" means the collective reference to Loans made and Letters of Credit issued under this Agreement.

"***Facility***" means each of (i) the Revolving Credit Commitments and the extensions of credit made thereunder (the "***Revolving Credit Facility***"), and (ii) the Revolving Credit Commitments Increases and Incremental Revolving Credit Loans (if any) made thereunder.

"***FATCA***" means Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively similar) and any regulations thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"***Federal Funds Effective Rate***" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate, **provided** that, if the Federal Funds Effective Rate shall be less than 0.50%, such rate shall be deemed to be 0.50% for the purposes of this Agreement.

"***Finance Obligations***" means, at any date, (i) all Obligations, (ii) all Swap Obligations of a Credit Party permitted hereunder owed or owing under any Swap Contract to any Hedge Bank and (iii) all Cash Management Obligations of a Credit Party owing under any Cash Management Agreement to a Cash Management Bank.

"***Finance Party***" means, collectively, the Agents, the Lenders, the Swingline Lender and the Issuing Lender.

"***First Amendment Effective Date***" means November 8, 2021.

"***First Purchaser Lien***" means a Lien as defined in Texas Bus. & Com. Code Section 9.343, or comparable laws of the states of Oklahoma, Kansas, Mississippi, Wyoming, or New Mexico, or any other state.

"***Fixed Charge Coverage Ratio***" means, as of the date of determination for the applicable Measurement Period, the ratio of (i) Consolidated EBITDA during such Measurement Period *minus* Unfinanced Capital Expenditures during such Measurement Period to (ii) Fixed Charges during such Measurement Period.

"***Fixed Charges***" means, for any period, the sum of (a) Consolidated Cash Interest Expense for such period (excluding fees paid on the Closing Date), (b) the aggregate amount of income taxes and other taxes of the Credit Parties paid or required to be paid in cash during such period (determined on a consolidated basis, but net of any refund in respect of taxes actually received in cash during such period and to the extent not included in the calculation of Consolidated EBITDA), (c) the aggregate amount of all principal of Indebtedness of the Credit Parties (including payments in respect of Capital Leases), in each case, scheduled to be paid in cash during such period (determined on a consolidated basis for such period) (except, in each case, to the extent payment is to be made with the proceeds of (i) Indebtedness other than any Loan, (ii) issuances of Equity Interests of the Parent (other than Disqualified Stock) or (iii) Material Asset Sales consummated for the purpose of using the net cash proceeds thereof for the payment of scheduled payments of Indebtedness of the Credit Parties), (d) the aggregate amount of all Restricted Payments paid in cash during such period to the extent permitted under Section 9.9 (excluding any cash dividends, distributions and other payments in respect of Equity Interests paid or effected in cash by (i) a Credit Party to another Credit Party or (ii) by a Restricted Subsidiary to a Credit Party or another Restricted Subsidiary), and (e) the aggregate amount of all contributions to a Plan of the Credit Parties paid or required to be paid in cash during such period, without duplication, all calculated for the Credit Parties on a consolidated basis in accordance with GAAP.

"***Flood Insurance Laws***" shall mean, collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"***Floor***" means the benchmark rate floor, if any, provided in this Agreement initially (as of the Second Amendment Effective Date, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt, the initial Floor as of the Second Amendment Effective Date for each of the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR shall be 0.50%.

"***Foreign Lender***" means any Lender that is organized under the laws of a jurisdiction other than that in which the Company is a resident for tax purposes. For purposes of this definition, the United States, each state thereof, and the District of Columbia shall be deemed to constitute a single jurisdiction.

"***Foreign Subsidiary***" means any Subsidiary of the Company which is organized under the laws of any jurisdiction outside the United States (within the meaning of Section 7701(a)(9) of the Code).

"***Fee Letter***" means the letter dated January 9, 2021 between the Parent and JPMCB.

"***GAAP"*** means generally accepted accounting principles in the United States of America in effect from time to time.

"***General Partner***" means NGL Energy Holdings LLC, a Delaware limited liability company.

"***Governmental Authority***" means any nation or government, any state, province, territory, municipality or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting regulatory capital rules or standards (including, without limitation, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"***Grand Mesa Assets***" shall mean the fee-owned Material Real Property Assets that are part of the Grand Mesa Pipeline.

"***Grand Mesa Pipeline***" shall mean the 550-mile pipeline that transports crude oil from its origin in Weld County, Colorado to the terminal of the Credit Parties in Cushing, Oklahoma.

"***Guarantor***" means, collectively, each of the Credit Parties identified as a "Guarantor" under the Guaranty, in such capacity, including each Wholly-Owned Domestic Subsidiary of the Company that is a Restricted Subsidiary (other than any Excluded Subsidiary) or Canadian Credit Party, in each case, that from time to time shall or shall be required to deliver a Guaranty or a Credit Party Accession Agreement or other guaranty or guaranty supplement pursuant to Section 8.10(b) or 9.15.

"***Guaranty***" means the guaranty, substantially in the form of Exhibit E hereto, made by one or more Guarantors in favor of the Secured Parties (or a substantially similar form of guaranty governed by Canadian law made by one or more Canadian Credit Parties), together with each other guaranty or guaranty supplement delivered pursuant to Section 8.10 or Section 9.15 of this Agreement.

"***Hedge Bank***" means any Person that, at the time it enters into a Swap Contract or on the Closing Date, is a Lender or a Lead Arranger or an Affiliate of a Lender or a Lead Arranger, in its capacity as a party to such Swap Contract.

"***IBA***" has the meaning specified in Section 1.5.

"***Immaterial Subsidiary***" means any Restricted Subsidiary of the Parent designated as such by the Company; provided, that, (i) the total assets of all Immaterial Subsidiaries, determined in accordance with GAAP as of the date of the most recent financial statements delivered pursuant to Section 6.3, shall not exceed five percent (5%) of the Consolidated Total Assets of the Parent and its Restricted Subsidiaries as of such date and (ii) the Consolidated EBITDA of all Immaterial Subsidiaries shall not exceed, as of any date of determination, 5% of the Consolidated EBITDA of the Parent and its Restricted Subsidiaries for the applicable Measurement Period.

"***Incremental Commitments Effective Date***" has the meaning specified in Section 3.5.

"***Incremental Facility Amendment***" has the meaning specified in Section 3.4.

"***Incremental Facility Closing Date***" has the meaning specified in Section 3.6.

"***Incremental Lender***" has the meaning specified in Section 3.3.

"***Incremental Revolving Credit Loans***" has the meaning specified in Section 3.1.

"***Indebtedness***" means, of any Person, at any particular date, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than (A) accrued expenses and trade accounts payable that arise in the ordinary course of business and (B) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP), (ii) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (iii) all liabilities (other than Lease Obligations) secured by any Lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof, (iv) obligations of such Person under Capital Leases, (v) all indebtedness of such Person arising under acceptance facilities and similar obligations created for the account of such Person, (vi) net liabilities of such Person in respect of Swap Obligations; (vii) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person; (viii) all obligations of such Person to pay the principal portion under any Synthetic Lease (calculated as the net present value of the rental payments thereunder with the implicit rate of interest of such Synthetic Lease as the discount factor); (ix) all Indebtedness of another entity to the extent such Person is liable therefor (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor; (x) all Contingent Obligations of such Person with respect to Indebtedness of others; (xi) all obligations of such Person in respect of Disqualified Stock and (xii) obligations of such Person evidenced by notes, bonds, debentures or other similar instruments; but excluding any obligation resulting from the existence of deferred revenue, including customer deposits and interest thereon in the ordinary course of business which are not overdue for a period of more than ninety (90) days or, if overdue for a period of more than ninety (90) days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person.

"***Indemnified Person***" has the meaning specified in Section 12.5(c).

"***Indemnified Taxes***" means (a) Taxes other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes.

"***Ineligible Institution***" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, (c) a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof or (d) the Company or any of its Affiliates; **provided** that, with respect to clause (c), such holding company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater than $25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business.

"***Information***" has the meaning specified in Section 12.13(a).

"***Intercreditor Agreement***" means that certain Intercreditor Agreement dated as of the Closing Date, by and among the Administrative Agent, U.S. Bank, National Association as trustee under the Secured 2026 Notes, and the Credit Parties, in form and substance reasonably satisfactory to each party thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Interest Payment Date***" means (a) with respect to any ABR Loan, the first Business Day of each quarter and the Revolving Credit Termination Date, (b) with respect to any RFR Loan (i) each date that is on the numerically corresponding day in each calendar month that is one (1) month after the borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (ii) the Revolving Credit Termination Date and (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Revolving Credit Termination Date.

"***Interest Period***" means with respect to any borrowing of Term Benchmark Loans, the period commencing on the date of such borrowing of Loans and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan), as the Borrower may elect; **provided** that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar

month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (c) no tenor that has been removed from this definition pursuant to Section 5.17(f) shall be available for specification in any request made pursuant to Section 5.1 or Section 5.3. For purposes hereof, the date of a borrowing of Loans initially shall be the date on which such borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such borrowing.

"***Investment***" has the meaning specified in Section 9.7.

"***Investment Conditions***" means, as of any determination date, (i) no Default or Event of Default shall have occurred and be continuing or would result from the taking of the relevant action as to which the satisfaction of the Investment Conditions is being determined and (ii) on a *pro forma* basis, immediately prior to and immediately after giving effect to any transaction that is subject to the Investment Conditions, either (A) (1) Availability is at least the greater of (x) 15% of the Line Cap and (y) $60,000,000, at such time and for the immediately preceding thirty (30) days (or, if shorter, for the period from the Closing Date) and (2) the Fixed Charge Coverage Ratio, on a *pro forma* basis, is at least 1.0 to 1.0 or (B) Availability is at least the greater of (x) 30% of the Line Cap and (y) $120,000,000, at such time and for the immediately preceding thirty (30) days (or, if shorter, for the period from the Closing Date).

"***Issuing Lender***" means JPMCB, Wells Fargo Bank, National Association, The Toronto-Dominion Bank, New York Branch or any other Lender (or their respective Affiliates) which agrees to be an Issuing Lender and is designated by the Company and the Administrative Agent as an Issuing Lender, as issuer of Letters of Credit.

"***Issuing Lender Sublimits***" means, as of the Closing Date, (a) $100,000,000, in the case of JPMCB, (b) $50,000,000, in the case of Wells Fargo Bank, National Association and (c) $50,000,000, in the case of The Toronto-Dominion Bank, New York Branch, or, in each case of the foregoing clauses (a) through (c), such larger amount as the Administrative Agent and the applicable Issuing Lender may agree in their respective sole discretion.

"***JPMCB***" means JPMorgan Chase Bank, N.A. and its successors.

"***Krimbill Parties***" means Michael Krimbill, KrimGP2010, LLC, Krim2010, LLC and any trusts or family partnerships of Michael Krimbill and his family members established for estate planning purposes; **provided**, that KrimGP2010, LLC, Krim2010, LLC and such trusts or family partnerships are directly or indirectly controlled by Michael Krimbill.

"***Laws***" means, collectively, all international, foreign, federal, state, provincial, territorial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directives, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"***L/C Application***" means a letter of credit application in the Issuing Lender's then customary form for the type of letter of credit requested.

"***L/C Disbursement***" means a payment made by an Issuing Lender pursuant to a Letter of Credit.

"***L/C Participating Interest***" means an undivided participating interest in the face amount of each issued and outstanding Letter of Credit and the L/C Application relating thereto.

"***LCT Election***" shall have the meaning provided in Section 1.6.

"***LCT Test Date***" shall have the meaning provided in Section 1.6.

"***Lead Arrangers***" means JPMorgan Chase Bank, N.A., RBC Capital Markets[2] and Barclays Bank PLC, in their capacities as Joint Lead Arrangers.

"***Lease Obligations***" means, of the Credit Parties, as of the date of any determination thereof, the rental commitments of the Credit Parties determined on a consolidated basis, if any, under Operating Leases (net of rental commitments from sub-leases thereof).

"***Leasehold Mortgage***" means, in the case of Leaseholds, rights of way and easements constituting Real Property, a leasehold mortgage, leasehold deed of trust or similar instrument, in a form to be reasonably agreed between the Company and the Collateral Agent, including any Credit Party, the Collateral Agent and one or more trustees, in each case with such changes

[2] RBC Capital Markets is a brand name for the capital markets business of Royal Bank of Canada and its affiliates.

thereto as may be recommended by the local counsel based on local laws or customary local practices, as the same may be amended, modified or supplemented from time to time.

"***Leaseholds***" means, with respect to any Person, all of the right, title and interest of such Person as lessee or licensee in, to and under leases or licenses of land, improvements and/or fixtures.

"***Lender***" means each bank or other lending institution listed on Schedule 1A, each Eligible Assignee that becomes a Lender pursuant to Section 12.6(c), each Incremental Lender that becomes a Lender pursuant to Article 3 and their respective successors, branches and affiliates and shall include, as the context may require, the Swingline Lender in such capacity and the Issuing Lender in such capacity.

"***Lender Affiliate***" means (i) any Affiliate or branch of any Lender, (ii) any Person that is administered or managed by any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities and (iii) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor/manager as such Lender or by an Affiliate of such Lender or investment advisor/manager.

"***Lender Parent***" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"***Lender Party***" means the Administrative Agent, the Collateral Agent, each Issuing Lender or any other Lender.

"***Lender-Related Person***" has the meaning assigned to it in Section 12.5(b).

"***Lending Office***" means, with respect to any Lender, (a) with respect to its ABR Loans, the office of such Lender which will be making or maintaining its ABR Loans, (b) with respect to its RFR Loans, its RFR Lending Office and (c) with respect to its Term Benchmark Loans, its Term Benchmark Lending Office.

"***Letter of Credit***" means a letter of credit issued by an Issuing Lender pursuant to Section 2.3.

"***Liabilities***" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

"***Lien***" means any mortgage, pledge, charge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement, security interest or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC, PPSA or comparable law of any jurisdiction in respect of any of the foregoing, except for the filing of financing statements in connection with Lease Obligations to the extent that such financing statements relate to the property subject to such Lease Obligations).

"***Limited Condition Transaction***" means (i) any Permitted Acquisition or similar Investment whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

"***Line Cap***" means, as of any date of determination, the lesser of the aggregate Revolving Credit Commitments and the Borrowing Base, each as then in effect.

"***Loans***" means the collective reference to the Revolving Credit Loans (including Protective Advances), the Swingline Loans and the Incremental Revolving Credit Loans, if any; individually, a "***Loan***".

"***Majority Lenders***" means, at a particular time, and subject to Section 5.24(b), Lenders that hold more than 50% of the sum of (i) the Revolving Credit Commitments or, if the Revolving Credit Commitments have been cancelled, the sum of (A) the aggregate then outstanding principal amount of the Revolving Credit Loans, *plus* (B) the L/C Participating Interests in the aggregate amount then available to be drawn under all outstanding Letters of Credit, *plus* (C) the aggregate then outstanding principal amount of Revolving L/C Obligations, *plus* (D) the aggregate amount represented by the agreements of the Lenders in Sections 2.8(a) and (b) with respect to the Protective Advances then outstanding and (ii) from and after any applicable Incremental Facility Closing Date, the related Revolving Credit Commitments Increases or, if the Revolving Credit Commitments Increases have been cancelled, the aggregate then outstanding principal amount of the related Incremental Revolving Credit Loans; **provided** that at any time there are fewer than three Lenders (who are not Affiliates of one another or Defaulting Lenders) party to this Agreement, the definition of "Majority Lenders" shall be "all Lenders".

"***Market Value***" means the spot market price for Product (other than Eligible RIN Inventory) as of the last day in the period covered by the latest Borrowing Base Certificate as determined by a market price provider customarily used for such Product (including, but not limited to, Nymex, OPIS, Argus, and Platts) and location and reasonably acceptable to the Administrative Agent in its Permitted Discretion. With respect to RINs, (x) Attached RINs shall not be deemed to have a "Market Value" separate from the underlying Product to which they are attached and (y) the aggregate "Market Value" of all Eligible RIN Inventory at any time, shall equal the sum of (i) the value of all such Eligible RIN Inventory at such time determined from market price providers in accordance with the immediately preceding sentence, *less* (ii) the RIN Inventory Excess Setoff, if any, at such time.

"***Material Adverse Effect***" means (i) a material adverse effect on the business, financial condition, assets, or results of operations of the Parent and its Restricted Subsidiaries taken as a whole, (ii) a material impairment of the ability of the Company and the other Credit Parties, taken as a whole, to perform any of its obligations under any Credit Document to which it is a party, (iii) a material impairment of the rights and remedies of the Lenders under any Credit Document, (iv) a material adverse effect upon the legality, validity, binding effect or enforceability against any Credit Party of any Credit Documents to which it is a party or (v) a material impairment of the Collateral Agent's Liens (on behalf of itself and the Secured Parties) on the Collateral taken as a whole.

"***Material Asset Sale***" means any Asset Sale or series of related Asset Sales that yields gross proceeds to the Parent, the Company or its Restricted Subsidiaries in excess of $25,000,000.

"***Material Business Expansion Project***" means an expansion of the Credit Parties' business through the construction of fixed or capital assets that is permitted by this Agreement and the other Credit Documents and with respect to which one or more Credit Parties have made Capital Expenditures in excess of $25,000,000.

"***Material Debt Reserve Account***" means a Deposit Account in the name of the Company that is subject to a Control Agreement and in which amounts are deposited solely in respect of the payment of any Material Indebtedness (or any Permitted Refinancing Indebtedness thereof) at maturity thereof (and such account may not contain Cash Equivalents of the type specified in clause (vii) of the definition thereof).

"***Material Indebtedness***" means any Indebtedness of the Parent, the Company or its Restricted Subsidiaries in a principal amount equal to or greater than $50,000,000.

"***Material Real Property Asset***" means any Real Property of Credit Party that is located in the United States, excluding (i) any Leaseholds, easements or rights of way if under the terms of the lease with respect to such Leaseholds or conveyance document with respect to such easement or right-of-way, or applicable law, the grant of a Lien therein is prohibited and such prohibition has not been waived or any necessary third party consents have not been obtained after the use of commercially reasonable efforts to do so (which, for the avoidance of doubt shall not require cash payments or other consideration aside from payment or reimbursement of reasonable fees and expenses in connection with the preparation and recording of the documentations related to such consents and mortgages) and (ii) any Real Property having a Designated Value of less than $5,000,000 as of the Closing Date or as of the date of acquisition thereof, as applicable; **provided** that (A) the aggregate Designated Value of the fee owned Real Property excluded pursuant to clause (ii) may not exceed the greater of $100,000,000 and 1.5% of the total consolidated assets of the Parent and its Restricted Subsidiaries (determined on a consolidated basis in accordance with GAAP as of the date of the most recent financial statements delivered in accordance with Section 8.1(a) or 8.1(b) of this Agreement) and (B) the aggregate Designated Value of the Leaseholds, easements and rights-of-way excluded pursuant to clauses (i) and (ii) shall not exceed the greater of $150,000,000 and 2.25% of the total consolidated assets of the Parent and its Restricted Subsidiaries (determined on a consolidated basis in accordance with GAAP as of the date of the most recent financial statements delivered in accordance with Section 8.1(a) or 8.1(b) of this Agreement); **provided**, **further**, that any rights of the Credit Parties in any Real Property (x) which are Grand Mesa Assets or (y) which are Delaware Assets, in each case, with a book value in excess of $1,000,000 shall be deemed to constitute Material Real Property Assets.

"***Materials of Environmental Concern***" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, including, without limitation, asbestos, polychlorinated biphenyls and urea-formaldehyde insulation, medical waste and radioactive materials, in each case, as regulated by any applicable Environmental Laws.

"***Measurement Period***" means, for any date of determination under this Agreement, the most recently ended period of four consecutive fiscal quarters of the Company for which financial statements have been delivered prior to the Closing Date or pursuant to Section 8.1(a) or 8.1(b), as applicable.

"***Moody's***" means Moody's Investors Service, Inc., a Delaware corporation, and its successors or, absent any such successor, such nationally recognized statistical rating organization as the Company and the Administrative Agent may select.

"***Mortgage***" means, in the case of owned real property interests only, a mortgage, deed of trust, deed of hypothec or similar instrument, in a form to be reasonably agreed between the Company and the Administrative Agent, including any Credit Party, the Collateral Agent and one or more trustees, in each case with such changes thereto as may be recommended by the local counsel based on local laws or customary local practices, as the same may be amended, modified or supplemented from time to time.

"***Mortgaged Property***" means any Real Property that becomes subject to a Mortgage or Leasehold Mortgage pursuant to this Agreement, in each case as to which the Administrative Agent for the benefit of the Secured Parties shall be granted a Lien pursuant to the Mortgages or Leasehold Mortgages).

"***Multiemployer Plan***" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"***Natural Gas Liquids***" means liquid hydrocarbons, including as ethane, propane, butane, and pentane, that in each case, are extracted from field gas.

"***Net Liquidating Value***" means, with respect to any Commodity Account, the sum of (i) the aggregate marked-to-market value of all futures positions, (ii) the aggregate liquidation value of all option positions, (iii) the cash balance, in each case credited to such Commodity Account and (iv) Cash Equivalents credited to such Commodity Account.

"***Net Proceeds***" means the aggregate amount of cash proceeds and Cash Equivalents received by the Parent or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received in any Asset Sale, but excluding any non-cash consideration deemed to be cash for purposes of Section 9.6(e)), net of: (a) the direct costs relating to such Asset Sale, including, without limitation, all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expense incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Sale; (b) all payments made on any Indebtedness (other than Restricted Indebtedness) that is secured by any assets subject to such Asset Sale, in accordance with the terms of such Indebtedness, or that must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law be repaid out of the proceeds from such Asset Sale, (c) all distributions and other payments required to be made to holders of minority interests in Subsidiaries or joint venture as a result of such Asset Sale; and (d) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, or held in escrow, in either case for as long as required to be held as reserve or in escrow for adjustment in respect of the sale price or for indemnification or any liabilities associated with the assets disposed of in such Asset Sale and retained by the Parent or any Restricted Subsidiary after such Asset Sale. For purposes of the definition of Net Proceeds, "Asset Sale" shall have the meaning set forth in the Secured 2026 Notes Indenture on the Closing Date.

"***Net Open Position***" with respect either Crude Oil, Natural Gas Liquids, Refined Petroleum Products and Renewable Products, as applicable, the absolute value of the number of barrels of such Product obtained by subtracting (a) the sum of (i) the number of barrels of such Product which the Credit Parties have committed to buy, or can be required to buy, or will receive under a commodity contract, on a future date at a fixed price; and (ii) the number of barrels of such Product that the Credit Parties have in Inventory from (b) the number of barrels of such Product that the Credit Parties have committed to sell, or can be required to sell, or will deliver under a commodity contract, on a future date at a fixed price.

"***Non-Consenting Lender***" has the meaning specified in Section 12.1.

"***Non-Extension Notice Date***" has the meaning assigned to it in Section 2.3(c).

"***Notes***" means the collective reference to any promissory notes evidencing Loans.

"***Notes Priority Collateral***" has the meaning set forth in the Intercreditor Agreement.

"***Notes Priority Collateral Prepayment Event***" means the occurrence of any Asset Sale (as defined in the Secured 2026 Notes Indenture on the Closing Date) of Notes Priority Collateral that yields Net Proceeds.

"***NYFRB***" means the Federal Reserve Bank of New York.

"***NYFRB Rate***" means for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); **provided** that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 A.M. on such day received to the Administrative Agent from a Federal funds broker of recognized standing selected by it; **provided**, **further**, that if any of the aforesaid rates shall be less than 0.50%, such rates shall be deemed to be 0.50%.

"***NYFRB's Website***" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"***Obligations***" means the unpaid principal of and interest on the Loans and all other obligations and liabilities of the Company and the other Credit Parties to the Agents or any Lenders (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, related to any Credit Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, the Loans, the other Credit Documents, any Letter of Credit or L/C Application, or any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Agents or any Lender or any such Affiliate) or otherwise.

"***Operating Lease***" means, as applied to any Person, a lease (including leases which may be terminated by the lessee at any time) of any property (whether real, personal or mixed) by such Person as lessee which is not a Capital Lease.

"***Organization Documents***" means: (i) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-United States jurisdiction); (ii) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (iii) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"***Original Currency***" has the meaning specified in Section 12.20.

"***Other Connection Taxes***" means, with respect to a Lender (including an Issuing Lender) or the Administrative Agent or any other recipient of any payment to be made by or on account of any obligation of the Company hereunder, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"***Other Specified Collateral Deliverables***" has the meaning set forth in Section 8.10(d)(ii).

"***Other Specified Collateral Requirements***" has the meaning set forth in Section 8.10(d)(ii).

"***Other Specified Property***" has the meaning set forth in Section 8.10(d)(ii).

"***Other Taxes***" means all present or future stamp or documentary Taxes or any other excise or property Taxes or similar Taxes arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document.

"***Overnight Bank Funding Rate***" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"***Parent***" has the meaning specified in the preamble hereof.

"***Pari Passu Second Lien***" means a Lien having equal priority to (i) the Liens securing the obligations under the 2026 Secured Notes (or any Permitted Refinancing Indebtedness in respect thereof) with respect to the ABL Priority Collateral and (ii) the Liens securing the Obligations with respect to the Notes Priority Collateral.

"***Participant Register***" has the meaning specified in Section 12.6(c).

"***Participants***" has the meaning specified in Section 12.6(c).

"***Participating Lender***" means any Lender (other than the Issuing Lender with respect to such Letter of Credit) with respect to its L/C Participating Interest in each Letter of Credit.

"***Patriot Act***" has the meaning specified in Section 6.24.

"***Payment Conditions***" means, as of any determination date, (i) no Default or Event of Default shall have occurred and be continuing or would result from the taking of the relevant action as to which the satisfaction of the Payment Conditions is being determined and (ii) on a *pro forma* basis, immediately prior to and immediately after giving effect to any transaction that is subject to the Payment Conditions, either (A) (1) Availability is at least the greater of (x) 20% of the Line Cap and (y) $80,000,000, at such time and for the immediately preceding thirty (30) days (or, if shorter, for the period from the Closing Date) and (2) the Fixed Charge Coverage Ratio, on a *pro forma* basis, is at least 1.0 to 1.0 or (B) Availability is at least the greater of (x) 30% of the Line Cap and (y) $120,000,000, at such time and for the immediately preceding thirty (30) days (or, if shorter, for the period from the Closing Date).

"***PBGC***" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"***Permitted Acquisitions***" means non-hostile acquisitions (by merger, amalgamation, purchase or otherwise) by the Parent or any of its Restricted Subsidiaries of all or substantially all of the assets of, or all of the shares of the capital stock or other Equity Interests in, a Person or division or line of business of a Person engaged in the same business as the Company and its Subsidiaries or in a related business, **provided** that immediately after giving effect thereto: (i) except for Permitted Joint Ventures, 100% (less the amount of such capital stock or other Equity Interests, if any, not exceeding 5% in the aggregate thereof, attributable to director qualifying shares, shares required by the jurisdiction of organization of such Person to be held by management or other third party and such additional shares the current ownership of which, at the time of such Permitted Acquisition, cannot, after commercially reasonable efforts by the Credit Parties (which efforts shall not require any Credit Party to make any payment or grant any right to the holder of such Equity Interests or any other Person), be identified or acquired) of the outstanding capital stock or other Equity Interests of any acquired or newly formed corporation or other entity that acquires such Person, division or line of business is owned directly by the Parent or any of its Restricted Subsidiaries; (ii) any such capital stock or other Equity Interests acquired by a Credit Party shall be duly and validly pledged to the Collateral Agent for the ratable benefit of the Lenders (other than any capital stock of, or other Equity Interests in, any Subsidiary that is not required to be so pledged pursuant to Section 8.10); (iii) the Company causes any such corporation or other entity to comply with Section 8.10, if such Section is applicable; (iv) any such corporation or other entity is not liable for and the Parent and its Restricted Subsidiaries do not assume any Indebtedness (except for Indebtedness permitted pursuant to Section 9.2); and (v) no Default or Event of Default shall have occurred and be continuing and the Company shall have delivered to the Administrative Agent an officers' certificate to such effect, together with all relevant material financial information for such corporation or other entity or acquired assets.

"***Permitted Affiliate Transactions***" means any of the following: (a) customary directors' fees, customary directors' indemnifications and similar arrangements for officers and directors of the Parent and its Restricted Subsidiaries entered into in the ordinary course of business, together with any payments made under any such indemnification arrangements; (b) customary and reasonable loans, advances and reimbursements to officers, directors and employees of the Parent and its Restricted Subsidiaries for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business; (c) the incurrence of intercompany Indebtedness permitted pursuant to Section 9.2(b) and Contingent Obligations permitted pursuant to Section 9.2(k); (d) employment agreements and arrangements entered into with directors, officers and employees of the Parent and its Restricted Subsidiaries in the ordinary course of business; and (e) Restricted Payments permitted by Section 9.9.

"***Permitted Business***" means either (i) gathering, transporting, compressing, treating, processing, marketing, distributing, storing or otherwise handling Crude Oil, Natural Gas Liquids and/or Refined Petroleum Products, or activities or services reasonably related or ancillary thereto, including water treatment, disposal and transportation, and entering into Swap Obligations relating to any of the foregoing activities, or (ii) any other business that generates gross income at least 90% of which constitutes "qualifying income" under Section 7704(d) of the Code.

"***Permitted Discretion***" means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

"***Permitted Holder***" means Michael Krimbill and each Krimbill Party, so long as such Krimbill Party is controlled, directly or indirectly, by Michael Krimbill.

"***Permitted Joint Ventures***" means acquisitions (by merger, amalgamation, purchase, formation of partnership, joint venture or otherwise) by a Credit Party not constituting Permitted Acquisitions of interests in any of the assets of, or shares of the capital stock of or other Equity Interests in, a Person or division or line of business of a Person engaged in the same business as the Credit Parties or in a related business, **provided** that immediately after giving effect thereto: (i) any outstanding capital stock or other Equity Interests of any acquired or newly formed corporation or other entity owned directly by a Credit Party is duly and validly pledged to the Collateral Agent for the ratable benefit of the Lenders if and to the extent required to be so pledged pursuant to the definition of "Pledge and Security Agreement" or pursuant to Section 8.10; and (ii) no Default or Event of Default shall have occurred and be continuing, and the Company shall have delivered to the Administrative Agent an officers'

certificate to such effect, together with all relevant material financial information for such corporation or other entity or acquired assets to the extent reasonably requested by the Administrative Agent.

"***Permitted Liens***" means any Liens permitted under Section 9.3.

"***Permitted Refinancing Indebtedness***" has the meaning specified in the definition of "Permitted Refinancings".

"***Permitted Refinancings***" means any refinancings, restructurings, refundings, renewals, extensions or replacements of Indebtedness from time to time or at any time, in whole or in part, at the same time or at different times (any such refinancing, restructuring, refunding, renewal, extension or replacement Indebtedness, the "***Permitted Refinancing Indebtedness***" and the Indebtedness being so refinanced, restructured, refunded, renewed, extended or replaced, the "***Refinanced Indebtedness***") permitted hereunder; **provided** that (i) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness (*plus* unpaid accrued interest and premium thereon and underwriting discounts, fees, commissions and expenses incurred in connection therewith), (ii) the Weighted Average Life to Maturity of such Permitted Refinancing Indebtedness is not shorter than the Weighted Average Life to Maturity of the Refinanced Indebtedness and the maturity of such Permitted Refinancing Indebtedness is not earlier than the Refinanced Indebtedness, (iii) if the Refinanced Indebtedness is contractually subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness is contractually subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders, in all material respects, as those contained in the documentation governing the Refinanced Indebtedness, taken as a whole, (iv) no Permitted Refinancing Indebtedness shall have additional obligors than the Refinanced Indebtedness; **provided** that a Restricted Subsidiary that becomes a Guarantor may guarantee Permitted Refinancing Indebtedness incurred by any Credit Party, regardless of whether such Restricted Subsidiary was an obligor of the Refinanced Indebtedness, (v) except to the extent that the Liens securing such Refinancing Indebtedness are permitted under the proviso in Section 9.3(r), such Permitted Refinancing Indebtedness shall be unsecured if the Refinanced Indebtedness is unsecured, (vi) if such Indebtedness was secured, such Permitted Refinancing Indebtedness is not secured by any additional property or collateral other than (A) property or collateral securing the Refinanced Indebtedness, (B) after-acquired property that is affixed or incorporated into the property covered by the Lien securing such Permitted Refinancing Indebtedness and (C) proceeds and products thereof and (vi) such Permitted Refinancing Indebtedness has covenants and default and remedy provisions that are, taken as a whole, not materially less favorable to the Credit Parties than then current market terms for the applicable type of Indebtedness.

"***Permitted Transaction***" has the meaning set forth in Section 5.25(b).

"***Person***" means an individual, partnership, corporation, business trust, joint stock company, trust, limited liability company, unlimited liability company, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"***Plan***" means any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"***Plan Asset Regulations***" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"***Platform***" has the meaning specified in Section 8.2.

"***Pledge and Security Agreement***" means the Pledge and Security Agreement dated as of the date hereof, among the Company, the other Credit Parties from time to time party thereto and the Collateral Agent for the ratable benefit of the Secured Parties, a copy of which is attached as Exhibit C-2 hereto, as the same may be amended, modified or supplemented in accordance with its terms from time to time.

"***Pledge and Security Agreements***" means the collective reference to the Pledge and Security Agreement, the Canadian Pledge and Security Agreement and any other pledge agreement or security agreement entered into by a Credit Party and the Collateral Agent (on substantially the same terms as the Pledge and Security Agreement) in accordance with Section 8.10.

"***Pledged Collateral***" has the meaning specified for the term "Collateral" in the Pledge and Security Agreement.

"***PPSA***" means the Personal Property Security Act (Alberta), including the regulations thereto, as amended from time to time, and any other similar legislation of any Canadian province or territory; **provided** that, if perfection or the effect of perfection or non-perfection or the priority of any security interest or other Lien on any Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction in Canada other than the Province of Alberta (including the Civil Code of Québec), "PPSA" shall refer instead to such other applicable

federal, provincial or territorial legislation pertaining to the granting, perfecting, opposability, priority, ranking or enforcement of Liens on personal or movable property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time.

"***Prime Rate***" means the rate of interest last quoted by *The Wall Street Journal* as the "Prime Rate" in the U.S. or, if *The Wall Street Journal* ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"***Proceeding***" means any claim, litigation, investigation, action, suit, arbitration or administrative, judicial or regulatory action or proceeding in any jurisdiction.

"***Proceeds***" means (a) all "proceeds", as defined in Article 9 of the UCC or the PPSA, as applicable, with respect to the Collateral, and (b) whatever is recoverable or recovered when any Collateral is sold, exchanged, collected, or disposed of, whether voluntarily or involuntarily, including, without limitation, all proceeds of insurance policy covering the Collateral.

"***Proceeds of Crime Act***" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended from time to time, and including all regulations thereunder.

"***Product***" means physical energy commodities, including Crude Oil, Natural Gas Liquids, asphalt, Refined Petroleum Products, Renewable Products and Eligible RIN Inventory.

"***Product Inventory***" means Inventory consisting of Product.

"***Product Inventory Letter of Credit***" means a Letter of Credit issued in connection with the transportation or purchase of Product Inventory of any Credit Party.

"***Projections***" has the meaning assigned to it in Section 8.16.

"***Protective Advances***" has the meaning specified in Section 2.8(a).

"***Public Lender***" has the meaning specified in Section 8.2.

"***QFC***" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"***QFC Credit Support***" has the meaning assigned to it in Section 12.18(b).

"***Qualified ECP Guarantor***" means, in respect of any Swap Obligation, each Credit Party that has total assets exceeding $10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other Person constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"***Real Property***" means, with respect to any Person, all of the right, title and interest of such Person in and to land, with the improvements and fixtures thereon, including Leaseholds and any easements or rights-of way.

"***Reference Time***" with respect to any setting of the then-current Benchmark means (a) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two (2) Business Days preceding the date of such setting, (b) if such Benchmark is the Daily Simple SOFR, then four (4) Business Days prior to such setting and (c) if such Benchmark is none of the Term SOFR Rate or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"***Refinanced Indebtedness***" has the meaning specified in the definition of "Permitted Refinancings".

"***Refined Petroleum Products***" means product from the refining of crude oil, including diesel fuel, gasoline, jet fuel and other heavier fuel oils but excluding Natural Gas Liquids.

"***Register***" has the meaning specified in Section 12.6(b)(iv).

"***Related Document***" means any agreement, certificate, document or instrument relating to a Letter of Credit.

"***Related Parties***" means each Lender-Related Person or Agent-Related Person, as applicable.

"***Relevant Governmental Body***" means the Board or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Board and/or the NYFRB or, in each case, any successor thereto.

"***Relevant Rate***" means (a) with respect to any Term Benchmark Borrowing, the Adjusted Term SOFR Rate or (b) with respect to any RFR Borrowing, the Adjusted Daily Simple SOFR, as applicable.

"***Renewable Products***" means fuels produced from renewable resources, including biodiesel and ethanol.

"***Reportable Event***" means any of the events set forth in Section 4043(c) of ERISA or the regulations thereunder.

"***Requested Release***" has the meaning set forth in Section 5.25(b).

"***Required Lenders***" means, at a particular time, and subject to Section 5.24(b), Lenders that hold more than 66 2/3% of the sum of (i) the Revolving Credit Commitments or, if the Revolving Credit Commitments have been cancelled, the sum of (A) the aggregate then outstanding principal amount of the Revolving Credit Loans, *plus* (B) the L/C Participating Interests in the aggregate amount then available to be drawn under all outstanding Letters of Credit, *plus* (C) the aggregate then outstanding principal amount of Revolving L/C Obligations, *plus* (D) the aggregate amount represented by the agreements of the Lenders in Sections 2.8(a) and (b) with respect to the Protective Advances then outstanding and (ii) from and after any applicable Incremental Facility Closing Date, the related Revolving Credit Commitments Increases or, if the Revolving Credit Commitments Increases have been cancelled, the aggregate then outstanding principal amount of the related Incremental Revolving Credit Loans; **provided** that at any time there are fewer than three Lenders (who are not Affiliates of one another or Defaulting Lenders) party to this Agreement, the definition of "Required Lenders" shall be "all Lenders".

"***Requirement of Law***" means, as to any Person, the Organization Documents of such Person, and any Law (including, without limitation, Environmental Laws), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"***Reserves***" means, on any date of determination, the sum of the following reserves established by the Administrative Agent (and determined without duplication):

(a) in the case of Designated Cash Management Obligations, the aggregate exposure on such date of all Cash Management Banks under all Designated Cash Management Obligations, based on the most recent exposure notified to the Administrative Agent by the relevant Cash Management Banks and the Company; *plus*

(b) in the case of Designated Swap Obligations, the aggregate mark-to-market termination exposure (after giving effect to applicable netting arrangements) on such date of all Hedge Banks under all Designated Swap Obligations, based on the most recent mark-to-market termination exposure notified to the Administrative Agent by the relevant Hedge Banks and the Company; *plus*

(c) in the case of Eligible Accounts, reserves established by the Administrative Agent in its Permitted Discretion for dilution, for uninsured, underinsured, un-indemnified or under-indemnified liabilities or potential liabilities with respect to any litigation and for taxes, fees, assessments and other governmental charges; *plus*

(d) in the case of Eligible Inventory, reserves established by the Administrative Agent in its Permitted Discretion for volatility, for Inventory shrinkage, for First Purchaser Liens, for customs charges and shipping charges related to any Inventory in transit, for rent at locations leased by the Company, for consignee's, warehousemen's and bailee's charges, for uninsured losses, for uninsured, underinsured, un-indemnified or under-indemnified liabilities or potential liabilities with respect to any litigation, for taxes, fees, assessments, and other governmental charges and for retention of title or similar arrangements; *plus*

(e) the Canadian Priority Payable Reserve; *plus*

(f) other reserves established by the Administrative Agent in its Permitted Discretion.

The amount of any such reserve or change shall have a reasonable relationship to the event, condition or other matter that is the basis for such reserve or such change, and no reserves or changes shall be duplicative of reserves or changes already accounted for through eligibility criteria. Reserves may only be established by the Administrative Agent, acting in its Permitted Discretion, upon at least three (3) Business Days' prior written notice to the Company (which notice shall include a reasonably detailed description of such reserve being established or modified and the basis for such reserve or modification); **provided** that no such notice shall be required (x) if an Event of Default has occurred or is continuing, (y) for changes to any reserves resulting solely by virtue of mathematical calculations of the amount of the reserve in accordance with the methodology of

calculation previously utilized (such as, but not limited to, rent and customer credit liabilities), or (z) for changes to reserves or establishment of additional reserves if a Material Adverse Effect has occurred or it would be reasonably likely that a Material Adverse Effect would occur were such reserve not changed or established prior to the three (3) Business Day period. During any such applicable three (3) Business Day period, the Administrative Agent shall, if requested, discuss any such reserve or change with the Company and the Company may take such action as may be required so that the event, condition or matter that is the basis for such reserve or change no longer exists or exists in a manner that would result in the establishment of a lower reserve or result in a lesser change, in each case, in a manner and to the extent reasonably satisfactory to the Administrative Agent.

"***Resolution Authority***" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"***Responsible Officer***" means the chief executive officer or the chief operating officer of the Company or, with respect to financial matters, the chief financial officer, controller, vice president – finance or treasurer of the Company.

"***Restricted Indebtedness***" means (a) any Indebtedness of a type permitted by Section 9.2(g) or Section 9.2(i) and (b) other Indebtedness for borrowed money or obligations evidenced by notes, bonds, debentures or other similar instruments that in each case are unsecured or are otherwise subordinated in right of payment to the Obligations or the obligations under the Secured 2026 Notes.

"***Restricted Indebtedness Payments***" has the meaning assigned to it in Section 9.12(a).

"***Restricted Payments***" has the meaning assigned to it in Section 9.9.

"***Restricted Subsidiary***" means each Subsidiary other than an Unrestricted Subsidiary.

"***Revaluation Date***" means, with respect to any Letter of Credit denominated in Canadian dollars, each of the following: (i) each date of issuance of such Letter of Credit, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof, (iii) each date of any payment by the Issuing Lender under such Letter of Credit denominated in an Alternative Currency and (iv) such additional dates as the Issuing Lender shall determine.

"***Revolving Credit Commitment***" means, as to any Lender, its obligations to make Revolving Credit Loans to the Company pursuant to Section 2.1, to purchase its L/C Participating Interest in any Letter of Credit and to purchase participations in Protective Advances and Swingline Loans in an aggregate amount not to exceed at any time the amount set forth opposite such Lender's name in Schedule 1A under the heading "Revolving Credit Commitment" and in an aggregate amount not to exceed at any time the amount equal to such Lender's Revolving Credit Commitment Percentage of the aggregate Revolving Credit Commitments, as the aggregate Revolving Credit Commitments may be reduced or adjusted from time to time pursuant to this Agreement (including, without limitation, increases pursuant to Article 3); collectively, as to all the Lenders, the "***Revolving Credit Commitments***". On the Second Amendment Effective Date, the aggregate amount of the Revolving Credit Commitments is $600,000,000.

"***Revolving Credit Commitment Increase***" has the meaning specified in Section 3.1.

"***Revolving Credit Commitment Percentage***" means, as to any Lender at any time, the percentage which such Lender's Revolving Credit Commitment constitutes of all of the Revolving Credit Commitments (or, if the Revolving Credit Commitments shall have been terminated, the percentage of the outstanding Aggregate Revolving Credit Extensions of Credit and Protective Advances constituted by such Lender's Aggregate Revolving Credit Extensions of Credit and participating interest in Protective Advances).

"***Revolving Credit Commitment Period***" means the period from and including the Closing Date to but not including the Revolving Credit Termination Date.

"***Revolving Credit Lenders***" means the Lenders with Revolving Credit Commitments and/or outstanding Revolving Credit Loans.

"***Revolving Credit Loan***" and "***Revolving Credit Loans***" has the meaning specified in Section 2.1(a), and shall include Protective Advances made pursuant to Section 2.8.

"***Revolving Credit Termination Date***" means, the earliest of (i) the Scheduled Termination Date; (ii) any other date on which the Revolving Credit Commitments shall terminate hereunder; and (iii) the date that is 91 days prior to the earliest maturity date in respect of any (A) Indebtedness of a type permitted by Section 9.2(g) or Section 9.2(i) or (B) other Indebtedness for borrowed money or obligations evidenced by notes, bonds, debentures or other similar instruments (other than intercompany indebtedness) (for purposes of this definition, clauses (A) and (B) being the "***Springing Indebtedness***") unless as of such 91st

day (A)(I) there is no more than $50,000,000 outstanding principal amount of applicable Springing Indebtedness (or Permitted Refinancing Indebtedness thereof) with a maturity that is earlier than 91 days after the Scheduled Termination Date or (II) the Company has deposited funds equal, at all times thereafter, to the then outstanding principal amount of applicable Springing Indebtedness (or Permitted Refinancing Indebtedness thereof) less $50,000,000 into the Material Debt Reserve Account or (B) the Company has received a binding commitment to refinance all of the outstanding applicable Springing Indebtedness on or prior to the maturity date of the applicable Springing Indebtedness (subject only to reasonable and customary conditions acceptable to the Administrative Agent) and such refinancing Indebtedness is permitted by this Agreement and matures no earlier than 91 days after the Scheduled Termination Date. For purposes of this Agreement, any Springing Indebtedness defeased in accordance with any indenture or other agreement or instrument evidencing or governing such Indebtedness shall not be deemed to be outstanding for purposes of the "Revolving Credit Termination Date" so long as any prepayments made to defease such Springing Indebtedness are permitted by this Agreement.

"***Revolving L/C Obligations***" means the obligations of the Company to reimburse the Issuing Lender for any payments made by an Issuing Lender under any Letter of Credit that have not been reimbursed by the Company pursuant to Section 2.6.

"***RFR Borrowing***" means, as to any borrowing of Loans, the RFR Loans comprising of such borrowing.

"***RFR Lending Office***" means the office of each Lender which shall be making or maintaining its RFR Loans.

"***RFR Loan***" means a Loan that bears interest at a rate based on the Adjusted Daily Simple SOFR.

"***RFS***" means the Renewable Fuel Standard of the United States Environmental Protection Agency in accordance with according to the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007.

"***RIN***" means renewable identification number assigned for the purpose of tracking the production, use and trading of renewable fuels as required by, and which are valid for purposes of satisfying the compliance requirements of the RFS.

"***RIN Inventory Excess***" means, with respect to any RIN type at any time, the total volumetric quantity of such RIN type (comprised of the aggregate Attached RINs and Detached RINs of such RIN type) owned by the Credit Parties at such time as determined by reference to the records of the Credit Parties, *less* the total volumetric quantity of such RIN type (comprised of the aggregate Attached RINs and Detached RINs of such RIN type) determined to be available to the Credit Parties per the EPA Moderated Tracking System at such time.

"***RIN Inventory Excess Amount***" means, with respect to any RIN type at any time, the "Market Value" of the RIN Inventory Excess that qualifies as Eligible Detached RINs at such time.

"***RIN Inventory Excess Setoff***" means, at any time, an amount equal to the excess of all RIN Inventory Excess Amounts at such time, *less* $10,000,000; provided that the RIN Inventory Excess Setoff shall not be less than zero at any time.

"***Risk Management Policy***" means policies, operating procedures and limits of the Parent and its Subsidiaries designed to minimize the firm's financial exposure to various risks as noted in the policies attached as Schedule 1D as approved by the board of directors (or other equivalent governing body) of the Parent, and as set forth on Schedule 1D as modified from time to time.

"***S&P***" means Standard & Poor's Financial Services LLC, a subsidiary of McGraw Hill Financial Inc., and any successor thereto.

"***Sale and Leaseback Obligation***" has the meaning specified in Section 10.1(e).

"***Sale and Leaseback Transaction***" has the meaning specified in Section 9.16.

"***Same Day Funds***" means immediately available funds.

"***Sanctioned Country***" means, at any time, a country or territory (or government of a country or territory or an agency thereof), an organization controlled by any of the foregoing or person resident of a country or territory which, in each case, is itself the subject or target of any Sanctions (as of the Closing Date, Crimea, Cuba (only with respect to a Credit Party organized under the laws of the United States or any state thereof), Iran, North Korea, and Syria).

"***Sanctioned Person***" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority, or otherwise a target of Sanctions, (b) any Person operating, organized or

resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), (d) any Person that is a Canadian Blocked Person or (e) any Person otherwise the subject of any Sanctions.

"***Sanctions***" means all economic, financial, trade, sectoral or secondary sanctions, embargoes, anti-terrorism laws and other similar laws and regulations imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom (c) the federal government of Canada and (d) any other relevant sanctions authority.

"***Scheduled Termination Date***" means date which is the fifth anniversary of the Closing Date; **provided** that notwithstanding Section 1.7, if such date is not a Business Day, the Scheduled Maturity Date shall be the next preceding Business Day.

"***Second Amendment Effective Date***" means April [13], 2022.

"***Second Currency***" has the meaning specified in Section 12.20.

"***Secured 2026 Notes"*** means the Company's and NGL Energy Finance Corp.'s 7.5% senior secured notes due 2026.

"***Secured 2026 Notes Indenture"*** means the Indenture, as of February 4, 2021, among U.S. Bank National Association, as trustee, the Company, NGL Energy Finance Corp. and each of the guarantors party thereto, pursuant to which the Company and NGL Energy Finance Corp. issued the Secured 2026 Notes, as amended, restated, amended and restated, supplemented or otherwise modified from time to time to the extent such amendment, restatement, amendment and restatement, supplement or modification is permitted hereunder.

"***Secured Parties***" means, collectively, the Agents, the Lenders, the Issuing Lender, each Hedge Bank party to any Swap Contract, to the extent the obligations thereunder constitute Finance Obligations, each provider of Cash Management Services to the extent the obligations thereof under the Cash Management Agreement to which it is a party constitute Finance Obligations and any other Persons the obligations owing to which are or are purported to be secured by the Collateral under the terms of the Collateral Documents, and the successors and assigns of each of the foregoing.

"***Settlement***" has the meaning assigned to it in Section 2.09(c).

"***Settlement Date***" has the meaning assigned to such term in Section 2.09(c).

"***Single Employer Plan***" means any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"***SOFR***" means, with respect to any Business Day, a rate *per annum* equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

"***SOFR Administrator***" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"***SOFR Administrator's Website***" means the NYFRB's Website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"***SOFR Rate Day***" has the meaning assigned to it under the definition of "Daily Simple SOFR".

"***Solvent***" and "***Solvency***" mean, with respect to any Person on any date of determination, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (iv) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"***Specified Letter of Credit***" means that certain Irrevocable Standby Letter of Credit, dated as of the Closing Date and with a date of expiry of June 29, 2022, issued by JPMCB in its capacity as an Issuing Lender in favor of BNP Paribas as beneficiary.

"***Specified Trigger***" means Availability is less than the greater of (i) $80,000,000 and (ii) 20.0% of the Line Cap.

"***Specified Trigger Event***" means any time that (a) a Specified Trigger shall have occurred or (b) an Event of Default has occurred and is continuing. Once commenced, a Specified Trigger Event shall be deemed to be continuing until such time as (x) no Event of Default is continuing and (y) if such Specified Trigger Event resulted from an event specified in the preceding clause (a), Availability equals or exceeds for thirty (30) consecutive days the greater of (1) $80,000,000 and (2) 20.0% of the Line Cap then in effect.

"***Spot Rate***" for the rate determined by the Administrative Agent or the Issuing Lender, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of Canadian dollars with Dollars through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the Issuing Lender may obtain such spot rate from another financial institution designated by the Administrative Agent or the Issuing Lender if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided further that the Issuing Lender may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in Canadian dollars.

"***Subsidiary***" means, as to any Person, a corporation, partnership or other entity of which shares of capital stock or other Equity Interests having ordinary voting power (other than capital stock or other equity interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, directly or indirectly, or the management of which is otherwise controlled, directly or indirectly, or both, by such Person. Unless the context otherwise requires, the term "Subsidiary" means a Subsidiary of the Parent.

"***Supported QFC***" has the meaning assigned to it in Section 12.18.

"***Swap Contract***" means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "***Master Agreement***"), including any such obligations or liabilities under any Master Agreement.

"***Swap Obligation***" of any Person means all obligations (including, without limitation, any amounts which accrue after the commencement of any bankruptcy or insolvency proceeding with respect to such Person, whether or not allowed or allowable as a claim under any proceeding under any Debtor Relief Law) of such Person owing to a Hedge Bank in respect of any Swap Contract, excluding any amounts which such Person is entitled to set-off against its obligations under applicable law.

"***Swingline Exposure***" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Revolving Credit Commitment Percentage of the total Swingline Exposure at such time.

"***Swingline Lender***" means JPMCB, in its capacity as lender of Swingline Loans hereunder. Any consent required of the Administrative Agent or the Issuing Lender shall be deemed to be required of the Swingline Lender and any consent given by JPMCB in its capacity as Administrative Agent or Issuing Bank shall be deemed given by JPMCB in its capacity as Swingline Lender.

"***Swingline Loan***" has the meaning assigned to it in Section 2.09(a).

"***Synthetic Lease***" means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which lease or other arrangement is required or is permitted to be classified and accounted for as an operating lease under GAAP but which is intended by the parties thereto for tax, bankruptcy, regulatory, commercial law, real estate law and all other purposes as a financing arrangement.

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, or other similar charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Term Benchmark***" when used in reference to any Loan or borrowing of Loans, refers to whether such Loan, or the Loans comprising such borrowing of Loans, are bearing interest at a rate determined by the reference to the Adjusted Term SOFR Rate.

"***Term Benchmark Borrowing***" means, as to any borrowing of Loans, the Term Benchmark Loans comprising of such borrowing.

"***Term Benchmark Lending Office***" means the office of each Lender which shall be making or maintaining its Term Benchmark Loans.

"***Term Benchmark Loan***" means a Loan that bears interest at a rate based on the Adjusted Term SOFR Rate.

"***Term SOFR***" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"***Term SOFR Determination Day***" has the meaning assigned to it under the definition of "Term SOFR Reference Rate".

"***Term SOFR Rate***" means, with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two (2) U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"***Term SOFR Reference Rate***" means, for any day and time (such day, the "***Term SOFR Determination Day***"), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 p.m. (New York City time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

"***Type***" means, as to any Loan, its nature, or classification, as an ABR Loan, Term Benchmark Loan or RFR Loan.

"***UCC***" means the Uniform Commercial Code as in effect in the State of New York; **provided** that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "***UCC***" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"***UK Financial Institutions***" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"***UK Resolution Authority***" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"***Unadjusted Benchmark Replacement***" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"***Unfinanced Capital Expenditures***" means, with respect to any Person and for any period, Capital Expenditures made by such Person during such period and not financed from the proceeds of Indebtedness (other than, for the avoidance of doubt, Loans), the proceeds of any issuance of Equity Interests or the proceeds of any Asset Sale.

"***Unmatured Surviving Obligations***" means, at any date, contingent indemnification or expense reimbursement claims which are not then due and payable or with respect to which no demand has been made.

"***Unrestricted Subsidiaries***" means (a) any Subsidiary designated as such on Schedule 6.11 as of the Closing Date, (b) any Subsidiary that is formed or acquired after the Closing Date and is designated subsequent to the Closing Date as an Unrestricted Subsidiary by the Company in accordance with Section 8.19 and (c) any Subsidiary of an Unrestricted Subsidiary.

"***Unsecured 2023 Notes***" means the Parent's and NGL Energy Finance Corp.'s 7.50% senior notes due 2023.

"***Unsecured 2025 Notes***" means the Parent's and NGL Energy Finance Corp.'s 6.125% senior notes due 2025.

"***Unsecured 2026 Notes***" means the Parent's and NGL Energy Finance Corp.'s 7.50% senior notes due 2026.

"***U.S. Government Securities Business Day***" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in United States government securities.

"***U.S. Person***" means a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Special Resolution Regime***" has the meaning assigned to it in Section 12.18(b).

"***U.S. Tax Compliance Certificate***" has the meaning specified in Section 5.23(g)(ii)(B)(III).

"***Vessel***" means, collectively, ships, barges, tugboats, articulated tug and barge units, marine vessels and other carriers.

"***Weighted Average Life to Maturity***" means, when applied to any Indebtedness at any date, the number of years (and/or portion thereof) obtained by dividing: (a) the sum of the products obtained by *multiplying* (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"***Wholly-Owned Domestic Subsidiary***" means at any date a Wholly-Owned Subsidiary of the Company which is a Domestic Subsidiary at such date, and "***Wholly-Owned Domestic Subsidiaries***" means all of them, collectively.

"***Wholly-Owned Subsidiary***" means, with respect to any Person at any date, any Subsidiary of such Person all of the shares of capital stock or other ownership interests of which (except directors' qualifying shares) are at the time directly or indirectly owned by such Person.

"***Withdrawal Liability***" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan Section 4201 of ERISA.

"***Withholding Agent***" has the meaning assigned to it in Section 5.23(a).

"***Write-Down and Conversion Powers***" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.3 Other Definitional Provisions

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in any other Credit Document or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in any other Credit Document and any certificate or other document made or delivered pursuant hereto, accounting terms relating to the Company and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1 to the extent not defined, shall have the respective meanings given to them under GAAP. If any Credit Party is required after Closing Date to implement any change(s) in its accounting principles and practice as a result of any changes in GAAP mandated by the Financial Accounting Standards Board or successor organization, and if such change(s) result in any material change in the method of calculation of the Fixed Charge Coverage Ratio or any other financial test provided herein or any other Credit Document, then for all periods after the date of implementation of such change(s) until one or more appropriate amendments of this Agreement addressing such change(s) in GAAP are negotiated, executed and delivered by the Parent, the Company and the number of Lenders required by Section 12.1 in a form acceptable to all such parties, the Fixed Charge Coverage Ratio and or any other financial test provided herein or any other Credit Document, as applicable, shall be calculated hereunder utilizing GAAP as in effect prior to such change(s).

(c) Unless otherwise expressly provided, any accounting concept and all financial covenants shall be determined on a consolidated basis for the Credit Parties, and financial measurements shall be computed without duplication.

(d) The meanings given to terms defined herein shall be equally applicable to the singular and plural forms of such terms.

(e) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (v) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(f) For purposes of any Collateral located in the Province of Québec or charged by any deed of hypothec (or any other Credit Document governed by the laws of the Province of Québec) and for all other purposes pursuant to which the interpretation or construction of a Credit Document may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec, (a) "personal property" shall be deemed to include "movable property", (b) "real property" shall be deemed to include "immovable property", (c) "tangible property" shall be deemed to include "corporeal property", (d) "intangible property" shall be deemed to include "incorporeal property", (e) "security interest" and "mortgage" shall be deemed to include a "hypothec", (f) all references to filing, registering or recording under the UCC or the PPSA shall be deemed to include publication under the Civil Code of Québec, (g) all references to "perfection" of or "perfected" Liens shall be deemed to include a reference to the "opposability" of such Liens to third parties, (h) any "right of offset", "right of setoff" or similar expression shall be deemed to include a "right of compensation", (i) "goods" shall be deemed to include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, and (j) an "agent" shall be deemed to include a "mandatary".

1.4 Divisions

For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

1.5 Interest Rates; Benchmark Notifications

The interest rate on a Loan denominated in Dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 5.17(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Company. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Company, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

1.6 Limited Condition Transactions

In connection with determining whether any Limited Condition Transaction is permitted hereunder, for which determination requires the calculation of any financial ratio, test or basket, each calculated on a *pro forma* basis, at the option of the Company (the Company's election to exercise such option in connection with any Limited Condition Transaction, an "***LCT Election***"), the date of determination shall be deemed to be (a) the date the definitive agreement for such Limited Condition Transaction is entered into, (b) in the case of a Limited Condition Transaction described in clause (i) of the definition thereof, if such Limited Condition Transaction will not be consummated prior to the date that is 90 days after the date of such definitive agreement, then on the date that is 91 days after the date of such definitive agreement (**provided** that such transaction shall no longer constitute a Limited Condition Transaction if it is not consummated within 180 days after the date of such definitive agreement) or (c) in the case of a Limited Condition Transaction described in clause (ii) of the definition thereof, if such Limited Condition Transaction will not be consummated prior to the date that is 30 days after the date of such definitive agreement, then on the date that is 31 days after the date of such definitive agreement (provided that such transaction shall no longer constitute a Limited Condition Transaction if it is not consummated within 60 days after the date of such definitive agreement) (as applicable, the "***LCT Test Date***"), and if, after giving *pro forma* effect to the Limited Condition Transaction, such Limited Condition Transaction would have been permitted on the relevant LCT Test Date in compliance with such provision. For the avoidance of doubt, if the Company has made an LCT Election, (1) if any of the ratios, tests or baskets for which compliance was determined or tested as of an LCT Test Date would at any time after such LCT Test Date have been exceeded or otherwise failed to have been complied with as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA of the Credit Parties, such baskets, tests or ratios will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations (and no Default or Event of Default shall be deemed to have occurred due to such failure to comply), and (2) in calculating the availability under any ratio, test or basket in connection with any action or transaction unrelated to such Limited Conditional Transaction following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated and the date that the definitive agreement or date for redemption, purchase or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be determined or tested giving pro forma effect to such Limited Condition Transaction.

1.7 Performance

When payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

1.8 Additional Alternative Currencies

(a) The Company may from time to time request that Letters of Credit be issued in Canadian dollars; provided that such request shall be subject to the approval of the Administrative Agent and the applicable Issuing Lender and the aggregate amount of Letters of Credit that may be issued in Canadian dollars may not exceed $20,000,000.

(b) Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.9 Exchange Rates; Currency Equivalents

(a) Without limiting the other terms of this Agreement, the calculations and determinations under this Agreement of any amount (including any amount in any currency other than Dollars) shall be deemed to refer to the Dollar Equivalent thereof and all Borrowing Base Certificates delivered under this Agreement shall express such calculations or determinations in the Dollar Equivalent thereof.

(b) For purposes of this Agreement and the other Credit Documents, the Dollar Equivalent of the Borrowing Base and any Letters of Credit and other Obligations shall be determined in accordance with the terms of this Agreement. Such Dollar Equivalent shall become effective as of the determination date for the Borrowing Base and for Letters of Credit and other Obligations and shall be the Dollar Equivalent until the next determination date to occur for the Borrowing Base and for such Letters of Credit and other Obligations.

2. AMOUNT AND TERMS OF REVOLVING CREDIT COMMITMENTS

2.1 Revolving Credit Commitments

(a) Subject to the terms and conditions hereof, each Lender agrees to extend credit, in an aggregate amount not to exceed such Lender's Revolving Credit Commitment, to the Company from time to time on any Borrowing Date during the Revolving Credit Commitment Period by purchasing an L/C Participating Interest in each Letter of Credit issued by the Issuing Lender and by making loans to the Company (***Revolving Credit Loans***) from time to time. Revolving Credit Loans shall be denominated in Dollars. Notwithstanding the foregoing and subject to the Administrative Agent's authority, in its reasonable discretion, to make Protective Advances pursuant to Section 2.8, in no event shall (i) any Revolving Credit Loan be made, or any Letter of Credit be issued, if, after giving effect thereto and the use of proceeds thereof as irrevocably directed by the Company, the sum of the Aggregate Revolving Credit Extensions of Credit would exceed the Line Cap then in effect or (ii) any Revolving Credit Loan be made, or any Letter of Credit be issued, if the amount of such Loan to be made or any Letter of Credit to be issued would, after giving effect to the use of proceeds, if any, thereof, exceed the Available Revolving Credit Commitments. Subject to the foregoing, during the Revolving Credit Commitment Period, the Company may use the Revolving Credit Commitments by borrowing, repaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof, and/or by having the Issuing Lender issue Letters of Credit, having such Letters of Credit expire undrawn upon or if drawn upon, reimbursing the relevant Issuing Lender for such drawing, and having the Issuing Lender issue new Letters of Credit.

(b) Each borrowing of Revolving Credit Loans shall be in an aggregate principal amount of the lesser of (i) $1,000,000 or a whole multiple of $1,000,000 in excess thereof, and (ii) the Available Revolving Credit Commitments, except that any borrowing of a Revolving Credit Loan to be used solely to pay the like amount of an L/C Disbursement may be in the principal amount of such L/C Disbursement.

(c) Any Protective Advance and any Swingline Loan shall be made in accordance with the procedures set forth in Sections 2.08 and 2.09.

2.2 Proceeds of Revolving Credit Loans

The Company shall use the proceeds of Revolving Credit Loans solely for financing the working capital or general corporate purposes of the Parent and its Restricted Subsidiaries (including making payments to an Issuing Lender to reimburse the Issuing Lender for drawings made under the Letters of Credit), including on the Closing Date to pay fees and expenses related to the transactions contemplated hereby and to refinance the Indebtedness outstanding under the Existing Revolving Credit Agreement and Existing Term Loan Credit Agreement and to pay fees (including any call premium payable by the Company in connection with the prepayment of the Existing Term Loan Credit Agreement). Notwithstanding the foregoing, no Credit Party will request any Loans, and no Credit Party shall use, and shall procure that their Subsidiaries and their respective directors, officers, employees and, to the knowledge of any Credit Party, agents, shall not use, the proceeds of any Revolving Credit Loan or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

2.3 Issuance of Letters of Credit

(a) Subject to the terms and conditions hereof, the Company may from time to time during the Revolving Credit Commitment Period request any Issuing Lender to issue a Letter of Credit (including a counter-standby Letter of Credit) denominated in Dollars or Canadian dollars by delivering to the Administrative Agent at its address specified in Section 12.2 and the Issuing Lender an L/C Application completed to the satisfaction of the Issuing Lender, together with the proposed form of the Letter of Credit (which shall comply with the applicable requirements of clause (b) below) and such other certificates, documents and other papers and information as the Issuing Lender may reasonably request; **provided** that if the Issuing Lender informs the Company that it is for any reason unable to open such Letter of Credit, the Company may request another Lender to open such Letter of Credit upon the same terms offered to the initial Issuing Lender and if such other Lender agrees to issue such Letter of Credit each reference to the Issuing Lender for purposes of the Credit Documents shall be deemed to be a reference to such Lender. Letters of Credit shall be denominated in Dollars or Canadian dollars.

(b) Each Letter of Credit issued hereunder shall, among other things, (i) be in such form requested by the Company as shall be acceptable to the Issuing Lender in its sole discretion and (ii) subject to clause (c) below, have an expiry date occurring not later than the earlier of (A) three hundred and sixty-five (365) days after the date of issuance of such Letter of Credit and (B) five (5) Business Days prior to the Revolving Credit Termination Date; **provided** that the Specified Letter of Credit may have an expiry date not later than June 29, 2022.

(c) If the Company so requests in the applicable L/C Application, the Issuing Lender may agree to issue a Letter of Credit with a one-year tenor that has automatic extension or renewal provisions (each, an "***Auto-Extension Letter of Credit***"); **provided** that (x) any such Auto-Extension Letter of Credit must permit the Issuing Lender to prevent any such extension or renewal at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a certain number of days prior to each anniversary of such Letter of Credit's date of issuance (the "***Non-Extension Notice Date***"), such number of days to be agreed upon by the Company and the Issuing Lender at the time such Letter of Credit is issued and (y) such prior notice shall be deemed to have been given by the Issuing Lender on the effective date of its resignation as Issuing Lender in accordance with Section 11.9. Unless otherwise directed by the Issuing Lender, the Company shall not be required to make a specific request to the Issuing Lender for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Credit Lenders shall be deemed to have authorized (but may not require) the Issuing Lender to permit the extension of such Letter of Credit at any time to an expiry date not later than five (5) Business Days prior to the Revolving Credit Termination Date; **provided**, **however**, that the Issuing Lender shall not permit any such extension if (A) the Issuing Lender has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of Section 2.1(a), Section 2.5 or otherwise), or (B) it has received written notice on or before the day that is thirty (30) days before the Non-Extension Notice Date (1) from the Administrative Agent that the Majority Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Revolving Credit Lender or the Company that one or more of the applicable conditions specified in Section 7.2 is not then satisfied, and in each such case directing the Issuing Lender not to permit such extension.

(d) Notwithstanding anything herein to the contrary, the Issuing Lender shall have no obligation hereunder to issue, and shall not issue, any Letter of Credit (i) the proceeds of which would be made available to any Person (A) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (B) in any manner that would result in a violation of any Sanctions by any party to this Agreement, (ii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing such Letter of Credit, or any Requirement of Law relating to the Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it, or (iii) if the issuance of such Letter of Credit would violate one or more policies of the Issuing Lender applicable to letters of credit generally.

2.4 Participating Interests

Effective in the case of each Letter of Credit opened by the Issuing Lender as of the date of the opening thereof and without any further action on the part of the applicable Issuing Bank or the Revolving Credit Lenders, the Issuing Lender hereby grants to itself and each other Revolving Credit Lender, and each Revolving Credit Lender severally and irrevocably agrees to take and does take in such Letter of Credit and the related L/C Application, an L/C Participating Interest in a percentage equal to such Revolving Credit Lender's Revolving Credit Commitment Percentage. In consideration and in furtherance of the foregoing, each such Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent in Dollars, for the account of the applicable Issuing Lender, such Revolving Credit Lender's Revolving Credit Commitment Percentage of each L/C Disbursement made by such Issuing Lender, in each case to the extent not reimbursed by the Company on the date due as provided in Section 2.6, or of any reimbursement payment required to be refunded to the Company for any reason.

Each Revolving Credit Lender's obligation to purchase participating interests pursuant to this Section 2.4 is absolute and unconditional as set forth in Section 5.16.

2.5 Procedure for Opening Letters of Credit

Upon receipt of any L/C Application from the Company in respect of a Letter of Credit, the Issuing Lender will promptly notify the Administrative Agent thereof and the Administrative Agent will notify each Revolving Credit Lender. The Issuing Lender will process such L/C Application, and the other certificates, documents and other papers delivered to the Issuing Lender in connection therewith, upon receipt thereof in accordance with its customary procedures and, subject to the terms and conditions hereof, shall promptly open such Letter of Credit by issuing the original of such Letter of Credit to the beneficiary thereof and by furnishing a copy thereof to the Company; **provided** that no such Letter of Credit shall be issued (i) if the amount of such requested Letter of Credit, together with the sum of (A) the aggregate unpaid amount of Revolving L/C Obligations outstanding at the time of such request and (B) the maximum aggregate amount available to be drawn under all Letters of Credit outstanding at such time, would exceed $250,000,000, (ii) if the amount of such requested Letter of Credit, together with the sum of (A) the

aggregate unpaid amount of Revolving L/C Obligations outstanding at the time of such request with respect to Letters of Credit issued by such Issuing Lender and (B) the maximum aggregate amount available to be drawn under all Letters of Credit outstanding at such time issued by such Issuing Lender, would exceed such Issuing Lender's Issuing Lender Sublimit or (iii) if Section 2.1 would be violated thereby.

2.6 Payments in Respect of Letters of Credit

(a) If the Issuing Lender shall make any L/C Disbursement in respect of a Letter of Credit, the Company shall reimburse such L/C Disbursement by paying to the Administrative Agent an amount equal to such L/C Disbursement in Dollars, (i) not later than 1:00 P.M., New York City time, on the same Business Day if the Company receives notice of such L/C Disbursement at or before 11:00 A.M. New York City time on such Business Day, or (ii) if the Company receives a notice of disbursement after 11:00 A.M. New York City time not later than 1:00 P.M. New York City time, on the Business Day immediately following the date that the Company receives such notice; **provided** that the Company may, subject to the conditions to borrowing set forth herein, request in accordance with Section 5.1 that such payment be financed with an ABR Loan or a Swingline Loan, which is a Revolving Credit Loan in an equivalent amount and, to the extent so financed, the Company's obligation to make such payment shall be discharged and replaced by the resulting ABR Loan or Swingline Loan which is a Revolving Credit Loan.

(b) If an Issuing Lender shall make any L/C Disbursement, then, unless the Company shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such L/C Disbursement is made to but excluding the date that the Company reimburses such L/C Disbursement, at the rate *per annum* then applicable to ABR Loans; **provided** that, if the Company fails to reimburse such L/C Disbursement when due pursuant to clause (b) of this Section, then, Section 5.7(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Lender, except that interest accrued on and after the date of payment by any Revolving Credit Lender pursuant to clause (a) of this Section to reimburse such Issuing Lender shall be for the account of such Revolving Credit Lender to the extent of such payment. If the Company fails to make such payment when due, then the Administrative Agent shall notify the applicable Issuing Lender and each other applicable Revolving Credit Lender of the applicable L/C Disbursement, the payment then due from the Company in respect thereof and such Revolving Credit Lender's Revolving Credit Commitment Percentage thereof. Promptly following receipt of such notice, each applicable Revolving Credit Lender shall pay to the Administrative Agent in Dollars its Revolving Credit Commitment Percentage of the payment then due from the Company (and Section 5.18(b) shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Credit Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Lender in Dollars the amounts so received by it from such Revolving Credit Lender. Promptly following receipt by the Administrative Agent of any payment from the Company pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Lender or, to the extent that Revolving Credit Lenders have made payments pursuant to this paragraph to reimburse such Issuing Lender, then to such Revolving Credit Lenders and the applicable Issuing Lender as their interests may appear. Any payment made by a Revolving Credit Lender pursuant to this paragraph to reimburse any Issuing Lender for any L/C Disbursement (other than the funding of ABR Loans or Swingline Loans as contemplated above) shall not constitute a Loan and shall not relieve the Company of its obligation to reimburse such L/C Disbursement.

(c) Whenever, at any time after the Issuing Lender has made a payment under any Letter of Credit and has received from any other Revolving Credit Lender such other Revolving Credit Lender's pro-rata share of the Revolving L/C Obligation arising therefrom, the Issuing Lender receives any reimbursement on account of such Revolving L/C Obligation or any payment of interest on account thereof, the Issuing Lender will distribute to such other Revolving Credit Lender, through the Administrative Agent, its pro-rata share thereof in like funds as received (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Credit Lender's participating interest was outstanding and funded); **provided** that, in the event that the receipt by the Issuing Lender of such reimbursement or such payment of interest (as the case may be) is required to be returned, such other Revolving Credit Lender will promptly return to the Issuing Lender, through the Administrative Agent, any portion thereof previously distributed by the Issuing Lender to it in like funds as such reimbursement or payment is required to be returned by the Issuing Lender.

(d) The Company shall pay to each Issuing Lender, each of the fees set forth in Section 5.11.

2.7 Eligible Cash Account

Notwithstanding anything to the contrary contained herein, so long as no Default or Event of Default has occurred and is continuing, the Company may request that all or a portion of Eligible Cash Collateral be transferred to another Controlled Account of the Credit Parties that is not fully-blocked, it being understood that upon such transfer, Eligible Cash Collateral shall be reduced by the amount of such transferred cash. Upon such request, the Administrative Agent may, at its Permitted

Discretion, promptly transfer such cash as directed by the Company so long as such transfer would not cause the Aggregate Revolving Credit Extensions of Credit to exceed the Line Cap.

2.8 Protective Advances

(a) Subject to the limitations set forth below, the Administrative Agent, in its sole discretion exercised in good faith, may make Revolving Credit Loans to the Company on behalf of the Lenders, if the Administrative Agent, in its Permitted Discretion, deems that such Revolving Credit Loans are necessary or desirable (i) to protect all or any portion of the Collateral, (ii) to enhance the likelihood or maximize the amount of repayment of the Loans and the other Obligations or (iii) to pay any other amount chargeable to the Company pursuant to this Agreement (such Revolving Credit Loans, "***Protective Advances***"); **provided** that (A) the aggregate amount of Protective Advances outstanding at any time shall not at any time exceed 10% of the Line Cap, (B) in no event shall the sum of the Aggregate Revolving Credit Extensions of Credit exceed the aggregate Revolving Credit Commitments and (C) the Majority Lenders may at any time revoke the Administrative Agent's authorization to make future Protective Advances (**provided** that existing Protective Advances shall not be subject to such revocation and any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof). At any time that the conditions for making a Revolving Credit Loan are satisfied, the Administrative Agent may request the Lenders to make a Revolving Credit Loan to repay a Protective Advance. At any other time the Administrative Agent may require the Lenders to fund their risk participation described in Section 2.8(b).

(b) Upon the making of a Protective Advance, each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent (regardless of the existence of any Event of Default or other condition), without recourse or warranty, an undivided interest and participation in such Protective Advance based upon their Revolving Credit Commitment Percentages. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender's Revolving Credit Commitment Percentages of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

(c) All Protective Advances shall be secured by the Collateral and shall bear interest as provided in this Agreement for ABR Loans.

2.9 Swingline Loans

(a) The Administrative Agent, the Swingline Lender and the Lenders agree that in order to facilitate the administration of this Agreement and the other Credit Documents, promptly after the Company requests a borrowing of ABR Loans in accordance with the requirements of Article 5, the Swingline Lender may elect to have the terms of this Section 2.09(a) apply to such request by advancing, on behalf of the Lenders and in the amount requested, same day funds to the Company on the date of the applicable borrowing to the account of the Company designated by the Company (each such Loan made solely by the Swingline Lender pursuant to this Section 2.09(a) is referred to in this Agreement as a "Swingline Loan"), with settlement among them as to the Swingline Loans to take place on a periodic basis as set forth in Section 2.09(c). Each Swingline Loan shall be subject to all the terms and conditions applicable to other ABR Loans funded by the Lenders, except that all payments thereon shall be payable to the Swingline Lender solely for its own account. The aggregate amount of Swingline Loans that may be outstanding hereunder shall not exceed $25,000,000 unless the Swingline Lender agrees in its sole discretion; **provided** that the aggregate amount of Swingline Loans that may be outstanding hereunder shall not exceed $50,000,000.

(b) Upon the making of a Swingline Loan (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such Swingline Loan), each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Swingline Lender, without recourse or warranty, an undivided interest and participation in such Swingline Loan in proportion to its Revolving Credit Commitment Percentage of the Revolving Credit Commitment. The Swingline Lender may, at any time, require the Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Swingline Loan purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender's Revolving Credit Commitment Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Swingline Loan.

(c) The Administrative Agent, on behalf of the Swingline Lender, shall request settlement (a "Settlement") with the Lenders on at least a weekly basis or on any date that the Administrative Agent elects, by notifying the Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 1:00 P.M. New York time on the date of such requested Settlement (the "Settlement Date"). Each Lender (other than the Swingline Lender, in the case of the Swingline Loans) shall transfer the amount of such Lender's Revolving Credit Commitment Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the

Administrative Agent, to such account of the Administrative Agent as the Administrative Agent may designate, not later than 3:00 P.M., New York time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 7.02 have then been satisfied. Such amounts transferred to the Administrative Agent shall be applied against the amounts of the Swingline Lender's Swingline Loans and, together with Swingline Lender's Revolving Credit Commitment Percentage of such Swingline Loan, shall constitute Revolving Loans of such Revolving Lenders, respectively. If any such amount is not transferred to the Administrative Agent by any Revolving Lender on such Settlement Date, the Swingline Lender shall be entitled to recover from such Lender on demand such amount, together with interest thereon, as specified in Section 2.09.

3. AMOUNT AND TERMS OF INCREMENTAL LOANS

3.1 Requests for Incremental Loans

Upon notice to the Administrative Agent (which shall promptly notify the Lenders) at any time after the Closing Date but prior to the Revolving Credit Termination Date, the Company may request additional revolving loan commitments or increases in the aggregate amount of Revolving Credit Commitments (each such additional commitment or increase, a "***Revolving Credit Commitment Increase***" and all of them, collectively, the "***Revolving Credit Commitments Increases***"); **provided** that after giving effect to any Revolving Credit Commitment Increase, the aggregate amount of Revolving Credit Commitments Increases that have been added pursuant to this Section 3.1 shall not exceed (a) $100,000,000 after the Second Amendment Effective Date and prior to the date on which the Commitments are reduced to an amount that is no greater than $500,000,000 pursuant to Section 8.21 and (b) $200,000,000 after the date on which the Commitments are reduced to an amount that is no greater than $500,000,000 pursuant to Section 8.21. Any loans made in respect of any such Revolving Credit Commitment Increase (the "***Incremental Revolving Credit Loans***") shall be made by increasing the aggregate Revolving Credit Commitments with terms identical to those of the existing Revolving Credit Loans. Notwithstanding the foregoing, (i) each Revolving Credit Commitment Increase effected pursuant to this Article 3 shall be in a minimum amount of at least $10,000,000 and (ii) no more than four Revolving Credit Commitment Increases may be selected by the Company after the Second Amendment Effective Date.

3.2 Ranking and Other Provisions

The Incremental Revolving Credit Loans (i) shall have the same guarantees as, and rank pari passu in right of payment and in respect of lien priority as to the Collateral with the Obligations in respect of, the Revolving Credit Commitments and (ii) shall be on terms and pursuant to documentation identical as, and treated substantially the same as, the Revolving Credit Loans.

3.3 Notices; Lender Elections

The notice from the Company to the Administrative Agent delivered pursuant to Section 3.1 shall set forth the requested amount and proposed terms of the Revolving Credit Commitments Increases, which proposed terms shall not be inconsistent with the requirements of Section 3.2. At the time of the sending of such notice, the Company (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) days from the date of delivery of such notice to the Lenders). Incremental Revolving Credit Loans (or any portion thereof) may be made by any existing Lender or by any other bank or financial institution (any such bank or other financial institution, an "***Incremental Lender***"), in each case on terms permitted in this Article 3 and otherwise on terms reasonably acceptable to the Administrative Agent, **provided** that the Administrative Agent and the Issuing Lender (in the case of the Issuing Lender, solely in the event the Incremental Lender is not an existing Lender) shall have consented (which consent shall not be unreasonably withheld, conditioned or delayed) to such Lender's or Incremental Lender's, as the case may be, making such Incremental Revolving Credit Loans if such consent would be required under Section 12.6 for an assignment of Loans to such Lender or Incremental Lender, as the case may be. No Lender shall be obligated to provide any Revolving Credit Commitment Increase, unless it so agrees. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to provide a Revolving Credit Commitment Increase and, if so, whether by an amount equal to, greater than, or less than its Commitment Percentage of such requested increase (which shall be calculated on the basis of the amount of the funded and unfunded exposure under all the Loans held by each Lender). Any Lender not responding within such time period shall be deemed to have declined to provide a Revolving Credit Commitment Increase. The Administrative Agent shall notify the Company and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase, the Company may also invite additional Eligible Assignees to become Incremental Lenders pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

3.4 Incremental Facility Amendment

Revolving Credit Commitments Increases shall become Commitments (or in the case of any Revolving Credit Commitment Increase to be provided by an existing Revolving Credit Lender, an increase in such Revolving Credit Lender's Revolving Credit Commitment) under this Agreement pursuant to an amendment (an "***Incremental Facility Amendment***") to this Agreement and, as appropriate, the other Credit Documents, executed by the Company, each Lender agreeing to provide such

Commitment, if any, each Incremental Lender, if any, and the Administrative Agent. An Incremental Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Article 3.

3.5 Effective Date and Allocations

If any Revolving Credit Commitments Increases are added in accordance with this Article 3, the Administrative Agent and the Company shall determine the effective date (the "***Incremental Commitments Effective Date***") and the final allocation of such Revolving Credit Commitments Increases. The Administrative Agent shall promptly notify the Company and the Lenders of the final allocation of such Revolving Credit Commitments Increases and the Incremental Commitments Effective Date.

3.6 Conditions to Effectiveness of Increase

The effectiveness of any Incremental Facility Amendment shall, unless otherwise agreed to by the Administrative Agent, each Lender party thereto, if any, and the Incremental Lenders, if any, be subject to the satisfaction on the date thereof (the "***Incremental Facility Closing Date***") of each of the following conditions:

(a) the Administrative Agent shall have received on or prior to the Incremental Facility Closing Date each of the following, each dated the Incremental Facility Closing Date unless otherwise indicated or agreed to by the Administrative Agent and each in form and substance reasonably satisfactory to the Administrative Agent: (i) the applicable Incremental Facility Amendment; (ii) certified copies of resolutions of the board of directors of each Credit Party approving the execution, delivery and performance of the Incremental Facility Amendment; and (iii) a favorable opinion of counsel for the Credit Parties dated the Incremental Facility Closing Date, to the extent reasonably requested by the Administrative Agent, addressed to the Administrative Agent and the Lenders and in form and substance and from counsel reasonably satisfactory to the Administrative Agent;

(b) (i) the conditions precedent set forth in Section 7.2 shall have been satisfied both before and after giving effect to such Incremental Facility Amendment and the additional Extensions of Credit provided thereby (it being understood that all references to "the obligation of any Lender to make a Loan on the occasion of any Borrowing" shall be deemed to refer to the effectiveness of the Incremental Facility Amendment on the Incremental Facility Closing Date) and (ii) all Incremental Revolving Credit Loans provided by the applicable Incremental Facility Amendment shall be made on the terms and conditions provided for above; and

(c) there shall have been paid to the Administrative Agent, for the account of the Administrative Agent and the Lenders (including any Person becoming a Lender as part of such Incremental Facility Amendment on the related Incremental Facility Closing Date), as applicable, all fees and expenses (including reasonable and documented out-of-pocket fees, charges and disbursements of one outside counsel and, if necessary, one local counsel in each applicable jurisdiction) invoiced with reasonable supporting documentation that are due and payable on or before the Incremental Facility Closing Date.

3.7 Effect of Incremental Facility Amendment

On the Incremental Commitments Effective Date, each Lender or Eligible Assignee which is providing a Revolving Credit Commitment Increase (i) shall become a "Lender" for all purposes of this Agreement and the other Credit Documents and (ii) shall have a Revolving Credit Commitment Increase which shall become a "Commitment" hereunder.

3.8 Revolving Credit Commitment Increases

Upon each Revolving Credit Commitment Increase pursuant to this Article 3, (i) each Revolving Credit Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each existing Lender, if any, and each Incremental Lender, if any, in each case providing a portion of such Revolving Credit Commitment Increase (each a "***Revolving Credit Commitment Increase Lender***"), and each such Revolving Credit Commitment Increase Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Credit Lender's participation interests hereunder in outstanding Letters of Credit such that, after giving effect to such Revolving Credit Commitment Increase and each such deemed assignment and assumption of participation interests, the percentage of the aggregate outstanding participation interests hereunder in Letters of Credit held by each Revolving Credit Lender (including such Revolving Credit Commitment Increase Lender) will equal such Revolving Credit Lender's Revolving Credit Commitment Percentage and (ii) if, on the date of such Revolving Credit Commitment Increase, there are any Revolving Credit Loans outstanding, the Administrative Agent shall take those steps which it deems, in its sole discretion and in consultation with the Company, necessary and appropriate to result in each Revolving Credit Lender (including each Revolving Credit Commitment Increase Lender) having a pro-rata share of the outstanding Revolving Credit Loans based on each such Revolving Credit Lender's Revolving Credit Commitment Percentage immediately after giving effect to such Revolving Credit Commitment Increase, **provided** that any prepayment made in connection with the taking of any such steps shall be accompanied by accrued interest

on the Revolving Credit Loans being prepaid and any costs incurred by any Lender in accordance with Section 5.21. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro-rata borrowing and pro-rata payment requirements contained elsewhere in this Agreement shall not apply to any transaction that may be effected pursuant to the immediately preceding sentence.

3.9 Conflicting Provisions

The provisions of this Article 3 shall supersede any provision of Section 5.18 or 12.1 to the contrary.

4. [RESERVED]

5. GENERAL PROVISIONS APPLICABLE TO LOANS AND LETTERS OF CREDIT

5.1 Procedure for Borrowing by the Company

(a) The Company may borrow under the Commitments on the Closing Date and on any Business Day thereafter. The Company shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to (i) 1:00 P.M., New York City time, three (3) Business Days prior to the requested Borrowing Date in the case of a proposed borrowing of Term Benchmark Loans and (ii) 2:00 P.M., New York City time, on the requested Borrowing Date if the borrowing is to be solely of ABR Loans; **provided** that any such notice of a borrowing of ABR Loans to finance the reimbursement of an L/C Disbursement as contemplated by Section 2.6(a) may be given not later than 1:00 P.M., New York City time, on the date of the proposed borrowing) signed by a Responsible Officer of the Company specifying (A) the amount of the borrowing, (B) whether such Loans are initially to be Term Benchmark Loans or ABR Loans, or a combination thereof, (C) if the borrowing is to be entirely or partly Term Benchmark Loans, the length of the Interest Period for such Term Benchmark Loans and (D) the amount of such borrowing to be constituted by Revolving Credit Loans and/or Incremental Revolving Credit Loans. Upon receipt of such notice the Administrative Agent shall promptly notify each Lender, which notice shall in any event be delivered to each Lender by 2:00 P.M., New York City time, on such date. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in such notice, each Lender shall make available to the Administrative Agent at the office of the Administrative Agent specified in Section 12.2 (or at such other location as the Administrative Agent may direct) in Dollars an amount in Same Day Funds equal to the amount of the Loan to be made by such Lender. Loan proceeds received by the Administrative Agent hereunder shall promptly be made available to the Company by the Administrative Agent's crediting the account of the Company designated by the Company, with the aggregate amount actually received by the Administrative Agent from the Lenders and in like funds as received by the Administrative Agent; **provided** that Revolving Credit Loans made to finance the reimbursement of an L/C Disbursement as provided in Section 2.6 shall be remitted by the Administrative Agent to the applicable Issuing Lender.

(b) Any borrowing of Term Benchmark Loans by the Company hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, (i) except as provided in Section 2.1(b), the aggregate principal amount of all Term Benchmark Loans having the same Interest Period shall not be less than $1,000,000 or a whole multiple of $1,000,000 in excess thereof, and (ii) no more than ten Interest Periods shall be in effect at any one time with respect to Term Benchmark Loans. Each Swingline Loan shall be an ABR Loan.

5.2 Repayment of Loans; Evidence of Debt

(a) The Company hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Credit Loan of such Lender on the Revolving Credit Termination Date (or such earlier date on which the Revolving Credit Loans become due and payable pursuant to Article 10). The Company hereby further agrees to pay interest on the unpaid principal amount of the Loans from time to time outstanding from the date hereof until payment in full thereof at the rates *per annum*, and on the dates, set forth in Section 5.7.

(b) At all times during a period when a Cash Dominion Event has occurred and is continuing, (i) on each Business Day, the Administrative Agent shall apply all funds credited to the Collection Account as of 10:00 A.M., New York City time, on such Business Day (whether or not immediately available), ***first***, to prepay any Protective Advances, ***second***, to prepay the Revolving Credit Loans, ***third***, to the payment of any Revolving L/C Obligations then outstanding, and ***fourth***, to Cash Collateralize outstanding Letters of Credit, without a corresponding reduction in the Revolving Credit Commitments and (ii) on each Business Day following the last day of the Asset Sale Reserve Period, the Administrative Agent shall apply all funds credited to the Asset Sale Reserve Account as of 10:00 A.M., New York City time, on such Business Day (whether or not immediately available), ***first***, to prepay any Protective Advances, ***second***, to prepay the Revolving Credit Loans, ***third***, to the payment of any Revolving L/C Obligations then outstanding, and ***fourth***, to Cash Collateralize outstanding Letters of Credit, without a corresponding reduction in the Revolving Credit Commitments; **provided** that if the Asset Sale Reserve Period ends as a result of the Cash Dominion

Event that commenced such Asset Sale Reserve Period no longer being continuing, the Administrative Agent shall promptly apply funds credited to the Asset Sale Reserve Account at the Borrower's direction for any purpose not prohibited hereunder. Notwithstanding the foregoing, to the extent any funds credited to the Asset Sale Reserve Account constitute Net Proceeds of a Notes Priority Collateral Prepayment Event, the application of such proceeds shall be subject to Section 5.6(c).

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Company to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(d) The Administrative Agent shall maintain the Register pursuant to Section 12.6(d) and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder, the Type thereof and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Company to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Company and each Lender's share thereof.

(e) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 5.2(c) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Company therein recorded; **provided**, **however**, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Company to repay (with applicable interest) the Loans made to such Company by such Lender in accordance with the terms of this Agreement.

5.3 Conversion and Continuation Options

(a) The Company may elect from time to time to convert Term Benchmark Loans into ABR Loans by giving the Administrative Agent irrevocable notice of such election, to be received by the Administrative Agent prior to 1:00 pm, New York City time, at least three (3) Business Days prior to the proposed conversion date, **provided** that any such conversion of Term Benchmark Loans shall only be made on the last day of an Interest Period with respect thereto. The Company may elect from time to time to convert all or a portion of the ABR Loans then outstanding to Term Benchmark Loans by giving the Administrative Agent irrevocable notice of such election, to be received by the Administrative Agent prior to 1:00 P.M., New York City time, at least three (3) Business Days prior to the proposed conversion date, specifying the Interest Period selected therefor, and, if no Default or Event of Default has occurred and is continuing, such conversion shall be made on the requested conversion date or, if such requested conversion date is not a Business Day, on the next succeeding Business Day. Upon receipt of any notice pursuant to this Section 5.3, the Administrative Agent shall promptly, but in any event by 2:00 P.M., New York City time, notify each Lender thereof. All or any part of the outstanding Loans may be converted as provided herein, **provided** that partial conversions of Loans shall be in the aggregate principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof, and the aggregate principal amount of the resulting Term Benchmark Loans outstanding in respect of any one Interest Period shall be at least $1,000,000 or a whole multiple of $1,000,000 in excess thereof. This Section 5.3 shall not apply to Swingline Loans or Protective Advances, which may not be converted or continued.

(b) So long as no Default or Event of Default has occurred and is continuing, the Company may elect from time to time to continue Term Benchmark Loans upon the expiry of the then current Interest Period with respect to such Term Benchmark Loans by giving the Administrative Agent irrevocable notice of such election, signed by a Responsible Officer of the Company, to be received by the Administrative Agent prior to 1:00 P.M., New York City time, at least three (3) Business Days prior to the end of such Interest Period, in each case specifying the new Interest Period selected therefor, **provided** that any such continuation shall only be made on the last day of an Interest Period with respect thereto. So long as no Default or Event of Default has occurred and is continuing, such continuation shall become effective on the last day of such Interest Period. So long as no Default or Event of Default has occurred and is continuing, if the Company fails to timely deliver such notice with respect to a Term Benchmark Loan, such Term Benchmark Loans shall be converted to ABR Loans.

5.4 Changes of Commitment Amounts

(a) The Company shall have the right, upon not less than three (3) Business Days' notice to the Administrative Agent, to terminate or, from time to time, reduce the Revolving Credit Commitments subject to the provisions of this Section 5.4. To the extent, if any, that the sum of the Revolving Credit Loans and Revolving L/C Obligations then outstanding and the amounts available to be drawn under outstanding Letters of Credit exceeds the Line Cap (after giving effect to the Revolving Credit Commitments as then reduced), the Company shall be required to make a prepayment equal to such excess amount, the proceeds of which shall be applied ***first***, to prepay any Protective Advances, ***second***, to payment of the Revolving Credit Loans then outstanding, ***third***, to payment of any Revolving L/C Obligations then outstanding, and ***fourth***, to Cash Collateralize any outstanding Letters of Credit on terms reasonably satisfactory to the

Administrative Agent and the applicable Issuing Lender. Any such termination of the Revolving Credit Commitments shall be accompanied by prepayment in full of the Revolving Credit Loans and Revolving L/C Obligations then outstanding and by Cash Collateralization of any outstanding Letter of Credit on terms reasonably satisfactory to the Administrative Agent and the applicable Issuing Lender by way of a deposit with the Administrative Agent into the Cash Collateral Account an amount of cash collateral equal to 105% of the aggregate undrawn stated amount of all outstanding Letters of Credit as security for the Finance Obligations to the extent that such Letters of Credit are not otherwise paid or cash collateralized at such time. Upon termination of the Revolving Credit Commitments, any Letter of Credit then outstanding which has been so Cash Collateralized shall no longer be considered a "***Letter of Credit***", as defined in Section 1.1 and any L/C Participating Interests heretofore granted by the Issuing Lender to the Lenders in such Letter of Credit shall be deemed terminated (subject to automatic reinstatement in the event that such cash collateral is returned and the Issuing Lender is not fully reimbursed for any such Revolving L/C Obligations), but the Letter of Credit fees payable under Section 5.11 shall continue to accrue to the Issuing Lender (or, in the event of any such automatic reinstatement, as provided in Section 5.11) with respect to such Letter of Credit until the expiry thereof.

(b) Interest accrued on the amount of any partial prepayment pursuant to this Section 5.4 to the date of such partial prepayment shall be paid on the Interest Payment Date next succeeding the date of such partial prepayment. In the case of the termination of the Revolving Credit Commitments, interest accrued on the amount of any prepayment relating thereto and any unpaid Commitment Fee accrued hereunder shall be paid on the date of such termination. Any such partial reduction of the Revolving Credit Commitments shall be in an amount of $1,000,000 or a whole multiple of $500,000 in excess thereof, and shall reduce permanently the Revolving Credit Commitments then in effect.

5.5 Optional Prepayments

The Company may at any time and from time to time prepay Loans, in whole or in part, upon irrevocable notice to the Administrative Agent (i) on any Business Day (to be received no later than 12:00 P.M., New York City time, on such Business Day) in the case of ABR Loans or Swingline Loans, (ii) one (1) Business Days' irrevocable notice to the Administrative Agent (to be received no later than 11:00 A.M., New York City time, on such Business Day) in the case of Term Benchmark Loans or (iii) five (5) U.S. Government Securities Business Days' irrevocable notice to the Administrative Agent (to be received no later than 11:00 A.M., New York City time, on such Business Day) in the case of RFR Loans and specifying the date and amount of prepayment; **provided** that RFR Loans and Term Benchmark Loans prepaid on any date other than the last day of any Interest Period with respect thereto shall be prepaid subject to the provisions of Section 5.21. Upon receipt of such notice the Administrative Agent shall promptly notify each Lender thereof. If such notice is given, the Company shall make such prepayment, and the payment amount specified in such notice shall be due and payable, on the date specified therein. Accrued interest on the amount of any Loans paid in full pursuant to this Section 5.5 shall be paid on the date of such prepayment. Accrued interest on the amount of any partial prepayment shall be paid on the Interest Payment Date next succeeding the date of such partial prepayment. Partial prepayments shall be in an aggregate principal amount equal to the lesser of (A) $1,000,000 or a whole multiple of $500,000 in excess thereof and (B) the aggregate unpaid principal amount of the applicable Loans, as the case may be.

5.6 Mandatory Prepayments

(a) In the event the Aggregate Revolving Credit Extensions of Credit exceeds the Line Cap (including after giving effect to any reductions in the Revolving Credit Commitments pursuant to Section 5.4(a)), the Company shall within one (1) Business Day of notice thereof from the Administrative Agent prepay Revolving Credit Loans (including the Swingline Loans) and Cash Collateralize the Revolving L/C Obligations in an aggregate amount equal to such excess.

(b) Upon the Revolving Credit Termination Date, the Company shall, with respect to each then outstanding Letter of Credit, if any, either (i) cause such Letter of Credit to be cancelled without such Letter of Credit being drawn upon or (ii) Cash Collateralize the Revolving L/C Obligations with respect to such Letter of Credit with a letter of credit issued by banks or a bank satisfactory to the Administrative Agent and each applicable Issuing Lender on terms satisfactory to the Administrative Agent and each applicable Issuing Lender.

(c) If any Credit Party receives any Net Proceeds in respect of any Notes Priority Collateral Prepayment Event, then (i) so long as no Cash Dominion Event has occurred or is in effect, the Company shall, on the next Business Day after the Net Proceeds thereof are utilized for repayments of the Secured 2026 Notes (or, if the Payment Conditions are then satisfied, any Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien) or reinvested in Collateral, in each case, in accordance with the terms of the Secured 2026 Notes Indenture (or the indenture or documents governing any Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien), prepay the Obligations in an aggregate amount equal to the lesser of (A) 100% of such Net Proceeds *minus* amounts so utilized for repayments of the Secured 2026 Notes (or, if the Payment Conditions are then satisfied, any Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien) or reinvested in Collateral, in each case, in accordance with the terms of the Secured 2026 Notes Indenture (or the indenture or documents governing any Indebtedness permitted hereunder to be

secured by a Pari Passu Second Lien) and (B) the aggregate outstanding principal amount of the Loans or (ii) if a Cash Dominion Event has occurred and is continuing, the Company shall, within one (1) Business Day following the consummation of the Notes Priority Collateral Prepayment Event, utilize such Net Proceeds to repay all or any portion of the Loans or deposit any remaining Net Proceeds (after giving effect to any repayment of the Loans) into the Asset Sale Reserve Account (for purposes of this clause (ii), the period commencing on the date of consummation of the applicable Notes Priority Collateral Prepayment Event and ending on the earlier of (A) the date that such Cash Dominion Event is no longer continuing and (B) the date that is 365 days thereafter (**provided** that if the Parent or any of its Restricted Subsidiaries enters into a written agreement committing it to reinvest such Net Proceeds after such 365-day period as permitted by the Secured 2026 Notes Indenture, then such 365-day period shall be extended for an additional period not to exceed 180 days), the "***Asset Sale Reserve Period***").

(d) Within five (5) Business Days of the date of incurrence by any Credit Party or any Restricted Subsidiary of any Indebtedness (other than Indebtedness permitted by Section 9.2), the Company shall prepay Revolving Credit Loans and Cash Collateralize the Revolving L/C Obligations in an aggregate amount equal to 100% of the net proceeds received by such Person in connection with such incurrence. The provisions of this Section 5.6(d) shall not be deemed to be implied consent to any such incurrence otherwise prohibited by the terms and conditions of this Agreement.

(e) If, at the end of any Excess Cash Test Date there are Revolving Credit Loans and/or Revolving L/C Obligations outstanding and the Credit Parties and their Restricted Subsidiaries have Excess Cash exceeding $25,000,000, the Company shall prepay Revolving Credit Loans and Cash Collateralize the Revolving L/C Obligations in an aggregate amount equal to the lesser of (i) the amount of such Excess Cash *minus* $25,000,000 *minus* the amount of any wires initiated or ACH transfers issued by any Credit Party in the ordinary course of business after the end of such Excess Cash Test Date and prior to 12:00 P.M., New York City time, on the date that such prepayment is required to be made and (ii) the aggregate principal amount of Revolving Credit Loans and Revolving L/C Obligations then outstanding by 12:00 P.M., New York City time on the next Business Day; **provided** that prepayments under this Section 5.6(e) shall not require the Company to pay any breakage under Section 5.21.

All prepayments made under this Section 5.6 shall be made ***first***, to prepay any Protective Advances, ***second***, to prepay the Revolving Credit Loans (including the Swingline Loans), ***third***, to the payment of any Revolving L/C Obligations then outstanding, and ***fourth***, to Cash Collateralize outstanding Letters of Credit, without a corresponding permanent reduction in the Revolving Credit Commitments.

5.7 Interest Rates and Payment Dates

(a) Each Protective Advance shall bear interest for the period from and including the date thereof until repayment thereof on the unpaid principal amount thereof at a rate *per annum* equal to the ABR *plus* the Applicable Margin.

(b) Each (i) Term Benchmark Loan shall bear interest for each day during each Interest Period with respect thereto on the unpaid principal amount thereof at a rate *per annum* equal to the Adjusted Term SOFR Rate determined for such Interest Period *plus* the Applicable Margin and (ii) RFR Loan shall bear interest for the period from and including the date thereof until maturity thereof on the unpaid principal amount thereof at a rate *per annum* equal to Adjusted Daily Simple SOFR *plus* the Applicable Margin.

(c) Each ABR Loan (including Swingline Loans) shall bear interest for the period from and including the date thereof until maturity thereof on the unpaid principal amount thereof at a rate *per annum* equal to the ABR *plus* the Applicable Margin.

(d) While (i) an Event of Default under Sections 10.1(a), (c)(ii) or (f) exists, automatically and (ii) any other Event of Default exists and the Majority Lenders (or the Administrative Agent at the direction of the Majority Lenders) shall have so elected (and in either case without limiting the rights of the Lenders or the Administrative Agent under Article 10), the Company shall pay interest on the principal amount of all outstanding Obligations at a fluctuating interest rate *per annum* equal to (A) in the case of principal, 2.00% above the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section or (B) in the case of overdue interest and fees, 2.00% above the rate described in clause (c) of this Section for Revolving Credit Loans which are ABR Loans, in each case from the date of such nonpayment or Event of Default, as applicable, until such amount is paid in full (as well after as before judgment).

(e) Interest shall be payable in arrears on each Interest Payment Date; **provided** that interest accruing pursuant to clause (d) of this Section shall be payable on demand by the Administrative Agent made at the request of the Majority Lenders.

5.8 Computation of Interest and Fees

(a) Interest in respect of ABR Loans at any time the ABR is calculated based on the Prime Rate shall be calculated on the basis of a 365 or 366, as the case may be, day year for the actual days elapsed. Interest in respect of Term Benchmark Loans, RFR Loans and ABR Loans at any time the ABR is not calculated based on the Prime Rate and all fees hereunder shall be calculated on the basis of a three hundred and sixty (360) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Company and the Lenders of each determination of the Relevant Rate. Any change in the interest rate on a Loan resulting from a change in the ABR shall become effective as of the opening of business on the day on which such change in the ABR becomes effective. The Administrative Agent shall as soon as practicable notify the Company and the Lenders of the effective date and the amount of each such change.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Company and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Company, deliver to the Company a statement showing the quotations used by the Administrative Agent in determining the Relevant Rate.

5.9 Commitment Fees

(a) The Company agrees to pay to the Administrative Agent, for the account of each Lender, a commitment fee (a "***Commitment Fee***"), in Dollars, on the average daily amount of such Lender's Available Revolving Credit Commitment outstanding from time to time from the Closing Date to but excluding the Revolving Credit Termination Date, at a rate per annum equal to (i) 0.50% per annum, if the Applicable Level is Applicable Level II or Applicable Level III and (ii) 0.375% per annum, if the Applicable Level is Applicable Level I.

(b) The Commitment Fee provided for in this Section 5.9 shall (i) accrue from the Closing Date and (ii) be payable quarterly in arrears on the first Business Day after the last day of each fiscal quarter of the Company commencing with the first such day to occur after the Closing Date and on the Revolving Credit Termination Date.

5.10 Certain Fees

The Company agrees to pay to the Administrative Agent for its own account a non-refundable agent's fee, and to JPMCB all other fees, in each case, in the amount and payable on such dates as provided in the Fee Letter (as the same may be amended, supplemented, and restated or otherwise modified from time to time).

5.11 Letter of Credit Fees

(a) The Company agrees to pay the Administrative Agent a Letter of Credit fee in Dollars, for the account of the Issuing Lender and the Participating Lenders, on the daily outstanding amount available to be drawn under each Letter of Credit at a rate *per annum* equal to the Applicable Margin for Term Benchmark Loans in effect on such day, whether or not there are any such Term Benchmark Loans outstanding at such time, payable in arrears, on the first Business Day after the last day of each fiscal quarter of the Company and on the Revolving Credit Termination Date.

(b) In addition, notwithstanding the specification of any inconsistent fronting or other similar fee contained in any L/C Application, the Company shall pay to the Issuing Lender (solely for its own account as Issuing Lender of such Letter of Credit and not on account of its L/C Participating Interest therein) with respect to each Letter of Credit, during the period from and including the Closing Date to the Revolving Credit Termination Date and on the Revolving Credit Termination Date, (i) a fronting fee equal to 0.125% per annum times the daily maximum amount available to be drawn under such Letter of Credit; and (ii) the Issuing Lender's standard documentary, processing, administrative, issuance, amendment and negotiation fees and out of pocket expenses only, in connection with Letters of Credit. Any such fees shall be payable on the first Business Day after the last day of each fiscal quarter of the Company and on the Revolving Credit Termination Date. Any such fees accruing after the Revolving Credit Termination Date shall be payable on demand. Any other fees, costs and expenses payable to the Issuing Lender pursuant to this paragraph shall be payable within ten (10) days after demand by the Issuing Lender.

5.12 Letter of Credit Reserves

(a) If any Change in Law after the date of this Agreement shall either (i) impose, modify, deem or make applicable any reserve, special deposit, assessment or similar requirement against letters of credit issued by the Issuing Lender or (ii) impose on the Issuing Lender any other condition regarding this Agreement or any Letter of Credit, and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost to the Issuing Lender of issuing or maintaining any Letter of Credit (which increase in cost shall be the result of the Issuing Lender's reasonable allocation of the aggregate of such cost increases resulting from such events), then, upon demand by the Issuing

Lender, the Company shall immediately pay to the Issuing Lender, from time to time as specified by the Issuing Lender, additional amounts which shall be sufficient to compensate the Issuing Lender for such increased cost, together with interest on each such amount from the date demanded until payment in full thereof at a rate *per annum* equal to the ABR *plus* the Applicable Margin for ABR Loans. A certificate submitted by the Issuing Lender to the Company concurrently with any such demand by the Issuing Lender, shall be conclusive, absent manifest error, as to the amount thereof.

(b) In the event that at any time after the date hereof any Change in Law with respect to the Issuing Lender shall, in the opinion of the Issuing Lender, require that any obligation under any Letter of Credit be treated as an asset or otherwise be included for purposes of calculating the appropriate amount of capital or liquidity to be maintained by the Issuing Lender or any corporation controlling the Issuing Lender, and such Change in Law shall have the effect of reducing the rate of return on the Issuing Lender's or such corporation's capital, as the case may be, as a consequence of the Issuing Lender's obligations under such Letter of Credit to a level below that which the Issuing Lender or such corporation, as the case may be, could have achieved but for such Change in Law (taking into account the Issuing Lender's or such corporation's policies, as the case may be, with respect to capital adequacy) by an amount deemed by the Issuing Lender to be material, then from time to time following notice by the Issuing Lender to the Company of such Change in Law, within fifteen (15) days after demand by the Issuing Lender, the Company shall pay to the Issuing Lender such additional amount or amounts as will compensate the Issuing Lender or such corporation, as the case may be, for such reduction. If the Issuing Lender becomes entitled to claim any additional amounts pursuant to this Section 5.12(b), it shall promptly notify the Company of the event by reason of which it has become so entitled. A certificate submitted by the Issuing Lender to the Company concurrently with any such demand by the Issuing Lender, shall be conclusive, absent manifest error, as to the amount thereof.

(c) The Company agrees that the provisions of the foregoing clauses (a) and (b) and the provisions of each L/C Application providing for reimbursement or payment to the Issuing Lender in the event of the imposition or implementation of, or increase in, any reserve, special deposit, capital adequacy or similar requirement in respect of the Letter of Credit relating thereto shall apply equally to each Participating Lender in respect of its L/C Participating Interest in such Letter of Credit, as if the references in such paragraphs and provisions referred to, where applicable, such Participating Lender or any corporation controlling such Participating Lender.

5.13 Further Assurances

The Company hereby agrees, from time to time, to do and perform any and all acts and to execute any and all further instruments reasonably requested by the Issuing Lender to effect more fully the purposes of this Agreement and the issuance of Letters of Credit hereunder. The Company further agrees to execute any and all instruments reasonably requested by the Issuing Lender in connection with the obtaining and/or maintaining of any insurance coverage applicable to any Letters of Credit.

5.14 Obligations Absolute

The payment obligations of the Company under this Agreement with respect to the Letters of Credit shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(a) the existence of any claim, set-off, defense or other right which the Company or any of its Subsidiaries may have at any time against any beneficiary, or any transferee, of any Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), the Issuing Lender, any Agent or any Lender, or any other Person, whether in connection with this Agreement, the Related Documents, any Credit Documents, the transactions contemplated herein, or any unrelated transaction;

(b) any statement or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(c) payment by the Issuing Lender under any Letter of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit, except where such payment constitutes gross negligence or willful misconduct on the part of the Issuing Lender; or

(d) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing, except for any such circumstances or happening constituting gross negligence or willful misconduct on the part of the Issuing Lender.

5.15 Assignments

No Participating Lender's participation in any Letter of Credit or any of its rights or duties hereunder shall be subdivided, assigned or transferred (other than in connection with a transfer of part or all of such Participating Lender's Revolving Credit Commitment in accordance with Section 12.6) without the prior written consent of the Issuing Lender, which consent will not be unreasonably withheld. Such consent may be given or withheld without the consent or agreement of any other Participating Lender. Notwithstanding the foregoing, a Participating Lender may subparticipate its L/C Participating Interest without obtaining the prior written consent of the Issuing Lender.

5.16 Participations

Each Revolving Credit Lender's obligation to purchase participating interests pursuant to Sections 2.4 and 2.8 shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right which such Revolving Credit Lender may have against the Issuing Lender, the Company, or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default; (iii) any adverse change in the condition (financial or otherwise) of the Company; (iv) any breach of this Agreement by the Company or any other Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

5.17 Inability to Determine Interest Rate for Term Benchmark Loans and Alternate Interest Rate

(a) Subject to clauses (b), (c), (d), (e), (f) and (g) of this Section 5.17, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate or the Term SOFR Rate (including because the Term SOFR Reference Rate is not available or published on a current basis) for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR or Daily Simple SOFR; or

(ii) the Administrative Agent is advised by the Majority Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such borrowing for such Interest Period or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such borrowing;

then the Administrative Agent shall give notice thereof to the Company and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Company delivers a new election request in accordance with the terms of Section 5.3 or a new request for borrowing in accordance with the terms of Section 5.1, any request by the Company for the conversion of any Revolving Credit Loan to, or continuation of any Revolving Credit Loan as, a Term Benchmark Loan and any request by the Company for a Term Benchmark Borrowing shall instead be deemed to be an election request or a borrowing request, as applicable, for (1) a RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 5.17(a)(i) or (ii) above or (2) an ABR Loan if the Adjusted Daily Simple SOFR also is the subject of Section 5.17(a)(i) or (ii) above; **provided** that if the circumstances giving rise to such notice affect only one Type of Loan, then the other Types of Loan shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Company's receipt of the notice from the Administrative Agent referred to in this Section 5.17(a) with respect to the Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new interest election request in accordance with the terms of Section 5.3 or a new request for borrowing in accordance with the terms of Section 5.1, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (1) a RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 5.17(a)(i) or (ii) above or (2) an ABR Loan if the Adjusted Daily Simple SOFR also is the subject of Section 5.17(a)(i) or (ii) above on such day.

(b) Notwithstanding anything to the contrary herein or in any other Credit Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of such Benchmark

setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Credit Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.

(d) The Administrative Agent will promptly notify the Company and the Lenders of (i) any occurrence of a Benchmark Transition Event, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 5.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 5.17.

(e) Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, the Company may revoke any request for a Term Benchmark Borrowing or RFR Borrowing, or conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Company will be deemed to have converted any request for a Term Benchmark Borrowing into a request for a borrowing of or conversion to (i) a RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (ii) an ABR Loan if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

(g) Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Company's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 5.17, (i) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute (A) a RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an ABR Loan if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event, on such day and (ii) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute, an ABR Loan.

5.18 Pro Rata Treatment and Payments

(a) Each borrowing of any Loans by the Company from the Lenders, each payment by the Company on account of any fee hereunder (other than as set forth in Sections 5.10 and 5.11) and any reduction of the Revolving Credit Commitments or Revolving Credit Commitments Increases of the Lenders hereunder shall be made pro-rata according to the Commitment Percentages of the Lenders. Each payment (including each prepayment) by the Company on account of principal of and interest on the Loans (other than payments made directly to the Swingline Lender as expressly provided herein or as set forth in Sections 5.6, 5.19, 5.20 and 5.21) shall be made pro-rata according to the Commitment Percentages of the Lenders. All payments (including prepayments) to be made by the Company on account of principal, interest and fees shall be made without set-off or counterclaim and shall be made to the Administrative Agent, for the account of the Lenders, at the Administrative Agent's office located at 10 South Dearborn Street, Floor L2, Chicago, Illinois in Same Day Funds. The Administrative Agent shall promptly distribute such payments ratably to each Lender in like funds as received to the extent required by this Agreement. If any payment hereunder (other than payments on Term Benchmark Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a Term Benchmark Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension unless the result of such extension would be to extend such payment into another calendar month in which event such payment shall be made on the immediately preceding Business Day. All payments hereunder shall be made in Dollars.

(b) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a Borrowing Date (or with respect to an ABR Loan, on the Borrowing Date) that such Lender will not make the amount which would constitute its Commitment Percentage of the borrowing on such date available to the Administrative Agent, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such Borrowing Date in accordance with Section 5.1, and the Administrative Agent may, in reliance upon such assumption, make available to the Company a corresponding amount. If such amount is made available to the Administrative Agent by such Lender on a date after such Borrowing Date, such Lender shall pay to the Administrative Agent on demand an amount equal to the product of (i) the daily average NYFRB Rate during such period as quoted by the Administrative Agent, times (ii) the amount of such Lender's Commitment Percentage of such borrowing, times (iii) a fraction the numerator of which is the number of days that elapse from and including such Borrowing Date to the date on which such Lender's Commitment Percentage of such borrowing shall have become immediately available to the Administrative Agent and the denominator of which is 360. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this Section 5.18(b) shall be conclusive, absent manifest error. If such Lender's Commitment Percentage of such borrowing is not in fact made available to the Administrative Agent by such Lender within three (3) Business Days of such Borrowing Date, the Administrative Agent shall be entitled to recover such amount with interest thereon at the rate *per annum* applicable to ABR Loans hereunder on demand, from the Company without prejudice to any rights which the Company or the Administrative Agent may have against such Lender hereunder. Nothing contained in this Section 5.18(b) shall relieve any Lender which has failed to make available its ratable portion of any borrowing hereunder from its obligation to do so in accordance with the terms hereof.

(c) The failure of any Lender to make the Loan to be made by it on any Borrowing Date shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on such Borrowing Date, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on such Borrowing Date.

(d) All payments and prepayments (other than mandatory prepayments as set forth in Section 5.6 and other than prepayments as set forth in Section 5.20 with respect to increased costs) of Term Benchmark Loans hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of all Term Benchmark Loans with the same Interest Period shall not be less than $1,000,000 or a whole multiple of $500,000 in excess thereof.

(e) Any proceeds of Collateral received by any Collateral Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Credit Documents (which shall be applied as specified by the Company), (B) a mandatory prepayment (which shall be applied in accordance with Section 5.6) or (C) amounts to be applied from the Collection Account or the Asset Sale Reserve Account when a Cash Dominion Event has occurred and is continuing (which shall be applied in accordance with Section 5.2(b)) and (ii) after an Event of Default has occurred and is continuing, whenever the Administrative Agent so elects or the Majority Lenders so direct, shall be applied ratably ***first***, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent, the Collateral Agent and the Issuing Lender from the Company (other than in connection with Cash Management Obligations or Swap Obligations), ***second***, to pay any fees, indemnities or expense reimbursements then due to the Lenders from the Company (other than in connection with Cash Management Obligations or Swap

Obligations), ***third***, to pay interest due in respect of the Protective Advances, ***fourth***, to pay the principal of the Protective Advances, ***fifth***, to pay interest then due and payable on the Loans (other than Protective Advances) ratably, ***sixth***, to prepay principal on the Loans (other than Protective Advances), unreimbursed L/C Disbursements and, to the extent that Reserves have been established with respect to such amounts, amounts owing with respect to Designated Cash Management Obligations and Designated Swap Obligations, ratably, ***seventh***, to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the amounts available to be drawn under outstanding Letters of Credit, to be held as cash collateral for Obligations in respect of Letters of Credit, ***eighth***, to payment of any amounts owing with respect to all other Cash Management Obligations or Swap Obligations that constitute Finance Obligations up to and including the amount then due to the relevant parties, and ***ninth***, to the payment of any other Finance Obligation due to the Administrative Agent, the Collateral Agent or any Lender by the Company. Any application of funds pursuant to this Section 5.18 to Revolving Credit Loans shall be applied ***first***, to ABR Loans, ***second***, to RFR Loans and ***third***, to Term Benchmark Loans. Notwithstanding the foregoing, amounts received from any Credit Party shall not be applied to any Excluded Swap Obligation (as such term is defined in the Guaranty) of such Credit Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Company, or unless a Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Term Benchmark Loan, except (a) on the expiry date of the Interest Period applicable thereto or (b) in the event, and only to the extent, that there are no outstanding ABR Loans and, in any such event, the Company shall pay the break funding payment required in accordance with Section 5.21.

(f) If, except as otherwise expressly provided herein, any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in L/C Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in L/C Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in L/C Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in L/C Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Company pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in L/C Disbursements or Swingline Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Company consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Company rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Company in the amount of such participation.

5.19 Illegality

Notwithstanding any other provisions herein, if any Requirement of Law or any change therein or in the interpretation or application thereof occurring after the Closing Date shall make it unlawful for such Lender to make or maintain Term Benchmark Loans or RFR Loans as contemplated by this Agreement, the commitment of such Lender hereunder to make Term Benchmark Loans or RFR Loans or to convert all or a portion of ABR Loans into Term Benchmark Loans or RFR Loans shall forthwith be cancelled and such Lender's Loans then outstanding as Term Benchmark Loans, if any, shall, if required by law and if such Lender so requests, be converted automatically to ABR Loans on the date specified by such Lender in such request. To the extent that such affected Term Benchmark Loans or RFR Loans are converted into ABR Loans, all payments of principal which would otherwise be applied to such Term Benchmark Loans or RFR Loans shall be applied instead to such Lender's ABR Loans. The Company hereby agrees promptly to pay any Lender, upon its demand, any additional amounts necessary to compensate such Lender for any costs incurred by such Lender in making any conversion in accordance with this Section 5.19 including, but not limited to, any interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain its Term Benchmark Loans or RFR Loans hereunder (such Lender's notice of such costs, as certified to the Company through the Administrative Agent, to be conclusive absent manifest error).

5.20 Requirements of Law

(a) In the event that, at any time after the date hereof, any Change in Law or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(i) does or shall subject any Agent or Lender (or its Lending Office) to any fee of any kind whatsoever with respect to this Agreement, any Note or any Term Benchmark Loans or RFR Loans made by it, or change the basis of imposition of any such fee;

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan, insurance charge, liquidity or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender which are not otherwise included in the determination of the Term SOFR Rate or Daily Simple SOFR Rate;

(iii) subject any Lender to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iv) does or shall impose on such Lender any other condition, cost or expense (other than Taxes);

and the result of any of the foregoing is to increase the cost to such Lender of making, continuing, converting, renewing or maintaining advances or extensions of credit or to reduce any amount receivable hereunder, in each case, in respect of its Term Benchmark Loans or RFR Loans, then, in any such case, the Company, shall promptly pay such Lender, on demand, any additional amounts necessary to compensate such Lender for such additional cost or reduced amount receivable as determined by such Lender with respect to such Term Benchmark Loans or RFR Loans together with interest on each such amount from the date demanded until payment in full thereof at a rate *per annum* equal to the ABR *plus* the Applicable Margin for Revolving Credit Loans which are ABR Loans.

(b) In the event that at any time after the date hereof any Change in Law with respect to any Lender shall, in the opinion of such Lender, require that any Commitment of such Lender be treated as an asset or otherwise be included for purposes of calculating the appropriate amount of capital or liquidity to be maintained by such Lender or any corporation controlling such Lender, and such Change in Law shall have the effect of reducing the rate of return on such Lender's or such corporation's capital or liquidity, as the case may be, as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such corporation, as the case may be, could have achieved but for such Change in Law (taking into account such Lender's or such corporation's policies, as the case may be, with respect to capital adequacy and liquidity), then from time to time following notice by such Lender to the Company of such Change in Law as provided in clause (c) of this Section 5.20, within fifteen (15) days after demand by such Lender, the Company shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation, as the case may be, for such reduction. Notwithstanding the foregoing, no Lender shall be entitled to seek compensation under this Section 5.20(b) based on the occurrence of a Change in Law unless such Lender is generally seeking compensation from other borrowers in the United States loan market with respect to its similarly affected commitments, loans and/or participations under agreements with such borrowers having provisions similar to this Section 5.20(b).

(c) If any Lender becomes entitled to claim any additional amounts pursuant to this Section 5.20, it shall promptly notify the Company through the Administrative Agent, of the event by reason of which it has become so entitled. The Company shall not be required to make any payments to any Lender for any additional amounts pursuant to this Section 5.20 unless such Lender has given written notice to the Company, through the Administrative Agent, of its intent to request such payments prior to or within one hundred and eighty (180) days after the date on which such Lender became entitled to claim such amounts. If any Lender has notified the Company through the Administrative Agent of any increased costs pursuant to clause (a) of this Section 5.20, the Company at any time thereafter may, upon at least two (2) Business Days' notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and subject to Section 5.21, prepay or convert into ABR Loans all (but not a part) of the Term Benchmark Loans and/or RFR Loans then outstanding. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of clause (a) of this Section 5.20 with respect to such Lender, it will, if requested by the Company, and to the extent permitted by law or by the relevant Governmental Authority, endeavor in good faith to avoid or minimize the increase in costs or reduction in payments resulting from such event (including, without limitation, endeavoring to change its Lending Office); **provided**, **however**, that such avoidance or minimization can be made in such a manner that such Lender, in its sole determination, suffers no economic, legal or regulatory disadvantage. If any Lender has notified the Company, through the Administrative Agent, of any increased costs pursuant to clause (b) of this Section 5.20, the Company at any time thereafter may, upon at least three (3) Business Days' notice to the Administrative Agent (which shall promptly notify the Lender thereof), and subject to Section 5.21 reduce or terminate the Revolving Credit Commitments in accordance with Section 5.4.

(d) A certificate submitted by such Lender, through the Administrative Agent, to the Company shall be conclusive in the absence of manifest error. The covenants contained in this Section 5.20 shall survive the termination of this Agreement and repayment of the outstanding Loans.

5.21 Break Funding Payments

(a) With respect to Loans that are not RFR Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 5.5 or 5.6), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked and is revoked in accordance therewith), or (iv) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 5.22, then, in any such event, the Company shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 5.21(a) shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay such Lender the amount shown as due on any such certificate within ten (10) days (or such later date as may be agreed by the applicable Lender) after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 5.5 or 5.6), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 5.5 or 5.6 and is revoked in accordance therewith) or (iii) the assignment of any RFR Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 5.23(h), then, in any such event, the Company shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 5.21(b) shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

5.22 Replacement of Lenders

In the event any Lender (i) is a Defaulting Lender, (ii) exercises its rights pursuant to Section 5.19 or (iii) requests payments pursuant to Sections 5.20 or 5.23, the Company may require, at the Company's expense upon notice to such Lender and the Administrative Agent, and subject to Section 5.21, such Lender or the Issuing Lender to assign, at par *plus* accrued interest and fees, without recourse (in accordance with Section 12.6) all of its interests, rights and obligations hereunder (including all of its Revolving Credit Commitments and the Loans and other amounts at the time owing to it hereunder and its interest in the Letters of Credit) to a bank, financial institution or other entity specified by the Company; **provided** that (i) such assignment shall not conflict with or violate any law, rule or regulation or order of any court or other Governmental Authority, (ii) the Company shall have received the written consent of the Administrative Agent (and, in the case of an assignment of a Revolving Credit Commitment, of the Issuing Lender or the Swingline Lender), which consent shall not unreasonably be withheld, to such assignment, (iii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (including Swingline Loans) and participations in L/C Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iv) in the case of a required assignment by the Issuing Lender, the Letters of Credit shall be cancelled and returned to the Issuing Lender. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

5.23 Taxes

(a) **Defined Terms.** For purposes of this Section 5.23, the term "***applicable Law***" includes FATCA, the term "***Lender***" includes any Issuing Lender, and the term "***Withholding Agent***" means the Company and the Administrative Agent.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Company under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Company shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the Administrative Agent, any Lender or the Issuing Lender, as the case may be, receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Company.** The Company shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Company.** The Company shall indemnify the Administrative Agent, or any Lender, within twenty (20) days after demand therefor, for the full amount of any Indemnified Taxes arising from any and all payments by or on account of any obligation of the Company under any Credit Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) that are payable or paid by the Administrative Agent or any Lender or are required to be withheld or deducted from a payment to such Person and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within twenty (20) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Company has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Company to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.6(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes pursuant to this Section 5.23 by the Company to a Governmental Authority, the Company shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders**.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Company and the Administrative Agent, at the time or times reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Company or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.23(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Company and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent, but only if the Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed copies of IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Company within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" related to the Company described in Section 881(c)(3)(C) of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed copies of IRS Form W-8BEN-E; or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; **provided** that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Company or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this sub-clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(h) **Lending Office.** Any Lender claiming additional amounts payable pursuant to this Section 5.23 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Lending Office if, in the reasonable judgment of such Lender, the making of such change (i) would eliminate or reduce any such additional amounts payable to such Lender in the future and (ii) would not subject such Lender to any unreimbursed out-of-pocket cost or expense and would not otherwise be disadvantageous to such Lender.

(i) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 5.23 (including by the payment of additional amounts pursuant to Section 5.23(b)), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made or additional amounts paid under this Section with

respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (i) (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (i), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (i) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(j) **Survival.** Each party's obligations under this Section 5.23 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

5.24 Defaulting Lenders

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Commitment Fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 5.9;

(b) Such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than the matters provided in Section 12.1(a) requiring the consent of such affected Lender), and the Revolving Credit Commitments and the Revolving Credit Commitment Percentages in outstanding Revolving Credit Loans of such Defaulting Lender shall not be included in determining whether the Majority Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 12.1); **provided**, that, except as otherwise provided in Section 12.1, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of all Lenders or of each Lender affected thereby;

(c) if any amount outstanding in respect of Letters of Credit or Swingline Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Revolving Credit Commitment Percentage of such Defaulting Lender in Letters of Credit and Swingline Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages but only to the extent that (x) the sum of all non-Defaulting Lenders' Revolving Credit Commitment Percentages in Revolving Credit Loans and in Letters of Credit and Swingline Loans *plus* such Defaulting Lender's Revolving Credit Commitment Percentage in Letters of Credit and Swingline Exposure does not exceed the total of all non-Defaulting Lenders' Commitments, (y) the conditions set forth in Section 7.2 are satisfied at such time (and, unless the Company shall have otherwise notified the Administrative Agent at such time, the Company shall be deemed to have represented and warranted that such conditions are satisfied at such time) and (z) to the extent such reallocation does not, as to any non-Defaulting Lender, cause such non-Defaulting Lender's Revolving Credit Loans, its Protective Advances, its Swingline Loans and its Revolving Credit Commitment Percentages in Letters of Credit to exceed its Revolving Credit Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Company shall within one (1) Business Day following notice by the Administrative Agent ***first***, prepay such Swingline Exposure and ***second***, Cash Collateralize, for the benefit of the Issuing Lender, the Company's obligations corresponding to such Defaulting Lender's Revolving Credit Commitment Percentage in Letters of Credit (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 10.1 for so long as such Defaulting Lender's Revolving Credit Commitment Percentage in Letters of Credit is outstanding;

(iii) if the Company Cash Collateralizes any portion of such Defaulting Lender's Revolving L/C Obligations pursuant to clause (ii) above, the Company shall not be required to pay any fees to such Defaulting Lender pursuant to Section 5.11 with respect to such Defaulting Lender's Revolving Credit Commitment Percentage in Letters of Credit during the period such Defaulting Lender's Revolving Credit Commitment Percentage in Letters of Credit is Cash Collateralized;

(iv) if the Revolving Credit Commitment Percentage in Letters of Credit of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 5.9 and Section 5.11 shall be adjusted in accordance with such non-Defaulting Lenders' Revolving Credit Commitment Percentages; and

(v) if all or any portion of such Defaulting Lender's Revolving Credit Commitment Percentage in Letters of Credit is neither reallocated nor Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Lender or any other Lender hereunder, all Commitment Fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such Revolving Credit Commitment Percentage in Letters of Credit) and Letter of Credit fees payable under Section 5.11 with respect to such Defaulting Lender's Revolving Credit Commitment Percentage in Letters of Credit shall be payable to the Issuing Lender until and to the extent that such Revolving Credit Commitment Percentage in Letters of Credit is reallocated and/or Cash Collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's Revolving Credit Commitment Percentage in then outstanding Letters of Credit will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Company in accordance with Section 5.24(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 5.24(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or Bail-In Action with respect to the parent of any Lender shall occur following the Closing Date and for so long as such event shall continue or (ii) the Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Lender shall have entered into arrangements with the Company or such Lender, satisfactory to the Issuing Lender to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Company, the Swingline Lender and the Issuing Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and the L/C Participating Interest of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Credit Commitments and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than the Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Revolving Credit Commitments.

5.25 Accounts; Cash Dominion

(a) At all times subject to the following sentence, all Deposit Accounts, Securities Accounts and Commodities Accounts (other than any Excluded Account for so long as such account is an Excluded Account) of the Credit Parties shall be Controlled Accounts. The Credit Parties will, in connection with any Deposit Account, Securities Account or Commodity Account (other than any Excluded Account for so long as such account is an Excluded Account), enter into and deliver to the Collateral Agent a Control Agreement in form and substance acceptable to the Collateral Agent: (i) with respect to Deposit Accounts, Securities Accounts and Commodities Accounts in existence on the Closing Date, within sixty (60) days of the Closing Date, (ii) with respect to Deposit Accounts, Securities Accounts and Commodities Accounts established after the Closing Date pursuant to Section 8.14, on the date such account is established and (iii) with respect to all other Deposit Accounts, Securities Accounts and Commodities Accounts established after the Closing Date, promptly but in any event within thirty (30) days of the date such account is established (in each case, or such later date as the Collateral Agent may agree in its sole discretion). Each Credit Party shall be subject to cash dominion at all times a Cash Dominion Event has occurred and is continuing. At any time that a Cash Dominion Event has occurred and is continuing, cash on hand and collections which are received into any Controlled Account (other than the Material Debt Reserve Account), and, to the extent necessary, any securities held in any Securities Account shall be liquidated and the cash proceeds thereof, shall be swept on a daily basis into the Collection Account and used to prepay Loans outstanding under this Agreement in accordance with Section 5.2(b) ; **provided** that notwithstanding anything to the contrary contained herein, any time that a Cash Dominion Event has occurred and is continuing, any cash proceeds in respect of any Notes Priority Collateral Prepayment Event shall be deposited in the Asset Sale Reserve Account to the extent required by Section 5.6(c) and shall not be swept to the Collection Account. During any time that a Cash Dominion Event has occurred and is continuing (A) all proceeds of any Loan shall be deposited into a Deposit Account that is a Controlled Account and maintained with the Administrative Agent and (B) the Company shall accurately report to the Administrative Agent the daily balance of the Controlled Accounts to ensure the proper transfer of funds as set forth above.

(b) In the event during the Asset Sale Reserve Period, the Company desires to use cash on deposit in the Asset Sale Reserve Account to (i) repay, redeem, retire, defease, replace, refinance or repurchase the Secured 2026 Notes or any Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien or (ii) invest in any property or assets to be used by the Parent, the Company or a Restricted Subsidiary in a Permitted Business that would constitute Notes Priority Collateral (a transaction under clause (i) or clause (ii) above, a "***Permitted Transaction***"), the Company shall, promptly following any determination by the Company of an election to apply cash on deposit in the Asset Sale Reserve Account in accordance with this Section 5.25(b) (in event no later than three (3) Business Days prior to the date of any such application of cash on deposit in the Asset Sale Reserve Account), deliver to the Administrative Agent a certificate of a Responsible Officer of the Company specifying in reasonable detail the Permitted Transaction, the proposed date thereof and the amount of cash on deposit in the Asset Sale Reserve Account to be applied towards the Permitted Transaction (the "***Requested Release***") and certifying that Permitted Transaction is permitted in accordance with the terms of (x) this Agreement and (y) the Secured 2026 Notes Indenture and any indenture or other document governing the terms of any Indebtedness permitted hereunder to be secured by a Pari Passu Second Lien. In the event the Company delivers to the Administrative Agent a certificate in accordance with this Section 5.25(b), on the date of the Permitted Transaction, an amount of cash equal to Requested Release shall be transferred to a Deposit Account specified by the Company and shall be applied by the Company in accordance with Permitted Transaction described in the certificate delivered to the Administrative Agent in accordance with this Section 5.25(b). Notwithstanding anything to the contrary set forth herein, if the Asset Sale Reserve Period ends as a result of the Cash Dominion Event that commenced such Asset Sale Reserve Period no longer being continuing, the Administrative Agent shall promptly apply funds credited to the Asset Sale Reserve Account at the Borrower's direction for any purpose not prohibited hereunder. Notwithstanding the foregoing, to the extent any funds credited to the Asset Sale Reserve Account constitute Net Proceeds of a Notes Priority Collateral Prepayment Event, the application of such proceeds shall be subject to Section 5.6(c).

6. REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Agreement and to make the Loans and to induce the Issuing Lenders to issue, and the Participating Lenders to participate in, the Letters of Credit, the Parent and the Company each hereby represent and warrant to each Lender and each Agent, on and as of the Closing Date and on the date of each Loan made or Letter of Credit issued thereafter, that:

6.1 Corporate Existence; Compliance with Law

Each Credit Party and each of its Restricted Subsidiaries (i) is a limited liability company, unlimited liability company, partnership or corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (ii) has the power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged, except to the extent that the failure to have such power, authority, or rights could not reasonably be expected to have a Material Adverse Effect, (iii) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect and (iv) is in compliance with all applicable Requirements of Law, except to the extent that the failure to comply therewith could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

6.2 Corporate Power; Authorization

Each Credit Party has the power and authority and the legal right to make, deliver and perform the Credit Documents to which it is a party; the Company has the power and authority and legal right to borrow hereunder and to have Letters of Credit issued for its account hereunder. Each Credit Party has taken all necessary corporate, stockholder, partnership or limited liability company action to authorize the execution, delivery and performance of the Credit Documents to which it is a party and, in the case of the Company, to authorize the borrowings hereunder and the issuance of Letters of Credit for its account hereunder. No consent or authorization of, or filing with, any Person (including, without limitation, any Governmental Authority) is required in connection with the execution, delivery or performance by any Credit Party, or the validity or enforceability against any Credit Party, of any Credit Document to the extent that it is a party thereto, other than any such consent or authorization which has been obtained or filing which has been made to the extent required hereunder, or the failure of which to obtain could have a Material Adverse Effect.

6.3 Enforceable Obligations

Each of the Credit Documents has been duly executed and delivered on behalf of each Credit Party party thereto and each of such Credit Documents constitutes the legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

6.4 No Conflict with Law or Contractual Obligations

The performance of each Credit Document, and the use of the proceeds of the Loans and of drawings under the Letters of Credit will not violate any Requirement of Law or any material Contractual Obligation (including under such Credit Party's organizational documents) applicable to or binding upon any Credit Party, any of its Restricted Subsidiaries or any of its properties or assets, and will not result in the creation or imposition of (or the obligation to create or impose) any Lien (other than any Liens created pursuant to the Credit Documents) on any of its or their respective properties or assets pursuant to any Requirement of Law applicable to it or them, as the case may be, or any of its or their Contractual Obligations, except, in the case of any Contractual Obligations, for any such violations which could not reasonably be expected to have a Material Adverse Effect.

6.5 No Material Litigation

No litigation or investigation or proceeding of or by any Governmental Authority or any other Person is pending or has been overtly threatened against any Credit Party or any of its Restricted Subsidiaries, (i) with respect to the validity, binding effect or enforceability of any Credit Document, or with respect to the Loans made hereunder, the use of proceeds thereof or of any drawings under a Letter of Credit, and the other transactions contemplated hereby or thereby, or (ii) which could reasonably be expected to have a Material Adverse Effect.

6.6 Borrowing Base Certificate

At the time of delivery of each Borrowing Base Certificate, assuming that any eligibility criteria that requires the approval or satisfaction of the Administrative Agent has been approved by or is satisfactory to the Administrative Agent, each Account reflected therein as eligible for inclusion in the Borrowing Base is an Eligible Account, the Product Inventory reflected therein as eligible for inclusion in the Borrowing Base constitutes Eligible Inventory, each Commodity Account reflected therein as eligible for inclusion in the Borrowing Base constitutes an Eligible Futures Account and each Dollar or Cash Equivalent reflected therein as eligible for inclusion in the Borrowing Base constitutes Eligible Cash Collateral.

6.7 Investment Company Act

No Credit Party is required to register as an "investment company" (as such term is defined or used in the Investment Company Act of 1940, as amended).

6.8 Federal Reserve Regulations

No part of the proceeds of any of the Loans or any drawing under a Letter of Credit will be used to "purchase" or "carry" "margin stock" within the meaning of Regulation U of the Board or for any other purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of the Board. Neither the Company nor any of its Restricted Subsidiaries is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under said Regulation U.

6.9 No Default

No Credit Party nor any of their Restricted Subsidiaries is in default in the payment or performance of any of its or their Contractual Obligations in any respect which could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Restricted Subsidiaries is in default under any order, award or decree of any Governmental Authority or arbitrator binding upon or affecting it or them or by which any of its or their properties or assets may be bound or affected in any respect which could reasonably be expected to have a Material Adverse Effect, and no such order, award or decree could reasonably be expected to materially adversely affect the ability of the Company and its Restricted Subsidiaries taken as a whole to carry on their businesses as presently conducted or the ability of any Credit Party to perform its obligations under any Credit Document to which it is a party.

6.10 Taxes

Each Credit Party and their Restricted Subsidiaries has filed or caused to be filed or has timely requested an extension to file or has received an approved extension to file all Federal and all other material tax returns which are required to have been filed, and has paid all material Taxes shown to be due and payable on said returns or extension requests or on any assessments made against it or any of its property and all other material Taxes imposed on it or any of its property by any Governmental Authority (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided in the books of the Company or its Restricted Subsidiaries, as the case may be); and no claims are being asserted in writing with respect to any such material Taxes (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with

respect to which reserves in conformity with GAAP have been provided in the books of the Credit Party or its Restricted Subsidiaries, as the case may be).

6.11 Subsidiaries

The Subsidiaries of the Company listed on Schedule 6.11 constitute all of the Subsidiaries of the Parent and the Company as of the Closing Date.

6.12 Ownership of Property; Liens

As of the Closing Date, Schedule 6.12 describes the Credit Parties' owned and leased Real Property that has improvements thereon. Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each of the Parent and its Restricted Subsidiaries has good and marketable title to, or valid Leasehold interests in or rights to use, all its Real Property and personal property material to its business taken as a whole, and none of such property is subject to any Lien except for Liens permitted by Section 9.3.

6.13 ERISA; Canadian Pension Plans

(a) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to have a Material Adverse Effect. The present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Accounting Standards Codification 715-30) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans, in each case by an amount that, if required to be paid by the Company and its Subsidiaries, would reasonably be expected to have a Material Adverse Effect.

(b) Each Canadian Credit Party is in compliance with the requirements of the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Act* (Ontario) and other federal or provincial laws with respect to each (i) Canadian Pension Plan, except where the failure to comply would not reasonably be expected to have a Material Adverse Effect, and (ii) Canadian Defined Benefit Plan. No fact or situation that may reasonably be expected to result in a Material Adverse Effect exists in connection with any Canadian Pension Plan or Canadian Defined Benefit Plan. No Canadian Pension Event has occurred. No Canadian Credit Party has a Canadian Defined Benefit Plan. No lien has arisen, choate or inchoate, in respect of any Canadian Credit Party or their property in connection with (a) any Canadian Pension Plan, or (b) any "registered pension plan" as defined in subsection 248(1) of the *Income Tax Act* (Canada) that is sponsored and maintained by a third party to which a Credit Party contributes in respect of some or all of its employees (in each case, save for contribution amounts not yet due).

6.14 Environmental Matters

(a) The Properties do not contain any Materials of Environmental Concern in concentrations which constitute a violation of, or could reasonably be expected to give rise to liability under, Environmental Laws that could reasonably be expected to have a Material Adverse Effect.

(b) The Properties and all operations at the Properties are in compliance with all, and have not violated any, applicable Environmental Laws, except for failure to be in compliance or for such violation that could not reasonably be expected to have a Material Adverse Effect, and there is no contamination at, under or about the Properties that could reasonably be expected to have a Material Adverse Effect.

(c) Neither the Company nor any of its Restricted Subsidiaries has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws that could reasonably be expected to have a Material Adverse Effect, nor does the Company or any Restricted Subsidiary have knowledge that any such action is being contemplated, considered or threatened.

(d) There are no judicial proceedings or governmental or administrative actions pending or threatened under any Environmental Law to which the Company or any Restricted Subsidiary is or will be named as a party that could reasonably be expected to have a Material Adverse Effect, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders under any Environmental Law that could reasonably be expected to have a Material Adverse Effect.

6.15 Accuracy and Completeness of Financial Statements

(a) (i) The audited balance sheet of the Parent and its Subsidiaries for the fiscal year ended March 31, 2020 and the related audited consolidated statements of earnings (loss), parent company equity and cash flows for fiscal year ended

March 31, 2020, reported on by Grant Thornton LLP, and (ii) the unaudited balance sheet of the Parent and its Subsidiaries for the fiscal quarters ended June 30, 2020 and September 30, 2020, in each case, present fairly, in all material respects, the financial position of the Parent and its Subsidiaries, and their results of operations and cash flows, for such periods, in conformity with GAAP, subject to year-end audit adjustments and absence of footnotes in the case of clause (ii).

(b) All Projections delivered in accordance with Section 7.1(b), when taken as a whole, were prepared in good faith based upon assumptions believed by the Company to be reasonable at the time prepared (it being recognized that such Projections are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results, and such differences may be material).

6.16 Absence of Undisclosed Liabilities

Except for the Loans, if any, incurred on the Closing Date, neither the Company nor any of its Restricted Subsidiaries has or is subject to any liabilities (absolute, accrued, contingent or otherwise) that are not disclosed in the financial statements referred to in Section 6.15(a), except liabilities or obligations which could not, individually or in the aggregate, reasonably be expected to constitute a Material Adverse Effect.

6.17 No Material Adverse Effect

Since March 31, 2020, there has not been any event, occurrence, fact, condition, change, development or effect which individually or in the aggregate has had or could reasonably be expected to have a Material Adverse Effect; **provided** that for purposes of the making of the representation set forth in this Section 6.17 through and including March 21, 2022, the adverse effects described in the press release of the Parent titled "NGL Energy Partners LP Provides Financial Update" and dated January 19, 2021 shall be disregarded in determining whether there has been a material adverse effect on the business, financial condition, assets, or results of operations of the Parent and its Restricted Subsidiaries taken as a whole.

6.18 Solvency

The Parent and its Restricted Subsidiaries on a consolidated basis are, (a) on the Closing Date and (b) immediately before and immediately after giving effect to any Extension of Credit to be made on and following the Closing Date, Solvent. No Credit Party intends to, nor will it permit any of its Restricted Subsidiaries to, nor does it believe that it or any of its Restricted Subsidiaries has or will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Restricted Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Restricted Subsidiary.

6.19 Intellectual Property

The Credit Parties and each of their Restricted Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, industrial designs, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of their respective businesses, free and clear of all Liens (other than Permitted Liens). To the knowledge of the Company, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Credit Parties or any of their Restricted Subsidiaries, nor the operation of their respective businesses, infringes upon any rights held by any other Person, and no Person is infringing the intellectual property of the Credit Parties and their Restricted Subsidiaries, in each case, which, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Company, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.20 Creation and Perfection of Security Interests

(a) *Article 9 Collateral*. The Pledge and Security Agreement is effective to create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein to secure the Finance Obligations. In the case of the Pledged Collateral, when such Pledged Collateral is delivered (in accordance with the Intercreditor Agreement) to the Collateral Agent (together with a properly completed and signed undated endorsement), in the case of Collateral consisting of Deposit Accounts, Securities Accounts or Commodity Accounts, when such accounts are subject to a Control Agreement, and in the case of the other Collateral described in the Pledge and Security Agreement that can be perfected by the filing of a financing statement or other filing, when financing statements and other filings specified on Schedule 6.20 in appropriate form are filed in the offices specified on Schedule 6.20, the Collateral Agent will have, for the ratable benefit of the Secured Parties, a fully perfected Lien on, and security interest in, all right, title and interest of the grantors thereunder in such of the Collateral in which a security interest can be perfected under Article 9 of the UCC to secure the Finance Obligations, in each case prior and

superior in right to any other Person, other than with respect to Permitted Liens made superior to such security interest by the Intercreditor Agreement or automatically by operation of law.

(b) *Canadian Collateral*. The Canadian Pledge and Security Agreement is effective to create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein to secure the Finance Obligations. In the case of the Collateral described in the Canadian Pledge and Security Agreement that can be perfected by the filing of a PPSA filing, when PPSA and other filings specified on Schedule 6.20 in appropriate form are filed in the offices specified on Schedule 6.20, the Collateral Agent will have, for the ratable benefit of the Secured Parties, a fully perfected Lien on, and security interest in, all right, title and interest of the grantors thereunder in such of the Collateral in which a security interest can be perfected under the PPSA to secure the Finance Obligations, in each case prior and superior in right to any other Person, other than with respect to Permitted Liens made superior to such security interest by the Intercreditor Agreement or automatically by operation of law.

(c) *Intellectual Property*. The Pledge and Security Agreement and the Canadian Pledge and Security Agreement, in each case together with an intellectual property security agreement, in form and substance reasonably agreed by the Company and the Administrative Agent will, when filed in the United States Patent and Trademark Office, the United States Copyright Office and/or the Canadian Intellectual Property Office, constitute a fully perfected Lien on, and security interest in, all right, title and interest of the grantors thereunder in the United States and Canadian patents, industrial designs, trademarks, copyrights, licenses and other intellectual property rights covered in such intellectual property security agreement to secure the Finance Obligations, in each case prior and superior in right to any other Person, other than with respect to Permitted Liens made superior to such security interest by the Intercreditor Agreement or automatically by operation of law (it being understood that subsequent recordings in the United States Patent and Trademark Office, the United States Copyright Office and the Canadian Intellectual Property Office may be necessary to perfect a lien on registered trademarks, trademark applications, patents, patent applications, industrial designs, industrial design applications, copyrights and licenses acquired by the Credit Parties after the Closing Date).

(d) *Mortgages*. Upon execution and delivery thereof, the Mortgages and Leasehold Mortgages will create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Mortgaged Property to secure the Finance Obligations, and, when filed in the office of the county clerk for the county in which the Mortgaged Property is located, constitute a fully perfected Lien on, and security interest in, all right, title and interest of the mortgagors thereunder in the Mortgaged Property, in each case prior and superior in right to any other Person other than with respect to Permitted Liens.

(e) *Status of Liens*. The Collateral Agent, for the ratable benefit of the Secured Parties, will at all times have the Liens provided for in the Collateral Documents and, subject to the filing by the Collateral Agent of continuation statements to the extent required by the UCC, PPSA or such other continuation statements or filings required by applicable Laws of the relevant applicable jurisdiction, the Collateral Documents (subject to and in accordance with their respective provisions) will at all times constitute valid and continuing liens of record and first priority perfected security interests in all the Collateral referred to therein to secure the Finance Obligations, except as priority may be affected by Permitted Liens made superior to such Liens by the Intercreditor Agreement or automatically by operation of law.

6.21 Accuracy and Completeness of Disclosure

(a) The Parent and the Company each has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate, partnership, limited liability company or other restrictions to which it or any of its Restricted Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of the Credit Parties or any of their Restricted Subsidiaries to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Credit Document (in each case as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; **provided** that, with respect to projected financial information, the Parent and the Company each represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time prepared (it being recognized that such Projections are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results, and such differences may be material).

(b) As of the Closing Date, to the best knowledge of the Company, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects.

6.22 Insurance

Schedule 6.22 sets forth a description of all insurance maintained by or on behalf of the Credit Parties and their Restricted Subsidiaries as of the Closing Date. As of the Closing Date, all premiums in respect of such insurance that are due and owing have been paid. The Company maintains, and has caused each Restricted Subsidiary to maintain, with financially sound and reputable insurance companies, insurance on all their real and personal property in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as are adequate and customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

6.23 Anti-Corruption Laws and Sanctions

Each Credit Party has implemented and maintains in effect policies and procedures designed to ensure compliance by the such Credit Party and their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Parent, the Company and their Subsidiaries and their respective officers and directors and to the knowledge of the Company their employees and agents, are in compliance with Anti-Corruption Laws in all material respects and applicable Sanctions. None of (a) the Parent, the Company and their Subsidiaries and any of their respective directors or officers or employees, or (b) to the knowledge of the Company, any agent of the Parent, the Company or any of their Subsidiaries that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person, has any assets located in a Sanctioned Country or derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions. Notwithstanding the foregoing, the representations given in this Section 6.23 shall not be made by nor apply to any Person that qualifies as a corporation that is registered or incorporated under the laws of Canada or any province or territory thereof and that carries on business in whole or in part in Canada within the meaning of Section 2 of the Foreign Extraterritorial Measures (United States) Order, 1992 passed under the Foreign Extraterritorial Measures Act (Canada) insofar as such representations would result in a violation of or conflict with the Foreign Extraterritorial Measures Act (Canada) or any similar law.

6.24 Patriot Act and Proceeds of Crime Act

Each Credit Party is in compliance, in all material respects, with the Uniting And Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act of 2001) (the "***Patriot Act***") and the Proceeds of Crime Act.

6.25 Burdensome Restrictions

No Credit Party is subject to any Burdensome Restrictions except Burdensome Restrictions permitted under Section 9.14.

6.26 Labor Matters

As of the Closing Date, there are no strikes, lockouts or slowdowns against any Credit Party or any Restricted Subsidiary pending or, to the knowledge of any Credit Party, threatened. The hours worked by and payments made to employees of the Credit Parties and their Restricted Subsidiaries have not been in violation, in any material respect, of the Fair Labor Standards Act or any other applicable federal, state, provincial, territorial, local or foreign law dealing with such matters. None of the Credit Parties or any of their Restricted Subsidiaries are subject to any material liability in respect of any Unrestricted Subsidiary's violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with the hours worked by and payments made to employees of such Unrestricted Subsidiary. All payments due from any Credit Party or any Restricted Subsidiary, or for which any claim may be made against any Credit Party or any Restricted Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Credit Party or such Restricted Subsidiary.

6.27 Qualified Eligible Contract Participant

As of the date of this Agreement, each Credit Party is a Qualified ECP Guarantor.

6.28 EEA Financial Institutions

No Credit Party is an EEA Financial Institution.

7. CONDITIONS PRECEDENT

7.1 Conditions to Closing Date

This Agreement shall not become effective and the obligation of each Lender to make its extensions of credit and for the Issuing Lender to issue any Letters of Credit shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 12.1):

(a) *Deliverables*. The Administrative Agent's receipt of the following, each of which shall be originals, telecopies or .pdf or similar electronic transmission (which, subject to Section 12.8(b), may include any Electronic Signatures transmitted by telecopy, pdf or similar electronic transmission) unless otherwise specified, each properly executed by a Responsible Officer of the signing Credit Party, if applicable, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Administrative Agent:

(i) *This Agreement*. Executed counterparts of this Agreement signed by the Lenders, the Company, the Issuing Lender, the Collateral Agent and the Administrative Agent (which may include telecopy or electronic transmission (including .pdf file) of a signed signature page of this Agreement) or written evidence reasonably satisfactory to the Administrative Agent that each such party has signed a counterpart signature page of this Agreement.

(ii) *Guaranty, Pledge and Security Agreement, Canadian Pledge and Security Agreement and Intercreditor Agreement*: Executed counterparts of (A) a Pledge and Security Agreement signed by each Credit Party (other than the Canadian Credit Parties) and the Collateral Agent, (B) the Guaranty signed by each Credit Party (other than the Canadian Credit Parties) and the Administrative Agent, (C) a Guaranty (governed by Canadian law) signed by each Canadian Credit Party and the Collateral Agent, (D) a Canadian Pledge and Security Agreement signed by each Canadian Credit Party and the Collateral Agent and (E) the Intercreditor Agreement signed by each Credit Party, the Collateral Agent and U.S. Bank, National Association as trustee under the Secured 2026 Notes.

(iii) *Responsible Officer's Closing Certificate*. A certificate in the form attached as Exhibit G executed and delivered by a Responsible Officer of the Company in a manner satisfactory to the Administrative Agent and dated as of the Closing Date.

(iv) *Solvency Certificate*. A solvency certificate in the form of Exhibit H provided by the chief financial officer of the Parent.

(v) *Borrowing Base Certificate*. The Administrative Agent and the Lenders shall have received a Borrowing Base Certificate (along with customary supporting documentation and supplemental reporting) which calculates the Borrowing Base as of the last day of the calendar month most recently ended on or prior to the date occurring twenty (20) days prior to the Closing Date.

(vi) *Notes*. Each Lender that has requested a Note shall have received an executed original of such Note timely requested by such Lender hereunder.

(vii) *Other Collateral Documents*.

(A) Appropriate financing statements (Form UCC-1, applicable PPSA financing statements or such other financing statements or similar notices as shall be required by local Law) authenticated and authorized for filing under the UCC, PPSA or other applicable local Law of each jurisdiction in which the filing of a financing statement or giving of notice may be required, or reasonably requested by the Collateral Agent, to perfect the security interests intended to be created by the Collateral Documents.

(B) Copies of reports from CT Corporation or another independent search service reasonably satisfactory to the Collateral Agent listing all effective financing statements, notices of tax, PBGC or judgment liens or similar notices that name any of the Company or any other Credit Party (under its present name and any previous name and, if requested by the Collateral Agent, under any trade names), as debtor or seller that are filed in the jurisdictions referred to in sub-clause (B) above (regardless of whether or not financing statements are then on file) or in any other jurisdiction having files which must be searched in order to determine fully the existence of the UCC security interests, PPSA financing statements, notices of the filing of federal tax Liens (filed pursuant to Section 6323 of the Code), Liens of the PBGC (filed pursuant to Section 4068 of ERISA) or judgment Liens on any

Collateral, together with copies of such financing statements, notices of tax, PBGC or judgment Liens or similar notices (none of which shall cover the Collateral except to the extent evidencing Permitted Liens or for which the Collateral Agent shall have received termination statements (Form UCC-3 or such other termination statements as shall be required by local Law) authenticated and authorized for filing).

(C) Searches of ownership of and liens on intellectual property in the appropriate governmental offices and such patent, industrial design, trademark and/or copyright filings as may be requested by the Collateral Agent to the extent necessary or reasonably advisable to perfect the Collateral Agent's security interest in intellectual property Collateral.

(D) All of the Pledged Collateral, which Pledged Collateral shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, with signatures appropriately guaranteed, accompanied in each case by any required transfer tax stamps, all in form and substance reasonably satisfactory to the Collateral Agent.

(E) [Reserved].

(F) A short form intellectual property security agreement, in form and substance reasonably agreed by the Company and the Administrative Agent, duly executed by each Credit Party, together with evidence that all action that the Administrative Agent may deem necessary or desirable in order to perfect the Liens in intellectual property created under the Pledge and Security Agreement and under such short form assignments or grants of security interests has been taken.

(G) Evidence of the completion of all other filings and recordings of or with respect to the Collateral Documents and of all other actions as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the security interests intended to be created by the Collateral Documents.

(viii) *Evidence of Insurance*. The Administrative Agent and the Majority Lenders shall have received and be satisfied with (i) evidence of the insurance under all insurance policies to be maintained with respect to the properties of the Parent, the Company and its Subsidiaries forming part of the Collateral, including endorsements naming the Collateral Agent on behalf of the Lenders, as an additional insured or loss payee, as the case may be and (ii) a review of the Credit Parties' insurance binders or other initial contractual documentation evidencing the insurance coverage and documentation related thereto that shall be entered into, and delivered to the Administrative Agent and the Majority Lenders on or around the Closing Date.

(ix) *Secretary's Certificate*. A secretary's certificate executed and delivered by a Responsible Officer or secretary of the Parent, certifying as to each of the Credit Parties' (A) officers' incumbency appended thereto, (B) authorizing resolutions or consents appended thereto and (C) true and complete copies of Organization Documents, with the applicable insertions and attachments being satisfactory in form and substance to the Administrative Agent.

(x) *Corporate Documents*. Copies of certificates from the Secretary of State or other appropriate authority of such jurisdiction, evidencing good standing of the Credit Parties in their respective jurisdiction of incorporation and in each state where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation.

(b) *Financial Projections*. The Administrative Agent shall have received quarterly projections for the Company for the fiscal quarters ending December 31, 2020 through March 31, 2022 and annual projections for each fiscal year thereafter, through and including the fiscal year ending March 31, 2025.

(c) *Fees*. The Administrative Agent shall have received (i) for the respective accounts of the Persons entitled to the same, all costs, expenses, fees and other compensation payable to the Lenders, the Agents and the Lead Arrangers on or prior to the Closing Date, to the extent invoiced to the Company at least one (1) Business Day prior to the Closing Date, including, without limitation, reasonable fees of one legal counsel to the Lenders and one local counsel in each appropriate jurisdiction, (ii) any fees and expenses required to be paid as of the Closing Date by Section 12.5(a), to the extent such fees have been invoiced at least one (1) Business Day prior to the Closing Date and (iii) any fees and expenses required to be paid as of the Closing Date by the Fee Letter.

(d) *Regulatory Authority Information*. (i) The Company and each Credit Party shall have provided the documentation and other information to the Lenders that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and the Proceeds of Crime Act, in each case no later than five (5) days

prior to the Closing Date to the extent reasonably requested by the Lenders at least ten (10) Business Days in advance of the Closing Date and (ii) to the extent the Company qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five (5) days prior to the Closing Date, any Lender that has requested, in a written notice to the Company at least ten (10) days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Company shall have received such Beneficial Ownership Certification (**provided** that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

(e) *Field Examination*. The Administrative Agent or its designee shall have conducted a field examination of the Parent, the Company and its Restricted Subsidiaries, the results of which shall be satisfactory to the Administrative Agent; **provided** that if, notwithstanding the use by the Credit Parties of commercially efforts to satisfy the requirement set forth in this clause (e), such requirement is not satisfied as of the Closing Date, the satisfaction of such requirement shall not be a condition to the effectiveness of this Agreement or the availability of the Loans (but shall be required to be satisfied within 30 Business Days of the Closing Date.

(f) *Consents*. All governmental and third party approvals necessary in connection with the entry into of this Agreement (including shareholder approvals, if any) shall have been obtained on reasonably satisfactory terms and shall be in full force and effect.

(g) *Financial Statements*. The Administrative Agent shall have received and be satisfied with the financial statements referred to in Section 6.15(a).

(h) *Regulatory Matters*. All legal (including tax implications) and regulatory matters shall be satisfactory to the Administrative Agent and the Lenders, including but not limited to compliance with all applicable requirements of Regulations U, T and X of the Board of Governors of the Federal Reserve System.

(i) *Legal Opinions*. An opinion addressed to the Administrative Agent, the Collateral Agent and the Lenders of (A) Paul Hastings LLP, counsel to the Company and (B) certain other local counsel to the Credit Parties (including Stikeman Elliott LLP, Alberta counsel to the Company, Brownstein Hyatt Farber Schreck LLP, Colorado counsel to the Company, McAfee & Taft, a Professional Corporation, Oklahoma counsel to the Company, Brownstein Hyatt Farber Schreck LLP, New Mexico counsel to the Company and Oram & Houghton, PLLC, Wyoming counsel to the Company) in each case, in form and substance reasonably satisfactory to the Administrative Agent. Such opinions shall also cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent shall reasonably require.

(j) *Secured 2026 Notes.* Prior to or on the Closing Date, the Secured 2026 Notes shall have been issued pursuant on terms and pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and its counsel.

(k) *Availability*. The Company shall have *pro forma* minimum Availability under this Agreement of not less than $100,000,000 after giving effect to any borrowings on the Closing Date.

(l) *Existing Indebtedness*. On the Closing Date, after giving effect to the transactions contemplated hereby, neither the Parent, the Company nor any of its Restricted Subsidiaries shall have any Indebtedness for borrowed money (including any obligations under the Existing Revolving Credit Agreement and the Existing Term Loan Credit Agreement) other than pursuant to this Agreement or as otherwise permitted under Section 9.2, and the Administrative Agent shall have received evidence reasonably satisfactory to it of the prepayment in full (or release from) all obligations under existing loan facilities (including all obligations under the Existing Revolving Credit Agreement and the Existing Term Loan Credit Agreement) and the release and termination of all liens in respect of all other Indebtedness for borrowed money (including liens securing obligations under the Existing Revolving Credit Agreement and the Existing Term Loan Credit Agreement) other than Liens permitted under Section 9.3.

(m) *Representations and Warranties*. Each of the representations set forth in Article 6, or which are contained in any other Credit Document shall, to the extent already qualified by materiality, be true and correct in all respects, and, if not so already qualified, shall be true and correct in all material respects, in any case on and as of the date such Loan is made (or such Letter of Credit is issued) as if made on and as of such date (unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

(n) *No Default or Event of Default*. No Default or Event of Default shall be in existence on the Closing Date after giving effect to any Loans to be made or Letter of Credits to be issued on the Closing Date.

7.2 Conditions to All Loans and Letters of Credit

The obligation of each Lender to make any Loan and the obligation of each Issuing Lender to issue any Letter of Credit is subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date:

(a) *Representations and Warranties*. Each of the representations set forth in Article 6, or which are contained in any other Credit Document shall, to the extent already qualified by materiality, be true and correct in all respects, and, if not so already qualified, shall be true and correct in all material respects, in any case on and as of the date such Loan is made (or such Letter of Credit is issued) as if made on and as of such date (unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

(b) *No Default or Event of Default*. No Default or Event of Default shall be in existence on such date or after giving effect to the Loan to be made or the Letter of Credit to be issued on such Borrowing Date.

(c) *Notice*. The Administrative Agent and, if applicable, the applicable Issuing Lender shall have received a notice of borrowing request or credit extension in accordance with the requirements of Article 5.

(d) *Availability*. On the date or after giving effect to any Extension of Credit to be made on such Borrowing Date, the Aggregate Revolving Credit Extensions of Credit shall not exceed the lesser of the Revolving Credit Commitment and the Borrowing Base then in effect.

(e) *Excess Cash*. At the time of and immediately after giving effect to any Extension of Credit to be made on such Borrowing Date, the Credit Parties and their Restricted Subsidiaries have not have Excess Cash exceeding $25,000,000.

Each borrowing by the Company hereunder and the issuance of each Letter of Credit by each Issuing Lender hereunder shall constitute a representation and warranty by the Company as of the date of such borrowing or issuance that the conditions in clauses (a), (b), (d) and (e) of this Section 7.2 have been satisfied.

8. AFFIRMATIVE COVENANTS

The Parent and the Company each hereby agrees that, so long as the Commitments remain in effect, any Loan or Revolving L/C Obligation remains outstanding and unpaid, any amount remains available to be drawn under any Letter of Credit or any other amount is owing to any Lender (other than Unmatured Surviving Obligations), any Agent or any Issuing Lender hereunder, it shall, and shall cause each of Restricted Subsidiaries of the Parent to:

8.1 Financial Statements

Furnish to the Administrative Agent (with sufficient copies for each Lender):

(a) *Audited Annual Financial Statements*. As soon as available, but in any event not later than the earlier to occur of (i) the fifteenth day after the Form 10-K Annual Report is filed with the Securities and Exchange Commission with respect to the end of each fiscal year of the Parent, and (ii) the 100th day after the end of each fiscal year of the Parent, annual audited financial statements of the Parent and its Subsidiaries, including all notes thereto, which statements shall include, on a consolidated basis, a balance sheet as of the end of such fiscal year and a statement of operations, a statement of changes in equity and a statement of cash flows for such fiscal year, all setting forth in comparative form the corresponding figures from the previous fiscal year and accompanied by a report and opinion of independent certified public accountants with Grant Thornton LLP consistently applied or an accounting firm of national standing reasonably acceptable to the Administrative Agent, which report shall not contain any qualification (and be without comment as to the accountants' opinion whether such Person is a "going concern" or can continue to be a "going concern") (except for a "going concern" statement that is due solely to impending debt maturities occurring within 12 months of such audit), and shall state that such financial statements, in the opinion of such accountants, present fairly, in all material respects, the financial position of the Parent and its Subsidiaries as of the date thereof and the results of its operations and cash flows for the period covered thereby in conformity with GAAP consistently applied.

(b) *Quarterly Financial Statements*. As soon as available, but in any event not later than forty-five (45) days after the end of each of the first three quarterly periods of each fiscal year of the Parent, the quarterly unaudited financial statements of the Parent and its Subsidiaries, which statements shall include (i) a balance sheet as of the end of the respective fiscal quarter, (ii) a statement of operations for such respective fiscal quarter and for the fiscal year to date setting forth in comparative form the corresponding figures for the corresponding period of the preceding fiscal year and (iii) a statement of cash flows for the fiscal year to date setting forth in comparative form the corresponding figures in the corresponding period of the preceding fiscal year, all prepared in reasonable detail and in accordance with GAAP and certified by a Financial Officer of the Company as fairly and accurately presenting in all material respects the financial

condition and results of operations of the Parent and its Subsidiaries, on a consolidated basis, at the dates and for the periods indicated therein, subject to normal year-end adjustments.

(c) *Consolidating Financial Statements*. Concurrently with any delivery of consolidated financial statements under clause (a) or (b) above, the related unaudited consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements.

(d) *Annual Budget*. As soon as available, but in any event within 60 days of each fiscal year of the Parent, a management-prepared budget of the Parent and its Restricted Subsidiaries for such fiscal year (which budget shall be limited to a Capital Expenditure line, an income statement presenting profitability to the EBITDA line and a summary of cash flows in the form provided to the Administrative Agent prior to the Closing Date or otherwise in a form reasonably acceptable to the Administrative Agent).

Following delivery of the information required pursuant to clause (a) or (b) above (but not more frequently than quarterly), the Company will cause its and the other Credit Parties' appropriate officers to participate in a conference call for Lenders to discuss the financial condition and results of operations of the Credit Parties for the most recently-ended period for which financial statements have been delivered; **provided** that the requirement to participate in any such conference call for the applicable quarter shall be deemed satisfied if the Company conducts a customary public earnings call for such fiscal quarter.

All financial statements shall be prepared in reasonable detail in accordance with GAAP in all material respects (**provided** that interim statements may be condensed and may exclude detailed footnote disclosure) applied consistently throughout the periods reflected therein and with prior periods (except as concurred to by such officer and disclosed therein and except that interim financial statements need not be restated for changes in accounting principles which require retroactive application, and operations which have been discontinued (as such term is used in Statement of Financial Accounting Standards No. 144) during the current year need not be shown in interim financial statements as such either for the current period or comparable prior period).

8.2 Certificates; Other Information

Furnish to the Administrative Agent (with sufficient copies for each Lender):

(a) *Risk Management Policy.* Not later than ten (10) Business Days after any material amendment, modification, supplement or other change to the Risk Management Policy, written notice of such amendment, modification, supplement or other change; **provided** that changes in personnel reflected in the Risk Management Policy will not be deemed "material" for purposes of this Section 8.2(a).

(b) *Compliance Certificate*. Concurrently with the delivery of the financial statements referred to in clauses (a) and (b) of Section 8.1, a certificate, in the form attached as Exhibit I, of a Responsible Officer on behalf of the Company: (i) stating that, to the best of such officer's knowledge, the Credit Parties have observed or performed all of its covenants and other agreements, and satisfied every applicable condition, contained in this Agreement and the other Credit Documents to be observed, performed or satisfied by it, and that such officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate; (ii) stating whether or not Availability exceeded the Availability Trigger for each day of the applicable period; (iii) stating whether or not Availability exceeded the Specified Trigger for each day of the applicable period; (iv) showing in detail as of the end of the related fiscal period the calculations in reasonable detail for purposes of calculating the Fixed Charge Coverage Ratio for the fiscal quarter then ended (irrespectively of whether a Cash Dominion Event has occurred and is then continuing); (v) if the Company is required to comply with Section 9.1, certifying whether the Company is in compliance with the provisions of Section 9.1; (vi) if not specified in the financial statements delivered pursuant to Section 8.1, specifying on a consolidated basis the aggregate amount of interest paid or accrued by the Credit Parties, and the aggregate amount of depreciation, depletion and amortization charged on the books of the Credit Parties, during such accounting period; and (vii) setting forth in reasonable detail the reconciliation of Consolidated EBITDA to Consolidated Net Income of the Company;

(c) *Accountants' Management Letters*. Promptly upon receipt thereof, copies of all final reports submitted to the Company by independent certified public accountants in connection with each annual, interim or special audit of the books of the Company made by such accountants.

(d) *Reports to Holders of Debt Securities*. Promptly, after the furnishing thereof, copies of any statement or report (other than any notice of borrowing, repayment, redemption, defeasement or prepayment or any statement or report relating to administrative matters) furnished to holders generally of any debt securities constituting Material Indebtedness of the Credit Parties thereof pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 8.1 or any other paragraph of this Section 8.2 and not

otherwise filed with the Securities and Exchange Commission or any Governmental Authority succeeding to any of its functions.

(e) *Other Information*. Promptly after any request therefor, (i) such additional financial or other information regarding the operations, business affairs and financial condition of the Credit Parties, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender, through the Administrative Agent, may reasonably request; **provided** that, notwithstanding anything to the contrary herein, other than in connection with the exercise of remedies in accordance with Article 10 hereof, none of the Parent or any of its Restricted Subsidiaries shall be required to deliver, disclose, permit the inspection, examination or making of copies of or excerpts from, or any discussion of, any document, information, or other matter (A) that constitutes non-financial trade secrets or non-financial proprietary information, (B) in respect of which disclosure to the Administrative Agent (or any Lender) is prohibited by applicable law, (C) that is subject to attorney-client or similar privilege or constitutes attorney work product or (D) with respect to which any Credit Party or any of its Restricted Subsidiaries owes confidentiality obligations to any third party, and (ii) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Proceeds of Crime Act.

(f) *Borrowing Base Certificates*. On or before the 15th Business Day of each month from and after the Closing Date, a Borrowing Base Certificate as of the last day of the immediately preceding month, with such supporting materials as the Administrative Agent shall reasonably request. Notwithstanding the foregoing, (i)(A) if on or prior to February 28, 2022, (I) after the occurrence and during the continuance of a Cash Dominion Event or (II) if Borrowing Base Availability is less than $100,000,000 or (B) if after February 28, 2022, after the occurrence and during the continuance of a Specified Trigger Event, within three (3) Business Days of the end of each calendar week, the Company shall furnish a Borrowing Base Certificate calculated as of the close of business on the last Business Day of the immediately preceding calendar week and (ii) at any time and from time to time, the Company is entitled to furnish within three (3) Business Days of the end of each calendar week a Borrowing Base Certificate calculated as of the close of business on the last Business Day of the immediately preceding calendar week; **provided** that if the Company elects to deliver weekly Borrowing Base Certificates in accordance with this clause (ii), then the Company shall continue to deliver weekly Borrowing Base Certificates until delivery of the next monthly Borrowing Base Certificate required under this clause (f). The Borrowing Base Certificate shall also be delivered prior to or upon the consummation of any agreement for the sale or disposition of ABL Priority Collateral outside the ordinary course of business which would result in the receipt of any cash or Cash Equivalents by the Parent or any of its Restricted Subsidiaries in an amount in excess of $25,000,000, and such Borrowing Base Certificate shall give effect to such transaction.

(g) *Collateral Reporting*. (i) Concurrently with each delivery of a Borrowing Base Certificate hereunder, and at such other times as may be requested by the Administrative Agent upon the occurrence and during the continuance of a Cash Dominion Event, all delivered electronically in a format reasonably acceptable to the Administrative Agent, calculations prepared by the Company in a manner reasonably acceptable to the Administrative Agent such information as is necessary to determine Eligible Cash Collateral, Eligible Accounts, Eligible Futures Accounts, Eligible Inventory, Eligible Railcar Inventory and Product Inventory Letters of Credit (including, without limitation, accounts receivable agings, accrued sales and payables, accounts payable agings, detail on advance payments received (prepaid inventory), customer deposits, deferred revenue and deferred service contracts and inventory reports by location and product type) and (ii) concurrently with each delivery of the financial statements required by Section 8.1(a), a schedule detailing any ownership or other interest in any registered or applied for trademarks, trademark applications, patents, patent applications, industrial designs, industrial design applications, copyrights or exclusive licenses to registered U.S. or Canadian copyrights the Credit Parties may obtain at any time after the date hereof;

(h) *Corporate Information*. The Company shall deliver to the Administrative Agent and Collateral Agent, with respect to any Credit Party, promptly (and in any event within no more than five (5) Business Days following such change (or such later date as agreed to by the Administrative Agent in its sole discretion)) written notice of any change in such Person's (1) legal name, (2) jurisdiction of organization or formation, (3) identity or corporate structure or (4) legal identification number.

Information required to be delivered pursuant to Section 8.1 or 8.2 shall be deemed to have been delivered if such information shall have been delivered by the Company to the Administrative Agent for posting by the Administrative Agent on an IntraLinks or similar site to which each Lender has been granted access. Information delivered pursuant to Section 8.1 or 8.2 may also be delivered by electronic communications pursuant to procedures approved by the Administrative Agent.

The Company hereby acknowledges that (i) the Administrative Agent and/or the Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Company hereunder (collectively, "***Company Materials***") by posting the Company Materials on IntraLinks or another similar electronic system (the "***Platform***") and (ii) certain of the Lenders (each, a "***Public Lender***") may have personnel who do not wish to receive material non-public information with

respect to the Company or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. So long as the Company is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities, the Company may elect to identify any portion of the Company Materials that may be distributed to the Public Lenders and : (A) any such Company Materials will be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (B) by marking any Company Materials "PUBLIC", the Company shall be deemed to have authorized the Administrative Agent, the Lead Arrangers and the Lenders to treat such Company Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Company or its securities for purposes of United States Federal and state securities laws (**provided**, **however**, that to the extent such Company Materials constitute Information, they shall be treated as set forth in Section 12.13); (C) all Company Materials marked "PUBLIC" by the Company are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (D) the Administrative Agent and the Lead Arrangers shall be entitled to treat any Company Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information".

Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 8.1 may be satisfied by furnishing the applicable financial statements of Parent's Form 10-K or 10-Q, as applicable, filed with the SEC, in each case, within the time periods specified in such paragraphs; provided that, to the extent such statements are in lieu of statements required to be provided under Section 8.1(a), such statements shall be accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing, which report and opinion shall satisfy the applicable requirements set forth in Section 8.1.

8.3 Payment of Other Obligations

Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all of its obligations and liabilities of whatever nature, except (i) when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Company or any of its Restricted Subsidiaries, as the case may be and (ii) for trade and other accounts payable in the ordinary course of business in accordance with customary trade terms and which are not overdue for a period of more than sixty (60) days (or any longer period if longer payment terms are accepted in the ordinary course of business) or, if overdue for more than sixty (60) days (or such longer period), as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of the Company and its Restricted Subsidiaries, as the case may be.

8.4 Continuation of Business and Maintenance of Existence and Material Rights and Privileges

Continue to engage in business of the same general type as now conducted by it and those reasonably related or incidental thereto, and preserve, renew and keep in full force and effect its corporate, partnership or limited liability company existence and take all reasonable action to maintain all rights, privileges, franchises, accreditations, certifications, authorizations, licenses, permits, approvals and registrations, necessary or desirable in the normal conduct of its business except for rights, privileges, franchises, accreditations, certifications, authorizations, licenses, permits, approvals and registrations the loss of which could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect, and except as otherwise permitted by Sections 9.6, 9.7 and 9.9.

8.5 Compliance with All Applicable Laws and Regulations and Material Contractual Obligations

Comply with all applicable Requirements of Law (including, without limitation, any and all Environmental Laws, tax, and ERISA laws) and Contractual Obligations except to the extent that the failure to comply therewith could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

8.6 Maintenance of Property; Insurance

(a) Keep all property useful and necessary in its business in good working order and condition (ordinary wear and tear and damage and condemnation excepted), and maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and with only such deductibles as are usually maintained by, and against at least such risks as are usually insured against in the same general area by, companies engaged in the same or a similar business (in any event including general liability, contractual liability, personal injury, workers' compensation, employers' liability, automobile liability and physical damage coverage, all risk property, business interruption, fidelity and crime insurance); **provided** that the Parent, the Company and its Restricted Subsidiaries may implement programs of self-insurance in the ordinary course of business and in accordance with industry standards for a company of similar size so long as reserves are maintained in accordance with GAAP for the liabilities associated therewith.

(b) If any portion of any Mortgaged Property in the United States is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the Flood Insurance Laws, (a) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (b) deliver to the Collateral Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent, including a copy of the flood insurance policy and declaration page relating thereto.

8.7 Maintenance of Books and Records

Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities which permit financial statements to be prepared in conformity with GAAP and all Requirements of Law.

8.8 Right of the Lenders to Inspect Property and Books and Records

Permit representatives of any Lender upon reasonable notice during business hours and with a Responsible Officer present to visit and inspect any of its properties and examine and make abstracts from any of its books and records (including in connection with periodic field examinations in accordance with Section 8.12) at any reasonable time and as often as may reasonably be desired upon reasonable notice, and to discuss the business, operations, properties and financial and other condition of the Credit Parties with officers and employees thereof, and with their independent certified public accountants; **provided** that, only the Administrative Agent on behalf of the Lenders may exercise rights of the Lenders under this Section 8.8 and the Administrative Agent shall not exercise such rights more often than one time during any calendar year absent the existence of an Event of Default; **provided**, **further**, that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at any time during normal business hours and upon reasonable advance notice, and any Lender (or any of its representatives or independent contractors) may accompany the Administrative Agent (or its representatives or independent contractors). The Administrative Agent and the Lenders shall give the Company the opportunity to participate in any discussions with the Company's independent certified public accountants.

8.9 Notices

(a) Promptly give notice to the Administrative Agent and each Lender:

(i) of the occurrence of any Default or Event of Default;

(ii) of any (A) default or event of default under any instrument or other agreement, guarantee or collateral document of any Credit Party which default or event of default has not been waived and could reasonably be expected to have a Material Adverse Effect, or any other default or event of default under any such instrument, agreement, guarantee or other collateral document which, but for the proviso to paragraph (e) of Section 10.1, would have constituted a Default or Event of Default under this Agreement, or (B) litigation, investigation or proceeding which may exist at any time between the Parent, the Company or any of its Restricted Subsidiaries and any Governmental Authority, or receipt of any notice of any environmental claim or assessment against the Parent, the Company or any of its Restricted Subsidiaries by any Governmental Authority, which in any such case could reasonably be expected to have a Material Adverse Effect; of any litigation or proceeding affecting the Parent, the Company or any of its Restricted Subsidiaries that could reasonably be expected to have a Material Adverse Effect;

(iii) as soon as practicable after, and in any event within thirty (30) days after the Company knows thereof, of (A) any ERISA Event shall have occurred that, either alone or together with any other ERISA Event, results in liability of the Parent, the Company or any Subsidiary in an aggregate amount which would reasonably be expected to have a Material Adverse Effect and (B) any Canadian Pension Event shall have occurred and in each case, in addition to such notice, deliver to the Administrative Agent and each Lender whichever of the following may be applicable: (x) a certificate of a Responsible Officer on behalf of the Company setting forth details as to such Reportable Event and the action that the Company or such ERISA Affiliate proposes to take with respect thereto, together with a copy of any notice of such Reportable Event that may be required to be filed with PBGC or any other applicable Governmental Authority, or (y) any notice delivered by PBGC or any other applicable Governmental Authority evidencing its intent to institute such proceedings or any notice to PBGC or any other applicable Governmental Authority that such Plan is to be terminated, as the case may be;

(iv) of any material change in accounting policies or financial reporting practices by any Credit Party with respect to the Credit Parties' Accounts and Inventory or which otherwise would reasonably be expected to affect the calculation of the Borrowing Base or Reserves;

(v) as soon as practicable after, and in any event within five (5) Business Days after the Company knows thereof, if any material portion of the Collateral is damaged, destroyed or condemned; and

(vi) of a material adverse change known by the Parent, the Company or any of its Restricted Subsidiaries in the business, financial condition, assets, liabilities, properties or results of operations of the Parent, the Company and its Restricted Subsidiaries taken as a whole.

(b) Each notice pursuant to this Section 8.9 shall be accompanied by a statement of a Responsible Officer on behalf of the Company setting forth details of the occurrence referred to therein and stating what action the Company proposes to take with respect thereto.

8.10 Subsidiary Guaranties and Collateral

(a) *Guarantors*. The Company will deliver, and will cause each Guarantor to deliver, either (i) a counterpart of the Guaranty duly executed and delivered on behalf of such Person or (ii) in the case of any Person that becomes a Guarantor after the Closing Date, a supplement to the Guaranty in the form specified therein and a joinder and/or supplement to the Pledge and Security Agreement, in each case duly executed and delivered on behalf of such Person, together with opinions (including, without limitation, local counsel opinions reasonably satisfactory to the Administrative Agent and its counsel if such Guarantor is a Canadian Credit Party) and documents of the type referred to in Sections 7.1(a)(ix), 7.1(a)(x), and 7.1(i) with respect to such Person.

(b) *Additional Subsidiaries*. If any additional Wholly-Owned Subsidiary is formed or acquired (or otherwise becomes a Wholly-Owned Subsidiary) after the Closing Date, then the Company will, as promptly as practicable and, in any event, within thirty (30) days (or such longer period as the Administrative Agent in its reasonable discretion may agree to in writing (including electronic mail)) after such Subsidiary is formed or acquired, notify the Administrative Agent (i) whether the Company intends to designate such Wholly-Owned Subsidiary as an Unrestricted Subsidiary in accordance with Section 8.19 or (ii) if the Subsidiary is a Wholly-Owned Domestic Subsidiary of the Company that is a Restricted Subsidiary (other than an Excluded Subsidiary) or the Company elects by written notice to the Administrative Agent to designate such Wholly-Owned Subsidiary as a Canadian Credit Party, in the case of this clause (ii), the Company shall cause the requirements of this Section 8.10 to be satisfied with respect to such additional Subsidiary and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Credit Party.

The Parent and the Company will cause the management, business and affairs of each of the Parent, the Company and its Restricted Subsidiaries to be conducted in such a manner (including, without limitation, by keeping separate books of account, furnishing separate financial statements of Unrestricted Subsidiaries to creditors and potential creditors thereof and by not permitting Properties of the Company and its Restricted Subsidiaries to be commingled) so that each Unrestricted Subsidiary could reasonably be expected to be treated as an entity separate and distinct from the Parent, the Company and its Restricted Subsidiaries;

(c) *Pledge of Equity Interests*. Each Credit Party shall pledge the Equity Interests owned by it (unless such a pledge is expressly not required by this Agreement or the Pledge and Security Agreements) pursuant to the Pledge and Security Agreements, it being understood and agreed that the Pledge and Security Agreements shall not require any Credit Party to pledge:

(i) more than 65% of the outstanding voting capital stock of, or other voting equity interests in, any Subsidiary that is a CFC or CFC Holdco;

(ii) any of the outstanding capital stock of, or other equity interests, in any Subsidiary where such pledge would (A) be prohibited by applicable law; **provided** that this sub-clause (A) shall in no way be construed to apply if such prohibition is unenforceable under Section 9-408 of the UCC, (B) result in material adverse tax consequences to the Company or any Credit Party, (C) in the case of any non-Wholly-Owned Subsidiary or joint venture existing on the Closing Date, result in a breach of a joint venture agreement, operating agreement or other similar document or agreement in the form existing on the Closing Date; **provided** that the Company or relevant Subsidiary shall have used its commercially reasonable efforts (which efforts shall not require any Credit Party to pay any amounts or grant any rights in exchange for such consent) to obtain all consents or take such other actions as may be necessary to enable the pledge of capital stock or other equity interests of any such material non-Wholly-Owned Subsidiary or joint venture, (D) in the case of any non-Wholly-Owned Subsidiary or joint venture created or acquired after the Closing Date, result in a breach of a joint venture agreement, operating agreement or other similar document or agreement, **provided** that the Company shall use its commercially reasonable efforts (which efforts shall not require any Credit Party to pay any amounts or grant any rights in exchange for such consent) to obtain all consents or take such other actions

as may be necessary to enable the pledge of capital stock or other equity interests of any such material non-Wholly-Owned Subsidiary or joint venture, or (E) cause the Company to incur costs associated with such pledge that are excessive in comparison to the benefits afforded to the Administrative Agent and the Lenders, as reasonably determined by the Administrative Agent, and **provided** further that to the extent the Company or another Credit Party does not ultimately acquire 100% of the outstanding capital stock or other equity interests of any acquired or newly formed Subsidiary in any Permitted Acquisition or other Investment made pursuant to Section 9.7(i), notwithstanding clause (ii)(D) above but except as provided in clauses (ii)(A),(B) and (E) above, the Collateral Agent shall receive a pledge of all outstanding capital stock or other equity interests of such entity held by the Company or any other Credit Party.

(d) *Additional Security*.

(i) With respect to any Material Real Property Assets (other than Leaseholds, easements and rights-of-way), (ii) any Existing Leasehold Mortgaged Property and (iii) any part of the Grand Mesa Pipeline or the Delaware Pipeline that is a Material Real Property Asset of the type described in the preceding clauses (i) and (ii) (1) owned, or in the case of the Existing Leasehold Mortgaged Property, leased by any Credit Party on the Closing Date, such Credit Party, as the case may be, with respect thereto shall, within 120 days of the date of the Closing Date or such later date as may be agreed to by the Collateral Agent (and in any event within 360 days of the Closing Date (or, in the case of Real Property Assets constituting part of the Grand Mesa Pipeline or the Delaware Pipeline, 180 days after the Closing Date)) or (2) acquired by any Credit Party after the Closing Date, such Credit Party, as the case may be, shall, within 120 days of the acquisition thereof or such later date as may be agreed to by the Collateral Agent (and in any event within 180 days of the acquisition thereof), deliver to the Collateral Agent for the ratable benefit of the Secured Parties the following:

(A) a fully executed counterpart of a Mortgage or Leasehold Mortgage in favor of the Collateral Agent covering such Material Real Property Asset, duly executed by such Credit Party, together with satisfactory evidence of the completion (or satisfactory arrangements for the completion) of all recordings and filings of such Mortgage or Leasehold Mortgage (and payment of any taxes or fees in connection therewith), together with any necessary fixture filings, as may be necessary to create a valid, perfected Lien, subject to Permitted Liens, against the properties purported to be covered thereby;

(B) if such Material Real Property Asset has a Designated Value of $7,500,000 or more, a policy or policies or marked-up unconditional binder of title insurance, as applicable, in favor of the Collateral Agent and its successors and/or assigns, in an amount not less than the fair market value of such Material Real Property Asset and in the form necessary, paid for by the such Credit Party, issued by a nationally recognized title insurance company insuring fee simple title or leasehold title, as applicable, to each such Material Real Property Asset and insuring the Lien of such Mortgage or Leasehold Mortgage as a valid Lien (subject to Permitted Liens) on the applicable real property described therein, together with such endorsements, title policy modifications, coinsurance and reinsurance as shall be reasonably required;

(C) if such Material Real Property Asset has a Designated Value of $7,500,000 or more, such surveys (or any updates or affidavits that the title insurance company may reasonably require in connection with the issuance of the title insurance policies), which are sufficient for the title insurance company to remove the standard survey exception and issue customary survey-related endorsements and title policy modifications;

(D) local counsel opinions (i) as to the due authorization, execution and delivery by such Credit Party of such Mortgage or Leasehold Mortgage and such other customary matters that are incidental thereto and (ii) in jurisdictions where such Material Real Property Asset is located covering the enforceability of such Mortgage or Leasehold Mortgage and such other customary matters as are incidental thereto;

(E) if such Material Real Property Asset has a Designated Value of $7,500,000 or more, with respect to such Material Real Property Asset, evidence such Material Real Property Asset, and the uses of such Material Real Property Asset, are in compliance in all material respects with all applicable zoning laws (the evidence submitted as to which should include the zoning designation made for such Material Real Property Asset, the permitted uses of each such Material Real Property Asset under such zoning designation and, if available, zoning requirements as to parking, lot size, ingress, egress and building setbacks); and

(F) such affidavits, certificates, instruments of indemnification and other items as shall be reasonably required and evidence of payment by any Credit Party, as applicable, of all search and examination charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgages and Leasehold Mortgages and the issuance of the title insurance policies, in each case to the extent required pursuant to the foregoing.

(ii) With respect to any Material Real Property Asset consisting of Leaseholds, easements or rights of-way, including Material Real Property Assets that are Leaseholds, easements or rights-of-way constituting part of the Grand Mesa Pipeline or the Delaware Pipeline (in each case other than the Existing Leasehold Mortgaged Properties and any fee owned Material Real Property Asset), (a) held by any Credit Party on the Closing Date or (b) acquired by any Credit Party after the Closing Date, such Credit Party, as the case may be, shall use commercially reasonable efforts (which, for the avoidance of doubt shall not require cash payments or other consideration aside from the payment or reimbursement of reasonable fees and expenses in connection with the preparation and recording of the documentation related to such Other Specified Collateral Deliverables) to deliver, within 180 days of the Closing Date or the date of acquisition thereof or, with respect to any such Material Real Property Asset (such Material Real Property Assets, "***Other Specified Property***"), or with respect to any such Other Specified Property other than Real Property Assets constituting a part of the Grand Mesa Pipeline or the Delaware Pipeline, or such later date as may be agreed to by the Collateral Agent (provided that the Collateral Agent may not extend such deadline to a date later than 360 days after the Closing Date or 180 days after the date of acquisition thereof, as applicable), to the Collateral Agent for the ratable benefit of the Secured Parties, the following:

(A) a fully executed counterpart of a Leasehold Mortgage, duly executed by a Credit Party that is the lessee, owner or holder of such Material Real Property Asset, satisfactory evidence of the completion (or satisfactory arrangements for the completion) of all recordings and necessary filings of such Leasehold Mortgage (and payment of any taxes or fees in connection therewith), together with any necessary consents, memoranda of lease and fixture filings, as may be necessary to create a valid, perfected Lien, subject to Permitted Liens, against the properties purported to be covered thereby;

(B) if such Material Real Property Asset has a Designated Value of $15,000,000 or more (or $7,500,000 or more if there are improvements (other than pipelines) to such Material Real Property Asset), policy or policies or marked-up unconditional binder of title insurance, as applicable, in favor of the Collateral Agent and its successors and/or assigns, in an amount not less than the fair market value of such Material Real Property Asset and in the form necessary, paid for by the such Credit Party, issued by a nationally recognized title insurance company insuring fee simple title or leasehold title to such Material Real Property Asset and insuring the Lien of such Leasehold Mortgage as a valid first priority Lien (subject to Permitted Liens) on the applicable real property described therein, together with such endorsements, title policy modification, coinsurance and reinsurance as shall be reasonably required;.

(C) if such Material Real Property Asset has a Designated Value of $15,000,000 or more (or $7,500,000 or more if there are improvements (other than pipelines) to such Material Real Property Asset), such surveys (or any updates or affidavits that the title insurance company may reasonably require in connection with the issuance of the title insurance policies), which are sufficient for the title insurance company to remove or modify the standard survey exception and issue customary survey-related endorsements or title policy modifications;

(D) local counsel opinions (i) as to the due authorization, execution and delivery by such Credit Party of such Leasehold Mortgage and such other customary matters that are incidental thereto and (ii) in jurisdictions where such Material Real Property Asset is located covering the enforceability of such Leasehold Mortgage and such other customary matters as are incidental thereto;

(E) if such Material Real Property Asset has a Designated Value of $15,000,000 or more (or $7,500,000 or more if there are improvements (other than pipelines) to such Material Real Property Asset), with respect to such Material Real Property Asset, evidence such Material Real Property Asset, and the uses of such Material Real Property Asset, are in compliance in all material respects with all applicable zoning laws (the evidence submitted as to which should include the zoning designation made for such Material Real Property Asset, the permitted uses of each such Material Real Property Asset under such zoning designation and, if available, zoning requirements as to parking, lot size, ingress, egress and building setbacks); and

(F) such affidavits, certificates, instruments of indemnification and other items as shall be reasonably required and evidence of payment by any Credit Party, as applicable, of all search and examination charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Leasehold Mortgage and the issuance of the title insurance policies, in each case to the extent required pursuant to the foregoing;

provided that, notwithstanding the foregoing, the requirements of paragraphs (B), (C), (E) and (F) of this Section 8.10(d)(ii) will not be required with respect to (i) any such Other Specified Property, to the extent the cost of providing such items would exceed 1% of the Designated Value of such Other Specified Property or (ii) any such Other Specified Property that is comprised solely of easements or rights-of-way. Notwithstanding anything herein to the contrary, for purposes of the determination of Designated Value pursuant to the preceding proviso, the final paragraph of this Section 8.10(d)(ii) shall not apply.

The requirements of this Section 8.10(d)(ii) with respect to the Other Specified Property shall be referred to as the "***Other Specified Collateral Requirements***", and the items described in items (A) through (F) of the foregoing Section 8.10(d)(ii) shall be referred to as the "***Other Specified Collateral Deliverables***".

Solely for purposes of determining the Designated Value of any Real Property Assets with respect to which a Credit Party must use commercially reasonable efforts to provide the Other Specified Collateral Requirements, if any Real Property Asset constitutes, with one or more Real Property Assets, any pipeline, facility, terminal, injection well or disposal well of the Parent and its Restricted Subsidiaries, the Designated Value of such Real Property Asset shall be deemed to be the sum of the Designated Values of all such Real Property Assets forming such pipeline, facility, terminal, injection well or disposal well.

(iii) Notwithstanding the other provisions of this Section 8.10(d), the Collateral Agent may, in its sole discretion, determine that the burdens, costs or consequences of obtaining a Mortgage or Leasehold Mortgage on any Material Real Property Asset, all or any part of which contains a Building (as defined in the applicable Flood Insurance Laws) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Law), are excessive in view of the benefits to be obtained by the Secured Parties. In the event that the Collateral Agent makes such a determination, the Mortgage or Leasehold Mortgage relating to such Material Real Property Asset may contain customary exclusionary provisions with respect to such Building or Manufactured (Mobile) Home satisfactory to the Collateral Agent in its sole discretion.

(e) *Real Property Appraisals*. If the Collateral Agent or the Majority Lenders determine that there is a Requirement of Law for them to have appraisals prepared in respect of the Real Property of the Company constituting Collateral pursuant to clause (d), the Company shall provide to the Collateral Agent appraisals which satisfy the applicable requirements set forth in 12 C.F.R., Part 32 - Subpart C or any successor or similar statute, rule, regulation, guideline or order, and which shall be in scope, form and substance, and from appraisers, reasonably satisfactory to the Majority Lenders and shall be accompanied by a certification of the appraisal firm providing such appraisals that the appraisals comply with such requirements.

(f) *Vessel Mortgages and Other Deliverables*. (i) In the case of any Collateral Vessels owned on the Closing Date, within ninety (90) days (or such later date agreed to by the Collateral Agent in its sole reasonable discretion) after the Closing Date and (ii) in the case of any Collateral Vessel acquired after the Closing Date (other than any Collateral Vessel that is an Excluded Asset), within sixty (60) days (or such later date agreed to by the Collateral Agent in its sole reasonable discretion) after the date of such acquisition, the Company shall, and shall cause each relevant Credit Party to, (A) execute and deliver to the Collateral Agent, for the ratable benefit of the Secured Parties, and cause to be filed for recording (or make arrangements satisfactory to the Collateral Agent for the filing for recording thereof) in the appropriate vessel registry, Collateral Vessel Mortgages over such Collateral Vessels, (B) deliver certificates of ownership from appropriate authorities showing (or confirmation updating previously reviewed certificates and indicating) the registered ownership of such Collateral Vessel, (C) deliver the results of maritime registry searches with respect to such Collateral Vessels, indicating no record Liens other than Liens permitted by Section 9.3 and (D) deliver a report, in form and scope reasonably satisfactory to the Administrative Agent, from a firm of independent insurance brokers as is reasonably acceptable to the Administrative Agent with respect to the insurance maintained by, or on behalf of, the Borrower in respect of such Collateral Vessels, together with a certificate from such broker certifying the insurance maintained by the applicable Credit Party with respect to Collateral Vessels.

(g) *Time for Taking Certain Actions*. The Company agrees that if no deadline for taking any action required by this Section 8.10 is specified herein, such action shall be completed as soon as possible, but in no event later than thirty (30) days after such action is either requested to be taken by the Administrative Agent, the Collateral Agent or the Majority Lenders or required to be taken by the company or any of its Subsidiaries pursuant to the terms of this Section 8.10.

8.11 Compliance with Environmental Laws

Except, in each case, to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, comply, and cause all lessees and other Persons operating or occupying its properties to comply, with all applicable Environmental Laws and Environmental Permits; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Materials of Environmental Concern from any of its properties, in accordance with the requirements of all Environmental Laws; **provided**, **however**, that neither the Company nor any of its Restricted Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

8.12 Field Examinations

Upon the Administrative Agent's reasonable request and in the Administrative Agent's Permitted Discretion, representatives designated by the Administrative Agent shall conduct field examinations with respect to any Accounts or Inventory included in the calculation of the Borrowing Base, at reasonable business times and upon reasonable prior notice to the Company; provided, that:

(a) If no Event of Default has occurred and is continuing, one such field examination will be conducted during each 12 month period and will be at the Credit Parties' expense, subject to Section 8.12(b) and Section 8.12(c).

(b) If Availability is less than the Specified Trigger at any time during such 12 month period referred to in Section 8.12(a), then one additional field examination may be conducted at the expense of the Credit Parties during such 12 month period.

(c) If no Event of Default has occurred and is continuing, the Administrative Agent may conduct, at its own expense, in its Permitted Discretion one additional field examination during any 12-month period referred to in Section 8.12(a).

(d) The Credit Parties shall reasonably cooperate with the Administrative Agent and such designated representatives in the conduct of such field examinations.

8.13 Further Assurances

Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (A) carry out more effectively the purposes of the Credit Documents, (B) to the fullest extent permitted by applicable law, subject any Credit Party's properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (C) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (D) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Credit Document or under any other instrument executed in connection with any Credit Document to which any Credit Party is or is to be a party, and if and to the extent necessary, cause each of its Subsidiaries to do so.

8.14 Depositary Banks

At all times after the date that is one hundred twenty (120) days after the Closing Date (or such later date as agreed to by the Administrative Agent in its sole reasonable discretion), maintain one or more of the Lenders as its principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity and other deposit accounts for the conduct of its business.

8.15 Anti-Corruption; Sanctions

Each Credit Party shall comply with and cause its Subsidiaries to comply with, and maintain in effect and enforce, policies and procedures designed to ensure compliance by each Credit Party, their Subsidiaries, and their respective directors, officers, employees and agents with Anti-Corruption Laws and Sanctions. Each Credit Party will not use the proceeds of any Loan, and will not allow such proceeds to be used (to such Credit Party's knowledge after due care and inquiry) in any way that will violate any Anti-Corruption Laws or Sanctions.

8.16 Accuracy of Information

The Credit Parties will ensure that (a) all information (other than financial projections, budgets, estimates and other forward-looking information ("***Projections***") and information of a general economic or industry specific nature) that has been or will be made available by or on behalf of the Parent, the Company or any of its Restricted Subsidiaries to the Administrative Agent or any Lender in connection with this Agreement or any other Credit Document or any amendment or other modification hereof or thereof, when taken as a whole, is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the financial projections, budgets, estimates and other forward-looking information that have been or will be made available by or on behalf of the Parent, the Company or any of its Restricted Subsidiaries to the Administrative Agent or any Lender in connection with this Agreement or any other Credit Document or any amendment or other modification hereof or thereof have been or will be prepared in good faith based upon assumptions believed by you to be reasonable at the time furnished to us (it being recognized that such Projections are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results, and such differences may be material).

8.17 [Reserved]

8.18 Keepwell

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party to honor all of its obligations under any Credit Document in respect of a Swap Obligation (**provided**, **however**, that each Qualified ECP Guarantor shall only be liable under this Section 8.18 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 8.18 or otherwise under any Credit Document voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Except as otherwise provided herein, the obligations of each Qualified ECP Guarantor under this Section 8.18 shall remain in full force and effect until the termination of all Swap Obligations. Each Qualified ECP Guarantor intends that this Section 8.18 constitute, and this Section 8.18 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

8.19 Designation of Unrestricted Subsidiaries

Any Person that becomes a Subsidiary of the Company or any Restricted Subsidiary shall be a Restricted Subsidiary unless such Person (x) is designated as an Unrestricted Subsidiary on Schedule 6.11, as of the date hereof, (y) is designated as an Unrestricted Subsidiary after the date hereof in compliance with this Section 8.19, or (z) is a subsidiary of an Unrestricted Subsidiary. The Company may at any time designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary by delivering to the Administrative Agent a certificate of an Responsible Office of the Company specifying such designation and certifying that the conditions to such designation set forth in this Section 8.19 are satisfied; **provided** that:

(a) both immediately before and immediately after any such designation, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Aggregate Revolving Credit Extensions of Credit shall not exceed the Line Cap;

(b) in the case of a designation of a Restricted Subsidiary as an Unrestricted Subsidiary, (i) each subsidiary of such Restricted Subsidiary has been, or concurrently therewith will be, designated as an Unrestricted Subsidiary in accordance with this Section 8.19, (ii) such Person is not a party to any agreement, contract, arrangement or understanding with the Parent, the Company or any Restricted Subsidiary unless the terms of such agreement, contract, arrangement or understanding are permitted by Section 9.10, (iii) such designation is deemed to be an Investment in an Unrestricted Subsidiary in an amount equal to the fair market value as of the date of such designation of the Company's direct and indirect ownership interest in such Subsidiary and such Investment would be permitted to be made under Section 9.7; and

(c) in the case of a designation of an Unrestricted Subsidiary as a Restricted Subsidiary, (i) each holder of the outstanding Equity Interests of such Unrestricted Subsidiary is a Restricted Subsidiary or has been, or concurrently therewith will be, designated as a Restricted Subsidiary in accordance with this Section 8.19, (ii) the representations and warranties of the Parent, the Company and the other Credit Parties contained in each of the Credit Documents are true and correct in all material respects on and as of such date as if made on and as of the date of such redesignation except to the extent (A) any such representations and warranties are expressly limited to an earlier date, in which case, on and as of the date of such redesignation, such representations and warranties shall be true and correct in all material respects as of such specified earlier date and (B) to the extent that any such representation and warranty is expressly qualified by materiality or by reference to Material Adverse Effect, such representation and warranty (as so qualified) shall be true

and correct in all respects on and as of the date of such redesignation, (iii) the Company complies with the requirements of Section 5.25(a), Section 8.10 and Section 9.17. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Indebtedness or Liens of such Restricted Subsidiary existing at such time.

8.20 Post-Closing Covenants

The Parent and the Company will, and will cause each other Credit Party to, satisfy, to the extent not satisfied as of the Closing Date, the requirements set forth in Section 5.25(a), Section 7.1(a)(vii)(E) and Section 7.1(e) within the time period set forth in the applicable subsection.

8.21 Commitment Reduction

On or prior to March 31, 2023, reduce the Commitments pursuant to Section 5.4 such that the aggregate amount of the Revolving Credit Commitments on March 31, 2023 are no greater than $500,000,000. Such reduction(s) in the Commitments must be made on a pro rata basis among all Lenders.

9. NEGATIVE COVENANTS

The Parent and the Company each hereby agrees that it shall not, and shall not permit any of the Restricted Subsidiaries of the Parent, directly or indirectly so long as the Commitments remain in effect or any Loan or Revolving L/C Obligation remains outstanding and unpaid, any amount remains available to be drawn under any Letter of Credit or any other amount (other than any Unmatured Surviving Obligations) is owing to any Lender, any Agent or the Issuing Lenders hereunder (it being understood that each of the permitted exceptions to each covenant in this Article 9 is in addition to, and not overlapping with, any other of such permitted exceptions in such covenant except to the extent expressly provided):

9.1 Financial Covenant

Upon the occurrence and during the continuance of a Cash Dominion Event, the Company shall not permit the Fixed Charge Coverage Ratio to be less than 1.00:1.00, tested at any time based on the financial statements for the most recently ended fiscal quarter for which financial statements were required to be delivered pursuant to Section 8.1 and Section 8.2.

9.2 Indebtedness

Create, incur, assume or suffer to exist any Indebtedness or Contingent Obligation, except:

(a) the Finance Obligations, including any Indebtedness of the Parent, the Company or any Restricted Subsidiary in connection with the Letters of Credit and this Agreement;

(b) Indebtedness of (i) a Credit Party owing to any Restricted Subsidiary; **provided** that all such Indebtedness shall be subordinated to the Finance Obligations on terms and conditions satisfactory to the Administrative Agent, and (ii) any Restricted Subsidiary owing to a Credit Party or any other Restricted Subsidiary to the extent the Indebtedness referred to in this clause (b) evidences a loan or advance permitted under Section 9.7;

(c) Indebtedness arising under any Swap Contract permitted by Section 9.11;

(d) Indebtedness consisting of reimbursement obligations under surety, indemnity, performance, release and appeal bonds and guarantees thereof and letters of credit required in the ordinary course of business or in connection with the enforcement of rights or claims of a Credit Party or its Restricted Subsidiaries;

(e) (i) Indebtedness of the Company or any of its Restricted Subsidiaries incurred to finance the acquisition, repair, replacement, construction or improvement of any fixed or capital assets, including capital lease obligations, and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof; **provided** that (A) such Indebtedness is incurred prior to or within ninety (90) days after such acquisition, repair, replacement, construction or improvement, (B) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not at any one time exceed $50,000,000 and (ii) any Permitted Refinancing Indebtedness in respect thereof;

(f) [reserved];

(g)

(i) Indebtedness in respect of the Unsecured 2023 Notes outstanding on the Closing Date in an aggregate principal amount at any time outstanding not to exceed $555,251,000 and any Permitted Refinancing Indebtedness in respect thereof;

(ii) Indebtedness in respect of the Unsecured 2025 Notes outstanding on the Closing Date in an aggregate principal amount at any time outstanding not to exceed $380,020,000 and any Permitted Refinancing Indebtedness in respect thereof;

(iii) Indebtedness in respect of the Unsecured 2026 Notes outstanding on the Closing Date in an aggregate principal amount at any time outstanding not to exceed $386,323,000 and any Permitted Refinancing Indebtedness in respect thereof; and

(iv) Indebtedness in respect of the Secured 2026 Notes in an aggregate principal amount at any time outstanding not to exceed $2,100,000,000 and any Permitted Refinancing Indebtedness in respect thereof;

(h) Indebtedness of the Parent, the Company or any of its Restricted Subsidiaries existing on the Closing Date and listed on Schedule 9.2(h) hereto and any Permitted Refinancing Indebtedness in respect thereof;

(i) (A) unsecured Indebtedness of the Parent, the Company or any Restricted Subsidiary: (i) the principal of which is not required to be repaid, in whole or in part, before the date that is the 91st day following the Revolving Credit Termination Date, (ii) that is subordinated in right of payment to the Obligations under the Credit Documents pursuant to payment and subordination provisions satisfactory in form and substance to the Administrative Agent, (iii) the covenants and default and remedy provisions applicable to such Indebtedness shall be, taken as a whole, not materially less favorable to the Credit Parties than then current market terms for the applicable type of Indebtedness or otherwise reasonably satisfactory in form and substance to the Administrative Agent, and (iv) the Payment Conditions are satisfied and (B) any Permitted Refinancing Indebtedness in respect thereof;

(j) (A) Indebtedness of any Person that becomes a Restricted Subsidiary after the date hereof pursuant to a Permitted Acquisition and Indebtedness of any Person secured by assets acquired in a Permitted Acquisition, provided, that (i) such Indebtedness exists at the time such Person becomes Restricted Subsidiary or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Subsidiary or such assets being acquired and (ii) that aggregate principal amount of Indebtedness permitted by this clause (j) shall not at any one time exceed $50,000,000 and (B) any Permitted Refinancing Indebtedness in respect thereof;

(k) the following Contingent Obligations:

(i) guarantees of obligations to third parties made in the ordinary course of business in connection with relocation of employees of the Parent, the Company or any of its Restricted Subsidiaries;

(ii) guarantees by the Parent, the Company and its Restricted Subsidiaries of obligations incurred in the ordinary course of business for an aggregate amount not to exceed $10,000,000 at any time; **provided**, **however**, that any such Contingent Obligation in the form of a guarantee granted by a Restricted Subsidiary shall only be given in accordance with Section 9.15;

(iii) Contingent Obligations existing on the Closing Date and described in Schedule 9.2(k) including any extensions or renewals thereof;

(iv) Contingent Obligations in respect of Swap Contracts;

(v) Contingent Obligations pursuant to the Credit Documents;

(vi) guarantees by (A) a Credit Party of Indebtedness of its Restricted Subsidiaries permitted under Section 9.2(i) and (B) a Credit Party or any Restricted Subsidiary of other obligations of Restricted Subsidiaries not prohibited hereunder; and

(vii) guarantees by any Restricted Subsidiary of Indebtedness and other obligations of a Credit Party; **provided** that the Indebtedness or obligations so guaranteed is permitted pursuant to this Section 9.2; and **provided further** that any such guarantees shall only be given in accordance with Section 9.15.

(l) Indebtedness consisting of bona fide purchase price adjustments, indemnification obligations, obligations under deferred compensation or similar arrangements and items incurred in connection with asset sales and acquisitions permitted under Section 9.6 or Section 9.7;

(m) Indebtedness in respect of letters of credit (including trade letters of credit), bank guarantees or similar instruments issued or incurred in the ordinary course of business, including in respect of card obligations or any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers, workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims;

(n) Indebtedness in respect of judgments and decrees that do not constitute an Event of Default;

(o) Indebtedness consisting of obligations to make payments to current or former officers, directors and employees, their respective estates, spouses or former spouses with respect to the cancellation, or to finance the purchase or redemption, of Equity Interests of the Company to the extent permitted by Section 9.9;

(p) Indebtedness consisting of (i) the financing of insurance premiums with the providers of such insurance or their affiliates or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business; and

(q) any other Indebtedness in an aggregate principal amount outstanding of which shall not exceed at any time outstanding $25,000,000.

9.3 Limitation on Liens

Create, incur, assume or suffer to exist any Lien upon any of its property, assets, income or profits, whether now owned or hereafter acquired, or assign any accounts or other right to receive income, except:

(a) Liens for Taxes, assessments or other governmental charges not yet due and payable or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company or such Restricted Subsidiary, as the case may be, in accordance with GAAP;

(b) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations which do not, individually or in the aggregate, materially impair the use of any of the assets or properties of the Company or any Restricted Subsidiary or which are not overdue by more than thirty (30) days or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company or such Restricted Subsidiary, as the case may be, in accordance with GAAP;

(c) pledges or deposits in connection with workmen's compensation, unemployment insurance and other social security legislation made in the ordinary course of business;

(d) easements, right-of-way, zoning and similar restrictions and other similar encumbrances or title defects incurred, or leases or subleases or licenses granted to others, in the ordinary course of business, which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or do not interfere with or adversely affect in any material respect the ordinary conduct of the business of the Company and its Restricted Subsidiaries taken as a whole;

(e) Liens in favor of the Collateral Agent for the benefit of the Secured Parties pursuant to the Credit Documents (including those securing the Finance Obligations) and bankers' liens arising by operation of law;

(f) Liens on assets of entities or Persons which become Restricted Subsidiaries of the Company after the date hereof and any renewals thereof to the extent extending only to the assets of such Person that secured the initial Lien; **provided** that such Liens exist at the time such entities or Persons become Restricted Subsidiaries and are not created in anticipation thereof;

(g) Liens on documents of title and the property covered thereby securing Indebtedness in respect of the Letters of Credit;

(h) Liens in existence on the Closing Date and described in Schedule 9.3 and renewals thereof in amounts not to exceed the amounts listed on such Schedule 9.3 and that do not spread to cover any additional property after the Closing Date;

(i) any leases or non-exclusive licenses of any intellectual property or intangible assets or entering into any franchise agreement, in each case, in the ordinary course of business;

(j) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, licenses, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(k) Liens on fixed or capital assets acquired, repaired, replaced, constructed or improved by the Parent, the Company or any Restricted Subsidiary; **provided** that (i) such security interests secure only Indebtedness permitted by Section 9.2(e), (ii) except in the case of Permitted Refinancing Indebtedness permitted under Section 9.2(e), such security interests and the Indebtedness secured thereby are incurred prior to or within one hundred eighty (180) days after such acquisition, repair, replacement, construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of such acquisition, repair, replacement, construction or improvement plus the amount of any fees or expenses payable in connection therewith, and (iv) such security interests shall not, except as otherwise permitted by this Section 9.3, apply to any other property of the Company or any Restricted Subsidiary (except for the net proceeds of an Asset Sale of, or insurance proceeds of a casualty event with respect to, the fixed or capital assets so acquired, repaired, replaced, constructed or improved);

(l) Liens in respect of judgments and decrees that do not constitute an Event of Default under Section 10.1(h);

(m) Liens arising from precautionary UCC filings, PPSA filings or similar filings relating to (x) Operating Leases and (y) sub-leasing and/or chartering arrangements relating to aircrafts;

(n) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(o) Liens on insurance proceeds securing the payment of financed insurance premiums (**provided** that such Liens extend only to such insurance proceeds and not to any other property or assets);

(p) Liens to secure Indebtedness permitted under Section 9.2(g)(iv), **provided** that (i) to the extent such Indebtedness is secured by Liens on the ABL Priority Collateral, such Liens shall be on a second lien basis to the Liens securing the Obligations and shall be subject to the Intercreditor Agreement, and (ii) to the extent such Indebtedness is secured by Liens on the Notes Priority Collateral, the Obligations shall be secured on a second lien basis by the Notes Priority Collateral in accordance with the Intercreditor Agreement;

(q) Liens arising out of Sale and Leaseback Transactions permitted by Section 9.16;

(r) Liens securing any Permitted Refinancing Indebtedness in respect of clause (i), (ii) or (iii) of Section 9.2(g); **provided**, that (i) the aggregate amount of Indebtedness secured hereby shall not exceed (A) the greater of (I) $2,450,000,000 and (II) 40% of the total consolidated assets of the Parent and its Restricted Subsidiaries (determined on a consolidated basis in accordance with GAAP (and excluding all intercompany items) as of the date of the most recent financial statements delivered in accordance with Section 8.1(a) or 8.1(b) of this Agreement) *minus* (B) the aggregate amount of Indebtedness secured pursuant to Section 9.3(p) at any one time outstanding, (ii) any Lien securing such Permitted Refinancing Indebtedness is a Pari Passu Second Lien or is junior to the Liens securing the Obligations, (iii) the Fixed Charge Coverage Ratio, on a pro forma basis giving effect to the incurrence of such Permitted Refinancing Indebtedness, is at least 1.1 to 1.0 and (iv) such Lien is subject to (A) the Intercreditor Agreement or (B) the Administrative Agent shall have entered into customary intercreditor arrangements and executed an intercreditor agreement in a form and substance reasonably satisfactory to the Administrative Agent (and, to the extent such Refinanced Indebtedness was secured and subject to an intercreditor arrangement in favor of the Secured Parties, on terms that are at least as favorable to the Secured Parties as those contained in the documentation governing the Refinanced Indebtedness, taken as a whole) with the agent or other representatives of the holders of such Permitted Refinancing Indebtedness;

(s) rights of setoff relating to purchase orders and other agreements entered into with customers of the Company or any Restricted Subsidiary in the ordinary course of business;

(t) Liens on equipment owned by the Company or any Restricted Subsidiary and located on the premises of any supplier and used in the ordinary course of business and not securing Indebtedness;

(u) First Purchaser Liens;

(v) Liens on any Commodity Account or Securities Account (including any cash and Cash Equivalents held therein) to secure the obligations of any Credit Party under exchange based Swap Contracts and any Liens on any rights of a Credit Party in respect of such Swap Contracts (including the proceeds thereof); **provided** that each such Commodity Account and Securities Account is subject to a Control Agreement;

(w) Liens in favor of the Credit Parties;

(x) Ground leases in respect of real property on which facilities owned or leases by the Parent or any of its Restricted Subsidiaries are located and other Liens affecting the interest of any landlord (and any underlying landlord) of any real property leased by the Parent or any Restricted Subsidiary;

(y) rights in favor of depository and securities intermediaries (including rights of setoff) to secure obligations owed in respect of card obligations or any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds and fees and similar amounts related to Deposit Accounts or Securities Accounts (including Liens securing letters of credit, bank guarantees or similar instruments supporting any of the foregoing); **provided** that no such rights may be outstanding after the date that is one hundred twenty (120) days after the Closing Date (or such later date as is agreed to by the Administrative Agent in its sole discretion);

(z) Liens on property or assets used to defease or to satisfy and discharge Indebtedness; provided that such defeasance or satisfaction and discharge is permitted by this Agreement; and

(aa) Liens incurred in the ordinary course of business of NGL Energy or any Restricted Subsidiary with respect to obligations at any one time outstanding not to exceed $25,000,000.

None of the Liens permitted pursuant to this Section 9.3 may at any time attach to any Credit Party's (1) Accounts, other than those permitted under clauses (a), (e), (f), (n) and (p) above or created pursuant to any Credit Document and (2) Inventory, other than those permitted under clauses (a), (b), (e), (f), (n), (p) and (u) above or created pursuant to any Credit Document. None of the Liens permitted pursuant to this Section 9.3, other than those permitted under clauses (a), (b), (c), (d), (e), (h), (p) or (x) may attach to any Material Real Property of the Parent or its Restricted Subsidiaries until the requirements of Section 8.10(d)(i)(A) and Section 8.10(d)(ii)(A) are satisfied.

9.4 Use of Proceeds

(a) The Company will not request any Loans or Letter of Credit, and the Company shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(b) The proceeds of the Loans and the Letters of Credit will be used solely for financing the working capital or general corporate purposes of the Company or any of its Subsidiaries (including making payments to an Issuing Lender to reimburse the Issuing Lender for drawings made under the Letters of Credit). No part of the proceeds of any Loan and no Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

9.5 Prohibition on Fundamental Changes

Enter into any merger or consolidation or amalgamation with, any other Person (including any Subsidiary or Affiliate of the Parent, the Company or any of its Subsidiaries), or transfer all or substantially all of its assets to any Subsidiary, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or engage in any type of business other than of the same general type now conducted by it (or business that is ancillary or related thereto), or with respect to the Parent and the Company, reorganize in any foreign jurisdiction, except for:

(a) any merger or amalgamation of any Subsidiary into or with (i) the Parent or the Company **provided** the Parent or the Company, as applicable, is the surviving entity or (ii)(A) any Domestic Subsidiary or (B) in the case of a Foreign Subsidiary, into or with any other Foreign Subsidiary; **provided**, in each case, that if one of the parties of such merger or amalgamation is a Guarantor then, the surviving entity shall be or become a Guarantor;

(b) any merger, amalgamation or consolidation or amalgamation permitted under Section 9.7 and any transfer or disposition permitted under Section 9.6; and

(c) liquidation, winding up or dissolution of any Subsidiary, **provided** that (i) all assets of any such Subsidiary are transferred to the Parent, the Company or to a Wholly-Owned Domestic Subsidiary (or in the case of the liquidation, winding up or dissolution of a non-Wholly Owned Subsidiary, to the equity holders of such Subsidiary on a ratable

basis (or a more than ratable basis if transferred to the Parent or a Wholly-Owned Subsidiary)) and (ii) if such Subsidiary is a Guarantor, all assets of such Subsidiary are transferred to a Credit Party.

9.6 Prohibition on Sale of Assets

Convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including, without limitation, tax benefits, receivables and Leasehold interests), whether now owned or hereafter acquired except:

(a) for the sale or other disposition of any tangible personal property that, in the reasonable judgment of the Company, has become uneconomic, obsolete or worn out, and which is disposed of in the ordinary course of business;

(b) for sales or other dispositions of inventory made in the ordinary course of business and dispositions, assignments or abandonment of intellectual property in the ordinary course of business;

(c) that any Restricted Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to Parent or the Company;

(d) that (i) any Foreign Subsidiary of the Company may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or by merger, amalgamation, consolidation, transfer of assets, or otherwise) to the Parent, the Company or a Wholly-Owned Subsidiary of the Company, (ii) any Subsidiary of the Company which is not a Credit Party may sell or otherwise dispose of, or part control of any or all of, the capital stock of, or other equity interests in, any Subsidiary of the Company to a Wholly-Owned Subsidiary of the Company, and (iii) any Subsidiary of the Company which is not a Credit Party may sell or otherwise dispose of, or part control of any or all of, the capital stock of, or other equity interests in, any Subsidiary of the Company to a Wholly-Owned Subsidiary of the Company which is a Credit Party; **provided** that in any case such transfer shall not cause a Domestic Subsidiary to become a Foreign Subsidiary;

(e) sales other dispositions of assets that are not otherwise permitted by any other paragraph of this Section made for fair market value; **provided** that (i) in the case of any sale or disposition of ABL Priority Collateral, the Parent, the Company or its Restricted Subsidiaries shall receive not less than 100% of such consideration in the form of cash or Cash Equivalents, (ii) in the case of any sale or disposition of assets that are not ABL Priority Collateral, with respect to any such sale, transfer or disposition for a purchase price in excess of $20,000,000, the Parent, the Company or its Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Cash Equivalents; **provided** that, for purposes of determining what constitutes cash under this clause (ii), (A) any liabilities (as shown on the Parent's most recent balance sheet provided hereunder or in the footnotes thereto) of the Parent, other than liabilities that are by their terms subordinated to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable sale, transfer or disposition and for which the Parent, the Company and all of its Restricted Subsidiaries shall have been validly released by all applicable creditors in writing, (B) any securities received by the Parent, the Company or such Restricted Subsidiary from such transferee that are converted by the Parent, the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 90 days following the closing of the applicable sale, transfer or disposition and (C) during the term of this Agreement, up to $20,000,000 of consideration that is not in the form of cash and Cash Equivalents may nevertheless be treated as such so long as the Company has given the Administrative Agent written notice thereof, (iii) after giving effect to any such sale, transfer or disposition, no Default or Event of Default shall have occurred and be continuing, and (iv) to the extent applicable, the net cash proceeds thereof are used to prepay the Revolving Credit Loans as required by Section 5.6(a);

(f) dispositions and transfers of property subject to a casualty event or otherwise to comply with a Governmental Authority, including by eminent domain;

(g) any leases or licenses of property in the ordinary course of business;

(h) any leases or non-exclusive licenses of any intellectual property or intangible assets or entering into any franchise agreement, in each case, in the ordinary course of business;

(i) the sale or other disposition of Cash Equivalents for cash at the fair market value thereof;

(j) the termination, unwinding or other disposition of Swap Contracts in the ordinary course of business;

(k) the issuance, sale or other disposition of Equity Interests of an Unrestricted Subsidiary;

(l) Dispositions of accounts receivable in connection with the collection or compromise thereof in the ordinary course of business; and

(m) any disposition, transfer, sale or assignment permitted under Section 9.5 (other than any described in clause (b) of Section 9.5), any Investment permitted under Section 9.7, Restricted Payment permitted under Section 9.9 and any payment made pursuant to Section 9.12(a).

9.7 Limitation on Investments, Loans and Advances

Make any advance, loan, extension of credit (including Contingent Obligations in the form of guarantees) or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities or any assets constituting a business unit of, any other Person (each an "***Investment***" and, collectively, "***Investments***") in, any Person, except (subject to the final sentence of this Section 9.7) the following:

(a) (i) Investments by the Parent, the Company and the Restricted Subsidiaries in the Parent, the Company or any other Restricted Subsidiary and (ii) Investments by Credit Parties in Unrestricted Subsidiaries and joint ventures; **provided** that, in each case (x) any Investment constituting such Equity Interests held by a Credit Party shall be pledged pursuant to, and to the extent required by, the Pledge and Security Agreement and (y) the aggregate amount of Investments made after the Closing Date (including pursuant to Section 9.7(i)) in Restricted Subsidiaries that are not Wholly-Owned Domestic Subsidiaries, Unrestricted Subsidiaries and in joint ventures shall not exceed the lesser of (A) 5.0% of Consolidated Total Assets (determined at the time of making such Investment based on the financial statements most recently delivered under Section 8.1(a) or (b)) and (B) 5.0% of Consolidated EBITDA (determined at the time of making such Investment based on the financial statements most recently delivered under Section 8.1(a) or (b)) (**provided** that the aggregate amounts set forth in this sub-clause (y) shall be calculated net of any returns, profits, distributions and similar amounts received by any Credit Party (which, in each case, shall not exceed the amount of such Investment (valued at cost) at the time such Investment was made)); **provided**, **further**, that in the case of sub-clause (ii), before and after giving effect to such Investment no Event of Default shall have occurred and be continuing;

(b) the Parent, the Company or any Restricted Subsidiary may invest in, acquire and hold cash and Cash Equivalents;

(c) the Parent, the Company or any of its Restricted Subsidiaries may make travel and entertainment advances and relocation loans in the ordinary course of business to officers, employees and agents of the Company or any such Restricted Subsidiary, in an aggregate outstanding amount not exceeding $500,000 at any time for all such advances and relocation loans;

(d) (i) the Parent, the Company or any of its Restricted Subsidiaries may make payroll advances in the ordinary course of business; (ii) Investments in Swap Contracts permitted under Section 9.11; (iii) Investments in the ordinary course of business in prepaid expenses, negotiable instruments held for collection and lease, utility and worker's compensation, performance and other similar deposits provided to third parties; (iv) Investments in the ordinary course of business consisting of endorsements for collection or deposit; (v) Investments in the ordinary course of business consisting of the non-exclusive licensing or contribution of intellectual property pursuant to development, marketing or manufacturing agreements or arrangements or similar agreements or arrangements with other Persons to the extent the same do not interfere in any material respect with the business of the Company or any Restricted Subsidiary; (vi) Investments to the extent that payment for such Investments is made solely with Equity Interests of the Parent (other than Disqualified Stock); (vii) lease, utility and other similar deposits in the ordinary course of business; and (viii) equity Investment by any Credit Party in any Restricted Subsidiary of such Credit Party which is required by law to maintain a minimum net capital requirement or as may be otherwise required by applicable law;

(e) the Parent, the Company or any of its Restricted Subsidiaries may acquire and hold receivables owing to it, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms (**provided** that nothing in this clause (e) shall prevent the Parent, the Company or any Restricted Subsidiary from offering such concessionary trade terms, or from receiving such Investments in connection with the bankruptcy or reorganization of their respective suppliers or customers or the settlement of disputes with such customers or suppliers arising in the ordinary course of business, as management deems reasonable in the circumstances);

(f) (i) the Parent, the Company and its Restricted Subsidiaries may hold Investments received as considerations in connection with asset sales permitted by Section 9.6; and (ii) dispositions and other transfers pursuant to Section 9.5 or Section 9.6 and Restricted Payments pursuant to Section 9.9 and purchases, defeasance or prepayment of Restricted Debt pursuant to Section 9.12(b), in each case, to the extent such transactions constitute Investments;

(g) Investments, loans and advances of the Company or any Restricted Subsidiary existing on the Closing Date and described on Schedule 9.7 hereto;

(h) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business; and

(i) additional Investments (including Permitted Acquisitions and Investments in Permitted Joint Ventures), **provided** that, the Investment Conditions shall be satisfied (and subject to the proviso in Section 9.7(a)).

If any Person shall be acquired by virtue of an Investment permitted by this Section 9.7, then, the Company shall comply with and shall cause such Person to comply with the requirements set forth in Section 8.10.

9.8 Amendments to Documents

No Credit Party will, nor will they permit any of their respective Restricted Subsidiaries to, amend, modify or waive any of its rights under its certificate of incorporation, bylaws or other organizational documents, in each case if the effect of such amendment, modification or waiver would be materially adverse to the Lenders.

9.9 Restricted Payments

No Credit Party will declare or pay any dividends on any shares of any class of stock, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of its Equity Interests, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property of the Company or any of its Restricted Subsidiaries, or pay any management fee to any Affiliate, or redeem, repurchase or otherwise acquire any of its Equity Interests at any time outstanding (collectively, "***Restricted Payments***"), except that:

(a) the Parent, the Company and its Restricted Subsidiaries may pay or make dividends or distributions to any holder of its capital stock in the form of additional Equity Interests of the same class and type;

(b) any Restricted Subsidiary of the Parent may make Restricted Payments to the holders of its Equity Interests ratably with respect to such Equity Interests;

(c) the Parent may pay or make dividends or distributions to any equity holder of the Parent used to pay foreign, federal, state, provincial, territorial or local income taxes of such equity holder, to the extent such income taxes are attributable to the income of Parent (other than income attributable to its Unrestricted Subsidiaries) and, with respect to income attributable to its Unrestricted Subsidiaries, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes attributable to the income of such Unrestricted Subsidiaries; **provided** that the aggregate amount of payments by the Parent pursuant to this Section 9.9(c) in any fiscal year does not exceed the amount of taxes that the Parent would be required to pay in respect of such income (to the extent described above with respect to income attributable to Unrestricted Subsidiaries) for such fiscal year were the Parent to pay such taxes as a corporation for income tax purposes;

(d) the Parent may make Restricted Payments, **provided** that the Payment Conditions shall be satisfied;

(e) the Parent may make Restricted Payments made in lieu of the issuance of fractional shares or units in connection with the exercise of warrants, options or other securities convertible or exchangeable for Equity Interests or in connection with the payment of a dividend or distribution to the holders of Equity Interests of the Parent in the form of Equity Interests (other than Disqualified Stock) of Parent;

(f) the Parent may make Restricted Payments that are in the form of the cashless purchase, redemption or other acquisition or retirement for value of Equity Interests deemed to occur upon the exercise of unit options, warrants, incentives, rights to acquire Equity Interests or other convertible securities if such Equity Interests represent a portion of the exercise or exchange price thereof, or any purchase, redemption or other acquisition or retirement for value of Equity Interests made in lieu of withholding taxes in connection with any exercise or exchange of unit options, warrants, incentives or rights to acquire Equity Interests;

(g) as long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the Parent may make Restricted Payments in the form of the purchase, redemption or other acquisition or retirement for value of any Equity Interests of the Parent held by any of former directors or employees of the General Partner or the Parent; *provided*, *however*, that the aggregate price paid for all such purchased, redeemed, acquired or retired Equity Interests may not exceed $5,000,000 in any fiscal year plus, to the extent not previously applied or included, (a) the cash proceeds received by the Parent or any of its Restricted Subsidiaries from sales of Equity Interests of the Parent to employees or directors of the General Partner or the Parent that occur after the Closing Date (to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of or provisions of this Section 9.9) and (b) the cash proceeds of key man life insurance policies received by

the Parent or any of its Restricted Subsidiaries after the Closing Date (to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of or provisions of this Section 9.9);

(h) payments to the General Partner constituting reimbursements for expenses in accordance with Sections 7.4(b) and (c) of the Seventh Amendment and Restated Agreement of Limited Partnership of the Parent as in effect on the Closing Date and as it may be amended or replaced thereafter, *provided* that any such amendment or replacement is made in accordance with Section 9.8 and does not result in such agreement being materially less favorable to the Parent in any respect; and

(i) the payment of dividends to holders of preferred securities of the Parent, which dividends were declared prior to the Closing Date and do not exceed $20,000,000 in the aggregate.

9.10 Transaction with Affiliates

Enter into after the date hereof any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate except (a) for transactions which are otherwise permitted under this Agreement and which are in the ordinary course of the Parent, the Company's or a Restricted Subsidiary's business and which are upon fair and reasonable terms no less favorable to the Parent, the Company or such Restricted Subsidiary than it would obtain in a hypothetical comparable arm's length transaction with a Person not an Affiliate, (b) any Permitted Affiliate Transaction, (c) transactions among the Parent and its Restricted Subsidiaries not prohibited under this Agreement; and (d) as set forth on Schedule 9.10; **provided** that nothing in this Section 9.10 shall prohibit the Parent, the Company or its Restricted Subsidiaries from engaging in the following transactions: (x) the performance of the Parent, the Company's or any Restricted Subsidiary's obligations under any employment contract, collective bargaining agreement, employee benefit plan, related trust agreement or any other similar arrangement heretofore or hereafter entered into in the ordinary course of business, (y) the payment of compensation to and reimbursement of expenses of employees, officers, directors or consultants in the ordinary course of business or (z) the maintenance of benefit programs or arrangements for employees, officers or directors, including, without limitation, vacation plans, health and life insurance plans, deferred compensation plans, and retirement or savings plans and similar plans, in each case, in the ordinary course of business.

9.11 Swap Contracts

(a) No Credit Party will, nor will it permit any Restricted Subsidiary to, enter into any Swap Contract, except (i) Swap Contracts entered into to hedge or mitigate risks to which the Parent, the Company or any Subsidiary has actual exposure (other than those in respect of Equity Interests or Indebtedness restricted pursuant to Section 9.12 of the Parent, the Company or any Restricted Subsidiary) and (ii) Swap Contracts entered into in order to effectively cap, collar or exchange interest rates (from floating to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Parent, the Company or any Restricted Subsidiary.

(b) No Credit Party will, nor will it permit any Restricted Subsidiary to, allow the Risk Management Policy to cease to be in full force and effect, and in accordance therewith, cease to conduct its business in compliance with the Risk Management Policy, including ensuring that the Credit Parties' Net Open Positions at no time shall exceed (i) 275,000 barrels or barrel equivalents of Crude Oil, (ii) 650,000 barrels of Natural Gas Liquids and (iii) 75,000 barrels or barrel equivalents of Refined Petroleum Products and Renewable Products.

9.12 Restricted Indebtedness

(a) No Credit Party will, nor will it permit any Restricted Subsidiary to, optionally or voluntarily redeem, purchase, acquire, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, or segregate funds with respect to, any Restricted Indebtedness ("***Restricted Indebtedness Payments***") other than (i) Restricted Indebtedness Payments made in respect of intercompany Restricted Indebtedness; **provided** that no such payment may be made to a non-Credit Party unless the Payment Conditions shall be satisfied; (ii) Restricted Indebtedness Payments made by exchange for, or out of the proceeds of the substantially concurrent incurrence of, Permitted Refinancing Indebtedness; (iii) Restricted Indebtedness Payments made by exchange for Equity Interests of the Parent (other than Disqualified Stock); and (iv) Restricted Indebtedness Payments, **provided** that the Payment Conditions shall be satisfied.

(b) With respect to any financing documentation related to any Restricted Indebtedness that is permitted under this Agreement (other than intercompany Restricted Indebtedness), the Parent and the Company shall not, nor shall it permit any of its Restricted Subsidiaries to amend, modify or change such documentation in any manner materially adverse to the interests of the Lenders, it being understood that an amendment shall be deemed to be materially adverse to the interests of the Lenders if the effect of such amendment is (i) to cause such Restricted Indebtedness to

mature prior to the date that is ninety-one (91) days following the Scheduled Termination Date, or (ii) to cause such Restricted Indebtedness to provide for any scheduled amortization or mandatory prepayments prior to the Scheduled Termination Date, other than customary asset sale or change of control provisions.

9.13 Fiscal Year

Permit the fiscal year of the Parent to end on a day other than March 31, unless the Company shall have given at least forty-five (45) days prior written notice to the Administrative Agent.

9.14 Restrictive Agreements

Enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of such Credit Party or any Restricted Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of such Credit Party or Restricted Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Parent or any other Restricted Subsidiary or to guarantee Indebtedness of the Parent or any other Restricted Subsidiary; **provided** that the foregoing shall not apply to: (i) restrictions and conditions imposed by any Requirement of Law or by any Credit Document; (ii) restrictions and conditions existing on the date hereof identified on Schedule 9.14 (but shall apply to any extension or renewal of, or any amendment or modification, in each case, expanding the scope of, any such restriction or condition), (iii) customary restrictions and conditions contained in agreements relating to the sale, sale-leaseback or similar disposition or transfer of a Restricted Subsidiary (or assets of a Restricted Subsidiary) pending such sale, **provided** that such restrictions and conditions apply only to the Restricted Subsidiary that is to be sold or transferred and such sale or transfer is permitted hereunder, (iv) restrictions or conditions imposed by any agreement relating to (A) Secured 2026 Notes, the Unsecured 2023 Notes, the Unsecured 2025 Notes or the Unsecured 2026 Notes (or in each case, any Permitted Refinancing Indebtedness in respect thereof so long as any such agreement is not more restrictive than the documents governing the Indebtedness being refinanced or if more restrictive, then no more restrictive than the encumbrances and restrictions contained in this Agreement or any agreement relating to the Secured 2026 Notes or otherwise on market terms applicable to any such Indebtedness as of the date of incurrence) and (B) agreements related to other Indebtedness permitted by this Agreement to the extent that encumbrances or restrictions imposed by such other Indebtedness are not more restrictive on a Credit Party or any of its applicable Restricted Subsidiaries than the encumbrances and restrictions contained in this Agreement or any agreement relating to the Secured 2026 Notes, or on market terms applicable to any such Indebtedness as of the date of incurrence; (v) assumed in connection with an acquisition of property or the Equity Interests of any Person, so long as agreement or arrangement relates solely to the Person and its Subsidiaries (including the Equity Interests of such Person) and/or property so acquired and was not created in connection with or in anticipation of such acquisition; and (vi) customary non-assignment provisions in contracts or licenses, easements or leases, in each case, entered into in the ordinary course of business.

9.15 Limitation on Guarantees

The Company will not permit any Restricted Subsidiary to, directly, or indirectly, incur or assume any guarantee of any Indebtedness of any other entity, unless such Restricted Subsidiary is already a Credit Party or contemporaneously therewith, effective provision is made to guarantee the Finance Obligations equally and ratably with (or on a senior secured basis to, if applicable) such other Indebtedness for so long as such other Indebtedness is so guaranteed. Any guarantee required to be given under this Section 9.15 shall be pursuant to the Guaranty or another similar agreement in form and substance satisfactory to the Collateral Agent.

9.16 Sale and Leaseback Transactions

No Credit Party will, nor will any Credit Party permit any Restricted Subsidiary to, enter into any arrangement or arrangements, with any Person providing for the leasing by any Credit Party or any Restricted Subsidiary of real or personal property that has been or is to be sold or transferred by any Credit Party to such Person or to any other person to whom funds have been or are to be advanced by such person on the security of such property or rental obligations of such Credit Party (a "***Sale and Leaseback Transaction***"), except for any Sale and Leaseback Transaction which satisfies each of the following requirements:

(a) a Sale and Leaseback Transaction for the sale or transfer of any fixed or capital assets which are made for cash consideration in an amount not less than the fair value of such fixed or capital asset and which is consummated within one hundred eighty (180) days after such Credit Party acquires or completes the construction of such fixed or capital asset; and

(b) a Sale and Leaseback Transaction which does not cause the total aggregate liability under all Sale and Leaseback Transactions permitted under this Section 9.16 to exceed $50,000,000 at any time.

9.17 Unrestricted Subsidiaries

The Company will not and will not permit any of the Restricted Subsidiaries to, incur, assume, guarantee or be or become liable for any Indebtedness of any of the Unrestricted Subsidiaries, and will not permit any Unrestricted Subsidiary to hold any Equity Interest in, or any Indebtedness of, the Company or any of its Restricted Subsidiary.

9.18 Activities of the Parent

The Parent will not (a) have any direct Subsidiaries other than the Company, NGL Energy Finance Corp., NGL Energy GP LLC and NGL Energy Equipment LLC, (b) own any Equity Interests other than the Equity Interests in the Company, NGL Energy Finance Corp., NGL Energy GP LLC and NGL Energy Equipment LLC or (c) enter into any business or take any action that would cause the Parent to fail to qualify as a master limited partnership.

9.19 Layering

The Parent, the Company and any Restricted Subsidiary will not, directly or indirectly, incur:

(a) any Indebtedness that is secured by a Lien (other than Capital Leases) if such Indebtedness is or purports to be by its terms (or by the terms of any agreement governing such Indebtedness) (i) secured by Liens that, with respect to any ABL Priority Collateral, are junior in priority to any Liens securing the Obligations (or any Indebtedness that is secured on a pari passu basis with the Obligations) and senior in priority to the Liens securing the 2026 Secured Notes (or any Indebtedness that is secured on a pari passu basis with the 2026 Secured Notes) or (ii) secured by Liens that, with respect to any Notes Priority Collateral, are junior in priority to any Liens securing the 2026 Secured Notes (or any Indebtedness that is secured on a pari passu basis with the 2026 Secured Notes) and senior in priority to Lien securing the Obligations (or any Indebtedness that is secured on a pari passu basis with the Obligations); or

(b) any Indebtedness in an aggregate principal amount in excess of $25,000,000 that is subordinate in right of payment (including via any "first-out" collateral proceeds waterfall or similar structure) to (i) the Obligations (or any Indebtedness that is secured on a pari passu basis with the Obligations) unless such Indebtedness is also subordinated in right of payment to the obligations under the 2026 Secured Notes (or any Indebtedness that is secured on a pari passu basis with the 2026 Secured Notes) or (ii) the 2026 Secured Notes (or any Indebtedness that is secured on a pari passu basis with the 2026 Secured Notes) unless such Indebtedness is also subordinated in right of payment to the Obligations (or any Indebtedness that is secured on a pari passu basis with the Obligations).

9.20 Canadian Pension Plans

None of the Canadian Credit Parties shall, without the consent of the Administrative Agent, maintain, administer, contribute or have any liability in respect of any Canadian Defined Benefit Plan or acquire an interest in any Person if such Person sponsors, maintains, administers or contributes to, or has any liability in respect of any Canadian Defined Benefit Plan.

9.21 Independence of Covenants

All covenants contained herein shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that such action or condition would be permitted by an exception to, or otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default if such action is taken or condition exists.

10. EVENTS OF DEFAULT

10.1 Events of Default

Upon the occurrence of any of the following events:

(a) the Company shall fail (i) to pay any principal of any Loan when due in accordance with the terms hereof (other than principal due pursuant to Section 5.6(e)) or to reimburse the Issuing Lender in accordance with Section 2.6, (ii) to pay any principal of any Loan due pursuant to Section 5.6(e) within one (1) Business Day after any such interest or other amount becomes due in accordance with the terms thereof or hereof, or (iii) to pay any interest on any Loan or any fees or other amount payable hereunder within three (3) Business Days after any such interest or other amount becomes due in accordance with the terms thereof or hereof; or

(b) any representation or warranty made or deemed made by any Credit Party in any Credit Document or which is contained in any certificate, guarantee, document or financial or other statement furnished under or in connection with this Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) the Company shall default in the observance or performance of any agreement contained in Sections 2.2, 5.25(a), 8.2(b), 8.2(f), 8.2(g), 8.4 (with respect to existence), 8.9, 8.10, 8.15, 8.20, 8.21 or Article 9 of this Agreement or Sections 3.6 of the Pledge and Security Agreement, **provided** that, with respect to any default in the observance or performance of any agreement contained in Sections 8.2(f) and 8.2(g), such default shall continue unremedied for a period of five (5) days (or, during the requirement to provide Borrowing Base Certificates on a weekly basis, one (1) Business Day); or

(d) any Credit Party shall default in the observance or performance of any other term, covenant, or agreement contained in any Credit Document, and such default shall continue unremedied for a period of thirty (30) days; or

(e) the Company or any of its Restricted Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than the Loans, the Revolving L/C Obligations and any intercompany debt (which, if any such intercompany debt consists of loans or advances to the Company or to one or more Guarantors, is subordinated to the Finance Obligations on terms and conditions satisfactory to the Administrative Agent)) or in the payment of any Contingent Obligation or in any payment obligation under any Sale and Leaseback Transaction (a "***Sale and Leaseback Obligation***"), in each case, in excess of $50,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness, Sale and Leaseback Obligation or Contingent Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness, Sale and Leaseback Obligation or Contingent Obligation in excess of $50,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Sale and Leaseback Obligation or Contingent Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity, any applicable grace period having expired, or such Sale and Leaseback Obligation or Contingent Obligation to become payable, any applicable grace period having expired; or

(f) (i) the Company or any of its Restricted Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, interim receiver, monitor, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Company or any such Restricted Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Company or any such Restricted Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Company or any such Restricted Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Company or any such Restricted Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Company or any such Restricted Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any failure to meet the minimum funding standard (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan, (ii) a Reportable Event (other than a Reportable Event with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) shall occur with respect to, or proceedings to have a trustee appointed shall commence with respect to, or a trustee shall be appointed to administer or to terminate, any Single Employer Plan, which Reportable Event or institution of proceedings or appointment of a trustee is, in the reasonable opinion of the Majority Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, and, in the case of a Reportable Event, such Reportable Event shall continue unremedied for ten (10) days after notice of such Reportable Event pursuant to Section 4043(a), (c) or (d) of ERISA is given and, in the case of the institution of proceedings, such proceedings shall continue for ten (10) days after commencement thereof, (iii) an ERISA Event shall have occurred that, either alone or together with any other ERISA Event, results in liability of the Company or any Material Subsidiary in an aggregate amount which would reasonably be expected to have a Material Adverse Effect or (iv) a Canadian Pension Event shall have occurred; or

(h) one or more judgments or decrees shall be entered against the Company or any of its Restricted Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance or indemnity (other to the extent of customary deductibles) of $50,000,000 or more to the extent that all such judgments or decrees shall remain unpaid or undischarged for a period of thirty (30) consecutive days without the same having been vacated, discharged, stayed or bonded pending appeal within the time required by the terms of such judgments or decrees; or

(i) except as contemplated by this Agreement or any other Credit Document, any Credit Document shall cease, for any reason, or in any material respect, to be in full force and effect or any Credit Party shall so assert in writing; or

(j) except as contemplated by this Agreement or in accordance with the terms of any Credit Document or as provided in Section 12.1, (i) any Credit Party shall assert in writing that any Collateral Document is no longer in full force or effect, (iii) any Lien granted by any Collateral Document in any material portion of the Collateral shall cease to be enforceable or is no longer a first priority Lien (except to the extent any such loss of perfection or priority results from the failure of the Administrative Agent, the Collateral Agent or any Secured Party to take any action within its control) or (iv) any guarantee under any Credit Document shall cease to be enforceable; or

(k) a Change of Control shall occur;

then, and in any such event, (i) if such event is an Event of Default with respect to the Company specified in clause (i) or (ii) of clause (f) above, automatically (A) the Commitments and the Issuing Lender's obligation to issue Letters of Credit shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the Loans shall immediately become due and payable, (B) all obligations of the Company in respect of the Letters of Credit, although contingent and unmatured, shall become immediately due and payable and the Issuing Lender's obligation to issue Letters of Credit shall immediately terminate, and (C) the obligation of the Company to Cash Collateralize the Revolving L/C Obligations shall automatically become effective; and (ii) if such event is any other Event of Default, so long as any such Event of Default shall be continuing, either or both of the following actions may be taken: (A) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice to the Company declare the Commitments and the Issuing Lender's obligation to issue Letters of Credit to be terminated forthwith, whereupon the Commitments and such obligation shall immediately terminate; and (B) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice of default to the Company (x) declare all or a portion of the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the Loans to be due and payable forthwith, whereupon the same shall immediately become due and payable, and (y) declare all or a portion of the obligations of the Company in respect of the Letters of Credit, although contingent and unmatured, to be due and payable forthwith, whereupon the same shall immediately become due and payable and/or demand that the Company discharge any or all of the obligations supported by the Letters of Credit by paying or prepaying any amount due or to become due in respect of such obligations. All payments under this Article 10 on account of undrawn Letters of Credit shall be made by the Company directly to a Cash Collateral Account established by the Administrative Agent for such purpose for application to the Company's reimbursement obligations under Section 2.6 as drafts are presented under the Letters of Credit, with the balance, if any, to be applied to the Company's obligations under this Agreement and the Loans as the Administrative Agent shall determine with the approval of the Majority Lenders. Except as expressly provided above in this Article 10, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

In addition to any other rights and remedies granted to the Administrative Agent and the Lenders in the Credit Documents, the Administrative Agent on behalf of the Lenders may exercise all rights and remedies of a secured party under the New York Uniform Commercial Code or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Credit Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived by each Credit Party on behalf of itself and its Subsidiaries), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or consent to the use by any Credit Party of any cash collateral arising in respect of the Collateral on such terms as the Administrative Agent deems reasonable, and/or may forthwith sell, lease, assign give an option or options to purchase or otherwise dispose of and deliver, or acquire by credit bid on behalf of the Lenders, the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery, all without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Credit Party, which right or equity is hereby waived and released by each Credit Party on behalf of itself and its Subsidiaries. Each Credit Party further agrees on behalf of itself and its Subsidiaries, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at the premises of the Company, another Credit Party or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Article 10, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any other way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the obligations of the Credit Parties under the Credit Documents, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including Section 9-615(a)(3) of the New York Uniform Commercial

Code, need the Administrative Agent account for the surplus, if any, to any Credit Party. To the extent permitted by applicable law, each Credit Party on behalf of itself and its Subsidiaries waives all Liabilities it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition.

11. The Administrative Agent

11.1 Authorization and Action

(a) Each Lender and each Issuing Lender hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent and collateral agent under the Credit Documents and each Lender and each Issuing Lender authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Credit Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than within the United States, each Lender and each Issuing Lender hereby grants to the Administrative Agent any required powers of attorney to execute and enforce any Collateral Document governed by the laws of such jurisdiction on such Lender's or such Issuing Lender's behalf. Without limiting the foregoing, each Lender and each Issuing Lender hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Credit Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Credit Documents.

For the purposes of holding any hypothec granted to the Attorney (as defined below) pursuant to the laws of the Province of Québec to secure the prompt payment and performance of any and all Obligations by any Credit Party, each of the Secured Parties hereby irrevocably appoints and authorizes the Administrative Agent and, to the extent necessary, ratifies the appointment and authorization of the Administrative Agent, to, as part of its duties as Administrative Agent, act as the hypothecary representative of the creditors as contemplated under Article 2692 of the Civil Code of Québec (in such capacity, the "***Attorney***"), and to enter into, to take and to hold on their behalf, and for their benefit, any hypothec, and to exercise such powers and duties that are conferred upon the Attorney under any related deed of hypothec. The Attorney shall: (a) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Attorney pursuant to any such deed of hypothec and applicable law, and (b) benefit from and be subject to all provisions hereof with respect to the Administrative Agent *mutatis mutandis*, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Secured Parties and Credit Parties. Any person who becomes a Secured Party shall, by its execution of an Assignment and Assumption, be deemed to have consented to and confirmed the Attorney as the person acting as hypothecary representative holding the aforesaid hypothecs as aforesaid and to have ratified, as of the date it becomes a Secured Party, all actions taken by the Attorney in such capacity. The substitution of the Administrative Agent pursuant to the provisions of this Section 11 shall also result in the substitution of the Attorney.

(b) As to any matters not expressly provided for herein and in the other Credit Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Credit Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender and each Issuing Lender; **provided**, **however**, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders and the Issuing Lenders with respect to such action or (ii) is contrary to this Agreement or any other Credit Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; **provided**, **further**, that the Administrative Agent may seek clarification or direction from the Majority Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Credit Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Credit Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Lenders (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender, Issuing Lender or holder of any other obligation other than as expressly set forth herein and in the other Credit Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Credit Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby; and

(ii) nothing in this Agreement or any Credit Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account.

(d) The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(e) None of the Joint Lead Arrangers shall have obligations or duties whatsoever in such capacity under this Agreement or any other Credit Document and shall incur no liability hereunder or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

(f) In case of the pendency of any proceeding with respect to any Credit Party under any federal, state, provincial, territorial or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Company) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Disbursements and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lenders and the Administrative Agent (including any claim under Sections 5.7, 5.9, 5.10, 5.11, 5.23 and 12.5) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, interim receiver, monitor, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Lender and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Lenders or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Credit Documents (including under Section 12.5). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender or Issuing Lender in any such proceeding.

(g) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lenders, and, except solely to the extent of the Company's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Company or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the Obligations provided under the Credit Documents, to have agreed to the provisions of this Article.

11.2 Administrative Agent's Reliance, Limitation of Liability, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by such party, the Administrative Agent or any of its Related Parties under or in connection with this Agreement or the other Credit Documents (x) with the consent of or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Credit Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and non-appealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page) or for any failure of any Credit Party to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any (i) notice of any of the events or circumstances set forth or described in Section 8.9 unless and until written notice thereof stating that it is a "notice under Section 8.9" in respect of this Agreement and identifying the specific clause under said Section is given to the Administrative Agent by the Company, or (ii) notice of any Default or Event of Default unless and until written notice thereof (stating that it is a "notice of Default" or a "notice of an Event of Default") is given to the Administrative Agent by the Company, a Lender or an Issuing Lender. Further, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Credit Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Credit Document or the occurrence of any Default or Event of Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Credit Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article 7 or elsewhere in any Credit Document, other than to confirm receipt of items (which on their face purport to be such items) expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent, or (vi) the creation, perfection or priority of Liens on the Collateral.

(c) Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 12.6, (ii) may rely on the Register to the extent set forth in Section 12.6(b), (iii) may consult with legal counsel (including counsel to the Company), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender or Issuing Lender and shall not be responsible to any Lender or Issuing Lender for any statements, warranties or representations made by or on behalf of any Credit Party in connection with this Agreement or any other Credit Document, (v) in determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Lender, may presume that such condition is satisfactory to such Lender or Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or Issuing Lender sufficiently in advance of the making of such Loan or the issuance of such Letter of Credit and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Credit Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Credit Documents for being the maker thereof).

11.3 Posting of Communications

(a) The Company agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "***Approved Electronic Platform***").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Closing Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Lenders and the Company acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Lenders and the Company hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "***APPLICABLE PARTIES***") HAVE ANY LIABILITY TO ANY CREDIT PARTY, ANY LENDER, ANY ISSUING LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY CREDIT PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each Lender and each Issuing Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender and Issuing Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or Issuing Lender's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, each of the Issuing Lenders and the Company agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

11.4 The Administrative Agent Individually

With respect to its Commitment, Loans (including Swingline Loans), Letter of Credit Commitments and Letters of Credit, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender or Issuing Lender, as the case may be. The terms "Issuing Lenders", "Lenders", "Majority Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender, Issuing Lender or as one of the Majority Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, the Company, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders or the Issuing Lenders.

11.5 Successor Administrative Agent

(a) The Administrative Agent may resign at any time by giving 30 days' prior written notice thereof to the Lenders, the Issuing Lenders and the Company, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Lenders, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Company (which approval may not be unreasonably withheld and shall not be required while an Event of Default has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Credit Documents. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Credit Documents.

(b) Notwithstanding clause (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Lenders and the Company, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents; **provided** that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties, and continue to be entitled to the rights set forth in such Collateral Documents and Credit Documents, and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this Section (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and (ii) the Majority Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; **provided** that (A) all payments required to be made hereunder or under any other Credit Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender and each Issuing Lender. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 12.5, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Credit Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (i) above.

11.6 Acknowledgements of Lenders and Issuing Lenders

(a) Each Lender and each Issuing Lender represents and warrants that (i) the Credit Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or Issuing Lender, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender and each Issuing Lender agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, any Arranger, or any other Lender or Issuing Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such Issuing Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender and each Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender or Issuing Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the

Company and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Closing Date, or delivering its signature page to an Assignment and Assumption or any other Credit Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Closing Date.

11.7 Collateral Matters

(a) Except with respect to the exercise of setoff rights in accordance with Section 12.7 or with respect to a Secured Party's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Credit Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof.

(b) In furtherance of the foregoing and not in limitation thereof, no arrangements in respect of Cash Management Obligations or Swap Obligations, will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under any Credit Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such arrangement in respect of Cash Management Obligations or Swap Obligations, as applicable, shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Credit Documents and agreed to be bound by the Credit Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

(c) The Secured Parties irrevocably authorize the Administrative Agent and the Collateral Agent, as applicable, at its option and in its discretion, and the Administrative and Collateral Agreement, as applicable, agree to, upon the request of the Company, (i) subordinate any Lien on any property granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien on such property that is permitted by Sections 9.3(a), 9.3(b), 9.3(c) or 9.3(d), (ii) to release any Guarantor from its obligations under the Guaranty and the other Credit Documents if such Person ceases to be a Restricted Subsidiary as a result of a transaction permitted under the Credit Documents, (iii) to release the Lien of any Collateral that is, or is to be, sold, released or otherwise disposed of as permitted pursuant to the terms of the Credit Documents and (iv) to enter into or amend an intercreditor agreement (or direct the Collateral Agent to enter into or amend an intercreditor agreement), including without limitation the Intercreditor Agreement, with the collateral agent or other representatives of the holders of Indebtedness that is permitted to be secured by a Lien on the Collateral; provided, that in the case of each of clauses (i), (ii) and (iii), the Company shall have delivered to the Administrative Agent, no later than concurrently with execution and delivery of such releases, subordination and other documents, a written request of a Responsible Officer for release, together with a certification by the Company stating that such transaction is in compliance with the Credit Documents. Neither the Administrative Agent nor the Collateral Agent shall be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent or Collateral Agent be responsible or liable to the Lenders or any other Secured Party for any failure to monitor or maintain any portion of the Collateral.

11.8 Credit Bidding

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Majority Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Credit Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Majority Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to

assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (**provided** that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Majority Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Majority Lenders contained in Section 12.1 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties *pro rata* with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

11.9 Certain ERISA Matters

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto, to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Company, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a

Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Company, that none of the Administrative Agent or any of its respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related to hereto or thereto);

12. MISCELLANEOUS

12.1 Amendments and Waivers

Subject to Section 5.17, no Credit Document nor any terms thereof may be amended, supplemented, waived or modified except in accordance with the provisions of this Section 12.1. With the written consent of the Majority Lenders, the Administrative Agent and the respective Credit Parties may, from time to time, enter into written amendments, supplements or modifications to any Credit Document for the purpose of adding any provisions to such Credit Document to which they are parties or changing in any manner the rights of the Lenders or of any such Credit Party or any other Person thereunder or waiving, on such terms and conditions as the Administrative Agent may specify in such instrument, any of the requirements of any such Credit Document or any Default or Event of Default and its consequences; **provided**, **however**, that:

(a) no such waiver and no such amendment, supplement or modification shall (A) extend the Revolving Credit Termination Date or the scheduled maturity of any Loan or extend the expiry date of any Letter of Credit beyond the Revolving Credit Termination Date, or reduce the rate or extend the time of payment of interest on any Loan or Letter of Credit, or change the method of calculating interest on any Loan or Letter of Credit, or reduce the amount or extend the time of payment of any fee payable to the Lenders hereunder (**provided** that any amendment or modification of the financial covenants in this Agreement (or any defined term used therein) shall not constitute a reduction in the rate of interest or fees for such purpose and a waiver of payment of any default interest under Section 5.7(d) shall not constitute a reduction of rate), or reduce or forgive the principal amount thereof, or increase the amount of, or postpone the scheduled date of expiry of, any Commitment of any Lender (it being understood that a waiver of any condition precedent set forth in Section 7.02 or the waiver of any mandatory prepayment shall not constitute an increase or an extension of any Commitment of any Lender), without the consent of each Lender directly affected thereby, or (B) amend, modify or waive any provision of this Section 12.1 or the definition of Majority Lenders, the definition of Required Lenders or alter the manner in which payments of principal, interest, or other amounts hereunder shall be applied as among the Lenders in the respective Facility (in which case, the written consent of each Lender in the respective Facility shall be required), or change the percentage of the Lenders required to waive a condition precedent under Sections 7.1 or 7.2, or amend, modify, eliminate or waive a condition precedent under or waive or amend any other provision in any of the Credit Documents which by their terms expressly require all Lenders' consent or consent to the assignment or transfer by any Credit Party of any of its rights and obligations under any Credit Document, or release all or substantially all of the Collateral or subordinate Collateral Agent's Lien on (other than, for the avoidance of doubt, a subordination pursuant to Sections 9.3(a), (b), (c) and (d) of this Agreement) on any material portion of the Collateral in any transaction or series of transactions, or release all or substantially all of the value of the guarantees granted (or required to be granted) pursuant to this Agreement, in each case, without the written consent of each Lender (unless otherwise specified in sub-clause (B) of this clause (i));

(b) no such waiver and no such amendment, supplement or modification shall amend, modify or waive any provision of Article 11 without the written consent of the Administrative Agent and the Collateral Agent;

(c) no such waiver and no such amendment, supplement or modification shall amend, modify or waive any provision of Section 5.18(e) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender;

(d) no such waiver and no such amendment, supplement or modification shall increase the advance rates set forth in the definition of "Borrowing Base" or add new categories of eligible assets or making other changes to the definition of "Borrowing Base" or any component definition thereof if as a result thereof the amounts available to be borrowed by the Company would be increased, without the prior written consent of the Required Lenders;

(e) the Administrative Agent and the Company acting together may, without the consent of any other Person, amend, modify or supplement this Agreement and any other Credit Document to cure any typographical error, mistake or defect, to comply with local law or the advice of local counsel or to cause one or more Credit Documents to be consistent with other Credit Documents;

(f) no such waiver and no such amendment, supplement or modification shall amend, modify or otherwise affect the rights or duties of the Issuing Lender or the Swingline Lender hereunder without the prior written consent of the Issuing

Lender or the Swingline Lender, as the case may be (it being understood that any amendment to Section 2.24 shall require the consent of the Issuing Lender and the Swingline Lender); and

(g) no such waiver and no such amendment, supplement or modification shall amend, modify or waive any provision of Section 8.21 without the written consent of each Lender.

Any such waiver and any such amendment, supplement or modification described in this Section 12.1 shall apply equally to each of the Lenders and shall be binding upon each Credit Party, the Lenders, each Agent and all future holders of the Loans. No waiver, amendment, supplement or modification of any Letter of Credit shall extend the expiry date thereof without the written consent of the Participating Lenders. In the case of any waiver, the Company, the Lenders and each Agent shall be restored to their former position and rights hereunder and under the outstanding Loans, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby", the consent of the Majority Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but has not been obtained being referred to herein as a "***Non-Consenting Lender***"), then the Company may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, **provided** that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company, the Administrative Agent and the Issuing Lender shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an assignment under Section 12.6 and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of Section12.6, and (ii) the Company shall pay to such Non-Consenting Lender in Same Day Funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Company hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 5.20 or Section 5.23, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 5.21 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

12.2 Notices

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

The Company:

NGL Energy Operating LLC
6120 South Yale Avenue, Suite 805
Tulsa, Oklahoma 74136
Attention: Chief Financial Officer
General Counsel
Telecopy: (918) 481-5896
Email: Trey.Karlovich@nglep.com
kurston.mcmurray@nglep.com

The Administrative Agent, Collateral Agent, Swingline Lender and JPMCB in its capacity as an Issuing Lender:

JPMorgan Chase Bank, N.A.
c/o Portfolio Manager
JPMorgan Chase Bank
2200 Ross Avenue, 9th Floor
Mail Code: TX1-2905
Dallas, TX 75201
Telephone: (214) 965-3746
Fax: (214) 965-2594
Attention: Robby Cohenour
Email: robby.cohenour@jpmorgan.com

Issuing Lenders:

Wells Fargo Bank, National Association
c/o Becky Rountree Braccio
Wells Fargo Capital Finance
14241 Dallas Parkway, Suite 1300
Dallas, TX 75254
Telephone: (972) 361-7208 or (531) 205-3755
Email: becky.rountree@wellsfargo.com
and

The Toronto-Dominion Bank, New York Branch
c/o Liana Chernysheva
TD Securities
909 Fannin Street, Suite 1100
Houston, TX 77010
Telephone: (713) 653-8225
Email: liana.chernysheva@tdsecurities.com

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in clause (b) below, shall be effective as provided in said clause (b).

(b) Notices and other communications to the Company, any Credit Party, the Lenders and the Issuing Lenders hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; **provided** that the foregoing shall not apply to notices pursuant to Article 5 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; **provided** that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; **provided** that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

12.3 No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

12.4 Survival

All covenants, agreements, representations and warranties made by the Credit Parties herein and in the other Credit Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Credit Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Lender or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended

hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 5.21, 5.23 and 12.5 and Article 11 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

12.5 Expenses, Limitation of Liability, Indemnity, Etc.

(a) The Company shall pay (i) all reasonable and documented out of pocket expenses incurred by the Administrative Agent and its Affiliates (but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one firm of outside counsel to all such Persons taken as a whole and, if reasonably necessary, of one local counsel in any relevant jurisdiction to such Persons, taken as a whole), in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by any Issuing Lenders in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder (but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one firm of outside counsel to such Issuing Lender and, if reasonably necessary, of one local counsel in any relevant jurisdiction to such Issuing Lender), (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Lender or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, any Issuing Lender or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Credit Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit and (iv) for field examinations to the extent required by Section 8.12.

(b) To the extent permitted by applicable law (i) the Company and any Credit Party shall not assert, and the Company and each Credit Party hereby waives, any claim against the Administrative Agent, any Arranger, any Issuing Lender and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "***Lender-Related Person***") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document, or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby, any Loan or Letter of Credit or the use of the proceeds thereof; **provided** that, nothing in this Section 12.5(b) shall relieve the Company and each Credit Party of any obligation it may have to indemnify an Indemnified Person, as provided in Section 12.5(c), against any special, indirect, consequential or punitive damages asserted against such Indemnified Person by a third party.

(c) The Company shall indemnify the Administrative Agent, each Arranger, Issuing Lender and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnified Person***") against, and hold each Indemnified Person harmless from, any and all Liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnified Person, incurred by or asserted against any Indemnified Person arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of hazardous materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any environmental liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective Proceeding relating to any of the foregoing, whether or not such Proceeding is brought by the Company or any other Credit Party or its or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnified Person is a party thereto; **provided** that such indemnity shall not, as to any Indemnified Person, be available to the extent that such Liabilities or related expenses are (i) determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the bad faith, gross negligence or willful misconduct of such Indemnified Person or (ii) arise out of any claim, litigation, investigation or proceeding brought by such Indemnified Person (or its Affiliates) against another Indemnified Person (or its Affiliates) (other than any claim, litigation, investigation or proceeding brought by or against the Administrative Agent, acting in its capacity as the Administrative Agent) that does not involve any act or

omission of the Credit Parties. This Section 12.5(c) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(d) Each Lender severally agrees to pay any amount required to be paid by the Company under clauses (a), (b) or (c) of this Section 12.5 to the Administrative Agent, the Swingline Lender, each Issuing Lender and each Related Party of any of the foregoing Persons (each, an "***Agent-Related Person***") (to the extent not reimbursed by the Company and without limiting the obligation of the Company to do so), ratably according to their respective Commitments or Loans in effect on the date on which such payment is sought under this Section (or, if such payment is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably according to their respective Commitments or Loans immediately prior to such date), from and against any and all Liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent-Related Person in any way relating to or arising out of the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent-Related Person under or in connection with any of the foregoing; **provided** that the unreimbursed expense or Liability or related expense, as the case may be, was incurred by or asserted against such Agent-Related Person in its capacity as such; **provided further** that no Lender shall be liable for the payment of any portion of such Liabilities, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from such Agent-Related Party's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(e) All amounts due under this Section 12.5 shall be payable promptly after written demand therefor.

12.6 Successors and Assigns; Participations

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), except that (i) the Company may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Company without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), Participants (to the extent provided in clause (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Lender and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment, participations in Letters of Credit and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Company; **provided** that, the Company shall be deemed to have consented to an assignment of all or a portion of the Loans and Commitments unless it shall have objected thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; **provided** that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; **provided** that no consent of the Administrative Agent shall be required for an assignment of any Commitment to an assignee that is a Lender (other than a Defaulting Lender) with a Commitment immediately prior to giving effect to such assignment;

(C) each Issuing Lender; and

(D) the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the

date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Company and the Administrative Agent otherwise consent; **provided** that no such consent of the Company shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Company, the Credit Parties and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 5.21, 5.23 and 12.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Company, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and L/C Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive, and the Company, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, any Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section and any written consent to such assignment required by clause (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; **provided** that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it, the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of, or notice to, the Company, the Administrative Agent, the Swingline Lender or the Issuing Lenders, sell participations to one or more banks or other entities (a "***Participant***"), other than an Ineligible Institution, in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); **provided** that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Company, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and

obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; **provided** that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 12.1(b) that affects such Participant. The Company agrees that each Participant shall be entitled to the benefits of Section 5.21 and Section 5.23 (subject to the requirements and limitations therein), to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section; **provided** that such Participant (A) agrees to be subject to the provisions of Section 5.22 as if it were an assignee under clause (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 5.21 and Section 5.23, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.7 as though it were a Lender; **provided** that such Participant agrees to be subject to Section 5.18 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Company, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "***Participant Register***"); **provided** that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; **provided** that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

12.7 Right of Setoff

If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final) (other than payroll and trust accounts of any Credit Party) at any time held, and other obligations at any time owing, by such Lender, such Issuing Lender or any such Affiliate, to or for the credit or the account of the Company against any and all of the obligations of the Company now or hereafter existing under this Agreement or any other Credit Document to such Lender or such Issuing Lender or their respective Affiliates, irrespective of whether or not such Lender, Issuing Lender or Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of the Company may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender or such Issuing Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; **provided** that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so setoff shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of this Agreement and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each Issuing Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Lender or their respective Affiliates may have. Each Lender and Issuing Lender agrees to notify the Company and the Administrative Agent promptly after any such setoff and application; **provided** that the failure to give such notice shall not affect the validity of such setoff and application.

12.8 Counterparts

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Administrative Agent.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Credit Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 12.2), certificate, request, statement, disclosure or authorization related to this Agreement, any other Credit Document and/or the transactions contemplated hereby and/or thereby (each an "***Ancillary Document***") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Credit Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Credit Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; **provided** that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; **provided**, **further**, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Company or any other Credit Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Company and each Credit Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Company and the Credit Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Credit Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Credit Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Credit Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Credit Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Company and/or any Credit Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

12.9 Integration

This Agreement and the other Credit Documents represent the entire agreement of the Credit Parties, the Agents and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Agent or any Lender relative to the subject matter hereof or thereof not expressly set forth or referred to herein or in the other Credit Documents.

12.10 GOVERNING LAW; NO THIRD PARTY RIGHTS

THIS AGREEMENT AND THE LOANS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE LOANS SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THIS AGREEMENT IS SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, AND, EXCEPT AS SET FORTH IN SECTION 12.6, NO OTHER PERSONS SHALL HAVE ANY RIGHT, BENEFIT, PRIORITY OR INTEREST UNDER, OR BECAUSE OF THE EXISTENCE OF, THIS AGREEMENT.

12.11 SUBMISSION TO JURISDICTION; WAIVERS

(a) EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN (OR IF SUCH COURT LACKS SUBJECT MATTER JURISDICTION, THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN), AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS

AGREEMENT OR ANY OTHER CREDIT DOCUMENT (UNLESS OTHERWISE SPECIFIED THEREIN) OR THE TRANSACTIONS RELATING HERETO OR THERETO, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY (AND ANY SUCH CLAIMS, CROSS-CLAIMS OR THIRD PARTY CLAIMS BROUGHT AGAINST THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES MAY ONLY) BE HEARD AND DETERMINED IN SUCH FEDERAL (TO THE EXTENT PERMITTED BY LAW) OR NEW YORK STATE COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER CREDIT DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY ISSUING LENDER OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST THE ANY CREDIT PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT IN ANY COURT REFERRED TO IN CLAUSE (A) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.2. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(d) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

12.12 Acknowledgments

(a) The Credit Parties acknowledge and agree, and acknowledge their Subsidiaries' understanding, that no Lender Party will have any obligations except those obligations expressly set forth herein and in the other Credit Documents and each Lender Party is acting solely in the capacity of an arm's length contractual counterparty to the Credit Parties with respect to the Credit Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, the Credit Parties or any other person. The Credit Parties agree that they will not assert any claim against any Lender Party based on an alleged breach of fiduciary duty by such Lender Party in connection with this Agreement and the transactions contemplated hereby. Additionally, the Credit Parties acknowledge and agree that no Lender Party is advising the Credit Parties as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Credit Parties shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated herein or in the other Credit Documents, and the Lender Parties shall have no responsibility or liability to the Credit Parties with respect thereto.

(b) The Credit Parties further acknowledge and agree, and acknowledge their Subsidiaries' understanding, that each Lender Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Lender Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Credit Parties and other companies with which the Credit Parties may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any

Lender Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(c) In addition, the Credit Parties acknowledge and agree, and acknowledge their Subsidiaries' understanding, that each Lender Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Credit Parties may have conflicting interests regarding the transactions described herein and otherwise. No Lender Party will use confidential information obtained from the Credit Parties by virtue of the transactions contemplated by the Credit Documents or its other relationships with the Credit Parties in connection with the performance by such Lender Party of services for other companies, and no Lender Party will furnish any such information to other companies. The Credit Parties also acknowledge that no Lender Party has any obligation to use in connection with the transactions contemplated by the Credit Documents, or to furnish to the Credit Parties, confidential information obtained from other companies.

12.13 Confidentiality

(a) Each of the Administrative Agent, the Issuing Lenders and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors on a "need to know" basis solely in connection with the transactions completed hereby (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder or under any other Credit Document, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Company and its obligations, (g) on a confidential basis to (1) any rating agency in connection with rating the Credit Parties or their Subsidiaries or the credit facilities provided for herein or (2) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of identification numbers with respect to the credit facilities provided for herein, (h) with the consent of the Company or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Lender or any Lender on a non-confidential basis other than as a breach of this Section from a source other than the Company. For the purposes of this Section, "***Information***" means all information received from the Parent relating to the Parent or any of its Restricted Subsidiaries or their respective businesses, operations or assets, other than any such information that is available to the Administrative Agent, any Issuing Lender or any Lender on a non-confidential basis prior to disclosure by the Company and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 12.13(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE COMPANY AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE COMPANY OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE COMPANY, THE CREDIT PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE COMPANY AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

12.14 Patriot Act

Each Lender hereby notifies the Company that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow such Lender to identify the Company in accordance with the Patriot Act.

12.15 [Reserved]

12.16 Severability

Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

12.17 Acknowledgment and Consent to Bail-In of Affected Financial Institutions

Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

12.18 Acknowledgement Regarding Any Supported QFCs

(a) To the extent that the Credit Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a

(b) QFC (such support "***QFC Credit Support***" and each such QFC a "***Supported QFC***"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "***U.S. Special Resolution Regimes***") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(c) In the event a Covered Entity that is party to a Supported QFC (each, a "***Covered Party***") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is

understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

12.19 Canadian Anti-Money Laundering Legislation

(a) Each Credit Party acknowledges that, pursuant to the Proceeds of Crime Act and other applicable Canadian anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "***AML Legislation***"), the Lenders may be required to obtain, verify and record information regarding the Credit Parties and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Credit Parties, and the transactions contemplated hereby. Each Credit Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or any prospective assignee or participant of a Lender, any Issuing Bank or the Administrative Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If the Administrative Agent has ascertained the identity of any Credit Party or any authorized signatories of the Credit Parties for the purposes of applicable AML Legislation, then the Administrative Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Administrative Agent within the meaning of the applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that neither the Administrative Agent nor any other agent has any obligation to ascertain the identity of the Credit Parties or any authorized signatories of the Credit Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Credit Party or any such authorized signatory in doing so.

12.20 Judgment Currency

If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "***Original Currency***") into another currency (the "***Second Currency***"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Administrative Agent could purchase in the New York foreign exchange market, the Original Currency with the Second Currency on the date two (2) Business Days preceding that on which judgment is given. Each Credit Party agrees that its obligation in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date the Administrative Agent receives payment of any sum so adjudged to be due hereunder in the Second Currency, the Administrative Agent may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the amount originally due in the Original Currency, each Credit Party agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify the Administrative Agent against such loss.

12.21 Intercreditor Agreement

Notwithstanding any provisions in the Agreement or any other Credit Document to the contrary, the terms, conditions and provisions of this Agreement and the other Credit Documents are subject to the term of the Intercreditor Agreement. To the extent there is a conflict between the Credit Documents and the Intercreditor Agreement, the terms and conditions of the Intercreditor Agreement shall control.

[Signature Pages Follow]

SCHEDULE 1A

COMMITMENT AMOUNTS

Lender	Revolving Credit Commitment	Revolving Credit Commitment Percen
JPMORGAN CHASE BANK, N.A.	$120,000,000.00	20.000000000%
ROYAL BANK OF CANADA	$120,000,000.00	20.000000000%
BARCLAYS BANK PLC	$120,000,000.00	20.000000000%
THE TORONTO-DOMINION BANK, NEW YORK BRANCH	$120,000,000.00	20.000000000%
WELLS FARGO BANK, NATIONAL ASSOCIATION	$120,000,000.00	20.000000000%
TOTAL	**$600,000,000.00**	**100.000000000%**

Exhibit 10.4

Credit Party Accession Agreement

CREDIT PARTY ACCESSION AGREEMENT dated as of March 28, 2022 (this "***Agreement***") among NGL SHARED SERVICES, LLC, a Delaware limited liability company ("***NGLSS***"), NGL SHARED SERVICES HOLDINGS, INC., a Delaware corporation ("***NGLSSH***" and together with NGLSS, the "***New Credit Parties***"), and JPMORGAN CHASE BANK, N.A., as Administrative Agent and as Collateral Agent for and on behalf of the Lenders referred to below.

NGL Energy Operating LLC, a Delaware limited liability company (the "***Company***"), has entered into that certain Credit Agreement dated February 4, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***") among the Company, NGL Energy Partners LP, as parent, the banks and other lending institutions from time to time party thereto (each a "***Lender***" and, collectively, the "***Lenders***"), and JPMorgan Chase Bank, N.A., as an Issuing Lender, Swingline Lender, Administrative Agent and Collateral Agent. Terms defined in the Credit Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for in the Credit Agreement.

As a condition to the obligations of the Lenders under the Credit Agreement, the Company and each Guarantor (each a "***Credit Party***" and, together with the respective successors and permitted assigns of each of the foregoing, the "***Credit Parties***") has agreed or will agree to grant a continuing security interest in favor of the Collateral Agent in and to the Collateral to secure, among other things, the Finance Obligations.

Each New Credit Party has agreed to execute and deliver this Agreement in order to evidence its agreement to become a "Guarantor" under the Guaranty and a "Pledgor" under the Pledge and Security Agreement. Accordingly, the parties hereto agree as follows:

Section 1. **Guaranty**. In accordance with Section 5.11 of the Guaranty, each New Credit Party hereby (i) agrees that, by execution and delivery of a counterpart signature page to the Guaranty in the form attached hereto as Exhibit A, such New Credit Party shall become a "Guarantor" under the Guaranty with the same force and effect as if originally named therein as a Guarantor (as defined in the Guaranty), (ii) acknowledges receipt of a copy of and agrees to be obligated and bound as a "Guarantor" by all of the terms and provisions of the Guaranty and (iii) acknowledges and agrees that, from and after the date hereof, each reference in the Guaranty to a "Guarantor" or the "Guarantors" shall be deemed to include such New Credit Party.

Section 2. **Pledge and Security Agreement**. In accordance with Section 6.15 of the Pledge and Security Agreement, each New Credit Party hereby (i) agrees that, by execution and delivery of a counterpart signature page to the Pledge and Security Agreement in the form attached hereto as Exhibit B, such New Credit Party shall become a "Pledgor" under the Pledge and Security Agreement with the same force and effect as if originally named therein as a Pledgor (as defined in the Pledge and Security Agreement), (ii) acknowledges receipt of a copy of and agrees to be obligated and bound as a "Pledgor" by all of the terms and provisions of the Pledge and Security Agreement, (iii) grants to the Collateral Agent for the benefit of the Secured Parties a continuing security interest in the Collateral (as defined in the Pledge and Security Agreement), in each case to secure the full and punctual payment and performance of the Obligations (as defined in the Pledge and Security Agreement) in accordance with the terms thereof and to secure the performance of all of the obligations of each Credit Party under the Credit Agreement and the other Credit Documents, (iv) represents and warrants that each of Schedules I – VI to the Pledge and Security Agreement, as amended, supplemented and modified as set forth on Schedules I – VI hereto, is complete and accurate with respect to such New Credit Party as of the date hereof after giving effect to such New Credit Party's accession to the Pledge and Security Agreement as an additional Pledgor thereunder and (v) acknowledges and agrees that, from and after the date hereof, each reference in the Pledge and Security Agreement to a "Pledgor" or the "Pledgors" shall be deemed to include such New Credit Party.

Section 3. **[Reserved].**

Section 4. **Representations and Warranties**. The New Credit Parties hereby represent and warrant that:

(a) This Agreement has been duly authorized, executed and delivered by the New Credit Parties, and each of this Agreement and the Guaranty and the Pledge and Security Agreement, as acceded to hereby by the New Credit Parties, constitutes a valid and binding agreement of the New Credit Parties, enforceable against the New Credit Parties in

accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(b) Each of the representations and warranties contained in the Credit Agreement, the Guaranty, the Pledge and Security Agreement and each of the other Credit Documents is true and correct in all material respects as of the date hereof, with the same effect as though such representations and warranties had been made on and as of the date hereof after giving effect to the accession of the New Credit Parties as an additional "Guarantor" under the Guaranty and as an additional "Pledgor" under the Pledge and Security Agreement.

Section 5. **Effectiveness**. This Agreement and the accession of the New Credit Parties to the Guaranty and Pledge and Security Agreement as provided herein shall become effective with respect to the New Credit Parties when (i) the Administrative Agent shall have received a counterpart of this Agreement duly executed by the New Credit Parties and (ii) the Administrative Agent and/or the Collateral Agent, as applicable, shall have received duly executed counterpart signature pages to each of the Guaranty and the Pledge and Security Agreement as contemplated hereby.

Section 6. **Integration; Confirmation**. On and after the date hereof, each of the Guaranty and the Pledge and Security Agreement and the respective Schedules thereto shall be supplemented as expressly set forth herein; all other terms and provisions of each of the Guaranty, Pledge and Security Agreement, the other Credit Documents and the respective Schedules thereto shall continue in full force and effect and unchanged and are hereby confirmed in all respects.

Section 7. **Miscellaneous**.

(a) The New Credit Parties agree to pay the costs and expenses of the Agents (including reasonable and documented fees and disbursements of counsel) in accordance with the terms of the Credit Agreement.

(b) The address of the New Credit Parties for purposes of Section 12.2 of the Credit Agreement is as set forth on the counterpart to the Guaranty attached hereto as Exhibit A.

Section 8. **Governing Law**. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE LOANS SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK. THIS AGREEMENT IS SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, AND NO OTHER PERSONS SHALL HAVE ANY RIGHT, BENEFIT, PRIORITY OR INTEREST UNDER, OR BECAUSE OF THE EXISTENCE OF, THIS AGREEMENT.

Section 9. **Counterparts**. Section 12.8 of the Credit Agreement is hereby incorporated by reference *mutatis mutandis*, as if stated verbatim herein as agreements and obligations of the New Credit Party.

[Signature Pages Follow]

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

NGL SHARED SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL SHARED SERVICES HOLDINGS, INC.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Stephanie Balette
Name: Stephanie Balette
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent.

By: /s/ Stephanie Balette
Name: Stephanie Balette
Title: Authorized Officer

EXHIBIT A

Counterpart to Guaranty

IN WITNESS WHEREOF, each Guarantor has executed this Agreement as of the day and year first above written.

GUARANTORS:

NGL SHARED SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

6120 South Yale Avenue, Suite 805
Tulsa, Oklahoma, 74136

NGL SHARED SERVICES HOLDINGS, INC.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

6120 South Yale Avenue, Suite 805
Tulsa, Oklahoma, 74136

EXHIBIT B

Counterpart to Pledge and Security Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed this Pledge and Security Agreement as of the day and year first above written.

NGL SHARED SERVICES, LLC

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

NGL SHARED SERVICES HOLDINGS, INC.

By: /s/ Linda J. Bridges
Name: Linda J. Bridges
Title: Executive Vice President and Chief Financial Officer

[Signature page to NGL US Security Agreement]

Exhibit 21.1

LIST OF SUBSIDIARIES OF NGL ENERGY PARTNERS LP

Subsidiary	Jurisdiction of Organization
Accelerated Water Resources, LLC (1)	Delaware
AntiCline Disposal, LLC	Wyoming
AWR Disposal, LLC	Delaware
B&D Water, LLC (2)	New Mexico
Centennial Energy, LLC	Colorado
Centennial Gas Liquids ULC	Alberta, Canada
Choya Operating, LLC	Texas
Disposals Operating, LLC	Delaware
GGCOF HEP Blocker II, LLC	Delaware
GGCOF HEP Blocker, LLC	Delaware
Grand Mesa Pipeline, LLC	Delaware
GSR Northeast Terminals LLC	Delaware
HEP Hidden Bench Holdco, LLC (3)	Delaware
Hillstone Environmental Partners, LLC	Delaware
Indigo Injection #3-1, LLC (4)	Delaware
Indigo Power Holdings, LLC	Colorado
Indigo Power, LLC	Colorado
KAIR2014, LLC (5)	Oklahoma
NGL Crude Cushing, LLC	Oklahoma
NGL Crude Logistics, LLC	Delaware
NGL Crude Terminals, LLC	Delaware
NGL Crude Transportation, LLC	Colorado
NGL Delaware Basin Holdings, LLC	Delaware
NGL Energy Finance Corp.	Delaware
NGL Energy GP LLC	Delaware
NGL Energy Operating LLC	Delaware
NGL Energy Services, LLC (6)	Delaware
NGL Gateway Terminals, Inc.	Ontario, Canada
NGL Liquids, LLC	Delaware
NGL Marine, LLC	Texas
NGL Recycling Services, LLC	Delaware
NGL Shared Services Holdings, Inc.	Delaware
NGL Shared Services, LLC	Delaware
NGL South Ranch, Inc.	New Mexico
NGL Supply Terminal Company, LLC	Delaware
NGL Supply Wholesale, LLC	Delaware
NGL Water Pipelines, LLC	Texas
NGL Water Solutions DJ, LLC	Colorado
NGL Water Solutions Eagle Ford, LLC	Delaware
NGL Water Solutions Holdco, LLC	Delaware
NGL Water Solutions Orla-SWD, LLC	Delaware
NGL Water Solutions Permian, LLC	Colorado
NGL Water Solutions Product Services, LLC	Delaware
NGL Water Solutions, LLC	Colorado
Pine Tree Propane, LLC (7)	Maine

(1) NGL Energy Partners LP owns a 50% member interest in Accelerated Water Resources, LLC.
(2) NGL Energy Partners LP owns a 50% member interest in B&D Water, LLC.
(3) NGL Energy Partners LP owns a 90% member interest in HEP Hidden Bench Holdco, LLC.
(4) NGL Energy Partners LP owns a 75% member interest in Indigo Injection #3-1, LLC.
(5) NGL Energy Partners LP owns a 50% member interest in KAIR2014, LLC.
(6) NGL Energy Partners LP owns an approximate 51% member interest in NGL Energy Services, LLC.
(7) NGL Energy Partners LP owns a 50% member interest in Pine Tree Propane, LLC.

Exhibit 22.1

LIST OF ISSUERS AND GUARANTOR SUBSIDIARIES OF NGL ENERGY PARTNERS LP

The following sets forth the issuers and subsidiary guarantors of the Partnership's 7.5% senior unsecured notes due 2023, 6.125% senior unsecured notes due 2025 and 7.5% senior unsecured notes due 2026 (collectively, the "Senior Unsecured Notes").

Entity	Jurisdiction of Organization	NGL Energy Partners LP Senior Unsecured Notes
NGL Energy Partners LP	Delaware	Issuer
NGL Energy Finance Corp.	Delaware	Issuer
AntiCline Disposal, LLC	Wyoming	Guarantor
AWR Disposal, LLC	Delaware	Guarantor
Centennial Energy, LLC	Colorado	Guarantor
Centennial Gas Liquids ULC	Alberta, Canada	Guarantor
Choya Operating, LLC	Texas	Guarantor
Disposals Operating, LLC	Delaware	Guarantor
GGCOF HEP Blocker II, LLC	Delaware	Guarantor
GGCOF HEP Blocker, LLC	Delaware	Guarantor
Grand Mesa Pipeline, LLC	Delaware	Guarantor
GSR Northeast Terminals LLC	Delaware	Guarantor
Hillstone Environmental Partners, LLC	Delaware	Guarantor
NGL Crude Cushing, LLC	Oklahoma	Guarantor
NGL Crude Logistics, LLC	Delaware	Guarantor
NGL Crude Terminals, LLC	Delaware	Guarantor
NGL Crude Transportation, LLC	Colorado	Guarantor
NGL Delaware Basin Holdings, LLC	Delaware	Guarantor
NGL Energy GP LLC	Delaware	Guarantor
NGL Energy Operating LLC	Delaware	Guarantor
NGL Liquids, LLC	Delaware	Guarantor
NGL Marine, LLC	Texas	Guarantor
NGL Recycling Services, LLC	Delaware	Guarantor
NGL Shared Services Holdings, Inc.	Delaware	Guarantor
NGL Shared Services, LLC	Delaware	Guarantor
NGL South Ranch, Inc.	New Mexico	Guarantor
NGL Supply Terminal Company, LLC	Delaware	Guarantor
NGL Supply Wholesale, LLC	Delaware	Guarantor
NGL Water Pipelines, LLC	Texas	Guarantor
NGL Water Solutions DJ, LLC	Colorado	Guarantor
NGL Water Solutions Eagle Ford, LLC	Delaware	Guarantor
NGL Water Solutions Orla-SWD, LLC	Delaware	Guarantor
NGL Water Solutions Permian, LLC	Colorado	Guarantor
NGL Water Solutions Product Services, LLC	Delaware	Guarantor
NGL Water Solutions, LLC	Colorado	Guarantor

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated June 6, 2022, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of NGL Energy Partners LP on Form 10-K for the year ended March 31, 2022. We consent to the incorporation by reference of said reports in the Registration Statements of NGL Energy Partners LP on Forms S-3 (File No. 333-194035, File No. 333-214479, and File No. 333-235736) and on Forms S-8 (File No. 333-227201, File No. 333-234153 and File No. 333-255755).

/s/ GRANT THORNTON LLP

Tulsa, Oklahoma
June 6, 2022

Exhibit 31.1

CERTIFICATION

I, H. Michael Krimbill, certify that:

1. I have reviewed this Annual Report on Form 10-K of NGL Energy Partners LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2022

/s/ H. Michael Krimbill

H. Michael Krimbill

Chief Executive Officer of NGL Energy Holdings LLC, the general partner of NGL Energy Partners LP

Exhibit 31.2

CERTIFICATION

I, Linda J. Bridges, certify that:

1. I have reviewed this Annual Report on Form 10-K of NGL Energy Partners LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2022

/s/ Linda J. Bridges

Linda J. Bridges

Chief Financial Officer of NGL Energy Holdings LLC, the general partner of NGL Energy Partners LP

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report of NGL Energy Partners LP (the "***Partnership***") on Form 10-K for the fiscal year ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, H. Michael Krimbill, Chief Executive Officer of NGL Energy Holdings LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("***Section 906***"), that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: June 6, 2022

/s/ H. Michael Krimbill
H. Michael Krimbill
Chief Executive Officer of NGL Energy Holdings LLC, the general partner of NGL Energy Partners LP

This certification is being furnished solely pursuant to Section 906 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report of NGL Energy Partners LP (the "***Partnership***") on Form 10-K for the fiscal year ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, Linda J. Bridges, Chief Financial Officer of NGL Energy Holdings LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("***Section 906***"), that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: June 6, 2022

/s/ Linda J. Bridges
Linda J. Bridges
Chief Financial Officer of NGL Energy Holdings LLC, the general partner of NGL Energy Partners LP

This certification is being furnished solely pursuant to Section 906 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.