UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2018

Or

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

Altus Midstream Company

(Exact name of registrant as specified in its charter)

Delaware	**001-38048**	**81-4675947**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400

(address of principal executive offices)

(713) 296-6000

(Registrant's telephone number, including area code)

Kayne Anderson Acquisition Corp.
811 Main Street, 14th Floor
Houston, Texas 77002

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

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

Title of each class	Name of each exchange on which registered
Class A common stock, $0.0001 par value	NASDAQ Capital Market

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 and posted 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 and post such files). Yes ☒ No ☐
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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 ☐ Accelerated filer ☐ Non-accelerated filer ☒ 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒
The registrant's common units were not publicly traded as of the last business day of the registrant's most recently completed second fiscal quarter.

Aggregate market value of the voting and non-voting common equity held by non-affiliates of registrant as of June 30, 2018	$	392,413,965
Number of shares of registrant's Class A common stock, $0.0001 issued and outstanding as of January 31, 2019		74,929,305
Number of shares of registrant's Class C common stock, $0.0001 issued and outstanding as of January 31, 2019		250,000,000

Documents Incorporated By Reference

Portions of registrant's proxy statement relating to registrant's 2019 annual meeting of stockholders have been incorporated by reference in Part II and Part III of this annual report on Form 10-K.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS AND RISK

This Annual Report on Form 10-K includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included or incorporated by reference in this report, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected revenues, projected costs and plans, and objectives of management for future operations, are forward-looking statements. Such forward-looking statements are based on our examination of historical operating trends, production and growth forecasts of Apache Corporation’s Alpine High field development and other data in our possession or available from third parties. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “could,” “expect,” “intend,” “project,” “estimate,” “anticipate,” “plan,” “believe,” or “continue” or similar terminology. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, our assumptions about:

- the market prices of oil, natural gas, natural gas liquids (“NGLs”), and other products or services;
- pipeline and gathering system capacity;
- production rates, throughput volumes, reserve levels and development success of dedicated oil and gas fields;
- economic and competitive conditions;
- the availability of capital;
- cash flow and the timing of expenditures;
- capital expenditure and other contractual obligations;
- weather conditions;
- inflation rates;
- the availability of goods and services;
- legislative, regulatory, or policy changes;
- terrorism or cyber attacks;
- occurrence of property acquisitions or divestitures;
- the integration of acquisitions;
- a decline in oil, natural gas, and NGL production, and the impact of general economic conditions on the demand for oil, natural gas, and NGLs;
- impact of environmental, health and safety, and other governmental regulations and of current or pending legislation;
- environmental risks;
- effects of competition;
- our ability to retain key members of our senior management and key technical employees;
- increases in interest rates;
- our business strategy;
- changes in technology;
- the securities or capital markets and related risks such as general credit, liquidity, market, and interest-rate risks; and

- other factors disclosed under Item 1A — Risk Factors, Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 7A — Quantitative and Qualitative Disclosures About Market Risk and elsewhere in this Form 10-K.

All forward-looking statements speak only as of the date of this Annual Report on Form 10-K. We disclaim any obligation to update or revise these statements unless required by securities law. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this Annual Report on Form 10-K are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved.

GLOSSARY OF TERMS

The following are abbreviations and definitions of certain terms used in this Annual Report on Form 10-K, and those which are commonly used in the exploration, production and midstream sectors of the oil and natural gas industry:

- *Bbl.* One stock tank barrel of 42 U.S. gallons liquid volume used herein in reference to crude oil, condensate or NGLs.
- *Bbl/d.* One Bbl per day.
- *Bcf.* One billion cubic feet of natural gas.
- *Btu.* One British thermal unit, which is the quantity of heat required to raise the temperature of a one-pound mass of water by one degree Fahrenheit.
- *Field.* An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations.
- *Formation.* A layer of rock which has distinct characteristics that differs from nearby rock.
- *MBbl.* One thousand barrels of crude oil, condensate or NGLs.
- *Mcf.* One thousand cubic feet of natural gas.
- *Mcf/d.* One Mcf per day.
- *MMBbl.* One million barrels of crude oil, condensate or NGLs.
- *MMBtu.* One million British thermal units.
- *MMcf.* One million cubic feet of natural gas.
- *NGLs.* Natural gas liquids. Hydrocarbons found in natural gas, which may be extracted as liquefied petroleum gas and natural gasoline.
- *Reserves.* Estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to market and all permits and financing required to implement the project.

PART I

ITEMS 1. and 2. BUSINESS AND PROPERTIES

Unless the context otherwise requires, "we," "us," "our," the "Company," "ALTM" and "Altus" refers to Altus Midstream Company and its consolidated subsidiaries. "Altus Midstream" refers to Altus Midstream LP and its consolidated subsidiaries.

Corporate History

We were originally incorporated on December 12, 2016 in Delaware under the name Kayne Anderson Acquisition Corp. ("KAAC"), for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We completed our public offering in the second quarter of 2017, after which our securities began separate trading on the NASDAQ Capital Market.

On August 8, 2018, KAAC and our then wholly-owned subsidiary, Altus Midstream LP, a Delaware limited partnership, entered into a contribution agreement (the "Contribution Agreement") with certain wholly-owned subsidiaries of Apache Corporation ("Apache"), including the Alpine High Entities. The Alpine High Entities comprise four Delaware limited partnerships (collectively, "Alpine High Midstream") and their general partner (Alpine High Subsidiary GP LLC, a Delaware limited liability company), formed by Apache between May 2016 and January 2017 for the purpose of acquiring, developing, and operating midstream oil and gas assets in the Alpine High resource play and surrounding areas ("Alpine High").

On November 9, 2018 (the "Closing Date") and pursuant to the terms of that certain Contribution Agreement, we acquired from Apache the entire equity interests of the Alpine High Entities and options to acquire equity interests in five separate third-party pipeline projects (the "Pipeline Options"). We refer to the acquisition of the entities and the Pipeline Options as the "Business Combination." In exchange, the consideration provided to Apache included economic voting and non-economic voting shares in KAAC, and limited partner interests in Altus Midstream.

Following the Closing Date and in connection with the closing of the Business Combination:

- KAAC changed its name to Altus Midstream Company;
- our wholly-owned subsidiary, Altus Midstream GP LLC, a Delaware limited liability company ("Altus Midstream GP"), is the sole general partner of Altus Midstream;
- Altus Midstream Company holds a 23.1 percent controlling interest in Altus Midstream;
- Altus Midstream Company operates its business through Altus Midstream and its subsidiaries, which include Alpine High Midstream; and
- our Class A common stock, $0.0001 par value ("Class A Common Stock"), continued trading on the NASDAQ under the new symbol "ALTM."

Whilst Altus (formerly KAAC) was the surviving legal entity, the Business Combination was accounted for as a reverse recapitalization. Under this method of accounting, Altus was treated as the acquired company for financial reporting purposes. As a result, the historical operations of Alpine High Midstream are deemed to be those of the Company. Thus, the financial statements and related information included in this Form 10-K reflect (i) the historical operating results of Alpine High Midstream prior to the Closing Date (ii) the net assets of Alpine High Midstream at their historical cost (iii) the consolidated results of Altus and Alpine High Midstream after the Closing Date and (iv) Altus' equity structure for all periods presented.

For further information on our public offering, the Business Combination and our equity structure, refer to Note 2 —Recapitalization Transaction and Note 11 — Equity set forth in Part IV, Item 15 of this Form 10-K.

Business Overview

We have no independent operations or material assets outside our partnership interests in Altus Midstream, which we report on a consolidated basis. Our segment analysis and presentation is the same as that of Altus Midstream. Altus Midstream owns gas gathering, processing and transmission assets in the Permian Basin of West Texas, anchored by midstream service contracts to service Apache's production from Alpine High. Additionally, we own, or have options to own, joint venture equity interests in a total of five Permian Basin pipelines, four of which go to various points along the Texas Gulf Coast, providing the Company with additional access to fully integrated, wellhead-to-water connectivity. All of these operations are organized into a single operating segment.

Assets of Altus Midstream

As of December 31, 2018, Altus Midstream's assets included approximately 111 miles of natural gas gathering pipelines, approximately 52 miles of residue gas pipelines with three market connections (with a fourth market connection expected to be in-service by the end of the first quarter of 2019), and approximately 26 miles of NGL Pipelines. Additionally, we own five rich gas processing facilities consisting of approximately 77,000 horsepower with 380 MMcf/d of rich gas processing capacity and two lean gas facilities consisting of 75,000 horsepower with 400 MMcf/d of lean gas treating capacity. Other assets include an NGL truck loading terminal with six lease automatic custody transfer ("LACT") units and eight NGL bullet tanks with 90,000 gallon capacity per tank. Construction on the assets began in the fourth quarter of 2016, and operations commenced in the second quarter of 2017.

Joint Venture Equity Options

As part of the Business Combination, Apache contributed the Pipeline Options to Altus Midstream. The associated third-party pipeline projects are expected to be placed into service in 2019 and 2020, and each will be operated by third-party limited liability companies, as further described below. For a more in-depth discussion of the estimated capital resources, liquidity and timing associated with each joint venture equity option, please see Part II, Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations and Part IV, Item 15, Note 9 — Joint Venture Equity Interest, set forth in this Form 10-K.

Options Exercised

Gulf Coast Express Pipeline Project

On December 18, 2018 Altus Midstream exercised and closed the option with Kinder Morgan Texas Pipeline LLC (the "GCX Option"), thereby acquiring a 15 percent equity interest in the Gulf Coast Express Pipeline Project ("GCX"). Altus Midstream may acquire an additional 1 percent equity interest, provided that the Permian Highway Option has been exercised (as defined below) and certain other conditions are satisfied. This additional option expires in September 2019. GCX is a long-haul natural gas pipeline that, upon completion, is expected to have capacity of approximately 2.0 Bcf/d and will transport natural gas from the Waha area in northern Pecos County, Texas, to the Agua Dulce Hub near the Texas Gulf Coast. GCX will be operated by Kinder Morgan Texas Pipeline LLC and is expected to be operational and in-service in the fourth quarter of 2019.

EPIC Crude Oil Pipeline

In February 2019, Altus Midstream announced the exercise of the option with EPIC Pipeline LP (the "EPIC Option") to acquire a 15 percent equity interest in the EPIC crude oil pipeline (the "EPIC Pipeline"). The transaction is anticipated to close in the first quarter of 2019.

Upon completion, the long-haul crude oil pipeline will extend from the Orla area in northern Reeves County, Texas to the Port of Corpus Christi, Texas, and is expected to have Permian Basin initial throughput capacity of approximately 590 MBbl/d. The project includes terminals in Orla, Pecos, Saragosa, Crane, Wink, Midland, Hobson and Gardendale, with Port of Corpus Christi connectivity and export access. It will service Delaware Basin, Midland Basin and Eagle Ford Shale production.

The EPIC Pipeline will be operated by EPIC Consolidated Operations, LLC ("EPIC") and is expected to be in service in the first quarter of 2020.

Options Outstanding

Certain Pipeline Options have not yet been exercised. These options facilitate our participation in the following third-party pipeline projects:

- Salt Creek NGL Pipeline;
- Shin Oak Pipeline; and
- Permian Highway Pipeline.

Salt Creek NGL Pipeline

We have an option to acquire a 50 percent equity interest in the Salt Creek NGL Pipeline - an intra-basin NGL pipeline. Upon completion, the pipeline is expected to be capable of transporting approximately 445 MBbl/d from our Diamond cryogenic processing complex in southwest Reeves County, Texas, and Salt Creek Midstream's gas processing complex located in central Reeves County, Texas. The pipeline will transport NGLs to the Waha area in northern Pecos County, Texas, and will be operated by ARM Midstream Management LLC. It is expected to be operational and in service in the first quarter of 2019 and we expect

to exercise this option in the fourth quarter of 2019 or the first quarter of 2020.

Shin Oak Pipeline

We have an option to acquire up to a 33 percent equity interest in the Shin Oak Pipeline, a long-haul NGL pipeline that, upon completion, is expected to be capable of transporting approximately 550 MBbl/d from the Orla area in northern Reeves County, Texas, through the Waha area in northern Pecos County, Texas, and on to Mont Belvieu, Texas. The Shin Oak Pipeline will be operated by Enterprise Products Operating LLC ("Enterprise Products") and is expected to be operational and in service in the second quarter of 2019. We expect to exercise this option in the second half of 2019.

Permian Highway Pipeline

We have an option to acquire an approximate 27 percent equity interest in the Permian Highway Pipeline (the "Permian Highway Option"), a long-haul natural gas pipeline that, upon completion, is expected to have capacity of approximately 2.1 Bcf/d and will transport natural gas from the Waha area in northern Pecos County, Texas, to the Katy, Texas area, with connections to U.S. Gulf Coast and Mexico markets. The Permian Highway Pipeline will be operated by Kinder Morgan Texas Pipeline LLC and is expected to be operational and in service during the fourth quarter of 2020. We expect to exercise this option in the second half of 2019.

If the Permian Highway Pipeline is not placed into service, Apache will be required to assign to us the next option Apache executes for at least a 25 percent equity interest in an unidentified long-haul natural gas pipeline from the Permian Basin to the Texas Gulf Coast.

Altus' Relationship with Apache

About Apache

Apache is an independent energy company that explores for, develops, and produces natural gas, crude oil, and NGLs. As a result of the Business Combination, Apache is the largest single owner of our voting common stock and also has an approximate 76.9 percent noncontrolling interest in Altus Midstream.

Additionally, as a result of the Business Combination, Apache received certain equity instruments, which may impact our ownership and the ownership interest of Altus Midstream's limited partners. For further information on the consideration received by Apache, please refer to Note 2 — Recapitalization Transaction and Note 11 — Equity, within Part IV, Item 15 of this Form 10-K.

Apache's Alpine High Resource Play

Our operated midstream infrastructure and facilities were built to service Apache's production from Alpine High. Alpine High lies in the southern portion of the Delaware Basin, primarily in Reeves County, Texas. The play contains a vertical column up to 6,000 feet encompassing five geologic formations, with multiple target zones spanning the hydrocarbon phase window from dry gas to wet gas to oil. Apache has identified over 3,500 economic drilling locations in a wet gas play and over 1,000 locations in a dry gas play at Alpine High. Over the past year, Apache focused on transitioning to full-field development of the Alpine High play, optimizing spacing, patterns and completions, and building efficiencies to reduce drilling and lifting costs. During 2018, Apache drilled 100 wells at Alpine High with a 96 percent success rate, including many concept test wells drilled to verify its understanding of the play. Using data collected from strategic testing and delineation drilling, Apache is now optimizing wells drilled in Alpine High and focusing on rich gas development in 2019.

Apache has contracted takeaway capacity (through a combination of volume commitments and acreage/plant dedications) in the Permian Basin on the following third-party pipelines that are currently under construction and expected to be in operation in 2019 and 2020 as further described below:

(i) 550,000 dekatherms per day of residue gas for a 10-year term on the Gulf Coast Express Pipeline;

(ii) 500,000 dekatherms per day of residue gas for a 10-year term on the Permian Highway Pipeline;

(iii) an acreage dedication of crude oil produced from Alpine High up to 75 MBbl/d of crude oil for a 10-year term on the EPIC Crude pipeline;

(iv) an acreage dedication to transport NGLs produced from Alpine High to Waha for a 10-year term on the Salt Creek NGL Pipeline; and

(v) an acreage dedication for a 10-year term on Enterprise Products' Shin Oak NGL Pipeline to transport up to 205 MBbl/d of Alpine High produced NGLs from the Salt Creek NGL Pipeline terminus in Waha to Mont Belvieu.

This takeaway capacity will allow greater flexibility and market optionality for Apache's Permian Basin production, including increasing volumes from Alpine High.

Agreements with Apache

The Company and/or its consolidated subsidiaries have entered into certain agreements with Apache. Those material agreements are described in further detail below.

Midstream Service Agreements

Apache has been our only customer since operations commenced in the second quarter of 2017, although we are pursuing third-party business, which could be accommodated by existing and planned capacity. We have contracted to provide gas gathering, compression, processing, transportation, and NGL transportation services pursuant to acreage dedications provided by Apache, comprising the entire Alpine High acreage discussed above. Our revenues under these contracts are 100 percent fee-based, resulting in no direct commodity price exposure attributable to these contracts.

In addition, Apache agreed that any gas produced from Apache-operated wells located within the dedication area that is owned by other working interest owners and royalty owners is dedicated to us, so long as Apache has the right to market such gas. The agreements are effective for primary terms beginning on July 1, 2018 and ending March 31, 2032. The primary term will automatically extend for two five-year periods unless Apache provides at least nine months' prior written notice of its election not to extend the primary term. The covenants under the agreements are intended to run with the land and will be binding on any transferee of the interests within the dedicated area.

Operational Services Agreement

Prior to the Business Combination, Apache provided operations, maintenance and management services to the Alpine High Entities, pursuant to an agreement hereby referred to as the "Services Agreement." In accordance with the terms of that certain Services Agreement, Apache received a fixed fee per month for its overhead and indirect costs incurred on behalf of the Alpine High Entities. The Alpine High Entities had no banking or cash management activities prior to the Business Combination, and therefore all costs incurred by the Alpine High Entities were paid by Apache. In connection with the closing of the Business Combination, the Services Agreement was superseded by the COMA (as defined below).

Construction, Operations and Maintenance Agreement

In connection with the closing of the Business Combination, we entered into a construction, operations and maintenance agreement with Apache (the "COMA"), pursuant to which Apache will provide certain services related to the design, development, construction, operation, management and maintenance of our assets, on our behalf. The COMA supersedes the Services Agreement, discussed above.

Under the COMA, we will pay fees to Apache of (i) $3.0 million from November 9, 2018 through December 31, 2019, (ii) $5.0 million for the period of January 1, 2020 through December 31, 2020, (iii) $7.0 million for the period of January 1, 2021 through December 31, 2021 and (iv) $9.0 million annually, as may be increased thereafter until terminated. In addition, Apache may be reimbursed for certain internal costs and third-party costs incurred in connection with its role as service provider under the COMA.

The COMA will continue to be effective until terminated (i) upon the mutual consent of Altus and Apache, (ii) by either of Altus and Apache, at its option, upon 30 days' prior written notice in the event Apache or an affiliate no longer owns a direct or indirect interest in at least 50 percent of the voting or other equity securities of Altus, or (iii) by Altus if Apache fails to perform any of its covenants or obligations due to willful misconduct of certain key personnel and such failure has a material adverse financial impact on Altus.

Purchase Rights and Restrictive Covenants Agreement

At the closing of the Business Combination, we and Apache entered into a purchase rights and restrictive covenants agreement (the "Purchase Rights and Restrictive Covenants Agreement"). Under the Purchase Rights and Restrictive Covenants Agreement, until the later of the five-year anniversary of the Closing and the date on which Apache and its affiliates cease to own a majority of our voting common stock, Apache is obligated to provide us with (i) the first right to pursue any opportunity (including any expansion opportunities) of Apache to acquire or invest, directly or indirectly (including equity investments), in any midstream assets or participate in any midstream opportunities located, in whole or part, within an area covering approximately 1.7 million acres in Reeves, Pecos, Brewster, Culberson and Jeff Davis Counties in Texas, and (ii) a right of first offer on certain retained midstream assets of Apache.

Amended and Restated Agreement of Limited Partnership of Altus Midstream

At the closing of the Business Combination, the Company, Altus Midstream GP and Apache entered into the amended and restated limited partnership agreement of Altus Midstream (the "LPA"). Altus Midstream GP is the sole general partner of Altus Midstream and is ultimately responsible for all operational and administrative decisions of Altus Midstream including the day-to-day management of its business. Altus Midstream GP cannot be removed as the general partner of Altus Midstream except by its election and, subject to limited exceptions, may not transfer or assign its general partner interest. The LPA contains certain provisions intended to ensure that a one-to-one ratio is maintained, at all times and subject only to limited exceptions, between (i) the number of outstanding shares of our Class A Common Stock, and the number of common units held by us and (ii) the number of outstanding shares of Class C common stock $0.0001 par value ("Class C Common Stock"), and the number of common units held by Apache.

Lease Agreement

Concurrent with the closing of the Business Combination, Altus Midstream entered into an operating lease agreement with Apache, relating to the use of certain office buildings, warehouse and storage facilities located in Reeves County, Texas (the "Lease Agreement"). Under the terms of the Lease Agreement, Altus Midstream shall pay to Apache on a monthly basis the sum of (i) a base rental charge of $44,500 and (ii) an amount based on Apache's estimate of the annual costs it shall incur in connection with the ownership, operation, repair, and/or maintenance of the facilities. Unpaid amounts accrue interest until settled. The initial term of the Lease Agreement is for four years and may be extended by Altus Midstream for three additional, consecutive periods of twenty-four months.

Title to Properties

Our interest in the real property on which our assets are located derives from leases, easements, rights-of-way, permits, or licenses from landowners or governmental authorities, permitting the use of such land for our operations. We believe that we have satisfactory interests in and to these lands. We have leased or acquired easements, rights-of-way, permits, or licenses in these lands without any material challenge known to us relating to the title to the land upon which our assets are located, and we believe that we have satisfactory interests in such lands. In certain situations, we elected to allow Apache to acquire easements, rights-of-way, permits, and licenses from landowners to expedite the build-out of midstream infrastructure. Other than the aforementioned Apache real property, we have no knowledge of any challenge to the underlying fee title of any material lease, easement, right-of-way, permit, or license held by us or to our title to any material lease, easement, right-of-way, permit, or lease, and we believe that we have satisfactory title to all of our material leases, easements, rights-of-way, permits, and licenses.

Seasonality

While the results of gathering, processing, and transportation are not materially affected by seasonality, from time to time our operations and construction of assets can be impacted by inclement weather.

Competition

The business of providing gathering, compression, processing, and transportation services for natural gas and NGLs is highly competitive. We face strong competition in obtaining natural gas and NGL volumes, including from major integrated and independent exploration and production companies, interstate and intrastate pipelines, and other companies that gather, compress, treat, process, transport, or market natural gas and NGLs. Competition for supplies is primarily based on geographic location of facilities in relation to production or markets, the reputation, efficiency, and reliability of the midstream company, and the pricing arrangements offered by the midstream company. For areas where acreage is not dedicated to us, we will compete with similar enterprises in providing additional gathering, compression, processing, and transportation services in our area of operation.

Regulation

Natural Gas Pipeline Regulation

Intrastate transportation of natural gas is largely regulated by the state in which such transportation takes place. To the extent that an intrastate natural gas transportation system transports natural gas in interstate commerce, the rates, terms, and conditions of such services are subject to Federal Energy Regulatory Commission ("FERC") jurisdiction under Section 311 of the Natural Gas Policy Act of 1978 ("NGPA"). The NGPA regulates, among other things, the provision of transportation services by an intrastate natural gas pipeline on behalf of a local distribution company or an interstate natural gas pipeline. The rates, terms, and conditions of some transportation services provided on our intrastate pipeline are subject to FERC regulation pursuant to Section 311 of the NGPA. Under Section 311 of the NGPA, rates charged for interstate transportation must be fair and equitable, and amounts collected in excess of fair and equitable rates are subject to refund with interest. The terms and conditions of service set forth in the intrastate facility's statement of operating conditions for transportation service under Section 311 of the NGPA are also subject to FERC review and approval. Failure to observe the service limitations applicable to transportation services under Section 311 of the NGPA, failure to comply with the rates approved by the FERC for Section 311 of the NGPA service, and failure to comply with the terms

and conditions of service established in the pipeline's FERC-approved statement of operating conditions could result in an alteration of jurisdictional status and/or the imposition of administrative, civil, and criminal remedies.

Intrastate natural gas operations in Texas are also subject to regulation by various agencies in Texas, principally the Railroad Commission of Texas ("RRC"). Our intrastate pipeline operations in Texas are also subject to the Texas Utilities Code and the Texas Natural Resources Code, as implemented by the RRC. Generally, the RRC is vested with authority to ensure that rates, operations, and services of gas utilities, including intrastate pipelines, are just and reasonable and not discriminatory. The rates charged for transportation services are deemed just and reasonable under Texas law unless challenged in a customer or RRC complaint. Failure to comply with the Texas Utilities Code or the Texas Natural Resources Code can result in the imposition of administrative, civil, and criminal remedies.

Natural Gas Gathering Regulation

Section 1(b) of the Natural Gas Act ("NGA") exempts natural gas gathering facilities from the jurisdiction of the FERC. It is our belief that our natural gas pipeline system meets the traditional tests the FERC has used to establish a pipeline's status as a gathering pipeline not subject to FERC jurisdiction. However, the distinction between FERC-regulated transmission services and federally unregulated gathering services has been the subject of substantial litigation and varying interpretations, so the classification and regulation of our natural gas pipeline system could be subject to change based on future determinations by the FERC and the courts. State regulation of gathering facilities generally includes various safety, environmental and, in some circumstances, nondiscriminatory take requirements and complaint-based rate regulation.

In Texas, our natural gas pipeline system is subject to regulation by the RRC under the Texas Utilities Code and the Texas Natural Resources Code in the same manner as described above for intrastate pipeline transportation facilities. Our natural gas pipeline system is also subject to state ratable take and common purchaser statutes in Texas. The ratable take statute generally requires gatherers to take, without undue discrimination, natural gas production that may be tendered to the gatherer for handling. Similarly, the common purchaser statute generally requires gatherers to purchase without undue discrimination as to source of supply or producer. These statutes are designed to prohibit discrimination in favor of one producer over another producer or one source of supply over another source of supply.

Natural Gas Liquids Pipeline Regulation

Transportation services rendered by us are subject to the regulation of the RRC. The RRC has the authority to regulate our rates, though it generally has not investigated the rates or practices of intrastate pipelines in the absence of shipper complaints.

Employee Safety

We comply with the requirements of the Occupational Safety and Health Administration ("OSHA") and comparable state laws that regulate the protection of the health and safety of workers. In addition, with respect to OSHA hazard communication standards, we believe that our operations are in substantial compliance with OSHA requirements, including general industry standards, hazard communication, record keeping requirements, and monitoring of occupational exposure to regulated substances.

Pipeline Safety Regulations

Some of our pipelines are subject to regulation by the U.S. Department of Transportation's ("DOT") Pipeline and Hazardous Materials Safety Administration ("PHMSA") pursuant to the Natural Gas Pipeline Safety Act of 1968 ("NGPSA"), with respect to natural gas, and the Hazardous Liquids Pipeline Safety Act of 1979 ("HLPSA"), with respect to NGLs. Both the NGPSA and the HLPSA were amended by the Pipeline Safety Act, the Accountable Pipeline Safety and Partnership Act of 1996, the Pipeline Safety Improvement Act of 2002 ("PSIA"), as reauthorized and amended by the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006, the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (" 2011 Pipeline Safety Act"), and the Pipelines and Enhancing Safety Act of 2016. The NGPSA and HLPSA regulate safety requirements in the design, construction, operation, and maintenance of natural gas, crude oil, and NGL pipeline facilities, while the PSIA establishes mandatory inspections for all U.S. crude oil, NGL, and natural gas transmission pipelines in high consequence areas ("HCAs").

PHMSA has developed regulations that require pipeline operators to implement integrity management programs, including more frequent inspections and other measures to ensure pipeline safety in HCAs. The regulations require operators to, among other things:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a HCA;

- improve data collection, integration, and analysis;
- repair and remediate pipelines as necessary; and
- implement preventive and mitigating actions.

The 2011 Pipeline Safety Act, among other things, increased the maximum civil penalty for pipeline safety violations and directed the Secretary of Transportation to promulgate rules or standards relating to expanded integrity management requirements, automatic or remote-controlled valve use, excess flow valve use, leak detection system installation, and testing to confirm the material strength of pipe operating above 30 percent of specified minimum yield strength in HCAs. Consistent with the act, PHMSA finalized rules that increased the maximum administrative civil penalties for violation of the pipeline safety laws and regulations to $200,000 per violation per day, with a maximum of $2.0 million for a series of violations. Effective April 27, 2017, those maximum civil penalties were increased to $209,002 per violation per day, with a maximum of $2.09 million for a series of violations, to account for inflation. PHMSA has also issued a final rule applying safety regulations to certain rural low-stress hazardous liquid pipelines that were not covered previously by some of its safety regulations.

PHMSA regularly revises its pipeline safety regulations. For example, in March 2015, PHMSA finalized new rules applicable to gas and hazardous liquid pipelines that, among other changes, impose new post-construction inspections, welding, gas component pressure testing requirements, as well as requirements for calculating pressure reductions for immediate repairs on liquid pipelines. Subsequently, in October 2015, PHMSA proposed new regulations for hazardous liquid pipelines that would significantly extend and expand the reach of certain PHMSA integrity management requirements (i.e., periodic assessments, leak detection, and repairs), regardless of the pipeline's proximity to a HCA. The proposal also requires new reporting requirements for certain unregulated pipelines, including all gathering lines. Additional future regulatory action expanding PHMSA jurisdiction and imposing stricter integrity management requirements is likely. For example, in December 2015, the Senate Commerce Committee approved legislation that, among other things, requires PHMSA to conduct an assessment of its inspections process and integrity management programs for natural gas and hazardous liquid pipelines. The legislation would also require PHMSA to prioritize various rulemakings required by the 2011 Pipeline Safety Act and propose and finalize the rules mandated by the act. In April 2016, pursuant to one of the requirements of the 2011 Pipeline Safety Act, PHMSA published a proposed rulemaking that would expand integrity management requirements and impose new pressure testing requirements on currently regulated gas transmission pipelines. The proposal would also significantly expand the regulation of gathering lines, subjecting previously unregulated pipelines to requirements regarding damage prevention, corrosion control, public education programs, maximum allowable operating pressure limits, and other requirements.

In addition, on January 13, 2017, PHMSA issued a pre-publication final rule that included new hazardous liquid pipeline safety regulations extending certain regulatory reporting requirements to all hazardous liquid gathering (including oil) pipelines. The final rule required additional event-driven and periodic inspections, required the use of leak detection systems on all hazardous liquid pipelines, modified repair criteria, and required certain pipelines to eventually accommodate in-line inspection tools. However, on January 24, 2017, PHMSA withdrew the final rule for further review in compliance with a regulatory freeze implemented by the Trump Administration on January 20, 2017.

On January 23, 2017, PHMSA published in the Federal Register amendments to the pipeline safety regulations to address requirements of the 2011 Pipeline Safety Act and to update and clarify certain regulatory requirements regarding notifications of accidents and incidents. The final rule also adds provisions for cost recovery for design reviews of certain new projects, renews existing special permits, and incorporates certain standards for in-line inspections and stress corrosion cracking assessments. The effective date of the final rule would have been March 24, 2017; however, the rule was also subject to the regulatory freeze implemented by the Trump Administration. PHMSA recently announced its intention to reissue both rules, with certain changes, in 2019.

States are largely preempted by federal law from regulating pipeline safety for interstate lines but most are certified by the DOT to assume responsibility for enforcing federal intrastate pipeline regulations and inspection of intrastate pipelines. States may adopt stricter standards for intrastate pipelines than those imposed by the federal government for interstate lines; however, states vary considerably in their authority and capacity to address pipeline safety. State standards may include requirements for facility design and management in addition to requirements for pipelines. We believe that our pipeline operations are in substantial compliance with applicable PHMSA and state requirements; however, due to the possibility of new or amended laws and regulations or reinterpretation of existing laws and regulations, there can be no assurance that future compliance with PHMSA or state requirements will not have a material adverse effect on our financial condition, results of operations, or cash flows.

Environmental Matters

General

Many of the operations and activities of our pipelines, gathering systems, processing plants, and other facilities are subject to significant federal, state, and local environmental laws and regulations, the violation of which can result in administrative, civil, and criminal penalties, including civil fines, injunctions, or both. Compliance with existing and anticipated environmental laws and regulations increases our overall costs of doing business, including costs of planning, constructing, and operating plants, pipelines, and other facilities, as well as capital expenditures necessary to maintain or upgrade equipment and facilities. Similar costs are likely upon changes in laws or regulations and upon any future acquisition of operating assets.

Any failure to comply with applicable environmental laws and regulations, including those relating to equipment failures, and obtaining required governmental approvals, may result in the assessment of administrative, civil, or criminal penalties, imposition of investigatory or remedial activities and, in certain less common circumstances, issuance of temporary or permanent injunctions or construction or operation bans or delays. We regularly evaluate our operations and routinely review and update governmental approvals as necessary.

The continuing trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment, and, 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 currently anticipated. Moreover, risks of process upsets, accidental releases, or spills are associated with possible future operations, and we cannot assure you that we will not incur significant costs and liabilities, including those relating to claims for damage to property and persons as a result of any such upsets, releases, or spills. We may be unable to pass on current or future environmental costs to our customers. A discharge or release of hydrocarbons, hazardous substances, or solid wastes into the environment could, to the extent losses related to the event are not insured, subject us to substantial expense, including both the cost to comply with applicable laws and regulations and to pay fines or penalties that may be assessed and the cost related to claims made by neighboring landowners and other third-parties for personal injury or damage to natural resources or property.

We believe that our operations are in substantial compliance with applicable environmental regulations, and we attempt to anticipate future regulatory requirements that might be imposed and plan accordingly. While any new or amended laws and regulations or reinterpretation of existing laws and regulations would not be expected to be any more burdensome to us than to other, similarly situated operators, there can be no assurance that future compliance with any new environmental requirements will not have an adverse effect on our financial condition, results of operations or cash flows.

Hazardous Substances and Solid Waste

Environmental laws and regulations that relate to the release of hazardous substances or solid wastes into soils, sediments, groundwater, and surface water and/or include measures to prevent and control pollution may pose the highest potential cost. These laws and regulations generally regulate the generation, storage, treatment, transportation, and disposal of solid wastes and hazardous substances and may require investigatory and corrective actions at facilities where such waste or substance may have been released or disposed. For instance, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), also known as the federal “Superfund” law, and comparable state laws impose liability without regard to fault or the legality of the original conduct on certain classes of persons that contributed to a release of a “hazardous substance” into the environment. Potentially responsible persons include the owner or operator of the site where a release occurred and companies that disposed or arranged for the disposal of the hazardous substances found at an off-site location, such as a landfill. Under CERCLA, these persons may be subject to joint and several liability for the costs of cleaning up and restoring sites where hazardous substances have been released into the environment and for damages to natural resources. CERCLA also authorizes the U.S. Environmental Protection Agency (“EPA”) and, in some cases, third parties to take actions in response to threats to public health or the environment and to seek recovery of costs they incur from the potentially responsible classes of persons. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances or solid wastes released into the environment. Although petroleum, natural gas, and NGLs are excluded from CERCLA’s definition of a “hazardous substance,” in the course of ordinary operations, we may generate wastes that may fall within the definition of a “hazardous substance.” In addition, there are other laws and regulations that can create liability for releases of petroleum, natural gas, or NGLs. Moreover, we may be responsible under CERCLA or other laws for all or part of the costs required to clean up sites at which such substances have been released or disposed. We have not received any notification that the Company may be potentially responsible for cleanup costs under CERCLA or any analogous federal, state, or local law.

We also generate, and may in the future generate, both hazardous and nonhazardous solid wastes that are subject to the requirements of the Resource Conservation and Recovery Act ("RCRA") and/or comparable state statutes. From time to time, the EPA and state regulatory agencies have considered the adoption of stricter disposal standards for nonhazardous wastes, including crude oil, condensate, and natural gas wastes. Moreover, it is possible that some wastes we generate that are currently exempted from the definition of hazardous waste may in the future lose this exemption and be designated as "hazardous wastes," resulting in the wastes being subject to more rigorous and costly management and disposal requirements. Additionally, the Toxic Substances Control Act ("TSCA") and analogous state laws impose requirements on the use, storage, and disposal of various chemicals and chemical substances. Changes in applicable laws or regulations may result in an increase in our capital expenditures or plant operating expenses or otherwise impose limits or restrictions on its production and operations.

Solid waste disposal practices within the oil, natural gas and NGL industries have improved over the years with the passage and implementation of various environmental laws and regulations. While we are not aware of any significant releases of hydrocarbons or other solid wastes on or under the various properties owned, leased, or operated by us, such releases may nevertheless have occurred during the prior operating history of those properties. In addition, a number of these properties may have been operated by third parties over whose operations and hydrocarbon and waste management practices we had no control. These properties and any wastes disposed thereon may be subject to the Safe Drinking Water Act, CERCLA, RCRA, TSCA, and analogous state laws. Under these laws, we could be required, alone or in participation with others, to remove or remediate previously disposed wastes or property contamination, if present, including groundwater contamination, or to take action to prevent future contamination.

Air Emissions

Our current and future operations are subject to the Clean Air Act ("CAA") and regulations promulgated thereunder and under comparable state laws and regulations. These laws and regulations regulate emissions of air pollutants from various industrial sources, including our facilities, and impose various control, monitoring, and reporting requirements. Pursuant to these laws and regulations, we may be required to obtain environmental agency pre-approval for the construction or modification of certain projects or facilities expected to produce air emissions or result in an increase in existing air emissions, obtain and comply with the terms of air permits, which include various emission and operational limitations, or use specific emission control technologies to limit emissions. We likely will be required to incur certain capital expenditures in the future for air pollution control equipment in connection with maintaining or obtaining governmental approvals addressing air emission-related issues. Failure to comply with applicable air statutes or regulations may lead to the assessment of administrative, civil, or criminal penalties and may result in the limitation or cessation of construction or operation of certain air emission sources or require us to incur additional capital expenditures. Although we can give no assurances, we believe such requirements will not have a material adverse effect on our financial condition, results of operations, or cash flows, and the requirements are not expected to be more burdensome to us than to any similarly situated company.

Effective May 15, 2012, the EPA promulgated rules under the CAA that established new air emission controls for oil and natural gas production, pipelines, and processing operations under the New Source Performance Standards ("NSPS") and National Emission Standards for Hazardous Air Pollutants ("NESHAPs") programs. These rules require the control of emissions through reduced emission (or "green") completions and establish specific new requirements regarding emissions from wet seal and reciprocating compressors, pneumatic controllers, and storage vessels at production facilities, gathering systems, boosting facilities, and onshore natural gas processing plants. In addition, the rules revised existing requirements for volatile organic compound ("VOC") emissions from equipment leaks at onshore natural gas processing plants by lowering the leak definition for valves from 10,000 parts per million to 500 parts per million and requiring the monitoring of connectors, pumps, pressure relief devices, and open-ended lines. In October 2012, several challenges to the EPA's NSPS and NESHAPs rules for the industry were filed by various parties, including environmental groups and industry associations. In a January 16, 2013 unopposed motion to hold this litigation in abeyance, the EPA indicated that it may reconsider some aspects of the rules. The case remains in abeyance. The EPA has since revised certain aspects of the rules and has indicated that it may reconsider other aspects of the rules. Depending on the outcome of such proceedings, the rules may be further modified or rescinded or the EPA may issue new rules. The Company cannot predict the costs of compliance with any modified or newly issued rules.

In partial response to the issues raised regarding the 2012 rulemaking, the EPA published new rules in June 2016 to regulate emissions of methane and VOCs from new and modified sources in the oil and gas sector. However, in April 2017, the EPA announced that it will review this rule for new, modified, or reconstructed facilities and will initiate reconsideration proceedings to potentially revise or rescind portions of the rule. Subsequently, on May 31, 2017, the EPA issued a 90-day stay of certain requirements under the rule, but this stay was vacated by a three-judge panel of the U.S. Court of Appeals for the D.C. Circuit on July 3, 2017 and again by an en banc D.C. Circuit on July 31, 2017. In the interim, on July 16, 2017, the EPA issued a proposed rule that would provide a two-year extension of the initial 90-day stay, but the proposed rule was never finalized. Instead, in February 2018, the EPA finalized amendments to some of the requirements, although the EPA's reconsideration of other aspects of the rule is ongoing. Substantial uncertainty exists with respect to implementation of this methane rule. The EPA has also finalized

a rule regarding alternative criteria for aggregating multiple small surface sites into a single source for air quality permitting purposes. This rule could cause small facilities, on an aggregate basis, to be deemed a major source, thereby triggering more stringent air permitting processes and requirements across the oil and gas industry. During the Obama Administration, other federal agencies, including the Bureau of Land Management ("BLM"), PHMSA, and the Department of Energy, proposed or finalized new or more stringent regulations for the oil and gas sector in order to further reduce methane emissions. For example, the BLM adopted new rules on November 15, 2016, to reduce venting, flaring, and leaks during oil and natural gas production activities on onshore federal and Indian leases. On June 15, 2017, the BLM postponed indefinitely compliance dates for certain aspects of these rules, pending judicial review, but a court subsequently enjoined the postponement. In February 2018, the BLM proposed to repeal certain of the requirements of the 2016 methane rule. Several states filed judicial challenges to the BLM's proposed repeal. In April 2018, a federal court stayed the litigation pending finalization or withdrawal of the BLM's February 2018 proposal. As a result of this continued regulatory focus and other factors, additional air emissions regulation of the oil and gas industry remains possible. Compliance with such rules could result in additional costs, including increased capital expenditures and operating costs for us and for other companies in its industry. While we are not able at this time to estimate such additional costs, as is the case with similarly situated entities in the industry, such costs could be significant. Compliance with such rules, as well as any new state rules, may also make it more difficult for our suppliers and customers to operate, thereby reducing the volume of natural gas transported through our pipelines, which may adversely affect our business.

Climate Change

In December 2009, the EPA determined that emissions of certain gases, commonly referred to as "greenhouse gases" ("GHGs") (which include methane, the major component of natural gas), present an endangerment to public health and the environment based on a conclusion that emissions of such gases are contributing to the warming of the earth's atmosphere and other climatic changes. Based on these findings, the EPA has adopted regulations under existing provisions of the CAA that, among other things, establish Prevention of Significant Deterioration ("PSD") construction and Title V operating permit reviews for certain large stationary sources that emit GHGs. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet "best available control technology" standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore crude oil and natural gas production sources in the U.S. on an annual basis. In addition, efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. Because regulation of GHG emissions is relatively new, further regulatory, legislative, and judicial developments are likely to occur. Such developments in GHG initiatives may affect us and other companies operating in the oil and gas industry. In addition to these developments, certain tort claims alleging property damage have been brought against GHG emissions sources, which may increase our litigation risk for such claims. In addition, in 2015, the United States participated in the United Nations Conference on Climate Change, which led to the creation of the Paris Agreement. The Paris Agreement entered into force November 4, 2016, and requires countries to review and "represent a progression" in their intended nationally determined contributions, which set GHG emission reduction goals every five years beginning in 2020. On June 1, 2017, President Trump announced that the United States plans to withdraw from the Paris Agreement and to seek negotiations either to reenter the Paris Agreement on different terms or to establish a new framework agreement. The Paris Agreement provides for a four-year exit process beginning when it took effect in November 2016, which would result in an effective exit date of November 2020. The United States' adherence to the exit process and/or the terms on which the United States may reenter the Paris Agreement or a separately negotiated agreement are unclear at this time. Due to the uncertainties surrounding the regulation of and other risks associated with GHG emissions, we cannot predict the financial impact of related developments.

Federal or state legislative or regulatory initiatives that regulate or restrict emissions of GHG in areas in which we conduct business could adversely affect the availability of, or demand for, the products we store, transport, and process and, depending on the particular program adopted, could increase the costs of our operations, including costs to operate and maintain our facilities, install new emission controls on our facilities, acquire allowances to authorize our GHG emissions, pay any taxes related to our GHG emissions, and/or administer and manage a GHG emissions program. We may be unable to recover any such lost revenues or increased costs in the rates we charge our customers, and any such recovery may depend on events beyond our control, including the provisions of any final legislation or regulations. Reductions in our revenues or increases in our expenses as a result of climate control initiatives could have adverse effects on our business, financial condition, results of operations, or cash flows.

Hydraulic Fracturing and Wastewater

The Federal Water Pollution Control Act (the "CWA") and comparable state laws impose restrictions and strict controls regarding the discharge of pollutants, including NGL-related wastes, into state waters or waters of the United States. In June 2015, the EPA and the United States Army Corps of Engineers (the "Army Corps") finalized a rule intended to clarify the meaning of the term "waters of the United States," which establishes the scope of regulated waters under the CWA (the "WOTUS rule"). The rule has been challenged and was stayed by federal courts. In February 2017, the Trump Administration issued an Executive Order

directing the EPA and the Army Corps to review and, consistent with applicable law, to initiate a rulemaking to rescind or revise the WOTUS rule. The EPA and the Army Corps published a notice of intent to review and rescind or revise the rule in March 2017. In addition, the U.S. Department of Justice filed a motion with the U.S. Supreme Court in March 2017 requesting that the U.S. Supreme Court stay the suit concerning which court should hear challenges to the rule. The U.S. Supreme Court denied the motion in April 2017. In June 2017, the EPA and the Army Corps proposed a rule that would initiate the first step in a two-step process intended to review and revise the definition of "waters of the United States" consistent with President Trump's executive order. Under the proposal, the first step would be to rescind the May 2015 final rule and put back into effect the narrower language defining "waters of the United States" under the CWA that existed prior to the WOTUS rule. The second step would be a notice-and- comment rulemaking in which the agencies will conduct a substantive reevaluation of the definition of "waters of the United States". If upheld, the WOTUS rule will expand federal jurisdiction under the CWA and could significantly expand federal control of land and water resources across the U.S., triggering substantial additional permitting and regulatory requirements. Regulations promulgated pursuant to the CWA require that entities that discharge into federal and state waters obtain National Pollutant Discharge Elimination System permits and/or state permits authorizing these discharges. The CWA and analogous state laws assess administrative, civil, and criminal penalties for discharges of unauthorized pollutants into waters of the U.S. and impose substantial liability for the costs of removing spills from such waters. In addition, the CWA and analogous state laws require that individual permits or coverage under general permits be obtained by covered facilities for discharges of storm water runoff. We believe that we are in substantial compliance with CWA permitting requirements as well as the conditions imposed by our permits and that continued compliance with such existing permit conditions will not have a material effect on financial condition, results of operations, or cash flows.

It is common for our customers or suppliers to recover natural gas from deep shale formations through the use of hydraulic fracturing, combined with sophisticated horizontal drilling. Hydraulic fracturing is an important and commonly used process in the completion of wells by oil and gas producers. Hydraulic fracturing involves the injection of water, sand, and chemical additives under pressure into rock formations to stimulate gas production. Due to public concerns raised regarding potential impacts of hydraulic fracturing on groundwater quality, legislative and regulatory efforts at the federal level and in some states and localities have been initiated to require or make more stringent the permitting and other regulatory requirements for hydraulic fracturing operations of our customers and suppliers. There are certain governmental reviews either underway or being proposed that focus on environmental aspects of hydraulic fracturing practices. On December 13, 2016, the EPA released a study of the potential adverse effects that hydraulic fracturing may have on water quality and public health, concluding that there is scientific evidence that hydraulic fracturing activities potentially can impact drinking water resources in the United States under some circumstances. This study or similar studies could spur initiatives to further regulate hydraulic fracturing. In June 2016, the EPA finalized rules prohibiting discharges of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants, but, in October 2017, the U.S. Court of Appeals for the Third Circuit granted an EPA petition for voluntary remand. The rule is currently under review. The EPA has also issued an advance notice of proposed rulemaking under the TSCA to gather information regarding the potential regulation of chemical substances and mixtures used in oil and gas exploration and production. Also, effective June 24, 2015, BLM adopted rules regarding well stimulation, chemical disclosures, water management, and other requirements for hydraulic fracturing on federal and Indian lands, which the BLM subsequently repealed in December 2017. The BLM's repeal has been challenged in court.

Additional regulatory burdens in the future, whether federal, state, or local, could increase the cost of or restrict the ability of our customers or suppliers to perform hydraulic fracturing. As a result, any increased federal, state, or local regulation could reduce the volumes of crude oil and natural gas that our customers move through our gathering and processing systems, which would materially adversely affect our financial condition, results of operations, or cash flows.

Endangered Species and Migratory Birds

The Endangered Species Act of 1973 ("ESA") and analogous state laws restrict activities that may affect endangered or threatened species or their habitats. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act of 1918 ("MBTA"). Some of Altus Midstream's pipelines may be located in areas that are designated as habitats for endangered or threatened species or flightways for migratory birds, potentially exposing it to liability for impacts on an individual member of a species or to habitat. The ESA can also make it more difficult to secure a federal permit for a new pipeline.

As a result of a 2011 settlement agreement, the U.S. Fish and Wildlife Service ("FWS") is required to make a determination on listing of numerous species as endangered or threatened under the ESA. The FWS agreed to complete the review by the end of the agency's 2017 fiscal year. The agency missed the deadline but continues to review species for listing under the ESA. On July 19, 2018, the FWS announced a series of proposed changes to the rules implementing the ESA, including proposed revisions to the regulations governing interagency cooperation, listing species and delisting critical habitat, and prohibitions related to threatened wildlife and plants. The proposed revisions are intended to streamline these processes and create more flexibility for the FWS when making ESA-related decisions. It is not possible at this time to accurately predict how such changes, if adopted, would impact our operations. For more information, please read Item 1A — Risk Factors of this Form 10-K.

In addition, the federal government recently has issued indictments under the MBTA to several oil and natural gas companies after migratory birds were found dead near their operations. However, in December 2017, the U.S. Department of the Interior issued a new opinion revoking its prior enforcement policy and concluded that an incidental take is not a violation of the MBTA.

Emerging Growth Company Status

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups ("JOBS") Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities and the prices of our securities may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We do not intend to take advantage of the benefits of this extended transition period.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A Common Stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

Employees

We have no employees. Per the terms of the COMA, Apache will operate, maintain and administer our operations, and Apache will also provide management services.

Offices

We do not own any real estate or other physical properties materially important to our operation. Our executive office is located at One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400. Concurrent with the closing of the Business Combination, Altus Midstream entered into the Lease Agreement with Apache, relating to the use of certain office buildings, warehouse and storage facilities located in Reeves County, Texas. Under the terms of the Lease Agreement, Altus Midstream shall pay to Apache on a monthly basis the sum of (i) a base rental charge of $44,500 and (ii) an amount based on Apache's estimate of the annual costs it shall incur in connection with the ownership, operation, repair, and/or maintenance of the facilities. Unpaid amounts accrue interest until settled. The initial term of the Lease Agreement is for four years and may be extended by Altus Midstream for three additional, consecutive periods of twenty-four months.

ITEM 1A. RISK FACTORS

RISK FACTORS

The following risk factors apply to our business and operations. These risk factors are not exhaustive and investors are encouraged to perform their own investigation with respect to our business, financial condition and prospects. You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10-K, including matters addressed in the section entitled "Forward-Looking Statements and Risk." We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may also impair our business or financial condition. The following discussion should be read in conjunction with our financial statements and notes to the financial statements included herein.

Risks Related to the Business of Altus Midstream

Our business activities and the value of our securities are subject to significant hazards and risks, including those described below. If any of such events should occur, our business, financial condition, liquidity, and/or results of operations could be materially harmed, and holders and purchasers of our securities could lose part or all of their investments. Additional risks relating to our securities may be included in the prospectuses for securities we issue in the future.

We derive a substantial portion of our revenue from Apache, and our plans for growth will heavily depend on Apache's growth in Alpine High. If Apache changes its business strategy in Alpine High, alters its current drilling and development plan on acreage dedicated to us, or otherwise significantly reduces the volumes of natural gas or NGLs with respect to which we perform midstream services, our revenue would decline and our business, financial condition, results of operations, and cash flows would be materially and adversely affected.

All of our current commercial agreements are with Apache, and, as a result, we derive substantially all of our revenue from Apache. Going forward, we expect Apache to be a significant driver of any growth in our revenue. Accordingly, we will be subject to the operational and business risks of Apache, the most significant of which include the following:

- a reduction in or slowing of Apache's drilling and development plans for the acreage dedicated to the Company, which would directly and adversely impact demand for our midstream services;
- the price, and the volatility of the price, of crude oil, natural gas, and NGLs, which could have a negative effect on Apache's drilling and development plans for the acreage dedicated to the Company or Apache's ability to finance its operations and drilling and completion costs relating to the acreage dedicated to us;
- the availability of capital on an economic basis to fund Apache's exploration and development activities;
- drilling and operating risks, including potential environmental liabilities, associated with Apache's operations on the acreage dedicated to the Company;
- downstream processing and transportation capacity constraints and interruptions, including the failure of Apache to have sufficient contracted transportation capacity; and
- adverse effects of increased or changed governmental and environmental regulation or enforcement of existing regulation.

In addition, we will be indirectly subject to the business risks of Apache generally and other factors, including, among others:

- Apache's financial condition, credit ratings, leverage, market reputation, liquidity, and cash flows;
- Apache's ability to maintain or replace its reserves;
- adverse effects of governmental and environmental regulation on Apache's upstream operations; and
- losses, if any, from Apache's pending or future litigation.

Further, we do not have control over Apache's business decisions and operations, and Apache is under no obligation to adopt a business strategy that is favorable to us. For example, Apache may decide to allocate capital that we expect to be spent in Alpine High to other parts of its business. Thus, we will be subject to the risk of cancellation of planned development, nonperformance of commitments with respect to future dedications, and other nonpayment or nonperformance by Apache, including with respect to our commercial agreements, which do not contain minimum volume commitments. Furthermore, we cannot predict the extent to which Apache's businesses would be impacted if conditions in the energy industry were to deteriorate nor can we estimate the

impact such conditions would have on Apache's ability to execute its drilling and development plan on the acreage dedicated to the Company or to perform under our commercial agreements. Any material nonpayment or nonperformance by Apache under our commercial agreements would have a significant adverse impact on our business, financial condition, results of operations, and cash flows.

The long-term commercial agreements between the Company and Apache have initial terms of approximately 14 years, through March 31, 2032, which may be extended by Apache for two five-year periods. There is no guarantee that Apache will extend these agreements beyond the initial terms or that we will be able to renew or replace these agreements on equal or better terms, or at all, upon their expiration. Our ability to renew or replace these commercial agreements following their expiration at rates sufficient to maintain the current revenues and cash flows of the Company could be adversely affected by activities beyond our control, including the activities of our competitors and Apache.

In addition to our commercial agreements with Apache, we may engage in significant business with new third-party customers or enter into material commercial contracts with customers with whom we do not have material commercial arrangements or commitments today and who may not have investment grade credit ratings. To the extent the Company derives substantial income from, or commits to capital projects to service, new or existing customers, each of the risks indicated above would apply to such arrangements and customers.

Because we have a limited operating history and have generated minimal revenues and operating cash flows, it may be difficult to evaluate our business and ability to successfully implement our business strategy.

Because of the Company's limited operating history, the operating performance of our assets and business strategy are not yet proven. Construction of our midstream assets began in the fourth quarter of 2016, and the Company has only generated minimal revenues and operating cash flows since such time. As a result, it may be difficult for you to evaluate the Company's business and results of operations to date and to assess our future prospects.

In addition, we may encounter risks and difficulties experienced by companies whose performance is dependent upon newly constructed assets, such as our assets failing to function as expected, higher than expected operating costs, equipment breakdown or failures, and operational errors. We may be less successful in achieving a consistent operating level capable of generating cash flows from our operations as compared to a company whose major assets have had longer operating histories. In addition, we may be less equipped to identify and address operating risks and hazards in the conduct of our business than those companies whose major assets have had longer operating histories.

If we are unable to exercise the outstanding joint venture equity options on economically acceptable terms, our future growth will be limited.

Our growth strategy includes acquiring joint venture equity interests in or benefiting from certain midstream pipeline projects pursuant to the options contributed by Apache as part of the Business Combination. If the Company is unable to exercise one or more of the options, either because we do not have adequate funds available or we are unable to obtain financing to fund the applicable exercise price on economically acceptable terms or at all, then our future growth will be limited.

In addition, from time to time, we may evaluate and seek to acquire assets or businesses that we believe complement our existing business and related assets. We may acquire assets or businesses that we plan to use in a manner materially different from their prior owners' uses. Any acquisition involves potential risks, including:

- the inability to integrate the operations of recently acquired businesses or assets, especially if the assets acquired are in a new business segment or geographic area;
- the failure to realize expected volumes, revenues, profitability, or growth;
- the failure to realize any expected synergies and cost savings;
- the coordination of geographically disparate organizations, systems, and facilities;
- the assumption of unknown liabilities;
- the loss of customers or key employees from the acquired businesses; and
- potential environmental or regulatory liabilities and title problems.

Any assessment of these risks will be inexact and may not reveal or resolve all existing or potential problems associated with an acquisition. Realization of any of these risks could adversely affect our financial condition, results of operations, and cash flows. If we consummate any future acquisition, our capitalization and results of operations may change significantly.

We own or operate a portion of our business with one or more joint venture partners or in circumstances where we are not the operator, which may restrict our operational and corporate flexibility; actions taken by other partners or third-party operators may materially impact our financial position and results of operations, and we may not realize the benefits we expect to realize from a joint venture.

As is common in the midstream industry, we own or operate one or more of our properties with one or more joint venture partners, or contract with a third-party to control operations. These relationships require us to share operational and other control, or to defer to another party's control, such that we do not have the flexibility to control the development of these properties. If we do not timely meet our financial commitments in such circumstances, our rights to participate may be adversely affected. If a joint venture partner is unable or fails to pay its portion of development costs or if a third-party operator does not operate in accordance with our expectations, our costs of operations could be increased. We could also incur liability as a result of actions taken by a joint venture partner or third-party operator. Disputes between us and the other party or parties in a joint venture may result in litigation or arbitration that would increase our expenses, delay or terminate projects and distract our officers and directors from focusing their time and effort on our business.

If we are unable to exercise the outstanding joint venture equity options as planned, or if any of the underlying pipelines experience cost overruns or do not generate the cash flows we expect after we exercise, our plans for growth will be impaired.

Our strategy to grow our business depends in part on our ability to exercise the outstanding joint venture equity options, and we can offer no assurance that we will be able to exercise the outstanding options or that, for those that have been, or will be exercised, we will be able to finance the acquisition of the underlying interests in the applicable pipelines or that those pipelines will perform as expected. Our joint venture equity interests and options pertain to pipelines that are either under construction or have not yet commenced construction. The outstanding options have conditions precedent that must be satisfied before we can exercise, some of which are outside of our control. The obligations of each of the parties to close on the exercise of the applicable option are conditioned on (i) no proceeding having been instituted that seeks to restrain, enjoin, or otherwise prohibit or make illegal the closing of such option and (ii) the exercise price having been determined in accordance with the terms of the agreement regarding such option (together, the "Option Closing Conditions"). In addition:

- The obligations of each of the parties to close on the exercise of the Shin Oak Option are conditioned on (i) the NGL purchase agreement between Apache and Enterprise Products Operating LLC not being terminated and (ii) Apache not being in material breach of any provision of such NGL purchase agreement that has not been cured within the periods specified by such NGL purchase agreement.
- The obligation of each of the parties to close on the exercise of the additional 1 percent GCX Option is conditioned on the unanimous approval of the members of Gulf Coast Express Pipeline LLC and the waiver of the preferential purchase rights of such members with respect to the equity interest associated with the additional 1 percent GCX Option. The obligation of Kinder Morgan Texas Pipeline LLC to close on the exercise of the additional 1 percent GCX Option is conditioned on (i) the exercise of the GCX Option in full and (ii) the exercise of the Permian Highway Option in full and, following such exercise of the Permian Highway Option, us holding less than 30 percent of the equity interests in the joint venture operator of the pipeline. In addition, the additional 1 percent GCX Option will terminate automatically upon the termination of certain transaction agreements between Apache and Gulf Coast Express Pipeline LLC.
- The Permian Highway Option will terminate automatically upon the termination of any of the transportation agreements between Apache and Permian Highway Pipeline LLC.

There are no additional obligations of any of the parties to the Salt Creek NGL Pipeline Option to close other than the Option Closing Conditions. As described above, some of such conditions precedent are within the control of Apache, and we will have no ability to ensure Apache's satisfaction of such conditions precedent. If applicable pipelines do not perform as expected, we may experience losses in relation to our joint venture equity interests or the outstanding options (if exercised).

In addition, each of the pipelines is subject to risks associated with construction delays, cost over-runs, operational hazards, environmental matters, regulatory matters, and legal matters, as well as other risks and uncertainties, many of which are beyond the control of the operator of the pipeline. If any of these risks were to materialize, our financial condition, results of operations, and cash flows could be adversely affected.

If we exercise the outstanding options, we will be required to make significant capital contributions to the owners of the pipelines for our share of the capital expenditures spent through the date of exercise and may, from time to time, have to make additional capital contributions, both of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We currently own non-operating interests in certain joint ventures, and may own additional non-operating interests in joint ventures, if we are able to exercise the outstanding options. We will be required to contribute our share of the capital expenditures spent through the date of exercise, including any financing charges for certain of the outstanding options associated with our proportionate share of such capital prior to exercising the applicable option. Thereafter, we will also be required to fund our share of any remaining capital expenditures required to complete construction of the applicable pipeline. Once a pipeline is operational, as a non-operating, minority owner, we will have limited or no control over decisions to make maintenance and capital expenditures on the pipeline. To the extent that the operator of one of the pipelines decides to make additional capital expenditures for the pipeline, we could be required to contribute additional capital to maintain our ownership interest, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We do not have any employees and rely entirely on services provided by Apache's employees.

The Company does not have any employees and relies on Apache's employees. We will rely on Apache's employees to conduct our business and activities pursuant to the COMA. Apache conducts businesses and activities of its own in which we will not have an economic interest. As a result, there could be material competition for the time and effort of the officers and employees who provide services to us and Apache. If Apache's employees who provide services to us do not devote sufficient attention to the management and operation of our business and activities, our business, financial condition, results of operations, and cash flows could be materially and adversely affected.

The COMA is subject to termination by us or Apache under certain circumstances, including if Apache and its affiliates no longer own a direct or indirect interest in at least 50 percent of the voting or other equity securities of the Company. Should the COMA be terminated by us or Apache, we will be required to attract and hire employees to perform the services currently performed by Apache's employees under the COMA or otherwise contract with third parties for the provision of such services, which, in either case, could subject us to substantial additional costs, could cause significant disruptions to our business, may be on terms less favorable than the terms of the COMA, and, as a result, our financial condition, results of operations, and cash flows could be adversely affected.

The services that the Company offers require laborers skilled in multiple disciplines, such as equipment operators, mechanics, and engineers, among others. In the event that the COMA is terminated and the Company is required to attract and hire employees, our business will be dependent on our ability to recruit, retain, and motivate employees. Certain circumstances, such as an aging workforce without appropriate replacements, a mismatch of existing skill sets to future needs, competition for skilled labor, or the unavailability of contract resources, may lead to operating challenges, such as a lack of resources, loss of knowledge, or a lengthy time period associated with skill development. Our costs, including costs for contractors to replace employees, productivity costs, and safety costs, may rise. Failure to hire and adequately train replacement employees, including the transfer of significant internal historical knowledge and expertise to the new employees, or the future availability and cost of contract labor may adversely affect our ability to manage and operate our business. If the Company is unable to successfully attract and retain an appropriately qualified workforce, our financial condition, results of operations, or cash flows could be adversely affected.

Our executive officers and directors may face potential conflicts of interest in managing our business.

Our executive officers and certain directors are also officers or employees of Apache. These relationships may create conflicts of interest regarding corporate opportunities and other matters. The resolution of any such conflicts may not always be in our or our stockholders' best interests. In addition, these overlapping executive officers and directors allocate their time among us and Apache. These officers and directors face potential conflicts regarding the allocation of their time, which may adversely affect our business, results of operations, and financial condition.

All of our gathering and processing operations are located in Alpine High, making us vulnerable to risks associated with having revenue-producing operations concentrated in one geographic area.

Our revenue-producing operations are geographically concentrated in Alpine High of the Southern Delaware Basin of West Texas, causing us to be disproportionately exposed to risks associated with regional factors. The concentration of the Company's operations in this region increases our exposure to unexpected events that may occur in this region, such as natural disasters. Furthermore, the Company may be exposed to increases in costs as a result of regional economic conditions and availability of goods and services. For example, we are relying on temporary power sources until local utilities can install permanent power. If

availability of permanent power from local service providers is delayed, the Company's results of operations could be adversely impacted. In addition, the Company relies on the availability of a skilled labor force, which could become more expensive (or at certain times, unavailable) if the labor market in the Permian Basin continues to tighten. Any one of these events has the potential to have a significant adverse impact on the Company's operations and growth plans, decrease cash flows, increase operating and capital costs, and prevent development within originally anticipated time frames. Any of these risks could adversely affect our financial condition, results of operations, or cash flows.

We are dependent on the supply of natural gas and NGLs to our system, and any decrease in the supply of such commodities could adversely affect our financial condition, results of operations, or cash flows.

We currently generate all of our revenues under agreements with Apache's upstream development located in Alpine High. None of these agreements contain minimum volume commitments, and, therefore, the Company's cash flows will completely depend upon the volumes Apache produces in Alpine High for so long as Apache is our sole customer. Further, the Company may not be able to obtain additional contracts for natural gas and NGL supplies. If the Company is unable to maintain or increase the volumes on our system by accessing new supplies to offset the natural decline in our customers' reserves, our business and financial results could be adversely affected. In addition, the Company's future growth will depend in part upon whether we can contract for additional supplies at a greater rate than the rate of natural decline in our current supplies.

Fluctuations in energy prices can greatly affect production rates and investments by Apache and third parties in the development of new crude oil and natural gas reserves. We could see downward pressure on future drilling activity in Alpine High if commodity prices decline below current levels, which may result in lower volumes. Tax policy changes or additional regulatory restrictions on development could also have a negative impact on drilling activity, reducing supplies of product available to the Company's system and assets. We have no control over Apache or other producers and depend on them to maintain sufficient levels of drilling activity. An ongoing decrease in the level of drilling activity or a material decrease in production in the Company's area of operation for a prolonged period, as a result of continued depressed commodity prices or otherwise, would adversely affect our financial condition, results of operations, and cash flow.

If third-party pipelines or other facilities interconnected to our midstream systems become partially or fully unavailable, or if the volumes we gather or treat do not meet the quality requirements of such pipelines or facilities, our business, financial condition, results of operations and cash flows could be adversely affected.

Our midstream systems are connected to other pipelines or facilities, the majority of which are owned by third parties. The continuing operation of such third-party pipelines or facilities is not within our control. If any of these pipelines or facilities becomes unable to transport, treat or process natural gas and/or NGLs, or if the volumes we gather or transport do not meet the quality requirements of such pipelines or facilities, our business, financial condition, results of operations, and cash flows could be adversely affected.

Any decrease in the volumes that we gather, process, or transport would adversely affect our financial condition, results of operations, or cash flows.

The Company's financial performance depends to a large extent on the volumes of natural gas and NGLs gathered, processed, and transported on our assets. Decreases in the volumes of natural gas and NGLs that we gather, processes, or transport would directly and adversely affect our financial condition, results of operations, or cash flows. These volumes can be influenced by factors beyond our control, including:

- environmental or other governmental regulations;
- weather conditions;
- increases in storage levels of natural gas and NGLs;
- increased use of alternative energy sources;
- decreased demand for natural gas and NGLs;
- continued fluctuation in commodity prices, including the prices of natural gas and NGLs;
- economic conditions;
- supply disruptions;
- availability of supply connected to the Company's systems; and
- availability and adequacy of infrastructure to gather and process supply into and out of the Company's systems.

The volumes of natural gas and NGLs gathered, processed, and transported on the Company's assets also depend on the production from the region that supplies our systems. Supply of natural gas and NGLs can be affected by many of the factors listed above, including commodity prices, the decision to recover or reject ethane from rich-gas processed through the Company's rich-gas processing facilities, and weather. In order to increase throughput levels on the Company's system, the Company must obtain new sources of natural gas and NGLs. The primary factors affecting the Company's ability to obtain new sources of natural gas and NGLs includes (i) Apache's drilling activity in our area of operations, (ii) the level of successful leasing, permitting, and drilling activity in our area of operation, (iii) the Company's ability to compete for volumes from new wells, and (iv) the Company's ability to compete successfully for volumes from sources connected to other pipelines. We have no control over the level of drilling activity in our area of operation, the amount of reserves associated with wells connected to our system, or the rate at which production from a well declines. Furthermore, the Company does not have minimum volume commitments in our current commercial agreements with Apache that would otherwise generate a minimum amount of cash in the event that Apache's production in Alpine High declines or ceases. Likewise, the Company has no control over producers or their drilling or production decisions, which are affected by, among other things, commodity prices, the availability and cost of capital, levels of reserves, availability of drilling rigs, and other costs of production and equipment.

Apache may suspend, reduce, or terminate its obligations under its commercial agreements with us in certain circumstances, which could have a material adverse effect on our financial condition, results of operations, and cash flow.

Alpine High Gathering LP, Alpine High Processing LP, Alpine High NGL Pipeline LP, and Alpine High Pipeline LP are parties to a Gas Gathering Agreement, a Gas Processing Agreement, a NGL TSA, and a Residue Gas TSA, respectively, with Apache. Each of these agreements includes provisions that permit Apache to suspend, reduce, or terminate its obligations under the agreement if certain events occur. These events include force majeure events that would prevent the Company from performing some or all of the required services under the applicable agreement. Apache, as the counterparty under these commercial agreements, has the discretion to make such decisions, notwithstanding the fact that they may significantly and adversely affect the Company. Any such reduction, suspension, or termination of Apache's obligations under these agreements would have a material adverse effect on our financial condition, results of operations, and cash flow.

While Apache has granted us a right of first offer to provide additional midstream services and acquire Apache's retained midstream assets in Alpine High, Apache does not have to accept our offer if a competitor provides more attractive economic terms.

Apache has granted us a right of first offer to provide additional midstream services and acquire Apache's retained midstream assets in Alpine High. Although Apache granted us this right of first offer, we can make no assurances that the economic terms that we offer Apache will be acceptable to Apache, and another midstream service provider or a third party may be willing to make an offer to Apache on economic terms that we are unwilling or unable to offer. Our inability to take advantage of the opportunities with respect to the right of first offer could adversely affect our growth strategy.

A significant amount of the revenue currently generated by us is from contracts with Apache that contain most favored nations rights and other consent rights, limiting flexibility to offer certain capacity to new shippers.

All of our system's current available capacity is provided to Apache under the Gas Gathering Agreement, the Gas Processing Agreement, the NGL TSA, and the Residue Gas TSA. The Gas Gathering Agreement, the Gas Processing Agreement, and the NGL TSA contain most favored nations rights ("MFNs") that could result in lower rates being charged to Apache in the event that any of the rates being charged to other customers are less than the similar rates charged to Apache. Triggering the MFNs in the Gas Gathering Agreement, the Gas Processing Agreement, or the NGL TSA could lead to a reduction in revenue generated by the Company, which could adversely affect the Company's financial condition, results of operations, or cash flows. These three agreements also require Apache's consent to offer third-party customers priority of service in the Company's facilities that is at least equal to Apache's priority of service. If Apache refuses to grant such consent, the Company's ability to attract third-party customers to our midstream facilities could be negatively impacted, thereby adversely impacting our ability to grow as expected.

Without Apache's consent, the MFNs effectively limit the Company's flexibility in negotiating rates for some of our services with other shippers to fill excess system capacity, because triggering the MFNs contained in the Gas Gathering Agreement, the Gas Processing Agreement, or the NGL TSA would lead to a reduction in the rates that the Company charges to Apache, which would adversely affect our financial condition, results of operations, or cash flows.

To maintain and grow our business, we are, and will be, required to make substantial capital expenditures.

In order to meet our contractual obligations under the Gas Gathering Agreement and the Gas Processing Agreement with Apache, we will have to make substantial capital investments based on Apache's forecasted development plans in order to have facilities available to provide services at the time Apache commences production from new wells, or shortly thereafter. Apache's plans are subject to change and there is no guarantee that facilities we build will be utilized to provide services consistent with Apache's forecast, or at all. As a result, we could potentially incur material capital expenses that generate no return.

In order to maintain and grow our business, we will need to make substantial capital expenditures to fund growth capital expenditures as well as our share of capital expenditures associated with any of the remaining Pipeline Options and the Additional Option we exercise, if any. If we do not make sufficient or effective capital expenditures, we will be unable to maintain and grow our business, and, as a result, we may be unable to increase our cash flow over the long term. To fund our capital expenditures, we will be required to use cash from our operations, incur debt, engage in structured financing transactions, or sell additional shares of Class A Common Stock or other equity securities. Our ability to obtain bank financing or our ability to access the capital markets for future equity or debt offerings may be limited by our financial condition at the time of any such financing or offering and the covenants in our then-current debt agreements, as well as by general economic conditions, contingencies, and uncertainties that are beyond our control. Also, due to our relationship with Apache, our ability to access the capital markets or the pricing or other terms of any capital markets transactions may be adversely affected by any impairment to the financial condition of Apache or adverse changes in Apache's credit ratings. Any material limitation on our ability to access capital as a result of such adverse changes to Apache could limit our ability to obtain future financing under favorable terms, or at all, or could result in increased financing costs in the future. Similarly, material adverse changes affecting Apache could negatively impact our share price, limiting our ability to raise capital through equity issuances or debt financing, could negatively affect our ability to engage in, expand, or pursue our business activities, or could also prevent us from engaging in certain transactions that might otherwise be considered beneficial to us.

Additionally, the capital and global credit markets have experienced volatility and disruption in the past. In many cases during these periods, the capital markets have exerted downward pressure on equity values and reduced the credit capacity for certain companies. Much of our business is capital intensive, and our ability to grow is dependent, in part, upon our ability to access capital at rates and on terms we determine to be attractive. Similar or more severe levels of global market disruption and volatility may have an adverse effect on us or Apache resulting from, but not limited to, disruption of our or their access to capital and credit markets, difficulty in obtaining financing necessary to expand facilities or acquire assets, increased financing costs and increasingly restrictive covenants. If we or Apache are unable to access capital at competitive rates, our strategy of enhancing the earnings potential of our existing assets, including through capital-growth projects and acquisitions of complementary assets or businesses, may be affected adversely. A number of factors could affect adversely our ability to access capital, including: (i) general economic conditions; (ii) capital market conditions; (iii) market prices for natural gas, NGLs and other hydrocarbons; (iv) the overall health of the energy and related industries; (v) ability to maintain investment-grade credit ratings; (vi) share price and (vii) capital structure. If our ability to access capital becomes constrained significantly, our interest costs and cost of equity will likely increase and could affect adversely our financial condition and future results of operations.

Even if we are successful in obtaining the necessary funds to support our growth plan, the terms of such financings could limit our ability to institute a dividend to our stockholders in the future. In addition, incurring debt will cause us to incur interest expense and increase our financial leverage, and issuing additional shares of Class A Common Stock or other equity interests may result in significant stockholder dilution, which could materially decrease our ability to institute a dividend to our stockholders in the future. While the Company historically received funding from Apache, none of Apache or any of its affiliates is committed to providing any direct or indirect financial support to fund our growth.

Construction of our assets subjects us to risks of construction delays, cost over-runs, limitations on our growth, and negative effects on our financial condition, results of operations, or cash flows.

The Company is engaged in the construction of our assets, some of which will take a number of months before they begin commercial operation. The construction of these assets is complex and subject to a number of factors beyond our control, including delays from third-party landowners, the permitting process, complying with laws, unavailability or increased cost of materials, labor disruptions, labor availability, environmental hazards, financing, accidents, weather, and other factors. Any delay in the completion of the assets could adversely affect the Company's financial condition, results of operations, or cash flows. The construction of pipelines and gathering and processing facilities requires the expenditure of significant amounts of capital, which may exceed the Company's estimated costs. Estimating the timing and expenditures related to these development projects is very complex and subject to variables that can significantly increase expected costs. Should the actual costs of these projects exceed the Company's estimates, our liquidity and capital position could be adversely affected. We rely exclusively on Apache to provide certain services related to the design, development, construction, operation, management, and maintenance of our midstream assets on our behalf pursuant to the COMA. Although the COMA provides for certain fixed annual limits on the support services fee

payable to Apache through 2022, there is no limit on such fees thereafter. As a result, after 2022, we may be required to pay Apache higher fees than would be available from third parties. The COMA is subject to termination by us or Apache under certain circumstances, including if Apache and its affiliates no longer own a direct or indirect interest in at least 50 percent of the voting or other equity securities of the Company. Should the COMA be terminated by us or Apache, we may be forced to contract for services previously provided under the COMA, which may be disruptive to our operations and may be on terms less favorable than the terms of the COMA, and, as a result, our financial condition, results of operations, and cash flows could be adversely affected. Additionally, the COMA provides Apache with broad discretion to enter into contracts on our behalf.

Our construction of new assets may be more expensive than anticipated, may not result in revenue increases, and may be subject to regulatory, environmental, political, legal, and economic risks that could adversely affect our financial condition, results of operations, or cash flows.

The construction of additions or modifications to the Company's existing systems and the construction of new midstream assets (including the pipelines to which the Pipeline Options relate) involves numerous regulatory, environmental, political, and legal uncertainties beyond our control, including potential protests, tariffs on materials used in construction or operations (including steel used to construct pipelines), or legal actions by interested third parties, and may require the expenditure of significant amounts of capital. Financing may not be available on economically acceptable terms or at all. If the Company undertakes these projects, we may not be able to complete them on schedule, at the budgeted cost, or at all. Moreover, the Company's revenues may not increase due to the successful construction of a particular project. For instance, if the Company expands a pipeline or constructs a new pipeline, the construction may occur over an extended period of time, and we may not receive any material increases in revenues promptly following completion of a project or at all. Moreover, the Company may construct facilities to capture anticipated future production growth in an area in which such growth does not materialize. As a result, new facilities may not be able to attract enough throughput to achieve our expected investment return, which could adversely affect the Company's financial condition, results of operations, or cash flows. In addition, the construction of additions to the Company's existing gathering and processing assets will generally require us to obtain new rights-of-way and permits prior to constructing new pipelines or facilities. The Company may be unable to timely obtain such rights-of-way or permits to connect new product supplies to our existing gathering lines or capitalize on other attractive expansion opportunities. Additionally, it may become more expensive for the Company to obtain new rights-of-way or to expand or renew existing rights-of-way. If the cost of renewing or obtaining new rights-of-way increases, our cash flows could be adversely affected.

We may be unable to obtain or renew permits necessary for our operations, which could inhibit our ability to do business.

Performance of the Company's operations require that we obtain and maintain a number of federal, state, and local permits, licenses, and approvals with terms and conditions containing a significant number of prescriptive limits and performance standards in order to operate. All of these permits, licenses, approval limits, and standards require a significant amount of monitoring, record keeping, and reporting in order to demonstrate compliance with the underlying permit, license, approval limit, or standard. Noncompliance or incomplete documentation of the Company's compliance status may result in the imposition of fines, penalties, and injunctive relief. A decision by a government agency to deny or delay the issuance of a new or existing material permit or other approval or to revoke or substantially modify an existing permit or other approval could adversely affect the Company's ability to initiate or continue operations at the affected location or facility or the Company's financial condition, results of operations, or cash flows.

Additionally, in order to obtain permits and renewals of permits and other approvals in the future, the Company may be required to prepare and present data to governmental authorities pertaining to the potential adverse impact that any proposed pipeline or processing-related activities may have on the environment, individually or in the aggregate. Certain approval procedures may require preparation of archaeological surveys, endangered species studies, and other studies to assess the environmental impact of new sites or the expansion of existing sites. Compliance with these regulatory requirements is expensive and significantly lengthens the time required to prepare applications and to receive authorizations.

We do not obtain independent evaluations of hydrocarbon reserves and rely on evaluations of hydrocarbon reserves obtained by our customers; therefore, volumes that we service in the future could be less than anticipated.

The Company does not obtain independent evaluations of hydrocarbon reserves connected to our gathering systems or that we otherwise service, and we rely on reserves reports if and when provided by our customers. Accordingly, the Company does not have independent estimates of total reserves serviced by our assets or the anticipated life of such reserves. If the total reserves or estimated life of these reserves is less than the Company anticipates, in reliance on our customers' reports, and we are unable to secure additional sources, then the volumes transported on the Company's gathering systems or that we otherwise service in the future could be less than anticipated. A decline in such volumes could adversely affect the Company's financial condition, results of operations, or cash flows.

Debt we incur may limit our flexibility to obtain financing and to pursue other business opportunities.

On November 9, 2018, Altus Midstream entered into a credit agreement, which provides for a five-year revolving credit facility for general corporate purposes, with aggregate commitments of $450 million for an initial period until we have met certain requirements, following which, the aggregate commitments will equal $800 million. After the initial period, Altus Midstream may increase commitments up to an aggregate $1.5 billion by adding new lenders or obtaining the consent of any increasing existing lenders. Our future 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 (including building additional gathering and processing assets or exercising the Pipeline Options), or other purposes may be impaired or such financing may not be available on favorable terms;
- our funds available for operations, future business opportunities, and dividends to our stockholders in the future, if any, will be reduced by that portion of our cash flows required to make interest payments on our debt;
- 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 any debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory, and other factors, some of which are beyond our control. If our operating results are not sufficient to service any future indebtedness, we will be forced to take actions such as not instituting a dividend (or reducing or eliminating a dividend, if already instituted), reducing or delaying our business activities, investments, or capital expenditures, selling assets, or issuing equity. We may not be able to effect any of these actions on satisfactory terms or at all.

Our exposure to commodity price risk may change over time.

We currently generate all of our revenues pursuant to fee-based contracts under which we are paid based on the volumes that we gather, process, and transport, rather than the underlying value of the commodity. However, we may enter into contracts or may acquire or develop additional midstream assets in a manner that increases our exposure to commodity price risk. Future exposure to the volatility of crude oil, natural gas, and NGL prices could adversely affect our financial condition, results of operations, or cash flows.

If third-party pipelines or other midstream facilities interconnected to our gathering, processing, or transportation systems become partially or fully unavailable or if the volumes we gather, process, or transport do not meet the quality requirements of the pipelines or facilities to which we connect, our cash flows could be adversely affected.

The Company's gathering, processing, and transportation assets connect to other pipelines or facilities owned and operated by unaffiliated third parties. The Company's continuing access to such third-party pipelines, processing facilities, and other midstream facilities are not within the Company's control. These pipelines, plants, and other midstream facilities may become unavailable because of testing, turnarounds, line repair, maintenance, reduced operating pressure, lack of operating capacity, regulatory requirements, and curtailments of receipt or deliveries due to insufficient capacity or because of damage from severe weather conditions or other operational issues. In addition, if the Company's costs to access and transport on these third-party pipelines significantly increase, our profitability could be reduced. If any such increase in costs occurs, if any of these pipelines or other midstream facilities become unable to receive, transport, or process product, or if the volumes the Company gathers or transports do not meet the product quality requirements of such pipelines or facilities, our cash flows could be adversely affected.

Our industry is highly competitive, and increased competitive pressure could adversely affect our financial condition, results of operations, or cash flows.

We compete with similar enterprises in our industry. The principal elements of competition are rates, terms of service, and flexibility and reliability of service. Our competitors include large midstream companies that have greater financial resources and access to supplies of crude oil, natural gas, and NGLs than the Company. Some of these competitors may expand or construct gathering, processing, transportation, and storage systems that would create additional competition for the services the Company provides to our customers. In addition, potential customers may develop their own gathering systems instead of using the Company's systems. Excess pipeline capacity in the region served by the Company's intrastate pipelines could also increase competition and adversely impact our ability to renew or enter into new contracts with respect to our available capacity when existing contracts expire. The Company's ability to renew or replace existing contracts with our customers at rates sufficient to maintain or increase current revenues and cash flows could be adversely affected by the activities of our competitors and customers. Further, natural

gas utilized as a fuel competes with other forms of energy available to end-users, including electricity, coal, liquid fuels, and sources of alternative energy. Increased demand for such other forms of energy at the expense of natural gas could lead to a reduction in demand for natural gas gathering, processing, and transportation services. Although we do not have employees, Apache's employees perform work for us pursuant to the COMA, and Apache still competes with larger midstream companies in attracting and retaining personnel, including equipment operators, mechanics, engineers, and other specialists. All of these competitive pressures could adversely affect the Company's financial condition, results of operations, or cash flows.

In addition, competition could intensify the negative impact of factors that decrease demand for natural gas in the markets served by the Company's systems, such as adverse economic conditions, weather, higher fuel costs, and taxes or other governmental or regulatory actions that directly or indirectly increase the cost or limit the use of natural gas.

Our ability to institute a dividend will depend on our ability to generate sufficient cash flow, which we may not be able to accomplish.

We may not generate sufficient cash flow to enable us to institute a dividend in the future. Our ability to institute a dividend will principally depend upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things, the volumes of natural gas and NGLs we gather and process, commodity prices, including for crude oil, and other factors impacting our financial condition, some of which are beyond our control.

We may not be able to retain existing customers or acquire new customers, which would reduce our revenues and limit our future profitability.

The renewal or replacement of the Company's existing contracts with our customers at rates sufficient to maintain or increase current revenues and cash flows depends on a number of factors, some of which are beyond the Company's control, including competition from other midstream service providers and the price of, and demand for, crude oil, natural gas, and NGLs in the markets we serve. The inability of the Company to renew or replace our current or future contracts as they expire and to respond appropriately to changing market conditions could have a negative effect on our profitability.

We are exposed to the credit risk of our customers and counterparties, including Apache, and the nonpayment or nonperformance by our customers or counterparties could have an adverse effect on our financial condition, results of operations, or cash flows.

The Company is subject to risks of loss resulting from nonpayment or nonperformance by our customers or other counterparties, including Apache. Any increase in the nonpayment or nonperformance by the Company's customers or other counterparties could adversely affect our financial condition, results of operations, or cash flows. Additionally, equity values for the Company's customers or other counterparties may be low. The combination of a reduction of cash flow resulting from lower commodity prices, a reduction in borrowing bases under reserve-based credit facilities, and the lack of availability of debt or equity financing may result in a significant reduction in the liquidity of the Company's customers or other counterparties and their ability to make payment or perform on their obligations to the Company. Furthermore, some of the Company's customers or other counterparties may be leveraged and subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to the Company.

In the event Apache elects to sell acreage that is dedicated to us to a third party, the third party's financial condition could be materially worse than Apache's, and we could be subject to the nonpayment or nonperformance by the third party.

In the event Apache elects to sell acreage that is dedicated to the Company to a third party, the third party's financial condition could be materially worse than Apache's. In such a case, the Company may be subject to risks of loss resulting from nonpayment or nonperformance by the third party, which risks may increase during periods of economic uncertainty. Furthermore, the third party may be subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to the Company. Any material nonpayment or nonperformance by the third party could adversely impact the business, financial condition, results of operations, and cash flows of the Company.

We are subject to regulation by multiple governmental agencies, which could adversely impact our business, results of operations, and financial condition.

The Company is subject to regulation by multiple federal, state, and local governmental agencies. Proposals and proceedings that affect the midstream industry are regularly considered by Congress, as well as by state legislatures and federal and state regulatory commissions, agencies, and courts. The Company cannot predict when or whether any such proposals or proceedings

may become effective or the magnitude of the impact changes in laws and regulations may have on our business. However, additions to the regulatory burden on the midstream industry can increase the Company's cost of doing business and affect our profitability.

Increased federal, state, and local legislation and regulatory initiatives, as well as government reviews relating to hydraulic fracturing, could result in increased costs and reductions or delays in crude oil, natural gas, and NGL production by our customers, including Apache, which could adversely affect our financial condition, results of operations, or cash flows.

Substantially all of the Company's suppliers' and customers' crude oil, natural gas, and NGL production is developed from unconventional sources, such as deep oil or gas shales, that require hydraulic fracturing as part of the completion process. State legislatures and agencies and other political subdivisions have enacted legislation and promulgated rules to regulate hydraulic fracturing, require disclosure of hydraulic fracturing chemicals, temporarily or permanently ban hydraulic fracturing, and impose additional permit requirements and operational restrictions in certain jurisdictions or in environmentally sensitive areas. EPA and BLM have also issued rules, conducted studies, and made proposals that, if implemented, could either restrict the practice of hydraulic fracturing or subject the process to further regulation. For instance, the EPA has issued final regulations under the CAA establishing performance standards, including standards for the capture of air emissions released during hydraulic fracturing and adopted rules prohibiting the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. The BLM also adopted new rules, effective on January 17, 2017, to reduce venting, flaring, and leaks during oil and natural gas production activities on onshore federal and Indian leases. However, the status of recent and future rules and rulemaking initiatives under the current presidential administration is uncertain. For example, in June 2017, the EPA published a proposed rule to stay certain provisions of the performance standards, but elected not to finalize the stay, and instead, in February 2018, finalized amendments to some of the requirements. In addition, in December 2017, the BLM temporarily suspended some of the new venting and flaring requirements, only to have a court subsequently enjoin the suspension.

State and federal regulatory agencies also have recently focused on a possible connection between the operation of injection wells used for oil and gas waste waters and an observed increase in induced seismicity, which has resulted in some regulation at the state level. As regulatory agencies continue to study induced seismicity, additional legislative and regulatory initiatives could affect the injection well operations of the Company's customers as well.

We cannot predict whether any additional legislation or regulations will be enacted and, if so, what the provisions would be. If additional levels of regulation and permits were required through the adoption of new laws and regulations at the federal, state, or local level, that could lead to delays, increased operating costs, and process prohibitions for the Company's suppliers and customers that could reduce the volumes of natural gas and NGLs that move through our gathering systems, which could materially adversely affect our revenue and results of operations.

Negative public perception regarding us and/or our industry could have an adverse effect on our operations.

Negative public perception regarding us and/or our industry resulting from, among other things, concerns raised by advocacy groups about hydraulic fracturing, waste disposal, oil spills, and explosions of natural gas transmission lines may lead to increased regulatory scrutiny, which may, in turn, lead to new state and federal safety and environmental laws, regulations, guidelines, and enforcement interpretations. These actions may cause operational delays or restrictions, increased operating costs, additional regulatory burdens, and increased risk of litigation. Moreover, governmental authorities exercise considerable discretion in the timing and scope of permit issuance, and the public may engage in the permitting process, including through intervention in the courts. Negative public perception could cause the permits we require to conduct our operations to be withheld, delayed, or burdened by requirements that restrict our ability to profitably conduct our business.

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

We may face opposition to the construction or 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 construction activities or operations, intervention in regulatory or administrative proceedings involving our assets, or lawsuits or other actions designed to prevent, disrupt or delay the construction or 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 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 delays or interrupts the construction of assets or revenues generated by our existing operations, or which causes us to make significant expenditures not covered by insurance, could affect adversely our financial condition, results of operations, cash flows and our share price.

If our assets (including assets acquired in the future pursuant to the Pipeline Options, if any) become subject to FERC regulation or federal, state, or local regulations or policies change, our financial condition, results of operations, and cash flows could be materially and adversely affected.

The Company's natural gas gathering facilities are exempt from regulation by the FERC under the NGA. Section 1(b) of the NGA exempts natural gas gathering facilities from regulation by FERC under the NGA. Although FERC has not made any formal determinations with respect to any of the Company's facilities, our gathering facilities meet the traditional tests FERC has used to establish whether a pipeline is a gathering pipeline not subject to FERC jurisdiction. The distinction between FERC-regulated transmission services and federally unregulated gathering services, however, has been the subject of substantial litigation, and FERC determines whether facilities are gathering facilities on a case-by-case basis. Accordingly, the classification and regulation of the Company's gathering facilities may be subject to change based on future determinations by FERC, the courts, or Congress. If FERC were to consider the status of an individual facility and determine that the facility or services provided by it are not exempt from FERC regulation under the NGA, then the rates for, and terms and conditions of, services provided by such facility would be subject to regulation by FERC under the NGA and the rules and regulations promulgated under that statute. Such regulation could decrease revenue, increase operating costs, and, depending upon the facility in question, could adversely affect the Company's results of operations and cash flows.

The Company's natural gas gathering and transportation facilities are largely regulated by the RRC, and, to the extent that our intrastate natural gas transportation systems transport natural gas in interstate commerce, the rates and terms and conditions of such services are subject to FERC jurisdiction under Section 311 of the NGPA. The NGPA regulates, among other things, the provision of transportation services by an intrastate natural gas pipeline on behalf of a local distribution company or an interstate natural gas pipeline. Under Section 311 of the NGPA, rates charged for interstate transportation must be fair and equitable, and amounts collected in excess of fair and equitable rates are subject to refund with interest. The terms and conditions of service set forth in the intrastate facility's statement of operating conditions for transportation service under Section 311 of the NGPA are also subject to FERC review and approval. Should the FERC determine not to authorize rates equal to or greater than our currently-approved rates under Section 311 of the NGPA, our business may be adversely affected. Failure to observe the service limitations applicable to transportation services under Section 311 of the NGPA, failure to comply with the rates approved by the FERC for service under Section 311 of the NGPA, and failure to comply with the terms and conditions of service established in the pipeline's FERC-approved statement of operating conditions could result in an alteration of jurisdictional status and/or the imposition of administrative, civil, and criminal remedies. The Company's natural gas transportation facilities and operations are also subject to the Texas Utilities Code and the Texas Natural Resources Code, as implemented by the RRC. Generally, the RRC is vested with authority to ensure that rates, operations, and services of gas utilities, including intrastate pipelines, are just and reasonable and not discriminatory. The rates the Company charges for transportation services are deemed just and reasonable under Texas law unless challenged in a customer or RRC complaint. The Company cannot predict whether such a complaint will be filed against us or whether the RRC will change its regulation of these rates. Failure to comply with the Texas Utilities Code or the Texas Natural Resources Code can result in the imposition of administrative, civil, and criminal remedies.

The Company's natural gas pipeline system is also subject to state ratable take and common purchaser statutes in Texas. The ratable take statute generally requires gatherers to take, without undue discrimination, natural gas production that may be tendered to the gatherer for handling. Similarly, the common purchaser statute generally requires gatherers to purchase without undue discrimination as to source of supply or producer. These statutes are designed to prohibit discrimination in favor of one producer over another producer or one source of supply over another source of supply.

The Company's NGL pipeline facilities do not provide interstate transportation service and are therefore not subject to FERC's jurisdiction under Interstate Commerce Act ("ICA"). Whether an NGL shipment is in interstate commerce under the ICA depends on the fixed and persistent intent of the shipper as to the NGLs' final destination, absent a break in the interstate movement. The Company's NGL pipelines meet the traditional tests FERC has used to determine that a pipeline is not providing transportation service in interstate commerce subject to FERC ICA jurisdiction. However, the determination of the interstate or intrastate character of shipments on the Company's NGL pipelines depends on the shipper's intentions and the transportation of the NGLs outside of the Company's system and may change over time. If FERC were to consider the status of an individual facility and the character of an NGL shipment and determine that the shipment is in interstate commerce, the rates for, and terms and conditions of, transportation services provided by such facility would be subject to regulation by FERC under the ICA. Such FERC regulation could decrease revenue, increase operating costs, and, depending on the facility in question, adversely affect the Company's results of operations and cash flows.

If the Company fails to comply with applicable FERC-administered statutes, rules, regulations, and orders, it could be subject to substantial penalties and fines. Under the Energy Policy Act of 1992 (the "EPAct"), for instance, FERC has civil penalty authority to impose penalties for current violations of the NGA or NGPA of up to $1,213,503 per day for each violation. The maximum penalty authority established by statute has been and will continue to be adjusted periodically for inflation. FERC also has the

power to order disgorgement of profits from transactions deemed to violate the NGA and the EPAct. In addition, if any of the Company's facilities were found to have provided services or otherwise operated in violation of the ICA, this could result in the imposition of administrative and criminal remedies and civil penalties, as well as a requirement to disgorge charges collected for such services in excess of the rate established by FERC.

We may incur significant costs and liabilities resulting from compliance with pipeline safety regulations.

The pipelines the Company owns and operates are subject to stringent and complex regulation related to pipeline safety and integrity management, such as regulation by the DOT, through PHMSA, pursuant to the NGSPA, with respect to natural gas, and the HLSPA, with respect to NGLs. For instance, the DOT, through the PHMSA, has established a series of rules that require pipeline operators to develop and implement integrity management programs for hazardous liquid (including oil) pipeline segments that, in the event of a leak or rupture, could affect high-consequence areas. In 2016, PHMSA proposed rulemaking that would expand existing integrity management requirements to natural gas transmission and gathering lines in areas with medium population densities. A final rule has yet to be issued, although PHMSA recently announced its intention to finalize the rulemaking in 2019. Additional action by PHMSA with respect to pipeline integrity management requirements may occur in the future. At this time, the Company cannot predict the cost of such requirements, but they could be significant. Moreover, violations of pipeline safety regulations can result in the imposition of significant penalties.

Several states have also passed legislation or promulgated rules to address pipeline safety. Compliance with pipeline integrity laws and other pipeline safety regulations issued by state agencies such as the RRC could result in substantial expenditures for testing, repairs, and replacement. If the Company's pipelines fail to meet the safety standards mandated by the RRC or the DOT regulations, then the Company may be required to repair or replace sections of such pipelines or operate the pipelines at a reduced maximum allowable operating pressure, the cost of which cannot be estimated at this time.

Due to the possibility of new or amended laws and regulations or reinterpretation of existing laws and regulations, there can be no assurance that future compliance with PHMSA or state requirements will not have a material adverse effect on the Company's results of operations or financial position. Because certain of the Company's operations are located around areas that may become more populated areas, such as Alpine High, the Company may incur expenses to mitigate noise, odor, and light that may be emitted in our operations and expenses related to the appearance of our facilities. Municipal and other local or state regulations are imposing various obligations including, among other things, regulating the location of the Company's facilities, imposing limitations on the noise levels of our facilities and requiring certain other improvements that increase the cost of our facilities. The Company is also subject to claims by neighboring landowners for nuisance related to the construction and operation of our facilities, which could subject it to damages for declines in neighboring property values due to the Company's construction and operation of facilities.

Failure to comply with existing or new environmental laws or regulations or an accidental release of hazardous substances, hydrocarbons, or wastes into the environment may cause us to incur significant costs and liabilities.

Many of the operations and activities of the Company's pipelines, gathering systems, processing plants, and other facilities are subject to significant federal, state, and local environmental laws and regulations, the violation of which can result in administrative, civil, and criminal penalties, including civil fines, injunctions, or both. The obligations imposed by these laws and regulations include obligations related to air emissions and the discharge of pollutants from the Company's pipelines and other facilities and the cleanup of hazardous substances and other wastes that are or may have been released at properties currently or previously owned or operated by us or locations to which we have sent wastes for treatment or disposal. These laws may impose strict, joint, and several liability for the remediation of contaminated areas. Private parties, including the owners of properties near the Company's facilities or upon or through which our systems traverse, may also have the right to pursue legal actions to enforce compliance and to seek damages for non-compliance with environmental laws for releases of contaminants or for personal injury or property damage.

Our business may be adversely affected by increased costs due to stricter pollution control requirements or liabilities resulting from non-compliance with required operating or other regulatory permits. New environmental laws or regulations, including, for example, legislation relating to the control of greenhouse gas emissions, or changes in existing environmental laws or regulations might adversely affect the Company's products and activities, including processing, storage, and transportation, as well as waste management and air emissions. Federal and state agencies could also impose additional safety requirements, any of which could affect the Company's profitability. Changes in laws or regulations could also limit the operation of the Company's assets or adversely affect our ability to comply with applicable legal requirements or the demand for crude oil, natural gas, or NGLs, which could adversely affect our business and our profitability.

Recent rules under the CAA imposing more stringent requirements on the oil and gas industry could cause us and our customers to incur increased capital expenditures and operating costs as well as reduce the demand for our services.

We are subject to stringent and complex regulation under the CAA, implementing regulations, and state and local equivalents, including regulations related to controls for oil and natural gas production, pipelines, and processing operations. For instance, in 2016, the EPA issued three final rules intended to curb emissions of methane, volatile organic compounds, and toxic air pollutants (such as benzene) from new, reconstructed, and modified oil and gas sources, including the rule affecting storage tanks constructed, modified, or reconstructed, (the so-called "OOOOa Rule"). In April 2017, the EPA announced its intention to reconsider certain aspects of the 2016 rules for the oil and natural gas industry in response to several petitions for reconsideration and issued a 90-day stay of the June 3, 2017 compliance deadline for the fugitive emissions monitoring requirements in the OOOOa Rule. Subsequently, on May 31, 2017, the EPA issued a 90-day stay of certain requirements under the rule, but this stay was vacated by a three-judge panel of the U.S. Court of Appeals for the D.C. Circuit on July 3, 2017 and again by an *en banc* D.C. Circuit on July 31, 2017. In the interim, on July 16, 2017, the EPA issued a proposed rule that would provide a two-year extension of the initial 90-day stay. Most recently, on March 12, 2018, the EPA announced amendments to the fugitive emissions monitoring requirements, although the agency's reconsideration of other aspects of the 2016 rule remains ongoing. Accordingly, substantial uncertainty exists with respect to implementation of this methane rule. The BLM also adopted new rules on November 15, 2016, to reduce venting, flaring, and leaks during oil and natural gas production activities on onshore federal and Indian leases. On June 15, 2017, the BLM suspended indefinitely compliance dates for certain aspects of these rules, pending judicial review, but a court subsequently enjoined the BLM's suspension.

Additional regulation of GHG emissions from the oil and gas industry remains a possibility. These regulations could require a number of modifications to the Company's operations, and our natural gas exploration and production suppliers' and customers' operations, including the installation of new equipment, which could result in significant costs, including increased capital expenditures and operating costs. The incurrence of such expenditures and costs by the Company's suppliers and customers could result in reduced production by those suppliers and customers and thus translate into reduced demand for our services.

Climate change legislation and regulatory initiatives could result in increased operating costs and reduced demand for the natural gas and NGLs services we provide.

Congress has from time to time considered adopting legislation to reduce emissions of GHGs, and there has been a wide-ranging policy debate, both nationally and internationally, regarding the impact of these gases and possible means for their regulation. In addition, efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. In 2015, the United States participated in the United Nations Conference on Climate Change, which led to the adoption of the Paris Agreement. The Paris Agreement requires countries to review and "represent a progression" in their intended nationally determined contributions, which set GHG emission reduction goals, every five years beginning in 2020. The Paris Agreement was signed by the United States in April 2016 and entered into force in November 2016; however, the GHG emission reductions called for by the Paris Agreement are not binding. On June 1, 2017, the current presidential administration announced that the United States plans to withdraw from the Paris Agreement and to seek negotiations either to reenter the Paris Agreement on different terms or to establish a new framework agreement. The Paris Agreement provides for a four-year exit process beginning when it took effect in November 2016, which would result in an effective exit date of November 2020. The United States' adherence to the exit process and/or the terms on which the United States may reenter the Paris Agreement or a separately negotiated agreement are unclear at this time. Moreover, at the federal regulatory level, both the EPA and the BLM have promulgated regulations for the control of methane emissions, which also include leak detection and repair requirements, from the oil and gas industry, although the current status of those regulations is uncertain under the current presidential administration.

The EPA has adopted regulations under existing provisions of the CAA that, among other things, establish PSD construction and Title V operating permit reviews for certain large stationary sources that emit GHGs. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet "best available control technology" standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rule makings could adversely affect the Company's operations and restrict or delay our ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore crude oil and natural gas production sources in the U.S. on an annual basis.

In addition, many states have already taken legal measures to reduce emissions of GHGs, primarily through the planned development of GHG emission inventories and/or regional GHG cap and trade programs. Most of these cap and trade programs work by requiring either major sources of emissions, such as electric power plants, or major producers of fuels, such as refineries and NGLs fractionation plants, to acquire and surrender emission allowances, with the number of allowances available for purchase reduced each year until the overall GHG emission reduction goal is achieved.

Although it is not possible at this time to predict whether future legislation or new regulations may be adopted to address GHG emissions or how such measures would impact the Company's business, the adoption of legislation or regulations imposing reporting or permitting obligations on, or limiting emissions of GHGs from, our equipment and operations could require the Company to incur additional costs to reduce emissions of GHGs associated with our operations, could adversely affect our performance of operations in the absence of any permits that may be required to regulate emission of GHGs, or could adversely affect demand for the natural gas the Company gathers, processes, or otherwise handles in connection with our services.

The ESA and the MBTA govern our operations and additional restrictions may be imposed in the future, which could have an adverse impact on our operations.

The ESA and analogous state laws restrict activities that may affect endangered or threatened species or their habitats. Similar protections are offered to migratory birds under the MBTA. FWS and state agencies may designate critical or suitable habitat areas that they believe are necessary for the survival of threatened or endangered species, which could materially restrict use of or access to federal, state, and private lands.

On July 19, 2018, the FWS announced a series of proposed changes to the rules implementing the ESA, including proposed revisions to the regulations governing interagency cooperation, listing species and delisting critical habitat, and prohibitions related to threatened wildlife and plants. The proposed revisions are intended to streamline these processes and create more flexibility for the FWS when making ESA-related decisions. It is not possible at this time to accurately predict how such changes, if adopted, would impact the Company's operations.

Some of the Company's operations may be located in areas that are designated as habitats for endangered or threatened species or that may attract migratory birds. In these areas, the Company may be obligated to develop and implement plans to avoid potential adverse impacts to protected species, and we may be prohibited from conducting operations in certain locations or during certain seasons, such as breeding and nesting seasons, when our operations could have an adverse effect on the species. It is also possible that a federal or state agency could order a complete halt to the Company's activities in certain locations if it is determined that such activities may have a serious adverse effect on a protected species. In addition, the FWS and state agencies regularly review species that are listing candidates, and designations of additional endangered or threatened species or critical or suitable habitat under the ESA could cause the Company to incur additional costs or become subject to operating restrictions or bans in the affected areas.

Our business involves many hazards and operational risks, some of which may not be fully covered by insurance. The occurrence of a significant accident or other event that is not fully insured could adversely affect our operations and financial condition.

The Company's operations are subject to the many hazards inherent in the gathering, compressing, processing, and transporting of natural gas and NGLs, including:

- damage to pipelines, related equipment, and surrounding properties caused by hurricanes, floods, fires, and other natural or anthropogenic disasters and acts of terrorism;
- leaks of natural gas, NGLs, and other hydrocarbons;
- induced seismicity; and
- fires and explosions.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment, and pollution or other environmental damage and may result in curtailment or suspension of the Company's related operations. The Company is not fully insured against all risks incident to our business. In accordance with typical industry practice, we have appropriate levels of business interruption and property insurance. We are not insured against all environmental accidents that might occur. If a significant accident or event occurs that is not fully insured, it could adversely affect our financial condition, results of operations, or cash flows.

We do not own in fee any of the land on which our pipelines and facilities are located, which could result in disruptions to our operations.

The Company does not own in fee any of the land on which our midstream assets have been constructed. Our only interests in these properties are rights granted under surface use agreements, rights-of-way, surface leases, or other easement rights (collectively, "Rights-of-Way"), which may limit or restrict our rights or access to or use of the surface estates. Accommodating these competing rights of the surface owners may adversely affect the operations of the Company. Apache and certain of its affiliates

are party to certain of these Rights-of-Way. Furthermore, many of the Rights-of-Way on which the Company's assets have been constructed are not perpetual in duration and, upon the expiration of their terms, will require us to pay a renewal fee to the applicable surface owners in order to maintain access to such Rights-of-Way. These Rights-of-Way also require compliance with certain terms and conditions in order to renew their terms, some of which may be outside of our control.

The Company is subject to the possibility of more onerous terms or increased costs to retain necessary land use if we do not have valid Rights-of-Way or if such usage rights lapse or terminate. The Company may obtain the rights to construct and operate our pipelines on land owned by third parties and governmental agencies for a specific period of time. The loss of these rights, through the inability to renew Rights-of-Way or otherwise, could have a material adverse effect on the business, financial condition, results of operations, and cash flows of the Company.

A failure in our computer systems or a terrorist or cyberattack on us or third parties with whom we do business may adversely affect our ability to operate our business.

The Company is reliant on technology to conduct our business. The Company's business is dependent upon our operational and financial computer systems to process the data necessary to conduct almost all aspects of our business, including operating our pipelines and gathering and processing facilities, recording and reporting commercial and financial transactions, and receiving and making payments. Any failure of the Company's computer systems or those of our customers, suppliers, or others with whom we do business, including Apache, could materially disrupt the Company's ability to operate our business. Unknown entities or groups have mounted so-called "cyberattacks" on businesses to disable or disrupt computer systems, disrupt operations, and steal funds or data. Cyberattacks could also result in the loss of confidential or proprietary data or security breaches of other information technology systems that could disrupt the Company's operations and critical business functions. In addition, the Company's pipeline systems may be targets of terrorist or environmental activist group activities that could disrupt our ability to conduct our business and have a material adverse effect on our business and results of operations. Strategic targets, such as energy-related assets, may be at greater risk of future terrorist attacks, environmental activist group activities, or cyberattacks than other targets in the United States. The Company's insurance may not protect us against such occurrences. Any such terrorist attack, environmental activist group activity, or cyberattack that affects the Company or our customers, suppliers, or others with whom we do business could have a material adverse effect on our business, cause it to incur a material financial loss, subject it to possible legal claims and liability, and/or damage our reputation.

Moreover, as the sophistication of cyberattacks continues to evolve, the Company may be required to expend significant additional resources to further enhance our digital security or to remediate vulnerabilities. In addition, cyberattacks against us or others in our industry could result in additional regulations, which could lead to increased regulatory compliance costs, insurance coverage cost, or capital expenditures. The Company cannot predict the potential impact to our business or the energy industry resulting from additional regulations.

If we fail to maintain an effective system of internal controls, we may not be able to report accurately our financial results or prevent fraud. As a result, current and potential holders of our equity could lose confidence in our financial reporting, which would harm our business and cost of capital.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. We cannot be certain that our efforts to maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to continue to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002. Any failure to maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our equity interests.

We may become subject to the requirements of the Investment Company Act of 1940, which would limit our business operations and require us to spend significant resources to comply with such act.

The Investment Company Act of 1940 (the "Investment Company Act") defines an "investment company" as an issuer that is engaged in the business of investing, reinvesting, owning, holding, or trading in securities and owns investment securities having a value exceeding 40 percent of the issuer's unconsolidated assets, excluding cash items and securities issued by the federal government. If one or more of our subsidiaries exercises all or any portion of the remaining Pipeline Options, it is possible that some or all of those interests will be investment securities and that the value of those interests that are investment securities over time may exceed 40 percent of such subsidiaries' unconsolidated assets, excluding cash and government securities, in which case such subsidiaries may meet this threshold definition of an investment company. The Investment Company Act provides certain exclusions from this definition. However, if a subsidiary relies on any one or more of these exclusions from the definition of an

investment company and such reliance is not correct, then the subsidiary may be in violation of the Investment Company Act, the consequences of which can be significant. For example, investment companies that fail to register under the Investment Company Act are prohibited from conducting business in interstate commerce, which includes selling securities or entering into other contracts in interstate commerce. Section 47(b) of the Investment Company Act provides that a contract made in, or whose performance involves a, violation of the Investment Company Act is unenforceable by either party unless a court finds that enforcement would produce a more equitable result than non-enforcement. Similarly, a court may not deny rescission to any party seeking to rescind a contract that violates the Investment Company Act, unless the court finds that denial of rescission would produce a more equitable result than granting rescission.

If in the future the nature of any of our subsidiaries' businesses change such that no exception to the threshold definition of investment company is available to such subsidiary, then such subsidiary may be deemed to be an investment company under the Investment Company Act. However, Rule 3a-2 of the Investment Company Act provides that inadvertent or transient investment companies will not be treated as investment companies subject to the provisions of the Investment Company Act, provided the issuer has the requisite intent to be engaged in a non-investment business, evidenced by the issuer's business activities and an appropriate resolution of the issuer's board of directors, within one year from the commencement of the earlier of (1) the date on which the issuer owns securities and/or cash having a value exceeding 50 percent of the value of such issuer's total assets on either a consolidated or unconsolidated basis or (2) the date on which an issuer owns or proposes to acquire investment securities (as defined in section 3(a) of the Investment Company Act) having a value exceeding 40 percent of the value of such issuer's total assets (exclusive of government securities and cash items) on an unconsolidated basis. If any of our subsidiaries becomes an inadvertent investment company and fails to meet the requirements of the transient investment company exemption under Rule 3a-2 of the Investment Company Act, then such subsidiary may be required to register as an investment company with the SEC.

The ramifications of becoming an investment company, both in terms of the restrictions it would have on such subsidiary and the cost of compliance, would be significant. For example, in addition to expenses related to initially registering as an investment company, the Investment Company Act also would impose various restrictions with regard to the subsidiary's ability to enter into affiliated transactions, the diversification of its assets, and its ability to borrow money. If any of our subsidiaries became subject to the Investment Company Act at some point in the future, then the subsidiary's ability to continue pursuing its business plan would be severely limited.

Apache owns a majority of our outstanding voting shares and thus strongly influences all of our corporate actions.

Apache or an affiliate beneficially owns approximately 79 percent of our outstanding voting common stock. As long as Apache or an affiliate owns or controls a significant percentage of our outstanding voting power, it will have the ability to strongly influence all corporate actions requiring stockholder approval, including the election and removal of directors and the size of our board of directors, any amendment of our Charter or bylaws, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets, and will be able to cause or prevent a change in the composition of our board of directors or a change in control of the Company that could deprive stockholders of an opportunity to receive a premium for their common stock as part of a sale of the Company. In addition, under the Stockholders Agreement, Kayne Anderson Sponsor, LLC is entitled to nominate two directors to the board of directors of the Company until the earlier of the time that Kayne Anderson Sponsor, LLC and its affiliates own less than 1 percent of the outstanding voting common stock of the Company or the second anniversary of the date of the Stockholders Agreement. Additionally, Apache is entitled to nominate up to seven directors to our board of directors depending on its and its affiliates' ownership of our outstanding voting common stock. In connection with the Stockholders Agreement, Apache and Kayne Anderson Sponsor, LLC have agreed to vote for the directors nominated by the other. The interests of Apache may not align with the interests of our other stockholders.

We are a "controlled company" within the meaning of the NASDAQ listing rules and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Apache or an affiliate controls a majority, approximately 79 percent, of our outstanding voting common stock. As a result, we are a controlled company within the meaning of the NASDAQ corporate governance standards. Under the NASDAQ listing rules, a company of which more than 50 percent of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NASDAQ corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors;
- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and

- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These requirements will not apply to us as long as we remain a controlled company, and we currently utilize and intend to continue to utilize some, if not all, of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NASDAQ.

Our only significant assets are ownership of the non-economic general partner interest and an approximate 23.1 percent limited partner interest in Altus Midstream, and such ownership may not be sufficient for Altus Midstream to make distributions or loans to us to enable us to pay any dividends on our Class A Common Stock or satisfy our other financial obligations.

We have no direct operations and no significant assets other than the ownership of the non-economic general partner interest and an approximate 23.1 percent limited partner interest in Altus Midstream. We depend on Altus Midstream for distributions, loans, and other payments to generate the funds necessary to meet our financial obligations or to pay any dividends with respect to our Class A Common Stock. Subject to certain restrictions, Altus Midstream generally will be required to (i) make pro rata distributions to its partners, including us, on a quarterly basis in an amount at least sufficient to allow us to pay our taxes and make tax advances to its limited partners, other than us, in certain circumstances, and (ii) reimburse us for certain corporate and other overhead expenses. However, legal and contractual restrictions in agreements governing future indebtedness of Altus Midstream, as well as the financial condition and operating requirements of Altus Midstream, may limit our ability to obtain cash from Altus Midstream. The earnings from, or other available assets of, Altus Midstream may not be sufficient to make distributions or loans to us to enable us to pay any dividends on our Class A Common Stock or satisfy our other financial obligations.

We may be required to take write-downs, write-offs, or restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations, and stock price, which could cause you to lose some or all of your investment.

Although we will conduct due diligence on the assets that we may acquire through the Pipeline Options, or other acquisitions that we may make from time to time, we cannot assure you that this diligence will reveal all material issues that may be present in the businesses that we acquire, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of our control will not later arise. As a result, we may be forced to later write down or write off assets, restructure our operations, or incur impairment or other charges that could result in losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise, and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and may not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about the Company or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

There is no guarantee that our warrants will ever be in the money prior to their expiration, and, as such, they may expire worthless.

The exercise price for our warrants is $11.50 per share of Class A Common Stock. There is no guarantee that the public warrants will ever be in the money prior to their expiration, and, as such, the warrants may expire worthless.

Although we have registered the shares of Class A Common Stock issuable upon exercise of the warrants under the Securities Act, such registration may not be in place when an investor desires to exercise warrants, thus precluding such investor from being able to exercise its warrants except on a cashless basis and potentially causing such warrants to expire worthless.

Although we have registered the shares of Class A Common Stock issuable upon exercise of the warrants under the Securities Act, we may not be able to maintain a current prospectus relating to the Class A Common Stock issuable upon exercise of the warrants until the expiration of the warrants in accordance with the provisions of the warrant agreement. We cannot assure you that we will be able to do so if, for example, any facts or events arise which represent a fundamental change in the information set forth in such registration statement or prospectus, the financial statements contained or incorporated by reference therein are not current or correct, or the SEC issues a stop order. If the shares issuable upon exercise of the warrants are not registered under the Securities Act, we will be required to permit holders to exercise their warrants on a cashless basis. However, no warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder or an exemption is available. Notwithstanding the above, if our Class A Common Stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of warrants who exercise their warrants to do so on

a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act, and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In no event will we be required to net cash settle any warrant or issue securities or other compensation in exchange for the warrants in the event that we are unable to register or qualify the shares underlying the warrants under applicable state securities laws. If the issuance of the shares upon exercise of the warrants is not so registered or qualified or exempt from registration or qualification, the holder of such warrant shall not be entitled to exercise such warrant, and such warrant may have no value and expire worthless. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying shares of Class A Common Stock for sale under all applicable state securities laws.

We may amend the terms of the warrants in a manner that may be adverse to holders with the approval by the holders of at least 50 percent of the then-outstanding public warrants. As a result, the exercise price of your public warrants could be increased, the exercise period could be shortened, and the number of shares of our Class A Common Stock purchasable upon exercise of a public warrant could be decreased, all without your approval.

Our public warrants were issued in connection with our initial public offering in registered form under a warrant agreement between American Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50 percent of the then-outstanding public warrants to make any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50 percent of the then-outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50 percent of the then-outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the public warrants, shorten the exercise period, or decrease the number of shares of our Class A Common Stock purchasable upon exercise of a public warrant.

We may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making their warrants worthless.

We have the ability to redeem outstanding warrants at any time prior to their expiration, at a price of $0.01 per warrant, provided that the last reported sales price of our Class A Common Stock equals or exceeds $18.00 per share for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force the warrant holders (i) to exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so, (ii) to sell their warrants at the then-current market price when they might otherwise wish to hold their warrants, or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of their warrants. None of the private placement warrants issued to Kayne Anderson Sponsor, LLC ("Kayne Anderson Sponsor") and Apache in connection with the Business Combination will be redeemable by us so long as they are held by Kayne Anderson Sponsor or its permitted transferees, with respect to Kayne Anderson Sponsor warrants, or Apache or its permitted transferees, with respect to the Apache warrants.

The Warrants are exercisable for our Class A Common Stock, which will, upon exercise, increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

We have outstanding public warrants to purchase 12,577,370 shares of Class A Common Stock and private placement warrants to purchase 6,364,281 shares of Class A Common Stock. To the extent such warrants are exercised, additional shares of our Class A Common Stock will be issued, which will result in dilution to the then-existing holders of our Class A Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Class A Common Stock.

In the future, Apache may receive earn-out consideration of up to 37,500,000 shares of Class A Common Stock upon the achievement of certain stock price and operational goals, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

Pursuant to the Contribution Agreement, Apache will have the right to receive earn-out consideration of up to 37,500,000 shares of Class A Common Stock if certain stock price and operational goals are achieved. To the extent such stock price or operational goals are achieved and Apache becomes entitled to receive a portion or all of the earn-out consideration, additional shares of our Class A Common Stock will be issued, which will result in dilution to the then-existing holders of our Class A

Common Stock and increase the number of shares eligible for resale in the public market. The shares of Class A Common Stock issuable to Apache as earn-out consideration have been registered for resale with the SEC. Sales of substantial numbers of such shares by Apache in the public market could adversely affect the market price of our Class A Common Stock.

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our Class A Common Stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of Class A Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A Common Stock. Additionally, after May 8, 2019, Apache will have the ability to redeem or exchange its 250,000,000 Common Units for shares of Class A Common Stock on a one-for-one basis, subject to adjustments, and we have the ability to settle such redemption in cash. The Shares of Class A Common Stock issuable to Apache upon redemption or exchange of Altus Midstream Common Units have been registered for resale with the SEC. Sales of substantial numbers of such shares by Apache in the public market could adversely affect the market price of our Class A Common Stock.

If our Business Combination benefits do not meet the expectations of investors, stockholders, or financial analysts, the market price of our securities may decline.

If the benefits of our Business Combination do not meet the expectations of investors or securities analysts, the market price of our securities may decline from the prevailing level prior to the closing of our Business Combination.

In addition, fluctuations in the price of our securities could contribute to the loss of all or part of your investment. Prior to our Business Combination, there was not a public market for equity securities of the Company and the assets it now operates, and trading in the shares of our Class A Common Stock was not active. If an active market for our securities develops and continues, the trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities, and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities may include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning the Company or the market in general;
- operating and stock price performance of other companies that investors deem comparable to the Company;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving the Company;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- sales and issuances of additional equity securities in the future to fund our capital expenditures;
- the volume of shares of our Class A Common Stock available for public sale;
- any major change in our board of directors or management;
- sales of substantial amounts of Class A Common Stock by our directors, executive officers, or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations, and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and NASDAQ have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks and of our securities may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Company could depress our stock price regardless of our business, prospects, financial conditions, or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Changes in laws or regulations or a failure to comply with any laws or regulations may adversely affect our business, investments, and results of operations.

We are subject to laws, regulations, and rules enacted by national, regional, and local governments. In particular, we are required to comply with certain SEC, NASDAQ, and other legal or regulatory requirements. Compliance with and monitoring of applicable laws, regulations, and rules may be difficult, time consuming, and costly. Those laws, regulations, and rules and their interpretation and application may also change from time to time, and those changes could have a material adverse effect on our business, investments, and results of operations. In addition, a failure to comply with applicable laws, regulations, and rules, as interpreted and applied, could have a material adverse effect on our business and results of operations.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We will be subject to income taxes in the United States, and our domestic tax liabilities may be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, regulations, or interpretations thereof; or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, franchise, sales, and other transaction taxes by U.S. federal and state authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

The Tax Cuts and Jobs Act (the "TCJA") could adversely affect our financial condition and results of operations.

On December 22, 2017, the TCJA was signed into law, which significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, contains significant changes to corporate taxation, including a permanent reduction of the corporate income tax rate, a partial limitation on the deductibility of net business interest expense, limitation of the deduction for certain net operating losses to 80 percent of current year taxable income, an indefinite net operating loss carryforward, immediate deductions for certain new investments instead of deductions for depreciation expense over time, and modification or repeal of many business deductions and credits. The presentation of our financial condition and results of operations have been recorded in accordance with GAAP, which requires the financial statement impact of the TCJA to be recorded in the period in which the TCJA was enacted. The financial statement impact of the TCJA is based on our current interpretation of the provisions contained in the TCJA and the Treasury Regulations and administrative guidance relating thereto. In the future, the Department of the Treasury and the Internal Revenue Service are expected to release additional Treasury Regulations and administrative guidance relating to the TCJA. Any significant variance of our current interpretation of this law from any future Treasury Regulations or administrative guidance could result in a change to the presentation of our financial condition and results of operations and could negatively affect our business.

The JOBS Act permits "emerging growth companies" like us to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies.

We qualify as an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, we take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as we continue to be an emerging growth company, including (i) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, (ii) the exemptions from say-on-pay, say-on-frequency, and say-on-golden parachute voting requirements, and (iii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. As a result, our stockholders may not have access to certain information they deem important. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year (a) following April 4, 2022, the fifth anniversary of our initial public offering, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A Common Stock that is held by non-affiliates exceeds $700 million as of the last business day of our prior second fiscal quarter, and (ii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as we are an emerging growth company. An emerging growth company can, therefore, delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

We cannot predict if investors will find our Class A Common Stock less attractive because we will rely on these exemptions. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock, and our stock price may be more volatile.

Our charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or agents.

The charter provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware ("Court of Chancery") will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action asserting a claim against us or any of our directors, officers, or employees of ours arising pursuant to any provision of the DGCL, the charter, or our bylaws, or (iv) any action asserting a claim against us or any of our directors, officers, or other employees that is governed by the internal affairs doctrine, in each case except for such claims as to which (a) the Court of Chancery determines that it does not have personal jurisdiction over an indispensable party, (b) exclusive jurisdiction is vested in a court or forum other than the Court of Chancery, or (c) the Court of Chancery does not have subject matter jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our charter described in the preceding sentence. This exclusive forum provision may limit a stockholder's ability to bring a claim in a judicial forum that the stockholder finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, or results of operations.

Our charter provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Accordingly, our charter provides that the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, the Securities Act, or any other claim for which the federal courts have exclusive jurisdiction.

ITEM 1B. UNRESOLVED STAFF COMMENTS

As of December 31, 2018, we did not have any unresolved comments from the SEC staff that were received 180 or more days prior to year-end.

ITEM 3. LEGAL PROCEEDINGS

We are not aware of any pending or threatened legal proceedings against us at the time of the filing of this Annual Report on Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common units ("Units"), Class A Common Stock and warrants were each traded on the NASDAQ Capital Market ("NASDAQ") under the symbols "KAACU," "KAAC" and "KAACW," respectively, prior to the closing of the Business Combination. In connection with the closing of our Business Combination, our Units ceased trading, and our Class A Common Stock and warrants began trading on the NASDAQ under the symbols "ALTM" and "ALTMW," respectively. Our Units commenced public trading on March 30, 2017, and our Class A Common Stock and warrants commenced public trading on April 27, 2017.

Our warrants ceased trading on the NASDAQ at the opening of business on December 20, 2018 and, since December 20, 2018, are quoted on the over-the-counter markets operated by OTC Markets Group under the symbol "ALTMW." The warrants may still be exercised in accordance with their terms to purchase shares of the Company's Class A Common Stock. The table below sets forth the high and low prices of our warrants, as reported on the OTC Marketplace, for the three-month period ended December 31, 2018. Our warrants commenced quotation on the OTC Markets on December 20, 2018, and, as a result, the quarterly information reflects only a partial quarter. Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Year Ended December 31, 2018	
	Warrants	
	High	Low
First Quarter	$ —	$ —
Second Quarter	$ —	$ —
Third Quarter	$ —	$ —
Fourth Quarter	$ 0.74	$ 0.63

On January 31, 2019, our Class A Common Stock had a closing price of $8.10 and our warrants had a closing price of $0.81.

Holders

On January 31, 2019, there were approximately 45 holders of record of our Class A Common Stock.

Dividends

We have not paid any cash dividends on our Class A Common Stock to date and do not intend to pay cash dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

Information about our equity compensation plans is incorporated herein by reference to our definitive proxy statement for our 2019 Annual Meeting of Stockholders.

Recent Sales of Unregistered Securities

None.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

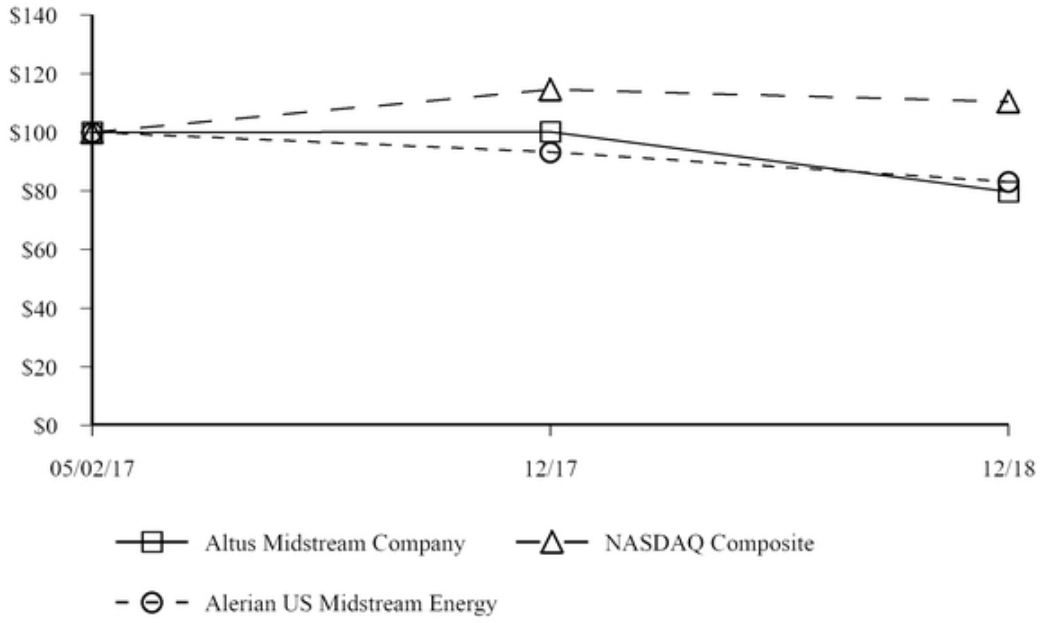
None.

The following stock price performance graph is intended to allow review of stockholder returns, expressed in terms of the appreciation of the Company's common stock relative to both a broad equity market index and a published industry index. The information is included for historical comparative purposes only and should not be considered indicative of future stock performance. The graph compares the yearly percentage change in the cumulative total stockholder return on the Company's common stock with the cumulative total return of both the NASDAQ Composite Index and the Alerian US Midstream Energy

Index from April 30, 2017, through December 31, 2018. The stock performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that the Company specifically incorporates it by reference into such filing.

COMPARISON OF 20 MONTH CUMULATIVE TOTAL RETURN*

Among Altus Midstream Company, the NASDAQ Composite Index
and Alerian US Midstream Energy Index



* $100 invested on 5/2/17 in stock or 4/30/17 in index, including reinvestment of dividends.
Fiscal year ending December 31.

	5/2/2017	2017	2018
Altus Midstream Company……	$ 100.00	$ 100.10	$ 79.69
NASDAQ Composite……	100.00	114.59	110.42
Alerian US Midstream Energy	100.00	93.29	83.11

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data of the Company for the period ended December 31, 2016 and for the years ended December 2017 and 2018. This information should be read in connection with, and is qualified in its entirety by, the more detailed information in the Company's consolidated financial statements set forth in Part IV, Item 15 of this Form 10-K.

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands, except per common share data)		
Income Statement Data			
Total revenues and other	$ 78,358	$ 15,142	$ —
Net loss including noncontrolling interest	(239)	(18,575)	—
Net income attributable to noncontrolling interest	4,149	—	—
Net loss attributable to Class A common shareholders	(4,388)	(18,575)	—
Earnings per share			
Basic	$ (0.03)	$ (0.30)	$ —
Diluted	(0.03)	(0.30)	—
Balance Sheet			
Total assets	$ 1,857,319	$ 705,751	$ 155,967
Total liabilities	130,533	149,701	96,626
Redeemable noncontrolling interest	1,940,500	—	—
Total equity	(213,714)	556,050	59,341
Cash Flow Data			
Net cash provided by (used in):			
Operating activities	$ 661	$ —	$ —
Investing activities	(175,100)	—	—
Financing activities	624,374	—	—
Non-GAAP Measures			
Adjusted EBITDA [(1)]	$ 7,827	$ (5,543)	$ —

(1) Adjusted EBITDA is not defined by accounting principles generally accepted in the United States ("GAAP") and should not be considered an alternative to, or more meaningful than, net income (loss), operating income (loss), net cash provided by (used in) operating activities or any other measures prepared under GAAP. For definitions and reconciliations of Adjusted EBITDA most directly comparable GAAP measures, see Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements set forth in Part IV, Item 15 of this Form 10-K, and the risk factors and related information set forth in Part I, Item 1A and Part II, Item 7A of this Form 10-K.

Unless the context otherwise requires, "we," "us," "our," the "Company," "ALTM" and "Altus" refers to Altus Midstream Company and its consolidated subsidiaries. "Altus Midstream" refers to Altus Midstream LP and its consolidated subsidiaries.

Overview

Altus Midstream Company, through our ownership interest in Altus Midstream, owns gas gathering, processing and transmission assets in the Permian Basin of West Texas, anchored by midstream service contracts to service Apache Corporation's ("Apache") production from its Alpine High resource play ("Alpine High"). Additionally, we own, or have options to own, joint venture equity interests in a total of five Permian Basin pipelines (the "Pipeline Options"), four of which go to various points along the Texas Gulf Coast, providing the Company with additional access to fully integrated, wellhead-to-water connectivity. Our operations comprise one reportable segment.

We have no independent operations or material assets outside our ownership interest in Altus Midstream, which we report on a consolidated basis. As of December 31, 2018, Altus Midstream's assets included approximately 111 miles of natural gas gathering pipelines, approximately 52 miles of residue gas pipelines with three market connections (with a fourth market connection expected to be in-service by the end of the first quarter of 2019), and approximately 26 miles of NGL Pipelines. Additionally, we own five rich gas processing facilities consisting of approximately 77,000 horsepower with 380 MMcf/d of rich gas processing capacity and two lean gas facilities consisting of 75,000 horsepower with 400 MMcf/d of lean gas treating capacity. Other assets include an NGL truck loading terminal with six lease automatic custody transfer ("LACT") units and eight NGL bullet tanks with 90,000 gallon capacity per tank. Construction on the assets began in the fourth quarter of 2016, and operations commenced in the second quarter of 2017.

Corporate History

We were originally incorporated on December 12, 2016 in Delaware under the name Kayne Anderson Acquisition Corp. ("KAAC"), for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We completed our public offering in the second quarter of 2017, after which our securities began separate trading on the NASDAQ Capital Market.

On August 8, 2018, KAAC and our then wholly-owned subsidiary, Altus Midstream LP, a Delaware limited partnership, entered into a contribution agreement (the "Contribution Agreement") with certain wholly-owned subsidiaries of Apache Corporation ("Apache"), including the Alpine High Entities. The Alpine High Entities comprise four Delaware limited partnerships (collectively, "Alpine High Midstream") and their general partner (Alpine High Subsidiary GP LLC, a Delaware limited liability company), formed by Apache between May 2016 and January 2017 for the purpose of acquiring, developing, and operating midstream oil and gas assets in Alpine High.

On November 9, 2018 (the "Closing Date") and pursuant to the terms of that certain Contribution Agreement, we acquired from Apache, the entire equity interests of the Alpine High Entities and Pipeline Options to acquire equity interests in five separate third-party pipeline projects. We refer to the acquisition of the entities and the Pipeline Options as the "Business Combination." In exchange, the consideration provided to Apache included economic voting and non-economic voting shares in Altus Midstream Company and limited partner interests in Altus Midstream. At the time of the Business Combination, we changed our name from Kayne Anderson Acquisition Corp. to Altus Midstream Company.

Presentation of Financial and Operating Information

Whilst Altus (formerly KAAC) was the surviving legal entity, the Business Combination was accounted for as a reverse recapitalization. Under this method of accounting, Altus was treated as the acquired company for financial reporting purposes. As a result, the historical operations of Alpine High Midstream are deemed to be those of the Company. Thus, the financial statements and related information included in this Form 10-K reflect (i) the historical operating results of Alpine High Midstream prior to the Closing Date (ii) the net assets of Alpine High Midstream at their historical cost (iii) the consolidated results of Altus and Alpine High Midstream after the Closing Date and (iv) Altus' equity structure for all periods presented.

Altus Midstream Operational Assessment

We use a variety of financial and operational metrics to assess the performance of our operations and growth compared to expected plan estimates. These metrics include:

- Throughput volumes and associated revenues;
- Operating expenses; and
- Adjusted EBITDA (as defined below).

Sources of Altus Midstream's Revenues

Our results are driven primarily by the volume of natural gas gathered, processed, compressed, and/or transported. For the periods presented, all of our revenues were generated through fee-based agreements with Apache, a related party. The volume of natural gas that we gather or process currently depends on the production level of Apache's assets in areas we service. Our assets have been, and continue to be, constructed to serve Apache's development of Alpine High. The amount and pace of upstream development activity by Apache will impact our aggregate gathering and processing volumes because the production rate of natural gas wells declines over time. Additionally, other producers are also developing oil and gas plays in surrounding areas that may provide attractive opportunities to enter into third-party processing and gathering agreements. Producers' willingness to engage in new drilling is determined by a number of factors, the most important of which are the prevailing and projected prices of oil, natural gas, and NGLs, the cost to drill and operate a well, the availability and cost of capital, and environmental and government regulations. We believe that our midstream assets are positioned in a highly economic play in one of the most active regions for oil and gas exploration and development activities in the United States.

Pursuant to the terms of existing agreements with Apache, we receive fees for gathering, processing, dehydration, compression, treating, conditioning, and transportation from acreage dedications provided by Apache. Although our current contracts are supported by acreage dedications covering Alpine High, we are pursuing new supplies of natural gas and processing arrangements with third parties to increase the throughput volume on our systems in addition to Apache's projected development of Alpine High. For more information about our relationship with Apache, please see the section entitled *Altus' Relationship with Apache* in Part I, Items 1 and 2 of this Form 10-K.

Operating expenses

Gathering, processing, and transmission

Our gathering, processing, and transmission ("GPT") expenses primarily comprise those costs that are directly associated with the operations of our assets. The most significant of these costs are associated with direct labor and supervision, power, repair and maintenance expenses, and equipment rentals. Fluctuations in commodity prices impact operating cost elements both directly and indirectly. For example, commodity prices directly impact costs such as power and fuel, which are expenses that increase (or decrease) in line with changes in commodity prices. Commodity prices also affect industry activity and demand, thus indirectly impacting the cost of items such as labor and equipment rentals.

Depreciation and accretion

Depreciation on the capitalized costs incurred to acquire and develop our midstream assets is computed based on estimated useful lives and estimated salvage values. Also included within this expense is the accretion associated with our estimated asset retirement obligations ("ARO"). Depreciation and accretion expense is expected to increase over the next several years as additional infrastructure is built to facilitate expected volume growth.

General and administrative

General and administrative ("G&A") expense represents indirect costs and overhead expenditures incurred by the Company, associated with managing the midstream assets.

In connection with the closing of the Business Combination, the Company entered into a construction, operations and maintenance agreement with Apache (the "COMA"), pursuant to which Apache will provide certain services related to the design, development, construction, operation, management and maintenance of Altus Midstream assets, on the Company's behalf.

Under the COMA, Altus Midstream will pay fees to Apache of (i) $3.0 million from November 9, 2018 through December 31, 2019, (ii) $5.0 million for the period of January 1, 2020 through December 31, 2020, (iii) $7.0 million for the period of January 1, 2021 through December 31, 2021 and (iv) $9.0 million annually, as may be increased thereafter until terminated. The annual fee was negotiated as part of the Business Combination to reimburse Apache for indirect costs of performing administrative corporate functions, including services for information technology, risk management, corporate planning, accounting, cash management, and others.

In addition, Apache may be reimbursed for certain internal costs and third-party costs directly incurred in connection with its role as service provider under the COMA. Apache records G&A costs directly associated with midstream activity, where substantially all the services are rendered for Altus Midstream, to unique midstream G&A cost centers that are subsequently charged to Altus Midstream on a monthly basis.

Prior to entering into the COMA, to reimburse Apache for certain overhead and service costs incurred on behalf of its Alpine High Entities, a monthly fee was charged to the midstream entities over the historical period upon commencement of operations. The monthly contract services fee was approximately $0.3 million per month. The fee charged was calculated based on a variety of factors, such as the estimated percentage of time spent and costs incurred by Apache to perform administrative services similar to those performed under the COMA.

Taxes other than income

Taxes other than income primarily comprise ad valorem taxes on our midstream assets. Management anticipates future increases in ad valorem taxes, in line with the construction of its midstream assets. We are also subject to gas utility taxes payable to the Railroad Commission of Texas.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) including noncontrolling interest before interest expense, income taxes, depreciation, and accretion, and also exclude (when applicable) impairments and other items affecting comparability of results to peers. Altus' management believes Adjusted EBITDA is useful for evaluating our operating performance and comparing results of its operations from period-to-period and against peers without regard to financing or capital structure. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) or any other measure determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing our financial performance, such as our cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. The presentation of Adjusted EBITDA should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Additionally, our computation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

Adjusted EBITDA is not defined in GAAP

The GAAP measures used by Altus that are most directly comparable to Adjusted EBITDA are net income (loss) including noncontrolling interest and net cash provided by (used in) operating activities. Adjusted EBITDA should not be considered as an alternative to the GAAP measures of net income (loss) including noncontrolling interest, net cash provided by (used in) operating activities or any other measure of financial performance presented in accordance with GAAP. Adjusted EBITDA has important limitations as analytical tools because they exclude some, but not all, items that affect net income (loss) attributable to Altus and net cash provided by (used in) operating activities. Adjusted EBITDA should not be considered in isolation or as a substitute for analysis of Altus' results as reported under GAAP. Altus' definitions of Adjusted EBITDA may not be comparable to similarly titled measures of other companies in Altus' industry, thereby diminishing its utility.

Reconciliation of non-GAAP financial measures

Altus' management compensates for the limitations of Adjusted EBITDA as an analytical tool, by reviewing the comparable GAAP measures, understanding the differences between Adjusted EBITDA as compared to (as applicable) net income (loss) including noncontrolling interest and net cash provided by (used in) operating activities, and incorporating this knowledge into its decision-making processes. Altus believes that investors benefit from having access to the same financial measures that its management uses in evaluating operating results.

The following table presents a reconciliation of the GAAP financial measures of net income (loss) including noncontrolling interest and net cash provided by (used in) operating activities to the non-GAAP financial measure of Adjusted EBITDA.

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands)		
Reconciliation of Net loss including noncontrolling interest			
Net loss including noncontrolling interest	$ (239)	$ (18,575)	$ —
Add:			
Financing costs, net	107	—	—
Income tax (benefit) expense	(10,501)	7,041	—
Depreciation and accretion	20,068	5,991	—
Less:			
Interest income	1,608	—	—
Adjusted EBITDA	$ 7,827	$ (5,543)	$ —
Reconciliation of net cash provided by operating activities to adjusted EBITDA			
Net cash provided by operating activities	$ 661	$ —	$ —
Interest income	(1,608)	—	—
Current income tax benefit	(1,041)	—	—
Financing costs, net	107	—	—
Adjustment for non-cash transactions with Affiliate	4,238	(9,601)	—
Changes in working capital	5,470	4,058	—
Adjusted EBITDA	$ 7,827	$ (5,543)	$ —
Cash Flow Data			
Net cash provided by operating activities	$ 661	$ —	$ —
Net cash used in investing activities	(175,100)	—	—
Net cash provided by financing activities	624,374	—	—

Items Affecting Comparability of Our Financial Condition and Results of Operations

Future financial data of Altus Midstream attributable to us may not be comparable to the historical results of our operations for the periods presented due to the following reasons:

Construction of Assets

Since inception, we have invested capital to develop our assets in the Permian Basin of West Texas. Construction on the assets began in the fourth quarter of 2016, and operations commenced in the second quarter of 2017. We anticipate additional investments in the continued capital development of our midstream assets of approximately $325 million in 2019, approximately $185 million in 2020 and approximately $200 million in 2021. The investment will primarily be directed toward the construction of additional gathering, compression, processing, and transportation facilities, including three forecasted cryogenic processing plants expected to be in-service during 2019 with combined nameplate capacity of approximately 600 MMcf/d. Additional capacity will be added over the next several years to facilitate production increases from Alpine High and potential third-party volumes.

Joint Venture Equity Options

As part of the Business Combination, we obtained the right, but not the obligation, to exercise the Pipeline Options. Our option to enter into a 15 percent ownership stake in the Gulf Coast Express natural gas pipeline was exercised in December 2018 for $91.1 million. We expect to exercise the remaining four Pipeline Options in 2019 and early 2020, resulting in approximately $1.6 billion of total anticipated capital spending for the exercise of these options and the associated capital requirements required until the associated pipelines are in service. This includes approximately $1.3 billion in 2019 and approximately $340 million in 2020. These options provide Adjusted EBITDA upside potential as well as investment opportunity not reflected in historical results.

The following table provides additional information regarding the exercise of the Pipeline Options:

	EPIC Option [1]	Salt Creek Option	Shin Oak Option	Permian Highway Option [2]
Expiration Date	February 1, 2019	January 31, 2020	60 days following in-service date	September 4, 2019
Option Percentage	15%	50%	33%	27%
Estimated Exercise Price[3]	$52 million	$51 million	$500 million	$232 million

(1) Subsequent to the balance sheet date, the EPIC Option was exercised on February 1, 2019.

(2) Upon exercising the Permian Highway Pipeline Option, the Company may acquire an additional 1 percent interest in GCX.

(3) Estimated exercise price represents our proportionate share of capital expenditures made with respect to the applicable project prior to such exercise, plus financing charges associated with such capital expenditures (“exercise price”). There are no costs associated with exercising the Pipeline Options other than the exercise price. However, we will be required to fund our pro rata share of capital expenditures after the exercise date.

Throughput of Volumes

We currently generate all of our revenues under fee-based agreements with Apache. These agreements are expected to result in cash flow consistency and minimize our direct exposure to commodity price fluctuations because we generally do not engage in the selling, marketing, or trading of crude oil, natural gas, or NGLs. Commodity price variances indirectly impact our activities and results of operations over the long term because prices can influence production rates and investments by Apache and other third parties in the development of new crude oil and natural gas reserves. Generally, drilling and production activity will increase as crude oil, NGL and natural gas prices increase. The throughput volumes will depend primarily on the volume of natural gas produced by Apache in Alpine High. Despite projected producer economics in Alpine High, we cannot guarantee volume throughput, and our existing commercial arrangements with Apache do not provide volume commitments. We believe the Alpine High acreage dedication from Apache is an attractive alternative to a volume commitment due to the large acreage footprint containing stacked pay potential.

Operation of Assets

As assets are placed into service over the next several years, additional operating expenses are expected to trend higher given the increased capital expenditures and number of facilities being utilized. The assets currently in service are new, and over time, as anticipated, we project that maintenance and repair costs will increase as the assets age. We are also subject to operational issues caused by off-specification natural gas transported to our processing plants.

Income Taxes

Alpine High Midstream is a group of entities that are disregarded as entities separate from their regarded owner, Apache. For U.S. federal income tax purposes, Apache is a C-corporation under the Internal Revenue Code. As a result, federal taxable income associated with Alpine High Midstream has historically been included in Apache’s consolidated federal income tax return. Alpine High Midstream is also subject to the Texas margin tax and the Alpine High Midstream entities have historically been included in the Apache combined Texas margin tax return.

At the closing of the Business Combination, Apache contributed the Alpine High Entities and the Pipeline Options to Altus Midstream with the Alpine High Midstream entities now treated as disregarded entities under Altus Midstream. Altus Midstream will not be subject to U.S. federal income tax and will instead pass through its taxable income to its partners - being Apache and Altus - upon closing of the Business Combination. As a result of the change in ownership structure, Altus will record net income or loss before income taxes attributable to both the controlling and noncontrolling interest; however, Altus will only report an income tax provision associated with the Company’s investment in Altus Midstream and Altus’ corporate operations. Our management will continue to assess the Company’s ability to realize any net deferred tax assets.

Public Company Expenses

The Company incurs direct, incremental G&A expense as a result of being a publicly traded company, including, but not limited to, costs associated with preparing annual and quarterly reports to stockholders, tax return preparation, independent auditor fees, investor relations activities, registrar and transfer agent fees, incremental director and officer liability insurance costs, and other similar costs. These direct, incremental G&A expenses are expected to increase in future periods, given the change in the Company's capital structure upon the closing of the Business Combination.

Results of Operations

The following table presents the Company's results of operations for the periods presented:

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands)		
REVENUES AND OTHER:			
Midstream services — affiliate	$ 76,750	$ 15,142	$ —
Other	1,608	—	—
Total revenues and other	78,358	15,142	—
OPERATING EXPENSES:			
Gathering, processing, and transmission	53,922	16,597	—
General and administrative	7,368	3,991	—
Depreciation and accretion	20,068	5,991	—
Taxes other than income	7,633	97	—
Financing costs, net	107	—	—
Total operating expenses	89,098	26,676	—
NET LOSS BEFORE INCOME TAXES	(10,740)	(11,534)	—
Current income tax benefit	(1,041)	—	—
Deferred income tax (benefit) expense	(9,460)	7,041	—
NET LOSS INCLUDING NONCONTROLLING INTEREST	(239)	(18,575)	—
Net income attributable to noncontrolling interest	4,149	—	—
NET LOSS ATTRIBUTABLE TO CLASS A COMMON SHAREHOLDERS	$ (4,388)	$ (18,575)	$ —
KEY PERFORMANCE METRICS:			
Adjusted EBITDA [(1)]	$ 7,827	$ (5,543)	$ —
OPERATING DATA:			
Average throughput volumes of natural gas (MMcf/d)	333	69	—
Average volumes of natural gas processed (MMcf/d)	333	69	—

(1) Adjusted EBITDA is not defined by accounting principles generally accepted in the United States ("GAAP") and should not be considered an alternative to, or more meaningful than, net income (loss), operating income (loss), net cash provided by (used in) operating activities or any other measures prepared under GAAP. For definitions and reconciliations of Adjusted EBITDA most directly comparable to GAAP measures, see the section entitled *Adjusted EBITDA* above.

For purposes of the following discussion, any increases or decreases "for the year ended December 31, 2018" refer to the comparison of "*2018 vs. 2017*," and any increases or decreases "for the year ended December 31, 2017" refer to the comparison of "*2017 vs. 2016.*"

Midstream Revenues

The following table summarizes the Company's revenues for the periods presented:

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands)		
REVENUES AND OTHER:			
Midstream services — affiliate	$ 76,750	$ 15,142	$ —
Other	1,608	—	—
Total revenues and other	$ 78,358	$ 15,142	$ —

2018 vs. 2017. Midstream services revenue from affiliate increased by $61.6 million to $76.8 million for the year ended December 31, 2018, as compared to $15.1 million for the year ended December 31, 2017. The increase is solely attributed to activity ramp-up following the commencement of operations on the midstream assets in the second quarter of 2017, resulting in increased throughput volumes as Apache increased production from Alpine High. All midstream services revenues were generated through fee-based contractual arrangements with Apache. These services include gas gathering, processing, and transmission. The revenue earned from these services is directly related to the volume of natural gas and NGLs that flow through our systems, and we do not take ownership of the natural gas or NGLs handled for Apache. Other revenue is related to interest income.

2017 vs. 2016. Midstream services revenue from affiliate increased by $15.1 million for the year ended December 31, 2017, as compared to no revenues for the period ended December 31, 2016, which is commensurate with the Company achieving its first sales in 2017. The increase is solely attributed to the Company's commencement of operations on the midstream assets in the second quarter of 2017, resulting in increased throughput volumes as Apache increased production from Alpine High. All midstream services revenues were generated through fee-based contractual arrangements with Apache. These services include gas gathering, transmission, and processing. The revenue earned from these services is directly related to the volume of natural gas and NGLs that flow through the Company's systems, and the Company does not take ownership of the natural gas handled for Apache.

Operating Expenses

The following table summarizes the Company's operating expenses for the periods presented:

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands)		
Gathering, processing, and transmission	$ 53,922	$ 16,597	$ —
General and administrative	7,368	3,991	—
Depreciation and accretion	20,068	5,991	—
Taxes other than income	7,633	97	—
Financing costs, net	107	—	—
Total operating expenses	$ 89,098	$ 26,676	$ —

Gathering, processing, and transmission expenses

2018 vs. 2017. GPT expenses increased by $37.3 million to $53.9 million for the year ended December 31, 2018, as compared to $16.6 million for the year ended December 31, 2017, which is commensurate with activity ramp-up following the commencement of our initial operations in the second quarter of 2017. GPT expenses are expected to increase over the next several years as additional infrastructure is built to facilitate expected volume growth.

2017 vs. 2016. GPT expenses increased by $16.6 million to $16.6 million for the year ended December 31, 2017, as compared to no expense for the period ended December 31, 2016, which is commensurate with the commencement of the Company's initial operations in the second quarter of 2017.

General and administrative expense

2018 vs. 2017. G&A expense increased by $3.4 million to $7.4 million for the year ended December 31, 2018, as compared to $4.0 million for the year ended December 31, 2017, which reflects the increase in overhead support services due to organizational growth, coupled with higher expenses incurred related to insurance, audit and other public filing requirements.

2017 vs. 2016. G&A expense increased by $4.0 million to $4.0 million for the year ended December 31, 2017, as compared to no G&A expense for the period ended December 31, 2016, which reflects the commencement of the Company's operations in the second quarter of 2017.

Depreciation and accretion expense

2018 vs. 2017. Depreciation and accretion expense increased by $14.1 million to $20.1 million for the year ended December 31, 2018, as compared to $6.0 million for the year ended December 31, 2017. The increase represents the timing of placing assets into service following construction activity over the historical period. Depreciation and accretion expense is expected to increase over the next several years as additional infrastructure is built to facilitate expected volume growth.

2017 vs. 2016. Depreciation and accretion expense increased by $6.0 million to $6.0 million for the year ended December 31, 2017, as compared to no depreciation and accretion expense for the period ended December 31, 2016. The increase represents the timing of placing assets into service following construction activity over the historical period.

Taxes other than income

2018 vs. 2017. Ad valorem taxes were first assessed in the second half of 2017 and were immaterial given the start-up nature of the midstream assets. Ad valorem taxes increased by $7.5 million to $7.6 million for the year ended December 31, 2018, as compared to $0.1 million for the year ended December 31, 2017. This increase represents the higher tax assessment in the current year related to completion of construction of certain assets.

2017 vs. 2016. Ad valorem taxes were first assessed in the second half of 2017 and were immaterial given the start-up nature of the midstream assets.

Financing costs, net

Financing costs incurred during the period comprised the following:

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018[1]	2017[1]	2016[1]
	(In thousands)		
Interest expense	$ 8,412	$ 7,100	$ 272
Amortization of deferred facility fees	107	—	—
Capitalized interest	(8,412)	(7,100)	(272)
Total Financing costs, net	$ 107	$ —	$ —

(1) Prior to the Business Combination, the Company's operations were funded entirely by contributions from Apache. Accordingly, Apache allocated a portion of interest on its corporate debt in determining capitalized interest associated with the development of Alpine High infrastructure. Refer to Note 1 — Summary of Significant Accounting Policies and Note 3 — Transactions with Affiliates in the Notes to Consolidated Financial Statements set forth in Part IV, Item 15 of this Form 10-K for further information.

2018 vs. 2017. Net financing costs increased $0.1 million from 2017, associated with the revolving credit facility entered into by Altus Midstream in November 2018.

Provisions for Income Taxes

2018 vs. 2017. Income tax expense for the year ended December 31, 2018 and 2017 was a benefit of $10.5 million and an expense of $7.0 million, respectively. Income tax benefit for the year ended December 31, 2018 was primarily impacted by the change in valuation allowance, state taxes, and federal partnership income not subject to tax by the Company. Income tax expense for the year ended December 31, 2017 was primarily impacted by the change in valuation allowance, state tax expense, and deferred tax expense associated with the reduction in U.S. income tax rate from 35 percent to 21 percent. Please refer to Note 10 — Income Taxes set forth in Part IV, Item 15 of this Form 10-K for further discussion.

2017 vs. 2016. Income tax expense for the year ended December 31, 2017 was $7.0 million. There was no income tax provision in 2016. Income tax expense for the year ended December 31, 2017 was primarily impacted by the change in valuation allowance, state tax expense, and deferred tax expense associated with the reduction in U.S. income tax rate from 35.0 percent to 21 percent. Alpine High Midstream commenced operations in 2017. No income tax expense was recorded for the period ended December 31, 2016. Please refer to Note 10 — Income Taxes set forth in Part IV, Item 15 of this Form 10-K for further discussion.

Key Performance Metrics

2018 vs. 2017. Adjusted EBITDA increased by $13.4 million for the year ended December 31, 2018, primarily due to a $61.6 million increase in midstream service revenue from affiliate. These amounts were partially offset by a $37.3 million increase in GPT expenses, a $7.5 million increase in ad valorem taxes, and a $3.4 million increase in G&A expenses. Higher Adjusted EBITDA is primarily attributed to activity ramp-up following the commencement of operations on the midstream assets in the second quarter of 2017, resulting in increased throughput volumes as Apache increased production from Alpine High.

2017 vs. 2016. Adjusted EBITDA was a deficit of $5.5 million for the year ended December 31, 2017. Adjusted EBITDA was directly impacted by the Company's commencement of operations on the midstream assets in the second quarter of 2017, and the start-up nature of initial services. The Company had no meaningful Adjusted EBITDA in 2016 as operations commenced in the second quarter of 2017.

Capital Resources and Liquidity

Altus Midstream Overview

Our plans for future infrastructure development and construction of our midstream assets, as well as the exercise of the Pipeline Options still outstanding, will require significant capital expenditures in excess of current cash on hand and operational cash flow. To date, our primary use of capital has been for the initial construction of assets. Historically, our primary source of liquidity has been capital contributions from Apache. As our operations commenced in the second quarter of 2017, limited cash from operations has been generated. While our assets are being constructed, our ongoing sources of liquidity are expected to be cash generated from operations which are anticipated to increase over time, cash on the balance sheet from the Business Combination, and cash proceeds from raising capital (such as debt or equity). Management expects throughput and processing volumes to increase considerably during this initial development phase given the production forecast for acreage that has been dedicated to us. Based on the current financial plan, we believe our operations and capital program for midstream operations will begin to generate operating cash flows in excess of investment expenditures by year-end 2021.

Altus Midstream and/or its subsidiaries anticipate using its cash position, revolving credit facility borrowing capacity (as further described below), and reinvested operating cash flow to fund its near-term capital requirements, including the capital needs upon exercising the Pipeline Options. In addition, Altus Midstream and/or its subsidiaries expect to evaluate additional sources of financing to facilitate its capital investments, including additional borrowings, preferred equity, asset-level financing, and common equity.

If we are unable to obtain funds or provide funds as needed for the planned capital expenditure program, we may not be able to finance the capital expenditures necessary to achieve our expansion plans, exercise the Pipeline Options outstanding, or maintain our business as currently conducted.

Altus Midstream Capital Requirements

During 2018, 2017, and 2016, capital spending for our assets totaled $568.5 million, $505.7 million, and $59.3 million. Prior to the Business Combination, asset expenditures in 2018, 2017, and 2016 primarily comprise investments in infrastructure for Alpine High made by Apache that were contributed to Altus Midstream.

We anticipate additional investments in the continued capital development of Altus Midstream's assets of approximately $325 million in 2019, approximately $185 million in 2020 and approximately $200 million in 2021.The investment will primarily

be directed toward the construction of additional gathering, compression, processing, and transportation facilities, including three forecasted cryogenic processing plants expected to be in-service during 2019 with combined nameplate capacity of approximately 600 MMcf/d. Additional capacity will be added over the next several years to facilitate production increases from Alpine High and potential third party volumes. Operating cash flows are not expected to cover all of these capital investments.

As part of the Business Combination, we obtained the right, but not the obligation, to exercise the Pipeline Options. Our option to enter into a 15 percent ownership stake in the Gulf Coast Express natural gas pipeline was exercised in December 2018 for $91.1 million. We expect to exercise the remaining four Pipeline Options in 2019 and early 2020, resulting in approximately $1.6 billion of total anticipated capital spending for the exercise of these options and the associated capital requirements required until the associated pipelines are in service. This includes approximately $1.3 billion in 2019 and approximately $340 million in 2020.

Liquidity

Cash and cash equivalents

At December 31, 2018, we had $449.9 million in cash and cash equivalents. The majority of the cash is invested in highly liquid, investment-grade instruments with maturities of three months or less at the time of purchase.

Available credit facilities

In November 2018, Altus Midstream entered into a revolving credit facility for general corporate purposes that matures in November 2023 (subject to Altus Midstream's two, one-year extension options). The agreement for this revolving credit facility provides aggregate commitments from a syndicate of banks of $450.0 million until (i) the consolidated net income of Altus Midstream and its restricted subsidiaries, as adjusted pursuant to the agreement ("EBITDA"), for three consecutive calendar months equals or exceeds $175.0 million on an annualized basis and (ii) Altus Midstream has raised at least $250.0 million of additional capital (such period, the "Initial Period"). Following the Initial Period, the aggregate commitments equal $800.0 million. All aggregate commitments include a letter of credit subfacility of up to $100.0 million and a swingline loan subfacility of up to $100.0 million. After the Initial Period, Altus Midstream may increase commitments up to an aggregate $1.5 billion by adding new lenders or obtaining the consent of any increasing existing lenders. As of December 31, 2018, no borrowings or letters of credit were outstanding under this facility.

The Altus Midstream revolving credit facility is unsecured and is not guaranteed by the Company, Apache Corporation, or any of their respective subsidiaries.

At Altus Midstream's option, the interest rate per annum for borrowings under its 2018 credit facility is either a base rate, as defined, plus a margin, or the London Inter-bank Offered Rate ("LIBOR"), plus a margin. Altus Midstream also pays quarterly a facility fee at a per annum rate on total commitments. The margins and the facility fee vary based upon (i) the Leverage Ratio until Altus Midstream has a senior long-term debt rating and (ii) such senior long-term debt rating once it exists. The "Leverage Ratio" is the ratio of (1) the consolidated indebtedness of Altus Midstream and its restricted subsidiaries to (2) EBITDA of Altus Midstream and its restricted subsidiaries for the 12-month period ending immediately before such date. At December 31, 2018, the base rate margin was 0.05 percent, the LIBOR margin was 1.05 percent, and the facility fee was 0.20 percent. A commission is payable quarterly to lenders on the face amount of each outstanding letter of credit at a per annum rate equal to the LIBOR margin then in effect. Customary letter of credit fronting fees and other charges are payable to issuing banks.

The credit agreement for Altus Midstream's revolving credit facility contains restrictive covenants that may limit the ability of Altus Midstream and its restricted subsidiaries to, among other things, incur additional indebtedness or guaranty indebtedness, sell assets, make investments in unrestricted subsidiaries, enter into mergers, make certain payments and distributions, incur liens on certain property securing indebtedness, and engage in certain other transactions without the prior consent of the lenders. Altus Midstream also is subject to a financial covenant under the credit agreement, which requires it to maintain one of the following financial ratios:

- during the Initial Period, a debt-to-capital ratio of not greater than 30 percent at the end of any fiscal quarter, determined by reference to (i) the consolidated indebtedness of Altus Midstream and its restricted subsidiaries to (ii) (A) the consolidated partners' equity of Altus Midstream and its restricted subsidiaries plus (B) the consolidated indebtedness of Altus Midstream and its restricted subsidiaries; and

- after the Initial Period, a Leverage Ratio of not greater than 5.00:1.00 at the end of any fiscal quarter, except that for up to one year following a qualified acquisition, the Leverage Ratio cannot exceed 5.50:1.00 at the end of any fiscal quarter.

There are no clauses in the agreement for Altus Midstream's 2018 revolving credit facility that permit the lenders to accelerate payments or refuse to lend based on unspecified material adverse changes. The agreement has no drawdown restrictions or prepayment obligations in the event of a decline in credit ratings. However, the agreement allows the lenders to accelerate payment maturity and terminate lending and issuance commitments for nonpayment and other breaches, and if Altus Midstream or any of its restricted subsidiaries defaults on other indebtedness in excess of the stated threshold, is insolvent, or has any unpaid, non-appealable judgment against it for payment of money in excess of the stated threshold. Lenders may also accelerate payment maturity and terminate lending and issuance commitments if Altus Midstream undergoes a specified change in control or has specified pension plan liabilities in excess of the stated threshold. Altus Midstream was in compliance with the terms of its 2018 credit facility as of December 31, 2018.

There is no assurance that the financial condition of banks with lending commitments to Altus Midstream will not deteriorate. We closely monitor the ratings of the banks in our bank group. Having a large bank group allows the Company to mitigate the potential impact of any bank's failure to honor its lending commitment.

Off-Balance Sheet Arrangements

Other than the arrangements described herein, the Company has not entered into any transactions, agreements, or other contractual arrangements with unconsolidated entities that are reasonably likely to materially affect our liquidity or capital resource positions.

At the close of the Business Combination, Apache was granted the right to receive contingent consideration of up to 37,500,000 shares of Class A Common Stock as follows:

i. 12,500,000 shares if, during the calendar year 2021, the aggregate gathered gas from an area of dedication in Reeves, Pecos, Culberson, and Jeff Davis Counties in Texas that are assessed a low pressure gathering fee pursuant to that certain Amended and Restated Gas Gathering Agreement, dated August 8, 2018, between Apache and Alpine High Gathering, LP is equal to or greater than 574,380 million cubic feet.

ii. 12,500,000 shares if the per share closing price of the Class A Common Stock as reported by NASDAQ during any 30-day-trading period ending prior to the fifth anniversary of the Closing Date is equal to or great than $14.00 for any 20 trading days within such 30-trading-day period.

iii. 12,500,000 shares if the per share closing price of the Class A Common Stock as reported by NASDAQ during any 30-trading-day period ending prior to the fifth anniversary of the Closing Date is equal to or greater than $16.00 for any 20 trading days within such 30-trading-day period.

For additional information regarding these arrangements, please see Note 11 — Equity in the Notes to the Consolidated Financial Statements set forth in Part IV, Item 15 of this Form 10-K.

Contractual Obligations

The following table summarizes the Company's contractual obligations as of December 31, 2018. For additional information regarding these obligations, please see Note 3 — Transactions with Affiliates, Note 5 — Debt and Financing Costs, and Note 8 — Commitments and Contingencies in the Notes to the Consolidated Financial Statements set forth in Part IV, Item 15 of this Form 10-K.

Contractual Obligations [1]	Note Reference	Total	2019	2020-2021	2022-2023	2024 & Beyond
			(In thousands)			
COMA fee[2]	Note 3	$ 23,626	$ 2,626	$ 12,000	$ 9,000	$ —
Credit facility fee[3]	Note 5	7,918	1,638	3,275	3,005	—
Operating lease obligations[4]	Note 3	2,060	534	1,068	458	—
Total Contractual Obligations		$ 33,604	$ 4,798	$ 16,343	$ 12,463	$ —

(1) This table does not include the Company's liability for dismantlement, abandonment, and restoration costs of midstream assets. For additional information regarding these liabilities, please see Note 7 — Asset Retirement Obligations in the Notes to the Consolidated Financial Statements set forth in Part IV, Item 15 of this Form 10-K.

(2) Amounts represent annual general and administrative fees established under the COMA for payment to Apache for certain administrative and operational support services being provided to Altus Midstream. The annual general and administrative fee cannot be increased until after the fourth anniversary of the Business Combination and will be redetermined annually thereafter.

(3) Facility fee obligations are associated with the revolving credit facility's total aggregated commitments. The fee assumes unused total commitments of $800 million for all periods presented.
(4) Amounts include long-term lease payments to Apache under the Lease Agreement for office space, warehouse and storage facilities located in Reeves County, Texas. The obligation amount is determined on the base rental charge. The initial term of the Lease Agreement is for four years and may be extended by Altus Midstream for three additional, consecutive periods of twenty-four months.

As further described above under the section entitled *Items Affecting Comparability of Our Financial Condition and Results of Operations*, we obtained the Pipeline Options from Apache at the closing of the Business Combination. Upon exercising each individual option, the Company may be required to fund future capital expenditures for its equity interest share in the development of the pipeline as referenced. In December 2018, the Company exercised its option for a 15 percent equity interest in the GCX LLC Pipeline. The Company estimates it will incur $175.3 million of additional capital contributions during 2019 for its equity interest associated with the remaining construction costs in this joint venture pipeline.

Additionally, Altus has other planned capital and investment projects that are discretionary in nature, with no substantial contractual obligations made in advance of the actual expenditures. These expenditures align with the Company's current infrastructure development plan and growth forecasts. The Company's midstream assets are anchored by Altus Midstream's existing fee-based revenue agreements, which are underpinned by acreage dedications covering Alpine High. There are no minimum volume or firm transportation commitments. Pursuant to these agreements, Altus Midstream is obligated to perform low and high pressure gathering, processing, dehydration, compression, treating, conditioning, and transportation on all volumes produced from the dedicated acreage, so long as Apache has the right to market such gas.

Altus Midstream may also be subject to various contingent obligations that become payable only if certain events or rulings were to occur. The inherent uncertainty surrounding the timing of and monetary impact associated with these events or rulings prevents any meaningful accurate measurement, which is necessary to assess settlements resulting from litigation or environmental matters. As of December 31, 2018, there were no accruals or loss contingencies. For a detailed discussion of the Company's environmental and legal contingencies, please see Note 8 — Commitments and Contingencies in the Notes to Consolidated Financial Statements set forth in Part IV, Item 15 of this Form 10-K.

Insurance Program

The Company has the benefit of insurance policies that include coverage for physical damage to our assets, general liabilities, business interruption insurance, sudden and accidental pollution, and other risks. Our insurance coverage is subject to deductibles or retentions that we must satisfy prior to recovering on insurance. Additionally, our insurance is subject to policy exclusions and limitations. There is no assurance that our insurance will adequately protect us against liability from all potential consequences and damages.

Future insurance coverage for our industry could increase in cost and may include higher deductibles or retentions. In addition, some forms of insurance may become unavailable.

Critical Accounting Policies and Estimates

We prepare our financial statements and the accompanying notes in conformity with accounting principles generally accepted in the United States, which require management to make estimates and assumptions about future events that affect the reported amounts in the financial statements and the accompanying notes. We identify certain accounting policies as critical based on, among other things, their impact on the portrayal of our financial condition, results of operations, or liquidity and the degree of difficulty, subjectivity, and complexity in their deployment. Critical accounting policies cover accounting matters that are inherently uncertain because the future resolution of such matters is unknown. Management routinely discusses the development, selection, and disclosure of each of the critical accounting policies. The following is a discussion of our most critical accounting policies.

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Expenditures which extend the useful lives of existing property, plant and equipment, maintain the long-term system operating capacity of our assets, or increase system throughput or capacity from current levels are capitalized. We capitalize construction-related direct labor and incremental costs, while repair and maintenance costs are expensed as incurred.

When assets are placed into service, management makes estimates with respect to useful lives and salvage values that management believes are reasonable. However, subsequent events could cause a change in estimates, thereby impacting future depreciation amounts. Uncertainties that may impact these estimates include, among others, changes in laws and regulations relating to environmental matters, including air and water quality, restoration and abandonment requirements, economic conditions,

and supply and demand in the area. Depreciation is computed over the asset's estimated useful life using the straight line method based on estimated useful lives and asset salvage values. The estimated lives are 30 years for plants and facilities and 40 years for pipelines.

When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any profit or loss on disposition is recognized as gain or loss.

Impairment of Long-lived Assets

Long-lived assets used in operations, including gathering, processing, and transmission facilities, are evaluated for potential impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable from expected undiscounted cash flows from the use and eventual disposition of an asset. If the carrying amount of the asset is not expected to be recoverable from future undiscounted cash flows, an impairment may be recognized. Any impairment is measured as the excess of the carrying amount of the asset over its estimated fair value.

In assessing long-lived assets for impairments, our management evaluates changes in our business and economic conditions and their implications for recoverability of the assets' carrying amounts. Currently all of our revenues arise from services provided to Apache. Therefore, significant downward revisions in reserve estimates or changes in future development plans by Apache, to the extent they affect our operations, may necessitate assessment of the carrying amount of our affected assets for recoverability.

Such assessment requires application of judgment regarding the use and ultimate disposition of the asset, long-range revenue and expense estimates, global and regional economic conditions, including commodity prices and drilling activity by our customers, as well as other factors affecting estimated future net cash flows. The measure of impairments to be recognized, if any, depends upon management's estimate of the asset's fair value, which may be determined based on the estimates of future net cash flows or values at which similar assets were transferred in the market in recent transactions, if such data is available.

We have not recognized any impairments of long-lived assets since inception.

Income Taxes

Our operations are subject to U.S. federal and state taxation on income. We record deferred tax assets and liabilities to account for the expected future tax consequences of events that have been recognized in our financial statements and our tax returns. We routinely assess the ability to realize our deferred tax assets. If we conclude that it is more likely than not that some portion or all of the deferred tax assets will not be realized under accounting standards, the tax asset would be reduced by a valuation allowance. Numerous judgments and assumptions are inherent in the determination of future taxable income, including factors such as future operating conditions.

The Company regularly assesses and, if required, establishes accruals for uncertain tax positions that could result from assessments of additional tax by taxing jurisdictions where the Company operates. The Company recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, based on the technical merits of the position. These accruals for uncertain tax positions are subject to a significant amount of judgment and are reviewed and adjusted on a periodic basis in light of changing facts and circumstances considering the progress of ongoing tax audits, case law, and any new legislation. The Company does not currently have any uncertain tax positions that would require recognition.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosure About Market Risk

We are exposed to various market risks, including the effects of adverse changes in commodity prices and credit risk as described below.

Commodity Price Risk

Currently all of our midstream service agreements are fee-based, with no direct commodity price exposure to oil, natural gas, or NGLs. However, we are indirectly exposed to adverse changes in commodity prices through Apache and potential third-party customers' economic decisions to develop and produce oil and natural gas from which we receive revenues for providing gathering, processing and transmission services.

Fluctuations in commodity prices also impact operating cost elements both directly and indirectly. For example, commodity prices directly impact costs such as power and fuel, which are expenses that increase (or decrease) in line with changes in commodity prices. Commodity prices also affect industry activity and demand, thus indirectly impacting the cost of items such as labor and equipment rentals. Management regularly reviews our potential exposure to commodity price risk, and may periodically enter into financial or physical arrangements intended to mitigate potential volatility.

Credit Risk

We are subject to credit risk resulting from nonpayment or nonperformance by, or the insolvency or liquidation of, Apache or potential third-party customers. Any increase in the nonpayment and nonperformance by, or the insolvency or liquidation of, our customers could adversely affect our results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary financial information required to be filed under this Item 8 are presented on pages F-1 through F-31 in Part IV, Item 15 of this Form 10-K and are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On December 17, 2018, the board of directors of Altus Midstream Company, upon the recommendation of the Audit Committee of the board of directors, unanimously resolved (i) to dismiss WithumSmith+Brown, PC ("Withum") as its independent public accountants and (ii) to engage Ernst & Young LLP ("EY") to serve as the Company's independent public accountants for the fiscal year ending December 31, 2018. This decision followed the consummation of the Business Combination on November 9, 2018. Please refer to the Form 8-K filed on December 17, 2018 for additional information.

There have been no disagreements with the accountants during the periods presented.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's Chief Executive Officer and President, in his capacity as principal executive officer, and the Company's Chief Financial Officer and Treasurer, in his capacity as principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2018, the end of the period covered by this report. Based on that evaluation and as of the date of that evaluation, these officers concluded that the Company's disclosure controls and procedures were effective, providing effective means to ensure that the information we are required to disclose under applicable laws and regulations is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms and accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

The management report called for by Item 308(a) of Regulation S-K is incorporated herein by reference to the "Report of Management on Internal Control Over Financial Reporting," included on Page F-1 in Part IV, Item 15 of this Form 10-K.

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act and is not required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act. As such, this annual report on Form 10-K does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2018, we implemented changes to internal control over financial reporting related to the Business Combination which closed on November 9, 2018. The modified and new controls have been designed to address risks associated with changes to the business after the completion of the Business Combination, including modifications to accounting policies and contract review controls. There were no other changes in our internal control over financial reporting during the quarter ended December 31, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information set forth under the captions “Election of Directors” and “Executive Officers of the Company” in the proxy statement relating to the Company’s 2019 annual meeting of shareholders (the “Proxy Statement”) is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the captions “Executive Compensation” and “APPROVAL OF THE OMNIBUS COMPENSATION PLAN” in the Proxy Statement are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under the captions “Securities Ownership and Principal Holders,” “Securities Authorized for Issuance Under Equity Compensation Plans” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

See Note 3 — Transactions with Affiliates of our financial statements, under Item 8 above, for information regarding payments to Apache Corporation. The information set forth under the captions “Certain Business Relationships and Transactions” and “Director Independence” in the Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information set forth under the caption “Ratification of Appointment of Independent Auditors” in the Proxy Statement is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents included in this report:

1. Financial Statements

2. Financial Statement Schedules

   Financial statement schedules have been omitted because they are either not required, not applicable or the information required to be presented is included in the Company's financial statements and related notes.

3. Exhibits

See Index to Exhibits of this report.

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, hereunto duly authorized.

ALTUS MIDSTREAM COMPANY

/s/ Clay Bretches
Clay Bretches
Chief Executive Officer and President

Dated: February 28, 2019

POWER OF ATTORNEY

The officers and directors of Altus Midstream Company, whose signatures appear below, hereby constitute and appoint Clay Bretches and Ben C. Rodgers, and each of them (with full power to each of them to act alone), the true and lawful attorney-in-fact to sign and execute, on behalf of the undersigned, any amendment(s) to this report and each of the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue thereof.

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.

Name	Title	Date
/s/ Clay Bretches Clay Bretches	Director, Chief Executive Officer, and President (principal executive officer)	February 28, 2019
/s/ Ben C. Rodgers Ben C. Rodgers	Director, Chief Financial Officer, and Treasurer (principal financial officer)	February 28, 2019
/s/ Mark Borer Mark Borer	Director	February 28, 2019
/s/ Robert W. Bourne Robert W. Bourne	Director, Vice President, Business Development - Midstream and Marketing	February 28, 2019
/s/ Staci L. Burns Staci L. Burns	Director	February 28, 2019
/s/ C. Doug Johnson C. Doug Johnson	Director	February 28, 2019
/s/ D. Mark Leland D. Mark Leland	Director	February 28, 2019
/s/ Kevin S. McCarthy Kevin S. McCarthy	Director	February 28, 2019
/s/ W. Mark Meyer W. Mark Meyer	Director, Chairman of the Board, and Senior Vice President, Energy Technology, Data Analytics & Commercial Intelligence	February 28, 2019
/s/ Robert S. Purgason Robert S. Purgason	Director	February 28, 2019
/s/ Jon W. Sauer Jon W. Sauer	Director, Senior Vice President	February 28, 2019

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for the preparation and integrity of the consolidated financial statements appearing in this annual report on Form 10-K. The financial statements were prepared in conformity with accounting principles generally accepted in the United States and include amounts that are based on management's best estimates and judgments.

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements. Our internal control over financial reporting is supported by a program of internal audits and appropriate reviews by management, written policies and guidelines, careful selection and training of qualified personnel and a written code of business conduct adopted by our Company's board of directors, applicable to all Company directors and all officers of our Company.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation. 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.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on our assessment, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2018.

The Company's independent auditors, Ernst & Young LLP, a registered public accounting firm, are appointed by the Audit Committee of the Company's board of directors. Ernst & Young LLP have audited and reported on the consolidated financial statements of Altus Midstream Company and its subsidiaries. The report of the independent auditors follows this report on page F-2.

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act and is not required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act. As such, this annual report on Form 10-K does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

/s/ Clay Bretches

Chief Executive Officer and President

(principal executive officer)

/s/ Ben C. Rodgers
Chief Financial Officer and Treasurer
(principal financial officer)

/s/ Rebecca A. Hoyt
Senior Vice President, Chief Accounting Officer and Controller
(principal accounting officer)

Houston, Texas
February 28, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Altus Midstream Company:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Altus Midstream Company (the Company) as of December 31, 2018 and 2017, and the related consolidated statements of operations, cash flows and changes in equity and noncontrolling interest for each of the two years in the period ended December 31, 2018 and the period from inception (May 26, 2016) through December 31, 2016, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2018 and the period from inception (May 26, 2016) through December 31, 2016, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Houston, Texas

February 28, 2019

ALTUS MIDSTREAM COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands, except per common share data)		
REVENUES AND OTHER:			
Midstream services — affiliate (Note 3)	$ 76,750	$ 15,142	$ —
Other	1,608	—	—
Total revenues and other	78,358	15,142	—
OPERATING EXPENSES:			
Gathering, processing, and transmission [1]	53,922	16,597	—
General and administrative [2]	7,368	3,991	—
Depreciation and accretion	20,068	5,991	—
Taxes other than income	7,633	97	—
Financing costs, net	107	—	—
Total operating expenses	89,098	26,676	—
NET LOSS BEFORE INCOME TAXES	(10,740)	(11,534)	—
Current income tax benefit	(1,041)	—	—
Deferred income tax (benefit) expense	(9,460)	7,041	—
NET LOSS INCLUDING NONCONTROLLING INTEREST	(239)	(18,575)	—
Net income attributable to noncontrolling interest	4,149	—	—
NET LOSS ATTRIBUTABLE TO CLASS A COMMON SHAREHOLDERS	$ (4,388)	$ (18,575)	$ —
NET LOSS ATTRIBUTABLE TO CLASS A COMMON SHAREHOLDERS, PER SHARE [3]			
Basic	$ (0.03)	$ (0.30)	$ —
Diluted	(0.03)	(0.30)	—
WEIGHTED AVERAGE SHARES [3]			
Basic	173,125	62,259	6,293
Diluted	173,125	62,259	6,293

(1) Includes amounts of $9.1 million and $4.7 million to related parties for the year ended December 31, 2018 and 2017, respectively. Refer to Note 3 — Transactions with Affiliates.

(2) Includes amounts of $6.5 million and $4.0 million to related parties for the year ended December 31, 2018 and 2017, respectively. Refer to Note 3 — Transactions with Affiliates.

(3) For periods prior to the Business Combination, the number of shares has been retroactively restated to reflect the number of shares received by Apache. For further detail of the Business Combination and associated financial statement presentation, please refer to Note 1 — Summary of Significant Accounting Policies and Note 2 — Recapitalization Transaction.

The accompanying notes to consolidated financial statements are an integral part of this statement.

ALTUS MIDSTREAM COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2018	2017
	(In thousands, except common share data)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 449,935	$ —
Revenue receivables (Note 3)	10,914	5,422
Inventories and other	5,802	743
Prepaid assets and other	1,379	—
	468,030	6,165
PROPERTY, PLANT AND EQUIPMENT:		
Gathering, processing and transmission facilities	1,251,217	705,166
Less: Accumulated depreciation and amortization	(24,320)	(5,580)
	1,226,897	699,586
OTHER ASSETS:		
Joint venture equity interest	91,100	—
Deferred tax asset	67,558	—
Deferred charges and other	3,734	—
	162,392	—
Total assets	$ 1,857,319	$ 705,751
LIABILITIES, NONCONTROLLING INTEREST, AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable to Apache Corporation (Note 1)	$ 13,595	$ —
Other current liabilities (Note 6)	84,926	124,471
	98,521	124,471
DEFERRED CREDITS AND OTHER NONCURRENT LIABILITIES:		
Asset retirement obligation	29,369	18,189
Deferred tax liability	2,643	7,041
	32,012	25,230
Total liabilities	130,533	149,701
COMMITMENTS AND CONTINGENCIES (Note 8)		
Redeemable noncontrolling interest	1,940,500	—
EQUITY:		
Class A Common Stock: $0.0001 par, 1,500,000,000 shares authorized, 74,929,305 shares issued and outstanding at December 31, 2018 (1)	7	—
Class C Common Stock: $0.0001 par, 1,500,000,000 shares authorized, 250,000,000 shares issued and outstanding at December 31, 2018 (1)	25	14
Additional paid-in capital	—	574,611
Accumulated deficit	(213,746)	(18,575)
	(213,714)	556,050
Total liabilities, noncontrolling interest, and equity	$ 1,857,319	$ 705,751

(1) For periods prior to the Business Combination, the number of shares has been retroactively restated to reflect the number of shares received by Apache. For further detail of the Business Combination and associated financial statement presentation, please refer to Note 1 — Summary of Significant Accounting Policies and Note 2 — Recapitalization Transaction.

The accompanying notes to consolidated financial statements are an integral part of this statement.

ALTUS MIDSTREAM COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018 [1]	2017 [1]	2016 [1]
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss including noncontrolling interest	$ (239)	$ (18,575)	$ —
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and accretion	20,068	5,991	—
Deferred income tax (benefit) expense	(9,460)	7,041	—
Adjustment for non-cash transactions with affiliate[1]	(4,238)	9,601	—
Changes in operating assets and liabilities:			
(Increase) decrease in inventories	(5,058)	(743)	—
(Increase) decrease in prepayments and other	(1,045)	—	—
(Increase) decrease in revenue receivables (Note 3)	(5,602)	(5,422)	—
(Increase) decrease in interest receivable	(226)	—	—
Increase (decrease) in accrued expenses	1,977	2,107	—
Increase (decrease) in accounts payable to affiliate	4,484	—	—
NET CASH PROVIDED BY OPERATING ACTIVITIES	661	—	—
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(84,000)	—	—
Joint venture equity interest	(91,100)	—	—
NET CASH USED IN INVESTING ACTIVITIES	(175,100)	—	—
CASH FLOWS FROM FINANCING ACTIVITIES:			
Recapitalization transaction (Note 2)	628,154	—	—
Deferred facility fees	(3,780)	—	—
NET CASH PROVIDED BY FINANCING ACTIVITIES	624,374	—	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	449,935	—	—
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	—	—	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 449,935	$ —	$ —
Supplemental cash flow data:			
Accrued capital expenditures [2]	$ 89,810	$ 122,364	$ 96,626

(1) In all periods prior to the Business Combination, the Company had no banking or cash management activities. Transactions with Apache and asset transfers to and from the Company were not settled in cash and are therefore reflected as a component of equity and redeemable noncontrolling interests on the Consolidated Balance Sheet. In addition to the above, Apache contributed its investments in gas gathering, processing and transmission facilities of approximately $484.5 million, $505.7 million, and $59.3 million that are included within equity and redeemable noncontrolling interests for the year-ended December 31, 2018, 2017 and 2016 respectively. Refer to Note 3 — Transactions with Affiliates for more information.

(2) Includes $9.1 million of capital expenditures due to Apache, pursuant to the terms of the Construction, Operations and Maintenance Agreement entered into at the closing of the Business Combination. Refer to Note 3 — Transactions with Affiliates for more information.

The accompanying notes to consolidated financial statements are an integral part of this statement.

ALTUS MIDSTREAM COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND NONCONTROLLING INTEREST

	Redeemable Noncontrolling Interest	Class A Common Stock		Class C Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Equity
		Shares[1]	Amount[1]	Shares[1]	Amount[1]			
				(In thousands)				
Balance at May 26, 2016	$ —	—	$ —	—	$ —	$ —	$ —	$ —
Issuance of shares	—	423	—	14,464	2	59,338	—	59,340
Net income (loss)	—	—	—	—	—	—	—	—
Balance at December 31, 2016	—	423	—	14,464	2	59,338	—	59,340
Issuance of shares	—	3,542	—	121,075	12	515,273	—	515,285
Net loss	—	—	—	—	—	—	(18,575)	(18,575)
Balance at December 31, 2017	—	3,965	—	135,539	14	574,611	(18,575)	556,050
Issuance of shares	—	3,348	—	114,461	11	480,283	—	480,294
Effect of reverse recapitalization	1,272,066	67,616	7	—	—	(581,392)	—	(581,385)
Net income (loss)	4,149	—	—	—	—	—	(4,388)	(4,388)
Change in redemption value of noncontrolling interest	664,285	—	—	—	—	(473,502)	(190,783)	(664,285)
Balance at December 31, 2018	$ 1,940,500	74,929	$ 7	250,000	$ 25	$ —	$ (213,746)	$ (213,714)

(1) For periods prior to the Business Combination, the number of shares has been retroactively restated to reflect the number of shares received by Apache. For further detail of the Business Combination and associated financial statement presentation, please refer to Note 1 — Summary of Significant Accounting Policies and Note 2 — Recapitalization Transaction.

The accompanying notes to consolidated financial statements are an integral part of this statement.

Unless the context otherwise requires, "we," "us," "our," the "Company," "ALTM" and "Altus" refers to Altus Midstream Company and its consolidated subsidiaries. "Altus Midstream" refers to Altus Midstream LP and its consolidated subsidiaries.

Nature of Operations

Through its consolidated subsidiaries, Altus Midstream Company owns gas gathering, processing and transmission assets in the Permian Basin of West Texas. Construction on the assets began in the fourth quarter of 2016, and operations commenced in the second quarter of 2017. Additionally, we own, or have options to own, joint venture equity interests in a total of five Permian Basin pipelines. The Company's operations consist of one reportable segment.

Organization

Altus originally incorporated on December 12, 2016 in Delaware under the name Kayne Anderson Acquisition Corp. ("KAAC"), for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. The Company closed its public offering in the second quarter of 2017.

On August 3, 2018, Altus Midstream LP was formed in Delaware as a limited partnership and wholly-owned subsidiary of the Company. On August 8, 2018, KAAC and Altus Midstream LP entered into a contribution agreement (the "Contribution Agreement") with certain wholly-owned subsidiaries of Apache Corporation ("Apache"), including the Alpine High Entities. The Alpine High Entities comprise four Delaware limited partnerships (collectively, "Alpine High Midstream") and their general partner (Alpine High Subsidiary GP LLC, a Delaware limited liability company), formed by Apache between May 2016 and January 2017 for the purpose of acquiring, developing, and operating midstream oil and gas assets in the Alpine High resource play ("Alpine High").

On November 9, 2018 (the "Closing Date") and pursuant to the terms of that certain Contribution Agreement, KAAC acquired from Apache, the entire equity interests of the Alpine High Entities and options to acquire joint venture equity interests in five separate third-party pipeline projects (the "Pipeline Options"). The acquisition of the entities and the Pipeline Options is referred to herein as the "Business Combination." In exchange, the consideration provided to Apache included equity consideration, comprising economic voting and non-economic voting shares in KAAC, and limited partner interests in Altus Midstream.

Following the Closing Date and in connection with the completion of the Business Combination:

- KAAC changed its name to Altus Midstream Company;
- the Company's wholly-owned subsidiary, Altus Midstream GP LLC, a Delaware limited liability company ("Altus Midstream GP"), is the sole general partner of Altus Midstream;
- Altus Midstream Company holds a 23.1 percent controlling interest in Altus Midstream;
- Altus Midstream Company operates its business through Altus Midstream and its subsidiaries, which include Alpine High Midstream; and
- the shares of Class A common stock, $0.0001 par value ("Class A Common Stock") continued trading on the NASDAQ under the new symbol "ALTM."

Refer to Note 2 — Recapitalization Transaction, for further discussion of the ownership structure and the partnership structure of Altus Midstream.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Principles of Consolidation

The consolidated financial results of Altus Midstream are included in Altus Midstream Company's consolidated financial statements due to Altus Midstream Company's 100 percent ownership interest in Altus Midstream GP, and Altus Midstream GP's

control of Altus Midstream. Altus Midstream Company has no independent operations or material assets other than its partnership interests in Altus Midstream and related deferred tax asset. Altus Midstream Company's financial statements differ from those of Altus Midstream primarily as a result of the presentation of noncontrolling interest ownership attributable to the limited partner interests in Altus Midstream held by Apache (refer to Note 10 — Income Taxes and Note 11 — Equity for further information).

Variable interest entity

Altus Midstream is a variable interest entity ("VIE") because the partners in Altus Midstream with equity at risk lack the power, through voting or similar rights, to direct the activities that most significantly impact Altus Midstream's economic performance.

A reporting entity that concludes it has a variable interest in a VIE must evaluate whether it has a controlling financial interest in the VIE, such that it is the VIE's primary beneficiary and should consolidate. Altus Midstream Company is the primary beneficiary of, and therefore should consolidate Altus Midstream because (i) Altus Midstream Company has the power to direct the activities of Altus Midstream that most significantly affect its economic performance and (ii) Altus Midstream Company has the right to receive benefits or the obligation to absorb losses that could be potentially significant to Altus Midstream.

Redeemable noncontrolling interest

Altus Midstream Company's redeemable noncontrolling interest presented in the consolidated financial statements consist of common units representing limited partner interests in Altus Midstream held by Apache. Pursuant to certain provisions of the partnership agreement of Altus Midstream (as amended in connection with the Business Combination, the "LPA"), the limited partner interests held by Apache are equal to the number of shares of the Company's Class C common stock, $0.0001 par value ("Class C Common Stock") held by Apache (see Note 2 — Recapitalization Transaction for further information).

The Company initially recorded the redeemable noncontrolling interest upon the issuance of the common units to Apache as part of the Business Combination and based on the recapitalization value ascribed at the Closing Date to the limited partner interest. All, or a portion of the common units may be redeemed at Apache's option. The Company has the ability to settle the redemption option either (i) in shares of Class A Common Stock on a one-for-one basis or (ii) in cash (based on the fair market value of the Class A Common Stock as determined pursuant to the Contribution Agreement), subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Upon the future redemption or exchange of common units held by Apache, a corresponding number of shares of Class C Common Stock will be cancelled.

The Company's policy is to record the redeemable noncontrolling interest represented by the common units held by Apache at the higher of (1) its initial fair value plus accumulated earnings/losses associated with the noncontrolling interest or (2) the redemption value as of the balance sheet date.

See discussion and additional detail further discussed in Note 2 — Recapitalization Transaction and Note 11 — Equity.

Joint venture equity interests

The Company follows the equity method of accounting when it does not exercise control over the joint venture, but can exercise significant influence over the operating and financial policies of the joint venture. Under this method, joint venture equity interests are carried originally at acquisition cost, increased by the proportionate share of the joint venture's net income and by contributions made, and decreased by the proportionate share of the joint venture's net losses and by distributions received. Please refer to Note 9 — Joint Venture Equity Interest, for further details of our equity interests.

Financial statement presentation

While Altus Midstream Company (formerly KAAC) was the surviving legal entity, the Business Combination was accounted for as a reverse recapitalization. As such, Altus Midstream Company was treated as the acquired company for financial reporting purposes. This determination was primarily based on the following facts and circumstances, immediately following the Closing Date:

- Alpine High Midstream operations comprise the ongoing operations of the combined entity;
- Alpine High Midstream's ultimate parent company immediately preceding the Business Combination (Apache) is the largest single owner of Altus Midstream Company voting common stock (see Note 11 — Equity); and
- Apache-nominated directors comprise a majority of the board of directors of the combined entity.

In accordance with guidance applicable to these circumstances, the Business Combination was considered to be a capital transaction in substance. Accordingly, for accounting purposes, the transaction was treated as the equivalent of the Alpine High Entities issuing stock for the net assets of Altus Midstream Company, accompanied by a recapitalization.

As a result of Alpine High Midstream being the accounting acquirer, the historical operations of Alpine High Midstream are deemed to be those of the Company. Thus, the financial statements included in this report reflect (i) the historical operating results of Alpine High Midstream prior to the Business Combination; (ii) the net assets of Alpine High Midstream at their historical cost; (iii) the consolidated results of the Company and Alpine High Midstream following the closing of the Business Combination; and (iv) the Company's equity structure for all periods presented. No step-up in basis of the contributed assets and no intangible assets or goodwill was recorded in the Business Combination.

Use of Estimates

Preparation of financial statements in conformity with GAAP and disclosure of contingent assets and liabilities requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Altus evaluates its estimates and assumptions on a regular basis. Actual results may differ from these estimates and assumptions used in preparation of its financial statements and changes in these estimates are recorded when known.

Fair Value Measurements

The Company's redeemable noncontrolling interest, as presented in the consolidated financial statements, is reported at fair value on a recurring basis on the Company's Consolidated Balance Sheet. Accounting Standards Codification ("ASC") 820-10-35 - Fair Value Measurement ("ASC 820"), provides a hierarchy that prioritizes and defines the types of inputs used to measure fair value. The fair value hierarchy gives the highest priority to Level 1 inputs, which consist of unadjusted quoted prices for identical instruments in active markets. Level 2 inputs consist of quoted prices for similar instruments. Level 3 valuations are derived from inputs that are significant and unobservable; hence, these valuations have the lowest priority.

The valuation techniques that may be used to measure fair value include a market approach, an income approach and a cost approach. A market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company utilizes the market approach in recurring fair value measurement of the redeemable noncontrolling interest. The Company has classified this fair value assessment as Level 1 in the fair value hierarchy. For further detail, please refer to Note 11 — Equity.

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with a maturity of three months or less at the time of purchase to be cash equivalents. These investments are carried at cost, which approximates fair value. As of December 31, 2018, Altus Midstream had $449.9 million of cash and cash equivalents. Altus Midstream had no cash and cash equivalents as of December 31, 2017.

Revenue Receivable

For each period presented and upon commencement of operations, all revenues were generated from midstream services provided to Apache, which included gathering, processing and transmission of natural gas. Revenue receivables represents revenues accrued which have been earned by Altus Midstream but not yet invoiced to Apache.

Pursuant to the terms of the Contribution Agreement, all accounts receivable from Apache (including revenue receivables) on or prior to September 30, 2018 are for the account of Apache. No cash settlement of such balances was contemplated prior to September 30, 2018 and as such, revenue receivables generated prior to this date were treated as a reduction to additional paid-in capital within equity.

Inventories

Inventories consist principally of equipment and material, stated at the lower of cost or net realizable value.

Property, Plant and Equipment

Property, plant and equipment consists of the costs incurred to acquire and construct midstream assets including capitalized interest. Property, plant and equipment is stated at the lower of historical cost less accumulated depreciation, or fair value, if impaired.

Depreciation

Depreciation is computed over each asset's estimated useful life using the straight-line method based on estimated useful lives and estimated asset salvage values. Determination of depreciation expense requires judgment regarding the estimated useful lives and salvage values of property, plant and equipment. As circumstances warrant, depreciation estimates are reviewed to determine if any changes in the underlying assumptions are necessary. The estimated lives are 30 years for plants and facilities and 40 years for pipelines. For the twelve months ended December 31, 2018 and 2017 depreciation expense totaled $18.7 million and $5.6 million, respectively. No depreciation expense was recorded during 2016 as the assets had not yet been placed in service.

Asset Retirement Obligations and Accretion

The initial estimated asset retirement obligation related to property, plant and equipment and subsequent revisions are recorded as a liability at fair value, with an offsetting asset retirement cost recorded as an increase to the associated property, plant and equipment on the consolidated balance sheet. Revisions in estimated liabilities can result from changes in estimated inflation rates, changes in service and equipment costs, and changes in the estimated timing of an asset's retirement. Asset retirement costs are depreciated using a systematic and rational method similar to that used for the associated property, plant and equipment. Accretion expense on the liability is recognized over the estimated productive life of the related assets and is included on the Consolidated Statements of Operations under "Depreciation and accretion." For the twelve months ended December 31, 2018 and 2017 accretion expense totaled $1.3 million and $0.4 million, respectively.

Capitalized Interest

Interest is capitalized as part of the historical cost of developing and constructing assets. Significant midstream development assets that have not commenced operations qualify for interest capitalization. Capitalized interest is determined by multiplying Altus Midstream's weighted-average borrowing cost of debt by the average amount of qualifying midstream assets. The amount of capitalized interest cannot be greater than actual interest incurred. Once an asset is placed into service, the associated capitalization of interest ceases and is expensed through depreciation over the asset's useful life. Subsequent to the Closing Date, the Company incurred approximately $0.2 million of interest expense, which was capitalized.

Accounts Payable to Apache Corporation

The accounts payable to Apache Corporation represents the net result of Altus Midstream's monthly revenue, operating expenditures and other transactions to be settled with Apache as provided under the Construction, Operations and Maintenance Agreement (the "COMA"). Generally, cash in this amount will be transferred to Apache in the month after the Company's transactions are processed and the net results of operations are determined. See discussion and additional detail in Note 3 — Transactions with Affiliates.

Revenue Recognition

On January 1, 2018, the Company adopted Accounting Standard Update ("ASU") 2014-09, "Revenue from Contracts with Customers (ASC 606)," using the modified retrospective method. The Company elected to evaluate all contracts at the date of initial application. There was no impact to the opening balance of retained earnings as a result of the adoption.

The following table presents a disaggregation of the Company's midstream services revenue by service type.

	For the Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands)		
MIDSTREAM SERVICES REVENUE — AFFILIATE:			
Gas gathering	$ 7,656	$ 820	$ —
Gas processing	53,108	11,037	—
Transmission	15,848	3,285	—
NGL transmission	138	—	—
	$ 76,750	$ 15,142	$ —

The Company currently generates all its revenues by providing the above services, pursuant to separate agreements entered into with Apache. These agreements have no minimum volume commitments or firm transportation commitments, instead they are underpinned by acreage dedications covering Alpine High. Pursuant to these agreements, Altus Midstream is obligated to perform services on all volumes produced from the dedicated acreage, so long as Apache has the right to market such gas. In exchange for the above services and in accordance with the terms of the services agreements, the Company charges a fixed fee on a per unit basis.

These performance obligations are satisfied over time as Apache simultaneously receives and consumes the benefits of the services performed. Service revenues are recognized when the right to invoice has been met, since the amount that we have the right to invoice (based upon the fixed fee and throughput volumes) corresponds directly with the value received by Apache.

Pursuant to the terms of the Contribution Agreement, all accounts receivable from Apache (including revenue receivable) on or prior to September 30, 2018 are for the account of Apache. No cash settlement of such balances was contemplated prior to September 30, 2018 and as such, revenue receivables generated prior to this date were treated as a reduction to additional paid-in capital within equity. In conjunction with the Business Combination, service revenue invoices are provided to Apache on a monthly basis, pursuant to the terms of the COMA. Amounts owing to Apache under the terms of the COMA are reduced by the amounts of these invoices. Net cash settlement is performed on a monthly basis. The net amount owing to Apache as of December 31, 2018 was $13.6 million. Additionally, the Company recognized services revenue earned but not yet invoiced to Apache of $10.9 million as of December 31, 2018.

Costs to obtain a contract with expected amortization periods of greater than one year will be recorded as an asset and will be recognized in accordance with ASC 340, "Other Assets and Deferred Costs." Currently, Altus Midstream does not have contract assets related to incremental costs to obtain a contract. In addition, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less or contracts for which variable consideration is allocated entirely to a wholly unsatisfied performance obligation.

General and Administrative Expense

General and administrative ("G&A") expense represents indirect costs and overhead expenditures incurred by the Company, associated with managing the midstream assets.

In connection with the closing of the Business Combination, the Company entered into the COMA, as described above, pursuant to which Apache will provide certain services related to the design, development, construction, operation, management and maintenance of Altus Midstream assets, on the Company's behalf.

See discussion and additional detail further discussed in Note 3 — Transactions with Affiliates.

Income Taxes

The Company is subject to federal income tax and recognizes deferred tax assets and liabilities based on the difference between the financial statement carrying value and tax basis of its investment in Altus Midstream. For federal income tax purposes, Altus Midstream is regarded as a partnership and not subject to income tax. Income and deductions associated with Altus Midstream

and the Alpine High Entities flow through to the Company. As such, Altus Midstream and the Alpine High Entities do not record a federal income tax provision.

The Company, Altus Midstream, and the Alpine High Entities are also subject to the Texas margins tax. The Texas margins tax is assessed on corporations, limited liability companies, and limited partnerships. As such, each entity recognizes state deferred tax assets and liabilities based on the differences between the financial statement carrying value and tax basis of assets and liabilities on the balance sheet.

Prior to the Closing Date, the Alpine High Entities were treated as disregarded subsidiaries of Apache Corporation, a C-corporation, for federal income tax purpose. The Alpine High Entities recognized deferred tax assets and liabilities based on the differences between the financial statement carrying value and tax basis of assets and liabilities on the balance sheet.

The Company routinely assesses the ability to realize its deferred tax assets. If the Company concludes that it is more likely than not that some or all of the deferred tax assets will not be realized, the tax asset is reduced by a valuation allowance. Numerous judgments and assumptions are inherent in the determination of future taxable income, including factors such as future operating conditions and changing tax laws.

Maintenance and Repairs

Routine maintenance and repairs are charged to expense as incurred.

Recently Issued Accounting Standards Not Yet Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, "Leases (Topic 842)," requiring lessees to recognize lease assets and lease liabilities for most leases classified as operating leases under previous GAAP. The guidance is effective for fiscal years beginning after December 15, 2018. In January 2018, the FASB issued ASU 2018-01, which permits an entity an optional election to not evaluate under ASU 2016-02 those existing or expired land easements that were not previously accounted for as leases prior to the adoption of ASU 2016-02. In July 2018, the FASB issued ASU 2018-11, which adds a transition option permitting entities to apply the provisions of the new standard at its adoption date instead of the earliest comparative period presented in the consolidated financial statements. Under this transition option, comparative reporting would not be required, and the provisions of the standard would be applied prospectively to leases in effect at the date of adoption. The Company elected both transitional practical expedients. As allowed under the standard, the Company also applied practical expedients to carry forward our historical assessments of whether existing agreements contain a lease, classification of existing lease agreements, and treatment of initial direct lease costs. The Company also elected to exclude short-term leases (those with terms of 12 months or less) from the balance sheet presentation and will account for non-lease and lease components as a single lease component for all asset classes.

The Company adopted this guidance as of January 1, 2019. In the normal course of business, Altus Midstream enters into various lease agreements for real estate and equipment related to midstream activities that are accounted for as operating leases. To track these lease arrangements and facilitate compliance with this ASU, the Company implemented a third-party lease accounting software solution and designed processes and internal controls to identify, track and record applicable leases. The Company trained departments affected by the standard, implemented changes to the relevant business processes, and continues to evaluate contracts. The Company's adoption and implementation of this ASU resulted in an increase in both right of use assets and liabilities related to leasing activities; however, the amount was immaterial upon adoption. Right of use assets and associated liabilities are expected to change subsequent to adoption of this ASU for new leases entered into subsequent to year-end and amortization on existing lease assets. There was no impact to the Company's Consolidated Statements of Operations or Consolidated Statements of Cash Flows upon adoption.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses." The standard changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowance for losses. This update is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for a fiscal year beginning after December 15, 2018, including interim periods within that fiscal year. We do not expect to adopt the guidance early. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company is evaluating the new guidance and does not believe this standard will have a material impact on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework: Changes to the Disclosure Requirements for Fair Value Measurement," which changes the disclosure requirements for fair value measurements by removing, adding, and modifying certain disclosures. ASU 2018-13 is effective for financial statements issued for annual periods beginning after December 15,

2019, and interim periods within those annual periods. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this ASU on its related disclosures and does not expect it to have a material impact on its financial statements.

2. RECAPITALIZATION TRANSACTION

Background and Summary

On August 8, 2018, KAAC, the legal predecessor company, and its then wholly-owned subsidiary, Altus Midstream LP, entered into the Contribution Agreement with certain wholly-owned subsidiaries of Apache, including the Alpine High Entities. The terms of that certain Contribution Agreement included that Altus Midstream would acquire from Apache, 100 percent of the equity interests in each of the Alpine High Entities and the Pipeline Options to acquire equity interests in certain third-party pipelines that are expected to be placed into service in 2019 and 2020.

The Company consummated the Business Combination and certain other transactions contemplated by the Contribution Agreement on the Closing Date. At the Closing Date and following the completion of the Business Combination:

- Altus Midstream and the Company issued to Apache (i) common units, representing limited partner interests in Altus Midstream, and (ii) an equivalent number of shares of a newly-created class of voting-only common stock (Class C Common Stock), respectively.
- The Company issued to Apache (i) newly-issued shares of Class A Common Stock, (ii) warrants exercisable for shares of Class A Common Stock, and (iii) the right to receive additional shares of Class A Common Stock, based upon the achievement of certain price and operational thresholds.
- The Company contributed $628.2 million in cash to Altus Midstream and in return, Altus Midstream issued to the Company (i) a number of common units equal to the total number of shares of the Company's Class A Common Stock outstanding as of the Closing Date.
- Altus Midstream paid to Apache, $84.0 million, representing the capital expenditures incurred by or on behalf of the Alpine High Entities from and including October 1, 2018 through and including the Closing Date.

The Company changed its name from KAAC to Altus Midstream Company, and our Class A Common Stock continued trading on the NASDAQ Capital Market under the new symbol "ALTM." For a detailed description of the types of class of our common stock, please see Note 11 — Equity.

Ownership of Altus

Upon the closing of the Business Combination and as December 31, 2018, Altus' wholly-owned subsidiary, Altus Midstream GP, was the sole general partner of Altus Midstream and the Company held an approximate 23.1 percent controlling interest in Altus Midstream. Altus Midstream's other limited partner (Apache) held the remaining 76.9 percent noncontrolling interest.

Additionally, as of the Closing Date and at December 31, 2018, Apache was the largest single holder of the Company's voting common stock, comprising 100 percent of newly-created, non-economic Class C Common Stock, and approximately 9.8 percent of economic, Class A Common Stock.

The LPA contains certain provisions intended to ensure that a one-to-one ratio is maintained, at all times and subject only to limited exceptions, between (i) the number of outstanding shares of Class A Common Stock and the number of common units held by Altus and (ii) the number of outstanding shares of Class C Common Stock and the number of common units held by Apache.

For further discussion of the earn-out consideration provided to Apache and outstanding equity instruments, that may impact ownership interests and the limited partnership interests of Altus Midstream in future periods, please see Note 11 — Equity.

Cash Contribution to Altus Midstream

As illustrated in the table below, the cash contribution to Altus Midstream was funded primarily from (i) the private placement of shares of Class A Common Stock to certain qualified institutional buyers and accredited investors, which closed immediately prior to the Business Combination, and (ii) the funds remaining from the Company's public offering, net of cash paid to shareholders who redeemed shares.

For further discussion of the significant transactions impacting the Company's ownership structure throughout the historical period, including the private placement, as well as the initial public offering and subsequent share redemptions, please see Note 11 — Equity.

	Net proceeds (In thousands)
Cash from private placement	$ 572,340
Cash remaining from public offering (net of redemptions) [1]	84,339
Issuance of newly-created Class C Common Stock to Apache	25
Less: deferred underwriter fees	(13,206)
Less: closing fees and other [2]	(15,344)
Net cash received by Altus Midstream LP at the Closing Date	$ 628,154

(1) Pursuant to the terms of KAAC's amended and restated certificate of incorporation, public stockholders had the opportunity, in connection with the Business Combination, to redeem shares of Class A Common Stock. A total of 29,469,858 shares were redeemed for an aggregate amount of approximately $298.8 million. Refer to Note 11 — Equity for further information.

(2) Includes the repayment of a loan with a related party. Refer to Note 3 — Transactions with Affiliates for further information.

Number of Shares at the Closing Date

The number of shares issued and outstanding immediately following the closing of the Business Combination is summarized in the table below.

number of shares	Class A Common Stock	Class B Common Stock[1]	Class C Common Stock
Shares outstanding prior to the Business Combination	37,732,112	9,433,028	—
Less: redemption of public shares [2]	(29,469,858)	—	—
Add: shares issued in private placement	57,234,023	—	—
Total shares outstanding prior to the Business Combination	65,496,277	9,433,028	—
Shares, in connection with the Business Combination:			
Forfeited [3]	—	(7,313,028)	—
Converted [1]	2,120,000	(2,120,000)	
Total shares outstanding immediately prior to the Closing Date	67,616,277	—	—
Issued as consideration to Apache [4]	7,313,028	—	250,000,000
Total shares outstanding at the Closing Date	74,929,305	—	250,000,000

(1) Shares of Class B Common Stock, $0.0001 par value ("Class B Common Stock"), were purchased by the Sponsor (as defined in Note 3 - Transactions with Affiliates) , upon the Company's incorporation in December 2016. Class B Common Stock is identical to Class A Common Stock except that they automatically converted to Class A Common Stock at the time of the Business Combination.

(2) Pursuant to the terms of KAAC's amended and restated certificate of incorporation, public stockholders had the opportunity, in connection with the Business Combination, to redeem shares of Class A Common Stock. A total of 29,469,858 shares were redeemed for an aggregate amount of approximately $298.8 million. Refer to Note 11 — Equity for further information.

(3) In connection with the Business Combination, the Sponsor agreed to forfeit shares of Class B Common Stock. As part of the consideration transferred in the Business Combination, 7,313,028 newly-issued shares of Class A Common Stock were issued to Apache, equivalent to the number of shares of Class B Common Stock forfeited by the Sponsor. Additionally, the Sponsor forfeited a number of warrants originally issued simultaneously with the public offering.

(4) The equity structure of the Alpine High Entities (the accounting acquirer) has been restated to reflect the number of shares of Altus Midstream Company (the accounting acquiree) issued in the recapitalization transaction. Please refer to the section below entitled *"Basis of presentation of equity structure"* for further discussion.

Basis of Presentation of Equity Structure

As discussed in Note 1 — Summary of Significant Accounting Policies, the Business Combination was accounted for as a reverse recapitalization, with Altus Midstream Company treated as the acquired company, and the Alpine High Entities treated as the acquirer, for financial reporting purposes. Therefore, the equity structure in the consolidated financial statements is that of the Company restated for all periods presented.

In accordance with guidance applicable to these circumstances, the equity structure has been restated in all comparative periods up to the Closing Date, to reflect the number of shares issued to Apache in connection with the recapitalization transaction. The value allocated to the shares issued to Apache reflect the capital structure of the Alpine High entities prior to the Business Combination, which solely comprised capital contributions from Apache. Accordingly, shares of common stock issued to Apache

in exchange for its ownership interests in the Alpine High Entities are retroactively restated from May 26, 2016 (inception), proportionate to the capital contributions made by Apache to the Alpine High Entities up to the Closing Date.

3. TRANSACTIONS WITH AFFILIATES

Revenues

The Company has contracted to provide services including gas gathering, compression, processing, transportation, and NGL transportation, pursuant to acreage dedications provided by Apache, comprising the entire Alpine High acreage. Pursuant to the terms of these agreements, the Company receives prescribed fees based on the type and volume of product for which the services are provided. For all of the periods presented, the Company's only customer was Apache, although Altus Midstream is pursuing contracts with third-parties that could be accommodated by existing and planned capacity.

Revenues generated under these agreements are presented on the Consolidated Statements of Operations as "Midstream services — affiliate." Revenues earned that have not yet been invoiced to Apache are presented on the Consolidated Balance Sheet as "Revenue receivables."

Operating Expenses

The Company has no employees and had no banking or cash management facilities prior to the Business Combination. As such, the Company has contracted with Apache to receive certain operational, maintenance, and management services. In accordance with the terms of these agreements, the Company incurred general and administrative ("G&A") expenses of $6.5 million and $4.0 million and gathering, processing and transmission ("GPT") expenses of $9.1 million and $4.7 million in the year ended December 31, 2018 and 2017, respectively.

Further information on the related-party agreements in place during the period is provided below.

Operational Services Agreement

Prior to the Business Combination, Apache provided operations, maintenance and management services to the Alpine High Entities, pursuant to an agreement hereby referred to as the "Services Agreement." In accordance with the terms of the Services Agreement, Apache received a fixed fee per month for its overhead and indirect costs incurred on behalf of Alpine High Midstream. All costs incurred by the Alpine High Entities were paid by Apache. The total overhead fee paid by the Company and included in G&A expenses was $3.0 million and $2.3 million for the year ended December 31, 2018 and 2017, respectively.

In connection with the closing of the Business Combination, the Services Agreement was superseded by the COMA.

Construction, Operations and Maintenance Agreement

At the closing of the Business Combination, the Company entered into the COMA with Apache, which superseded the Services Agreement. Under the terms of the COMA, Apache will provide certain services related to the design, development, construction, operation, management and maintenance of certain gathering, processing and other midstream assets, on behalf of the Company. In return, the Company will pay fees to Apache of (i) $3.0 million for the period beginning on the execution of the COMA at the closing of the Business Combination through December 31, 2019, (ii) $5.0 million for the period of January 1, 2020 through December 31, 2020, (iii) $7.0 million for the period of January 1, 2021 through December 31, 2021 and (iv) $9.0 million annually, as may be increased thereafter until terminated. The annual fee was negotiated as part of the Business Combination to reimburse Apache for indirect costs of performing administrative corporate functions, including services for information technology, risk management, corporate planning, accounting, cash management, and others.

In addition, Apache may be reimbursed for certain internal costs and third-party costs directly incurred in connection with its role as service provider under the COMA. Apache records G&A costs directly associated with midstream activity, where substantially all the services are rendered for Altus Midstream, to unique midstream G&A cost centers that are subsequently charged to Altus Midstream on a monthly basis.

The COMA stipulates that the Company shall provide reimbursement of amounts owing to Apache attributable to a particular month by no later than the last day of the immediately following month. Unpaid amounts accrue interest until settled.

The COMA will continue to be effective until terminated (i) upon the mutual consent of Altus and Apache, (ii) by either of Altus and Apache, at its option, upon 30 days' prior written notice in the event Apache or an affiliate no longer owns a direct or indirect interest in at least 50 percent of the voting or other equity securities of Altus, or (iii) by Altus if Apache fails to perform

any of its covenants or obligations due to willful misconduct of certain key personnel and such failure has a material adverse financial impact on Altus.

Lease Agreement

Concurrent with the closing of the Business Combination, Altus Midstream entered into an operating lease agreement with Apache (the "Lease Agreement") relating to the use of certain office buildings, warehouse and storage facilities located in Reeves County, Texas. Under the terms of the Lease Agreement, Altus Midstream shall pay to Apache on a monthly basis the sum of (i) a base rental charge of $44,500 and (ii) an amount based on Apache's estimate of the annual costs it shall incur in connection with the ownership, operation, repair, and/or maintenance of the facilities. The Company incurred total expenses of $0.1 million in 2018 in relation to this agreement, which are included within GPT expenses. Unpaid amounts accrue interest until settled. The initial term of the Lease Agreement is for four years and may be extended by Altus Midstream for three additional, consecutive periods of twenty-four months.

Capitalized Interest

Prior to the Business Combination, the Company's operations were funded entirely by contributions from Apache. Accordingly, Apache allocated a portion of interest on its corporate debt in determining capitalized interest associated with the development of the Alpine High Entities. Commensurate with Apache's calculation, interest is capitalized as part of the historical cost of developing and constructing assets. Significant midstream development assets that have not commenced operations qualify for interest capitalization. The associated capitalized interest was determined by multiplying Apache's weighted-average borrowing cost of debt by the average amount of qualifying midstream assets. The amount of interest allocated was $8.2 million, $7.1 million, and $0.3 million for the year ended December 31, 2018, 2017, and 2016, respectively. Upon closing the Business Combination, capitalized interest is now determined based on interest expense incurred by Altus Midstream.

Business Combination Agreements

Limited Partnership Agreement of Altus Midstream LP

In connection with the Business Combination, Altus Midstream Company, Altus Midstream GP, Altus Midstream LP and Apache, entered into the LPA. This agreement sets forth, among other things, the rights and obligations of (i) Altus Midstream GP as general partner and (ii) Altus Midstream Company and Apache as limited partners, of Altus Midstream LP. Altus Midstream GP is not entitled to reimbursement for its services as general partner. Refer to Note 1 — Summary of Significant Accounting Policies and Note 2 — Recapitalization Transaction for further information.

Purchase Rights and Restrictive Covenants Agreement

At the closing of the Business Combination, the Company entered into a purchase rights and restrictive covenants agreement (the "Purchase Rights and Restrictive Covenants Agreement") with Apache. Under the Purchase Rights and Restrictive Covenants Agreement, until the later of the five-year anniversary of the Closing and the date on which Apache and its affiliates cease to own a majority of the Company's voting common stock, Apache is obligated to provide (i) the first right to pursue any opportunity (including any expansion opportunities) of Apache to acquire or invest, directly or indirectly (including equity investments), in any midstream assets or participate in any midstream opportunities located, in whole or part, within an area covering approximately 1.7 million acres in Reeves, Pecos, Brewster, Culberson and Jeff Davis Counties in Texas, and (ii) a right of first offer on certain retained midstream assets of Apache.

Transactions Prior to the Business Combination

Prior to the Business Combination, the Company engaged in certain transactions with Kayne Anderson Sponsor LLC, a Delaware limited liability company (the "Sponsor"). The Sponsor is a related party as during the periods presented, it owned more than 10 percent of the voting interests of the entity, resulting from the purchase of the Company's entire share capital upon incorporation in December 2016.

The nature of the majority of these transactions is associated with our incorporation, public offering and Business Combination, as further described in Note 11 — Equity. Other transactions with the Sponsor during the periods presented relate to a loan from Sponsor and a separate administrative services agreement.

Loan from Sponsor

On March 21, 2018, the Sponsor agreed to loan up to $0.5 million, as needed, to fund working capital needs pursuant to a promissory note. On August 24, 2018, the Company's Sponsor agreed to increase such loan up to $1.0 million. These loans were non-interest bearing, and at the closing of the Business Combination the outstanding borrowings totaling $0.7 million were repaid in full.

Administrative Services Agreement

Beginning April 2017, the Company agreed to pay an affiliate of the Sponsor a total of $5,000 per month for office space, utilities and secretarial and administrative support. Effective January 1, 2018, the Sponsor's affiliate agreed to waive the monthly fee until the termination of the agreement. The agreement was terminated at the closing of the Business Combination.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, is as follows:

	December 31,	
	2018	2017
	(In thousands)	
Gathering, processing and transmission systems and facilities	$ 729,585	$ 423,600
Construction in progress [(1)]	521,609	281,566
Other property and equipment	23	—
Total property, plant and equipment	1,251,217	705,166
Less: accumulated depreciation and accretion	(24,320)	(5,580)
Total property, plant and equipment, net	$ 1,226,897	$ 699,586

(1) Included in the Company's construction in progress is capitalized interest of $6.9 million and $3.4 million at December 31, 2018 and December 31, 2017, respectively.

The cost of property classified as "Construction in progress" is excluded from capitalized costs being depreciated. These amounts represent property that is not yet available to be placed into productive service as of the respective balance sheet date.

5. DEBT AND FINANCING COSTS

In November 2018, Altus Midstream entered into a revolving credit facility for general corporate purposes that matures in November 2023 (subject to Altus Midstream's two, one year extension options). The agreement for this facility provides aggregate commitments from a syndicate of banks of $450.0 million until (i) the consolidated net income of Altus Midstream and its restricted subsidiaries, as adjusted pursuant to the agreement ("EBITDA"), for three consecutive calendar months equals or exceeds $175.0 million on an annualized basis and (ii) Altus Midstream has raised at least $250.0 million of additional capital (such period, the "Initial Period"). Following the Initial Period, the aggregate commitments equal $800.0 million. All aggregate commitments include a letter of credit subfacility of up to $100.0 million and a swingline loan subfacility of up to $100.0 million. After the Initial Period, Altus Midstream may increase commitments up to an aggregate $1.5 billion by adding new lenders or obtaining the consent of any increasing existing lenders. As of December 31, 2018, no borrowings or letters of credit were outstanding under this facility.

The Altus Midstream credit facility is unsecured and is not guaranteed by the Company, Apache Corporation, or any of their respective subsidiaries.

At Altus Midstream's option, the interest rate per annum for borrowings under this facility is either a base rate, as defined, plus a margin, or the London Inter-bank Offered Rate ("LIBOR"), plus a margin. Altus Midstream also pays quarterly a facility fee at a rate per annum on total commitments. The margins and the facility fee vary based upon (i) the Leverage Ratio until Altus Midstream has a senior long-term debt rating and (ii) such senior long-term debt rating once it exists. The "Leverage Ratio" is the ratio of (1) the consolidated indebtedness of Altus Midstream and its restricted subsidiaries to (2) EBITDA of Altus Midstream and its restricted subsidiaries for the 12-month period ending immediately before such date. At December 31, 2018, the base rate margin was 0.05 percent, the LIBOR margin was 1.05 percent, and the facility fee was 0.20 percent. In addition, a commission is payable quarterly to the lenders on the face amount of each outstanding letter of credit at a per annum rate equal to the LIBOR margin then in effect. Customary letter of credit fronting fees and other charges are payable to issuing banks.

The credit agreement for Altus Midstream's facility contains restrictive covenants that may limit the ability of Altus Midstream and its restricted subsidiaries to, among other things, incur additional indebtedness or guaranty indebtedness, sell assets, make investments in unrestricted subsidiaries, enter into mergers, make certain payments and distributions, incur liens on certain property securing indebtedness, and engage in certain other transactions without the prior consent of the lenders. Altus Midstream also is subject to a financial covenant under the credit agreement, which requires it to maintain one of the following financial ratios:

- during the Initial Period, a debt-to-capital ratio of not greater than 30.0 percent at the end of any fiscal quarter, determined by reference to (i) the consolidated indebtedness of Altus Midstream and its restricted subsidiaries to (ii) (A) the consolidated partners' equity of Altus Midstream and its restricted subsidiaries plus (B) the consolidated indebtedness of Altus Midstream and its restricted subsidiaries; and

- after the Initial Period, a Leverage Ratio of not greater than 5.00:1.00 at the end of any fiscal quarter, except that for up to one year following a qualified acquisition, the Leverage Ratio cannot exceed 5.50:1.00 at the end of any fiscal quarter.

There are no clauses in the agreement for Altus Midstream's 2018 credit facility that permit the lenders to accelerate payments or refuse to lend based on unspecified material adverse changes. The agreement has no drawdown restrictions or prepayment obligations in the event of a decline in credit ratings. However, the agreement allows the lenders to accelerate payment maturity and terminate lending and issuance commitments for nonpayment and other breaches, and if Altus Midstream or any of its restricted subsidiaries defaults on other indebtedness in excess of the stated threshold, is insolvent, or has any unpaid, non-appealable judgment against it for payment of money in excess of the stated threshold. Lenders may also accelerate payment maturity and terminate lending and issuance commitments if Altus Midstream undergoes a specified change in control or has specified pension plan liabilities in excess of the stated threshold. Altus Midstream was in compliance with the terms of its 2018 credit facility as of December 31, 2018.

Financing Costs, Net

The following table presents the components of Altus Midstream's financing costs, net:

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018[1]	2017 [1]	2016 [1]
	(in thousands)		
Interest expense	$ 8,412	$ 7,100	$ 272
Amortization of deferred facility	107	—	—
Capitalized interest	(8,412)	(7,100)	(272)
Total Financing costs, net	$ 107	$ —	$ —

(1) Prior to the Business Combination, the Company's operations were funded entirely by contributions from Apache. Accordingly, Apache allocated a portion of interest on its corporate debt in determining capitalized interest associated with the development of Alpine High infrastructure. Refer to Note 1 — Summary of Significant Accounting Policies and Note 3 — Transactions with Affiliates for further information.

6. OTHER CURRENT LIABILITIES

The following table provides detail of the Company's other current liabilities at December 31, 2018 and 2017:

	December 31,	
	2018	2017
	(In thousands)	
Accrued capital costs	$ 80,696	$ 122,364
Accrued operating expenses	2,863	1,119
Accrued taxes other than income	69	12
Accrued interest	232	—
Other	1,066	976
Total other current liabilities	$ 84,926	$ 124,471

7. ASSET RETIREMENT OBLIGATION

The following table describes changes to the Company's asset retirement obligation ("ARO") liability for the years ended December 31, 2018 and 2017:

	December 31,	
	2018	2017
	(In thousands)	
Asset retirement obligation, beginning balance	$ 18,189	$ —
Liabilities incurred during the period	13,816	17,779
Accretion expense	1,328	410
Revisions in estimated liabilities	(3,964)	—
Asset retirement obligation, ending balance	$ 29,369	$ 18,189

ARO reflects the estimated present value of the amount of dismantlement, removal, site reclamation and similar activities associated with the Company's infrastructure assets which include central processing facilities, gathering systems and pipelines. Management utilizes independent valuation reports and estimates of current costs to project expected cash outflows for retirement obligations. Management estimates the ultimate productive life of the properties, a risk-adjusted discount rate, and an inflation factor in order to determine the current present value of this obligation. To the extent future revisions to these assumptions impact the present value of existing ARO, a corresponding adjustment is made to the property, plant and equipment balance.

8. COMMITMENTS AND CONTINGENCIES

Accruals for loss contingencies arising from claims, assessments, litigation, environmental and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change. As of December 31, 2018 and December 31, 2017, there were no accruals for loss contingencies.

Litigation

We are subject to governmental and regulatory controls arising in the ordinary course of business. It is the opinion of management that any claims and litigation involving the Company is not likely to have a material adverse effect on the reported position or results of operations.

Environmental Matters

As an owner of the infrastructure assets and with rights to surface lands, the Company is subject to various local and federal laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on the Company for the cost of pollution clean-up resulting from operations and subject us to liability for pollution damages. In some instances, Altus Midstream may be directed to suspend or cease operations. The Company maintains insurance coverage, which management believes is customary in the industry, although insurance does not fully cover against all environmental risks. Additionally, there can be no assurance that current regulatory requirements will not change or past non-compliance with environmental laws will not be discovered.

Contractual Obligations

Altus Midstream's existing fee-based revenue agreements, which have no minimum volume or firm transportation commitments, are underpinned by acreage dedications covering Alpine High. Pursuant to these agreements, Altus Midstream is obligated to perform low and high pressure gathering, processing, dehydration, compression, treating, conditioning, and transportation on all volumes produced from the dedicated acreage, so long as Apache has the right to market such gas.

Pursuant to the COMA with Apache, Altus Midstream will indirectly receive G&A support services including information technology, risk management, corporate planning, accounting, cash management, human resources, and other general corporate services. The COMA established a fixed annual support services fee to Apache of $3.0 million in 2019, $5.0 million in 2020, and $7.0 million in 2021. Beginning in 2022 through the term of the COMA, the associated fee will be $9.0 million annually and may be adjusted upwards based on actual incurred costs.

Concurrent with the closing of the Business Combination, Altus Midstream entered into the Lease Agreement with Apache, relating to the use of certain office buildings, warehouse and storage facilities located in Reeves County, Texas. Under the terms of the Lease Agreement, Altus Midstream shall pay to Apache on a monthly basis the sum of (i) a base rental charge of $44,500 and (ii) an amount based on Apache's estimate of the annual costs it shall incur in connection with the ownership, operation, repair, and/or maintenance of the facilities. The initial term of the Lease Agreement is for four years and may be extended by Altus Midstream for three additional, consecutive periods of twenty-four months.

Additionally, upon exercising the contributed Pipeline Options to acquire equity interests in five separate third-party pipeline projects, the Company may be required to fund future capital expenditures for their equity interest share in the development of the pipeline as referenced in Note 2 — Recapitalization Transaction, Note 9 — Joint Venture Equity Interest and Note 13 — Subsequent Events.

At December 31, 2018 and December 31, 2017, there were no other material contractual obligations related to the entities included in the consolidated financial statements other than the performance of asset retirement obligations as referenced in Note 7 — Asset Retirement Obligations and required credit facility fees discussed in Note 5 — Debt and Financing Costs.

9. JOINT VENTURE EQUITY INTEREST

In December 2018, Altus Midstream exercised its option to acquire a 15 percent equity interest in Gulf Coast Express Pipeline LLC ("GCX LLC"), a Delaware limited liability company for total cash consideration of approximately $91.1 million. GCX LLC is involved in the construction of a long-haul natural gas pipeline that, upon completion, is expected to have capacity of approximately 2.0 Bcf/d and will transport natural gas from the Waha area in northern Pecos County, Texas to the Agua Dulce Hub near the Texas Gulf Coast. The pipeline is expected to be operational and in-service in the fourth quarter of 2019. Upon exercising the GCX LLC option, the Company has estimated it will incur an additional $175.3 million of capital contributions in 2019 for its equity share associated with the remaining construction costs.

GCX LLC maintains separate accounts for each member to which each member's share of profits and losses, contributions and distributions are directly allocated. Certain business decisions, including, but not limited to, approval of annual budgets and decisions with respect to significant expenditures and activities, contractual commitments, material financings and legal proceedings, require more than 50 percent approval of the members.

The joint venture equity interest balance at December 31, 2018, is $5.8 million less than Altus' underlying equity in GCX LLC's net assets. This balance will be amortized over the estimated useful life of the pipeline, when placed into service.

10. INCOME TAXES

The total income tax provision (benefit) consists of the following:

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands)		
Current income taxes:			
Federal	$ (1,041)	$ —	$ —
State	—	—	—
	(1,041)	—	—
Deferred income taxes:			
Federal	(10,464)	5,413	—
State	1,004	1,628	—
	(9,460)	7,041	—
Total	$ (10,501)	$ 7,041	$ —

The total income tax provision (benefit) differs from the amounts computed by applying the U.S. statutory income tax rate to income (loss) before income taxes. A reconciliation of the tax on the Company's income (loss) from continuing operations before income taxes and total tax expense is shown below:

	Year Ended December 31,		Period from May 26, 2016 (Inception) through December 31,
	2018	2017	2016
	(In thousands)		
Income tax expense (benefit) at U.S. statutory rate	$ (2,255)	$ (4,037)	$ —
Partnership income not subject to tax	(891)	—	—
State tax expense	818	1,058	—
Change in U.S. tax rate	—	1,843	—
Valuation allowance	(8,177)	8,177	—
All other, net	4	—	—
Income tax expense (benefit)	$ (10,501)	$ 7,041	$ —

The net deferred income tax liability reflects the net tax impact of temporary differences between the asset and liability amounts carried on the balance sheet under GAAP and amounts utilized for income tax purposes. The net deferred income tax liability consists of the following:

	December 31,	
	2018	2017
	(In thousands)	
Deferred tax assets:		
Investment in partnership	$ 65,851	$ —
Asset retirement obligation	220	3,956
Net operating losses	495	48,024
Other	1,212	530
Total deferred tax assets	67,778	52,510
Valuation allowance	—	(8,177)
Net deferred tax assets	67,778	44,333
Deferred tax liabilities:		
Property, plant and equipment	2,863	51,374
Net deferred tax assets / (liabilities)	$ 64,915	$ (7,041)

Net deferred tax assets and liabilities are included in the balance sheet as follows:

	December 31,	
	2018	2017
	(In thousands)	
Assets:		
Deferred tax asset	$ 67,558	$ —
Liabilities:		
Deferred tax liability	2,643	7,041
Net deferred tax assets (liabilities)	$ 64,915	$ (7,041)

Prior to the Business Combination, the Alpine High Entities were treated as disregarded subsidiaries of Apache Corporation, a C-corporation, for federal income tax purposes. As a result, federal taxable income associated with Alpine High Midstream has historically been included in Apache's consolidated federal income tax return. Prior to the Business Combination, Alpine High Midstream calculated its income tax provision as if it were a taxable C-corporation.

Pursuant to the Contribution Agreement, Apache contributed the Alpine High Entities and the Pipeline Options to Altus Midstream LP. Net operating losses associated with Alpine High Midstream's operations prior to November 9, 2018 remained with Apache. After the Business Combination, the Alpine High Entities continued to be treated as disregarded entities for federal income tax purposes. The entities' new regarded parent is Altus Midstream LP, a partnership for federal income tax purposes. As such, Altus Midstream LP will not be subject to U.S. federal income taxes and will instead pass through its taxable income or loss to its partners, Apache and Altus. As a result of the change in ownership structure, Altus is required to calculate a federal deferred tax asset based on its investment in Altus Midstream LP. A $62.5 million increase in the Company's net deferred tax asset was a direct result of the reverse recapitalization and recorded as a component of equity.

From November 9, 2018 through December 31, 2018, the Company recorded a $0.9 million reduction in income tax provision associated with income not subject to tax by Altus Midstream LP.

Altus is also subject to the Texas margin tax. Unlike federal income taxes, the Texas margins regime assesses taxes on corporations, limited liability companies, limited partnerships, and disregarded entities. As such, the Company records deferred tax assets and liabilities for Texas margins tax based on the differences between the financial statement carrying value and tax basis of assets and liabilities on the balance sheet. The reverse recapitalization did not have a material impact on the Company's

state income tax provision. The Texas margins tax associated with Apache's share of the liability is recorded as a component of the noncontrolling interest.

The Company has a federal net operating loss carryforward of $2.3 million which has an indefinite carryforward period.

Management assesses the available positive and negative evidence to evaluate the future realization of the Company’s deferred tax assets. Since the formation of Alpine High Midstream, a significant element of objective negative evidence was historic losses associated with the formation of the business and commencement of operations. In 2018, Alpine High Midstream has continued to see growth in revenue associated with midstream assets placed in service during the year. In the third and fourth quarter of 2018, Alpine High Midstream recorded net income before income taxes. Management believes net income before income taxes will continue to grow as new construction is placed in service. Accordingly, management has determined that there was sufficient positive evidence to conclude that it is more likely than not that the deferred tax assets will be realized. As such, prior to the transaction the Company recorded a deferred tax benefit of $8.2 million associated with the release of the valuation allowance.

On December 22, 2017, the Tax Cuts and Jobs Act (the “Act”) was signed into law. Under the Act, the U.S. corporate income tax rate was reduced from 35 percent to 21 percent effective January 1, 2018. As a result of the decrease in the corporate income tax rate, the Company recorded a $1.8 million deferred tax expense in 2017 related to the remeasurement of the Company’s December 31, 2017 deferred tax asset.

The Company accounts for income taxes in accordance with ASC Topic 740, “Income Taxes,” which prescribes a minimum recognition threshold a tax position must meet before being recognized in the financial statements. The Company records interest and penalties related to unrecognized tax benefits as a component of income tax expense. Each quarter the Company assesses the amounts provided for and, as a result, may increase (expense) or reduce (benefit) the amount of interest and penalties. As of December 31, 2018, Altus did not have any uncertain tax positions that would require recognition. Uncertain tax positions may change in the next twelve months; however, we do not expect any possible change to have a significant impact on our results of operation or financial position. If incurred, we will record income tax interest and penalties as a component of income tax expense. The contributor of Altus Midstream LP’s operating assets, Apache Corporation, is currently under IRS audit for 2014, 2015, and 2016

11. EQUITY

Common Stock

The Company's second amended and restated certificate of incorporation authorizes the issuance of 1,500,000,000 shares of Class A Common Stock, $0.0001 par value and 1,500,000,000 shares of Class C Common Stock, $0.0001 par value. The Company's shares of Class A Common Stock are listed on the NASDAQ Capital Market under the symbol "ALTM." As of December 31, 2018, there were 74,929,305 and 250,000,000 issued and outstanding shares of Class A Common Stock and Class C Common Stock, respectively.

Holders of each of the Class A Common Stock and Class C Common Stock vote together as a single class on all matters submitted to a vote of our stockholders, except as required by law. Only Class A shareholders are entitled to dividends or other liquidating distributions made by Altus Midstream Company.

Shares of Class A Common Stock and outstanding warrants were originally issued in connection with the Company's public offering, while shares of Class C Common Stock were newly-issued in connection with the Business Combination, as further described below.

Public Offering

In the second quarter of 2017, KAAC completed the public offering of Company units. Each unit comprised one share of Class A Common Stock and one third of one warrant (hereby referred to as the "Public Warrants", and discussed in further detail below). In the aggregate, 37,732,112 units were sold at an offering price of $10.00 per unit, including 2,732,112 units purchased pursuant to an over-allotment option granted to the underwriters.

Public Warrants

As noted above, each unit comprised one share of Class A Common Stock and one third of a Public Warrant. Each whole Public Warrant entitles the holder to purchase one share of Class A Common Stock at a price of $11.50 per share. The Public Warrants will expire five years after closing of the Business Combination or earlier upon redemption or liquidation. The Company may call the Public Warrants for redemption, in whole and not in part, at a price of $0.01 per warrant with not less than 30 days' notice provided to the Public Warrant holder. However, this redemption right can only be exercised if the last sale price of the Class A Common Stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption to the Public Warrant holders.

As of December 31, 2018, there were 12,577,370 Public Warrants outstanding. Following the closing of the Business Combination, the Public Warrants continued trading under the symbol "ALTMW." On December 11, 2018, the Company received notice from the Staff of the NASDAQ of a delisting determination with respect to our Public Warrants for failure to satisfy the NASDAQ's minimum round lot holder listing requirement. The Public Warrants ceased trading on the NASDAQ at the opening of business on December 20, 2018. The delisting of the Public Warrants did not impact the listing or trading of the Company's common stock.

Private Placement Warrants

Upon closing of the public offering in the second quarter of 2017, the Sponsor purchased an aggregate of 6,364,281 warrants at a price of $1.50 per warrant (the "Private Placement Warrants"). Each Private Placement Warrant is exercisable for one share of Class A Common Stock at a price of $11.50 per share.

In connection with the Business Combination, the Sponsor forfeited 3,182,140 Private Placement Warrants, and at the closing of the Business Combination, the Company issued an equivalent number of warrants to Apache (the "Apache Warrants"). The Private Placement Warrants and the Apache Warrants are identical to the Public Warrants discussed above, except (i) they will not be redeemable by the Company so long as they are held by the Sponsor, Apache or their respective permitted transferees and (ii) they may be exercised by the holders on a cashless basis.

As of December 31, 2018, there were 3,182,141 Private Placement Warrants and 3,182,140 Apache Warrants outstanding.

Business Combination

At a special meeting held on November 6, 2018 (the "Special Meeting") the Business Combination was approved by holders of a majority of the outstanding shares of Class A and Class B Common Stock. Refer to Note 2 — Recapitalization Transaction for further detail of the Business Combination, including the basis of presentation of the Company's equity structure in the consolidated financial statements. The paragraphs below provide further detail of the transactions that occurred in connection with the Special Meeting and the Business Combination:

Public Stockholder Redemptions

Pursuant to redemption rights granted to public stockholders by KAAC's amended and restated certificate of incorporation, an aggregate of 29,469,858 shares of Class A Common Stock were redeemed.

Sponsor Forfeiture

Pursuant to an agreement dated as of August 8, 2018 between KAAC and the Sponsor, an aggregate of 7,313,028 shares of Class B Common Stock and 3,182,140 Private Placement Warrants were forfeited by the Sponsor to KAAC.

Conversion of Class B Common Stock

In accordance with the KAAC's amended and restated certificate of incorporation, 2,120,000 shares of Class B Common Stock that remained outstanding following the Sponsor forfeiture (described above) were converted into shares of Class A Common Stock on a one-for-one basis.

Private Placement

On November 9, 2018 KAAC issued and sold an aggregate of 57,234,023 shares of Class A Common Stock to certain qualified institutional buyers and accredited investors (including certain funds and client accounts advised by Kayne Anderson Capital Advisors, L.P., together with its affiliates, and directors, management and employees of KAAC, Kayne Anderson and Apache) at a price of $10.00 per share.

Creation of Class C Common Stock

An amendment to the Company's first amended and restated certificate of incorporation was approved to create a new class of common stock - Class C Common Stock, $0.0001 par value. A total of 1,500,000,000 shares were authorized pursuant to the amendment. Holders of Class C Common Stock, together with holders of Class A Common Stock voting as a single class, will have the right to vote on all matters properly submitted to a vote of the stockholders, but holders of Class C Common Stock will not be entitled to any dividends or liquidating distributions.

Contribution to Altus Midstream LP

At the closing of the Business Combination and in accordance with the Contribution Agreement, KAAC contributed to Altus Midstream LP $628.2 million of cash. In return, it received 74,929,305 common units in Altus Midstream LP, equivalent to the number of shares of Class A Common Stock outstanding after consummation of the Business Combination.

Additionally, the Company received 18,941,651 Altus Midstream LP warrants (equivalent to the aggregate of the Public Warrants, Private Placement Warrants and Apache Warrants outstanding upon consummation of the Business Combination). Each whole warrant entitles the Company to purchase one common unit in Altus Midstream LP for an exercise price of $11.50 per common unit. These warrants are herein referred to as the ("Partnership Warrants").

Consideration Received by Apache

In exchange for the equity interests in the Alpine High Entities and the Pipeline Options to acquire equity interests in five separate third-party pipeline projects, the consideration received by Apache at the closing of the Business Combination on November 9, 2018, included the following:

Equity consideration

- 7,313,028 shares of Class A Common Stock, equivalent to the number of shares of Class B Common Stock forfeited by the Sponsor to KAAC, as discussed above.

- 250,000,000 shares of Class C Common Stock, equivalent to the economic interest held by Apache in Altus Midstream LP at the closing of the Business Combination as a result of the issuance of common units.
- 3,182,140 warrants, equivalent to the number of Private Placement Warrants forfeited by the Sponsor.

Earn-out consideration

- Apache was granted the right to receive earn-out consideration of up to 37,500,000 shares of Class A Common Stock as follows:
    i. 12,500,000 shares if, during the calendar year 2021, the aggregate gathered gas from an area of dedication in Reeves, Pecos, Culberson and Jeff Davis Counties in Texas that is assessed a low pressure gathering fee pursuant to that certain Amended and Restated Gas Gathering Agreement, dated August 8, 2018, between Apache and Alpine High Gathering, LP ("Alpine High Gathering") is equal to or greater than 574,380 million cubic feet.
    ii. 12,500,000 shares if the per share closing price of the Class A Common Stock as reported by NASDAQ during any 30-trading-day period ending prior to the fifth anniversary of the Closing Date is equal to or greater than $14.00 for any 20 trading days within such 30-trading-day period.
    iii. 12,500,000 shares if the per share closing price of the Class A Common Stock as reported by NASDAQ during any 30-trading-day period ending prior to the fifth anniversary of the Closing Date is equal to or greater than $16.00 for any 20 trading days within such 30-trading-day period.

Redeemable Noncontrolling Interest

In conjunction with the issuance of the Class C Common Stock, Apache also received 250,000,000 common units, representing an approximate 76.9 percent limited partner interest in Altus Midstream LP. The financial results of Altus Midstream LP and its subsidiaries are included in Altus Midstream Company's consolidated financial statements as detailed in Note 1— Summary of Significant Accounting Policies, under the section titled "Principles of Consolidation."

At any time subsequent to May 8, 2019 (180 days following the closing of the Business Combination), Apache has the right to cause Altus Midstream to redeem all or a portion of the common units issued to Apache, in exchange for shares of the Company's Class A Common Stock on a one-for-one basis or, at Altus Midstream's option, an equivalent amount of cash; provided that the Company may, at its option, effect a direct exchange of cash or Class A Common Stock for such common units in lieu of such a redemption by Altus Midstream LP. Upon the future redemption or exchange of common units held by Apache, a corresponding number of shares of Class C Common Stock held by Apache will be cancelled.

Apache's limited partner interest associated with the common units issued with the Class C Common Stock is reflected as a redeemable noncontrolling interest in Altus. The redeemable noncontrolling interest is recognized at the higher of (1) its initial fair value plus accumulated earnings/losses associated with the noncontrolling interest or (2) the redemption value as of the balance sheet date. At December 31, 2018, the redeemable noncontrolling interest was recorded based on the redemption value as of the balance sheet date of $1.9 billion. The redemption value is determined based on a 5 day volume weighted average closing price of the Class A Common Stock as defined in the Altus Midstream LPA.

12. NET LOSS PER SHARE

Shares of Class A Common Stock and Class C Common Stock issued to Apache in exchange for its ownership interests in the Alpine High Entities were retroactively restated from May 26, 2016 (inception) to the Closing Date, based on the proportionate value of the capital contributions made by Apache to the Alpine High Entities. The calculation of the weighted averages shares outstanding from inception up to the Closing Date includes all shares issued to Apache, in order to reflect Apache's 100 percent economic interest in the Alpine High Entities until that time. Class C Common Stock is excluded from the weighted average shares outstanding immediately following the Closing Date, as holders of Class C Common Stock are not entitled to any dividends or liquidating distributions and are reflected as a redeemable noncontrolling interest.

For further detail of the Business Combination and associated financial statement presentation, please refer to Note 1 — Summary of Significant Accounting Policies and Note 2 — Recapitalization Transaction.

A reconciliation of the components of basic and diluted net loss per share for the periods presented in the consolidated financial statements, is shown in the table below.

	For the Year Ended December 31,						Period from May 26, 2016 (Inception) through December 31,		
	2018			2017			2016		
	(In thousands, except per common share data)								
Basic:	Amount	Shares	Per Share	Amount	Shares	Per Share	Amount	Shares	Per Share
Net loss including noncontrolling interest	$ (239)	173,125	$ —	$ (18,575)	62,259	$ (0.30)	$ —	6,293	$ —
Net income attributable to noncontrolling interest	4,149	—	—	—	—	—	—	—	—
Net loss attributable to Class A Common Shareholders	$ (4,388)	173,125	$ (0.03)	$ (18,575)	62,259	$ (0.30)	$ —	6,293	$ —
Effect of Dilutive Securities:									
Diluted:									
Net loss including noncontrolling interest	$ (239)	173,125	$ —	$ (18,575)	62,259	$ (0.30)	$ —	6,293	$ —
Net income attributable to noncontrolling interest	4,149	—	—	—	—	—	—	—	—
Net loss attributable to Class A Common Shareholders	$ (4,388)	173,125	$ (0.03)	$ (18,575)	62,259	$ (0.30)	$ —	6,293	$ —

Earn-out consideration granting Apache the right to receive up to 37,500,000 shares of Class A Common Stock is not included in the earnings per share calculation above, as the conditions for issuance were not satisfied as of the year-ended December 31, 2018. The outstanding warrants of the Company to purchase an aggregate 18,941,641 shares of Class A Common Stock are not considered in the calculation of diluted since their inclusion would be antidilutive.

13. SUBSEQUENT EVENTS

Exercise of Option with EPIC Pipeline LP

On February 1, 2019, Altus Midstream exercised the option with EPIC Pipeline LP to acquire a 15.0 percent equity interest in the EPIC crude oil pipeline (the "EPIC Pipeline"). The transaction is anticipated to close in the first quarter of 2019 for approximately $52 million.

Upon completion, the long-haul crude oil pipeline will extend from the Orla area in northern Reeves County, Texas to the Port of Corpus Christi, Texas and is expected to have Permian Basin initial throughput capacity of approximately 590 MBbl/d. The project includes terminals in Orla, Pecos, Saragosa, Crane, Wink, Midland, Hobson and Gardendale, with Port of Corpus Christi connectivity and export access. It will service Delaware Basin, Midland Basin and Eagle Ford Shale production.

The EPIC Pipeline will be operated by EPIC Consolidated Operations, LLC and is expected to be in service in the first quarter of 2020.

Subsidiaries Legal Name Change

Effective February 14, 2019, the entities comprising the Alpine High Entities changed their legal names such that references to "Alpine High" within each of the respective former legal names are superseded by "Altus Midstream."

14. QUARTERLY FINANCIAL DATA (Unaudited)

The following table summarizes quarterly financial data for 2018 and 2017. Alpine High Midstream was identified as the accounting acquirer in the Business Combination. As a result, the financial statements information provided in the table below reflects (i) the historical operating results of Alpine High Midstream prior to the Business Combination; (ii) the consolidated results of the Company and Alpine High Midstream following the closing of the Business Combination; and (iii) the Company's equity structure for all periods presented.

For further information on the presentation of financial information, the Business Combination, and the calculation of earnings per share data, please refer to Note 1 — Summary of Significant Accounting Policies, Note 2 — Recapitalization Transaction, and Note 12 — Net Loss Per Share.

	First	Second	Third	Fourth
	(In thousands, except per common share data)			
2018				
Midstream service revenue - Affiliate and other	$ 12,099	$ 12,517	$ 25,437	$ 28,305
Net income (loss) before income taxes	(7,570)	(7,468)	284	4,014
Net income (loss) attributable to Class A common shareholders	(12,607)	(11,621)	19,208	632
Net income (loss) attributable to Class A common shareholders, per share:				
Basic	$ (0.09)	$ (0.06)	$ 0.09	$ 0.004
Diluted	(0.09)	(0.06)	0.09	0.004
2017				
Midstream service revenue - Affiliate	$ —	$ 1,570	$ 5,368	$ 8,204
Net loss before income taxes	—	(2,129)	(3,354)	(6,051)
Net loss attributable to Class A common shareholders	—	(2,429)	(3,828)	(12,318)
Net loss attributable to Class A common shareholders, per share:				
Basic	$ —	$ (0.05)	$ (0.05)	$ (0.11)
Diluted	—	(0.05)	(0.05)	(0.11)

INDEX TO EXHIBITS

EXHIBIT NO.		DESCRIPTION
2.1***	–	Contribution Agreement, dated as of August 8, 2018, by and among Kayne Anderson Acquisition Corp., Altus Midstream LP, Apache Midstream LLC, Alpine High Gathering LP, Alpine High Pipeline LP, Alpine High Processing LP, Alpine High NGL Pipeline LP and Alpine High Subsidiary GP LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 8, 2018, SEC File No. 001-38048).
3.1	–	Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
3.2	–	Bylaws (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1 filed on March 7, 2017, SEC File No. 333-216514).
4.1	–	Specimen Unit Certificate (incorporated by reference to Exhibit 4.1 to the Company's Amendment No. 1 to Registration Statement on Form S-1/A filed on March 16, 2017, SEC File No. 333-216514).
4.2	–	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.2 to the Company's Amendment No. 1 to Registration Statement on Form S-1/A filed on March 16, 2017, SEC File No. 333-216514).
4.3	–	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to the Company's Amendment No. 1 to Registration Statement on Form S-1/A filed on March 16, 2017, SEC File No. 333-216514).
4.4	–	Warrant Agreement, dated March 29, 2017, by and between American Stock Transfer & Trust Company, LLC and the Company (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 4, 2017, SEC File No. 001-38048).
4.5	–	Warrant Agreement, dated as of November 9, 2018, by and between American Stock Transfer & Trust Company, LLC and the Company (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
4.6	–	Stockholders Agreement, dated as of November 9, 2018, by and among Altus Midstream Company, Kayne Anderson Sponsor, LLC and Apache Midstream LLC (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
4.8	–	Amended and Restated Registration Rights Agreement, dated as of November 9, 2018, by and among Altus Midstream Company, Kayne Anderson Sponsor, LLC, the other holders party thereto and Apache Midstream LLC (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
10.1	–	Letter Agreement, dated March 29, 2017, by and between the Company, the initial security holders and the officers and directors of the Company (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 4, 2017, SEC File No. 001-38048).
10.2	–	Form of Indemnity Agreement (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 filed on March 7, 2017, SEC File No. 333-216514).
10.3	–	Administrative Services Agreement, dated March 29, 2017, by and between the Company and KA Fund Advisors, LLC (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on April 4, 2017, SEC File No. 001-38048).
10.5	–	Option Letter Agreement, dated as of August 8, 2018, by and among Kayne Anderson Acquisition Corp., Apache Midstream LLC and Apache Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 8, 2018, SEC File No. 001-38048).
10.6	–	Form of Subscription Agreement, by and between Kayne Anderson Acquisition Corp. and the subscriber named therein (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 8, 2018, SEC File No. 001-38048).
10.7	–	Sponsor Forfeiture Agreement, dated as of August 8, 2018, by and among Kayne Anderson Acquisition Corp., Kayne Anderson Sponsor, LLC and Apache Midstream LLC (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 8, 2018, SEC File No. 001-38048).
10.8	–	Credit Agreement, dated as of November 9, 2018, among Altus Midstream, LP, the lenders party thereto, the issuing banks party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, National Association, as Syndication Agent, Citibank, N.A., Bank of America, N.A., The Toronto-Dominion Bank, New York Branch, MUFG Bank Ltd., and The Bank of Nova Scotia, Houston Branch, as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
10.9	–	Amended and Restated Agreement of Limited Partnership of Altus Midstream LP, dated as of November 9, 2018 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
10.10	–	Construction, Operations and Maintenance Agreement, dated as of November 9, 2018, by and between Altus Midstream Company and Apache Corporation (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).

10.11	–	Purchase Rights and Restrictive Covenants Agreement, dated as of November 9, 2018, by and between Altus Midstream Company and Apache Corporation (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
10.12	–	Lease Agreement, dated as of November 9, 2018, by and between Apache Corporation and Altus Midstream LP (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
10.13	–	Trademark License Agreement, dated as of November 9, 2018, by and between Apache Corporation and Altus Midstream LP (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
10.14	–	Trademark License Agreement, dated as of November 9, 2018, by and between Apache Corporation and Kayne Anderson Acquisition Corp. (n/k/a Altus Midstream Company) (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 001-38048).
10.15*‡	–	Intrastate Firm Natural Gas Transportation Service Agreement, dated April 1, 2017, by and between Apache Corporation and Alpine High Pipeline LLC (n/k/a Altus Midstream Pipeline LP).
10.16*‡	–	Gas Processing Agreement, dated July 1, 2018, by and between Apache Corporation and Alpine High Processing LP (n/k/a Altus Midstream Processing LP).
10.17*‡	–	Gas Gathering Agreement, dated July 1, 2018, by and between Apache Corporation and Alpine High Gathering LP (n/k/a Altus Midstream Gathering LP).
10.18*‡	–	Residue Gas Transportation Services Agreement, dated July 1, 2018, by and between Apache Corporation and Alpine High NGL Pipeline LP (n/k/a Altus Midstream NGL Pipeline LP).
10.19*†	–	Altus Midstream Company Restricted Stock Units Plan, dated December 17, 2018.
10.20*†	–	Form of Director Grant Agreement, dated December 17, 2018.
21.1*	–	Subsidiaries of the Company.
23.1*		Consent of Ernst & Young LLP.
31.1*	–	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).
31.2*	–	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).
32.1**	–	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(b) and 18 U.S.C. 1350.
32.2**	–	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(b) and 18 U.S.C. 1350.
101.INS*	–	XBRL Instance Document.
101.SCH*	–	XBRL Taxonomy Schema Document.
101.CAL*	–	XBRL Calculation Linkbase Document.
101.DEF*	–	XBRL Definition Linkbase Document.
101.LAB*	–	XBRL Label Linkbase Document.
101.PRE*	–	XBRL Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith

*** Schedules and exhibits to this Exhibit have been omitted pursuant to Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

† Management contracts or compensatory plans or arrangements required to be filed herewith pursuant to Item 15 hereof.

‡ Portions have been omitted pursuant to a request for confidential treatment.

CERTAIN CONFIDENTIAL INFORMATION HAS BEEN OMITTED FROM THIS AGREEMENT. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED INFORMATION, WHICH HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE OMITTED INFORMATION IS MARKED WITH "[***]".

INTRASTATE FIRM NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO: 1000-001-1

THIS INTRASTATE FIRM NATURAL GAS TRANSPORTATION SERVICE AGREEMENT (the "Service Agreement") is entered into effective April 1, 2017, ("Commencement Date") by and between ALPINE HIGH PIPELINE LLC a Delaware limited liability company (hereinafter referred to as "Transporter"), and Apache Corporation, a Delaware corporation (hereinafter referred to as "Shipper"), both hereinafter collectively referred to as the "Parties", and individually as a "Party". In consideration of the mutual covenants herein contained, the Parties agree as follows:

1. Shipper has requested a Service Agreement from Transporter pursuant to the provisions of Transporter's Statement of Operating Conditions Applicable to Intrastate Transportation Service (the "Statement of Operating Conditions") incorporated herein by reference and attached hereto as Appendix "A".

2. Transporter has approved Shipper's request for a Service Agreement and will provide firm transportation service for Shipper pursuant to the terms of this Service Agreement and its Confirmation(s). The Shipper shall have the ability to transport under any Confirmation then in effect under this Service Agreement.

3. The transportation service provided under this Service Agreement and its Confirmation(s) are subject to applicable Texas laws and the rules and regulations TRC has promulgated with respect thereto, and the provisions of Transporter's Statement of Operating Conditions, which are incorporated herein by reference, as if fully set forth herein. The transportation service provided in this Service Agreement and its Confirmations are not subject to the Federal Energy Regulatory Commission's ("FERC") regulations under the Natural Gas Act of 1938, as amended (the "NGA").

4. Shipper represents and warrants that (i) it has all lawful rights and/or title to all Gas delivered by it hereunder for its account, that it has the right to deliver same hereunder, and that such Gas is free from liens and adverse claims of every kind; (ii) it has arranged for the delivery and/or receipt by any necessary third party transporter(s) of the gas to be transported hereunder; and (iii) all Gas delivered to Transporter hereunder will be produced in the State of Texas from reserves not dedicated or committed to interstate commerce, and that the Gas which Shipper delivers or receives hereunder will not have been or be sold, consumed, transported or otherwise utilized in interstate commerce at any point upstream of the Receipt Points or downstream of the Delivery Points, and that such Gas has not been nor will it be commingled at any point upstream of the Receipt Points or downstream of the Delivery Points with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce, in such a manner which will subject the Gas transported under this Service Agreement or Transporter's or its designee's pipeline system, or any portion thereof, to the jurisdiction of the FERC or any successor authority under the NGA. Shipper hereby indemnifies and holds harmless Transporter from all suits, actions, losses, expenses (including attorneys' fees), and regulatory proceedings arising out of or in connection with a breach of the representations and warranties made by Shipper above.

5. Service Level:

   As shown in the applicable Confirmation

6. Gas received by Transporter hereunder will be received at the following Receipt Point(s):

   As shown in the applicable Confirmation

7. Gas delivered by Transporter to Shipper will be delivered at the following Delivery Point(s):

   As shown in the applicable Confirmation

8. Shipper's Maximum Daily Contract Quantity:

As shown in the applicable Confirmation

9. Transportation Rate(s):

As shown in the applicable Confirmation

10. Retention Volume:

As shown in the applicable Confirmation

11. Term:

As shown in the applicable Confirmation

12. Addresses for Notices and Payments:

TRANSPORTER:	**SHIPPER:**
For Notices/Correspondence:	**Notices/Correspondence:**
Alpine High Pipeline LLC	Apache Corporation
Attn: Commercial Operations	Attn: Gas Marketing Contract Administration
17802 IH-10 West	2000 Post Oak Blvd, Suite 100
Suite 300	Houston, Texas 77056-4400
San Antonio, TX 78257	Phone: 713-296-7147
Email: CommercialOperations@apachecorp.com	Fax: 713-296-6473
For Accounting Matters:	**For Accounting Matters:**
Attn: Manager of Gas Accounting	
2000 Post Oak Blvd, suite 100	Attn: Manager of Gas Accounting
Houston, Texas 77056-4400	2000 Post Oak Blvd, suite 100
Phone: 713-296-7147	Houston, Texas 77056-4400
Attn: Manager of Gas Accounting	Phone: 713-296-7147
For Payments:	**For Payments by Check:**
c/o Apache Corporation	Apache Corporation
PO Box 840133	PO Box 840133
Dallas, TX 75284-0133	Dallas, TX 75284-0133

Payments by Wire Transfer:	**Payments by Wire Transfer**:
c/o [***]	Bank: [***]
Bank: [***]	ABA No.: [***]
ABA No.: [***]	Account: [***]
Account: [***]	Account No.: [***]
Account No.: [***]	
For Scheduling/Nominations:	**For Scheduling/Nominations:**
Alpine High Pipeline LLC	Apache Corporation
Attn: Manager of Commercial Operations	Attn: Gas Scheduling Nominations
17802 IH-10 West	2000 Post Oak Blvd, Suite 100
Suite 300	Houston, Texas 77056-4400
San Antonio, TX 78257	Phone: 713-296-6968
Phone: 210-447-5629	Fax: 713-296-7130
Email: CommercialOperations@apachecorp.com	Email: midcon.scheduling@apachecorp.com
For Gas Control:	**For Gas Control:**
Alpine High Pipeline LLC	Apache Corporation
Attn: Gas Control	Attn: Gas Control
210-447-5600 (24/7)	Telephone: 713-296-6000
800-548-8090 (24/7)	Fax: 713-296-7130
Email: fusioncenter.midstream@apachecorp.com	Email: midcon.scheduling@apachecorp.com

13. Other Provisions:

ALPINE HIGH PIPELINE LLC **APACHE CORPORATION**

By: /s/ Bob W. Bourne By: /s/ Brian W. Freed

Name: Bob W. Bourne Name: Brian W. Freed

Title: VP, Business Development - Midstream & Marketing Title: SVP, Marketing and Midstream

INTRASTATE CONFIRMATION

BASE AGREEMENT: Intrastate Firm Natural Gas Transportation Service Agreement
dated April 1, 2017

CONTRACT NUMBER: 1000-001-1

CONFIRMATION NUMBER: 1000-001-1-101

SHIPPER: APACHE CORPORATION

TRANSPORTER: ALPINE HIGH PIPELINE LLC

SERVICE LEVEL: Interruptible: _____ Firm: ___X_____
Authorized Overrun Service: ____X_____

This Confirmation constitutes part of and is subject to the Service Agreement and the Statement of Operating Conditions (collectively, the "Agreement"). All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Statement of Operating Conditions and Service Agreement.

RECEIPT POINT(S): All existing and future interconnects between Transporter and (i) Alpine High Gathering LLP, (ii) Alpine High Processing LLP, (iii) Comanche Trail Pipeline LLC, (iv) Oneok Roadrunner Pipeline LLC, (v) Trans-Pecos Pipeline LLC, and (vi) any other intrastate pipelines.

DELIVERY POINT(S): All existing and future interconnects between Transporter and (i) Apache Corporation, (ii) Alpine High Gathering LLP, (iii) Alpine High Processing LLP, (iv) Comanche Trail Pipeline LLC, (v) Oneok Roadrunner Pipeline LLC, (vi) Trans-Pecos Pipeline LLC, (vii) Trans-Pecos Waha Header, (viii) Gulf Coast Express Pipeline, LLC, (ix) Whitewater Midstream LLC, and (x) any other intrastate pipelines.

MAXIMUM DAILY CONTRACT QUANTITY: See Exhibit "A-I" attached hereto.

TRANSPORTATION RATE(S):

Transportation Service:

DEMAND FEE: Shipper shall pay Transporter a Demand Fee equal to $0.12 per MMBtu multiplied by the applicable MDCQ times the number of days in the Month.

COMMODITY FEE: Shipper shall pay Transporter a Commodity Fee equal to $0.01 per MMBtu for all Gas up to the MDCQ delivered at the Delivery Point(s).

Authorized Overrun Service:

Authorized Overrun Service Rate:

COMMODITY FEE: Shipper shall pay Transporter a Commodity Fee equal to $0.13 per MMBtu for all Gas over the MDCQ delivered at the Delivery Point(s).

RETENTION VOLUME: Transporter will retain from the volumes of Gas delivered by Shipper hereunder at each Receipt Point(s) at no cost to Transporter, a volume of Gas allocated ratably to Shipper of all Gas used as fuel, flared, lost, and unaccounted for Gas, associated with the operation, maintenance and repair of the Alpine High Pipeline System (all of the foregoing, collectively, the "Retention Volume").

TERM: This Confirmation is effective as of April 1, 2017, and shall continue through March 31, 2032 (the "Primary Term") and continue after the Primary Term on a Year-to-Year basis unless terminated at the end of the Primary Term or any Yearly extension period thereafter by either Party giving at least six (6) Months prior written notice, provided however, Shipper shall have two (2) successive options to extend the Primary Term by five (5) Years each by giving Transporter at least nine (9) Months prior written notice and Transporter's right to terminate this Confirmation at the end of the Primary Term or any Yearly extension period thereafter shall be subject to, and limited by, Shipper's options to extend the Primary Term. Unless otherwise agreed by Shipper and Transporter in writing, the MDCQs during any Yearly extension periods will be the applicable MDCQ in effect on March 31, 2032.

OTHER PROVISIONS:

ALPINE HIGH PIPELINE LLC	**APACHE CORPORATION**
By: /s/ Bob W. Bourne	By: /s/ Brian W. Freed
Name: Bob W. Bourne	Name: Brian W. Freed
Title: VP, Business Development - Midstream & Marketing	Title: SVP, Marketing and Midstream

Exhibit "A-1" to

Intrastate Firm Confirmation

Month-Year	MDCQ (MMBtu/day)

[***] [5 PAGES OF TABLE OMITTED] [***]

AMENDMENT TO
INTRASTATE FIRM NATURAL GAS TRANSPORTATION SERVICE AGREEMENT AND CONFIRMATION DATED APRIL 1, 2017,
CONTRACT NO: 1000-001-1
CONFIRMATION NO: 1000-001-1-102

THIS AMENDMENT is entered into as of April 25, 2018, by and between Apache Corporation ("Shipper") and Alpine High Pipeline LLC ("Transporter").

WHEREAS, Shipper and Transporter entered into that Intrastate Firm Natural Gas Transportation Service Agreement, Contract Number: 1000-001-1 ("Service Agreement") and Intrastate Firm Confirmation, Confirmation Number 1000-001-1-101 ("Confirmation"), both dated April 1, 2017; and

WHEREAS, on October 26, 2017, Transporter submitted a petition for rate approval for interruptible transportation services offered under NGPA Section 311, with a proposed effective date of September 26, 2017 ("Petition") to the Federal Energy Regulatory Commission ("Commission") in Docket No. PR18-4-000 and on January 9, 2018, Transporter submitted an amended Statement of Operating Conditions ("311 SOC"), version 0.1.0, to be effective September 26, 2017; and

WHEREAS, on February 6, 2018 the Commission issued a letter order accepting Transporter's amended 311 SOC with an effective date of September 26, 2017, and

WHEREAS, the Shipper and Transporter desire to amend the Service Agreement and Confirmation to conform with certain changes to the 311 SOC approved by the Commission.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Shipper and Transporter agree to amend the Service Agreement and Confirmation as follows:

1. The word "flared" in the third line in the section entitled "Retention Volume" on page two of the Confirmation, is deleted.
2. Appendix "A" attached to and incorporated into the Service Agreement is deleted in its entirety and replaced with the new Appendix "A" attached hereto and incorporated herein.

This Amendment shall be effective as of September 26, 2017.

Except as specifically amended herein, the terms and conditions of the Service Agreement and Confirmation shall remain in full force and effect as written.

IN WITNESS WHEREOF, the parties have duly executed and exchanged duplicate originals of this Amendment to the Service Agreement and Confirmation by their respective officers or other person duly authorized to do so.

ALPINE HIGH PIPELINE LLC	APACHE CORPORATION
Accepted and Agreed	Accepted and Agreed
This 25th day of April 2018	This 25th day of April 2018
By: /s/ Bob W. Bourne	By: /s/ Brian W. Freed
Title: VP Business Development	Title: SVP Midstream & Marketing
Date: April 25, 2018	Date: April 25, 2018

Signature page to Amendment to Intrastate Firm Natural Gas Transportation Service Agreement and Confirmation dated April 1, 2017 - Contract No. 1000-001-1 and Confirmation No. 1000-001-1-101, effective September 26, 2017.

APPENDIX "A"

ALPINE HIGH PIPELINE LLC
STATEMENT OF OPERATING CONDITIONS
FOR INTRASTATE SERVICE
IN TEXAS

EFFECTIVE September 26, 2017

ALPINE HIGH PIPELINE LLC

STATEMENT OF OPERATING CONDITIONS

APPLICABLE TO INTRASTATE TRANSPORTATION SERVICE

TABLE OF CONTENTS

ALPINE HIGH PIPELINE LLC

STATEMENT OF OPERATING CONDITIONS

APPLICABLE TO INTRASTATE TRANSPORTATION SERVICE

1. INTRODUCTION.

Alpine High Pipeline LLC ("Transporter") owns an intrastate pipeline, with facilities located wholly within the State of Texas, and is exempt from the jurisdiction of the Federal Energy Regulatory Commission ("FERC") under the Natural Gas Act of 1938 ("NGA"). Transporter's commercial operations relating to intrastate service within the State of Texas, including contracting, scheduling, invoicing, payment, etc., will be provided subject to this Statement of Operating Conditions.

2. DEFINITIONS.

Except as otherwise specified, the following terms as used herein, in the Service Agreement and its applicable Confirmation will be construed to have the following scope and meaning:

(a) "Btu" means British thermal unit and, where appropriate, the plural thereof.

(b) "Commencement Date" is defined in Section 9.1 of this Statement of Operating Conditions.

(c) "Confirmation" means an effective and unexpired agreement documented by written means, including but not limited to facsimile, e-mail, or other electronic means, evidencing an affirmative agreement between Transporter and Shipper on all key terms and conditions, for a particular arrangement under a Service Agreement or transportation agreement, including information materially similar to that contained on Exhibit "C"; Shipper's submission of a nomination without an affirmative agreement by Transporter to all terms of service shall not constitute a Confirmation.

(d) "Day" means the period beginning at 9:00 a.m. central clock time ("CCT") on each calendar day and ending at 9:00 a.m. CCT on the following calendar day.

(e) "Delivery Point(s)" is defined in Section 6.1 of this Statement of Operating Conditions.

(f) "Effective Date" means the first Day of the term of a Confirmation.

(g) "Firm" or "Firm Service" means transportation service that is provided on a firm basis, is not subject to a prior claim by another customer or class of service, and receives the same priority as any other firm Shipper in that it has the highest priority of transportation service offered by Transporter as set forth in this Statement of Operating Conditions.

(h) "Gas" means natural gas produced from gas wells, gas produced in association with oil (casinghead gas), and/or the residue gas resulting from processing casinghead gas and/or gas well gas.

(i) "Heating Value" means the total heating value expressed in Btu per cubic foot (gross heating value) of the Gas, and will be determined at a temperature of 60 degrees Fahrenheit, saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32 degrees Fahrenheit converted to base conditions of 60 degrees Fahrenheit and an absolute pressure of 14.65 pounds per square inch and adjusted to reflect actual water vapor content.

(j) "Interruptible" or "Interruptible Service" means Transporter may interrupt, curtail, or suspend the receipt, transportation or delivery of Gas hereunder at any time and from time to time for any reason without notice, whether or not caused by an event of Force Majeure, with Transporter having no liability to Shipper.

(k) "Make-up Volumes" is defined in Section 7.4.1 of this Statement of Operating Conditions.

(l) "Maximum Daily Contract Quantity" or "MDCQ" means the maximum quantity of Gas in MMBtu, exclusive of applicable Retention Volume, that Shipper may nominate and deliver to Transporter each Day at a Receipt Point(s) or Delivery Point(s) or an aggregate of Receipt Points or Delivery Points

at a relatively uniform hourly rate over the course of such Day, as specified in a Confirmation.

(m) "Mcf" means one thousand cubic feet, and "MMBtu" means one million Btu.

(n) "Month" means that period of time beginning at 9:00 a.m. CCT on the first day of a calendar month and ending at 9:00 a.m. CCT on the first day of the following calendar month.

(o) "Monthly Imbalance" is defined in Section 7.4.1 of this Statement of Operating Conditions.

(p) "Nomination" is defined in Section 7.1 of this Statement of Operating Conditions.

(q) "Operational Flow Order" is defined in Section 7.3 of the Statement of Operating Conditions.

(r) "Psia" means pounds per square inch absolute.

(s) "Psig" means pounds per square inch gauge.

(t) "Receipt Point(s)" is defined in Section 6.2 of the Statement of Operating Conditions.

(u) "Retention Volume" is defined in Section 8.2 of the Statement of Operating Conditions.

(v) "Scheduled Quantity" means the quantity of Gas, inclusive of any applicable Retention Volume, nominated and scheduled by Shipper and confirmed by Transporter with the upstream and the downstream pipeline operators, subject to any limitations of the MDCQ set forth in the Confirmation.

(w) "Service Agreement" means the agreement between Transporter and Shipper, whereby Transporter will provide transportation services for Shipper pursuant to the terms and provisions of this Statement of Operating Conditions and any applicable Confirmation.

(x) "Shipper" means the party that holds all lawful rights and/or title to the Gas that is being transported and who has a fully executed Service Agreement and Confirmation with Transporter.

(y) "Transporter" means Alpine High Pipeline LLC.

(z) "TRC" means the Texas Railroad Commission or any successor agency.

3. REQUEST FOR SERVICE AGREEMENT.

3.1 *Request for Service Agreement*. A Service Agreement is required for all services hereunder and will be subject to all terms and provisions of this Statement of Operating Conditions, and its applicable Confirmation. Any potential Shipper desiring to obtain services from Transporter must request a Service Agreement from Transporter. The request may be in writing, by telephone or electronic medium. Shipper shall provide documentation to demonstrate its creditworthiness to the satisfaction of the Transporter in accordance with Section 3.3 hereof.

Requests for Service Agreement may be sent to:

Alpine High Pipeline LLC

Attn: Commercial Operations

17802 IH-10 West

Suite 300

San Antonio, TX 78257

Email: CommercialOperations@apachecorp.com

3.2 *Requirements of Request for Service*. Each request for a specific transaction under an executed Service Agreement must include the following information:

3.2.1 Shipper's name, Service Agreement number and any applicable individual transaction confirmation number;

3.2.2 Requested Receipt Point(s) or receipt point area and Delivery Point(s) or delivery point area;

3.2.3 Shipper's requested Maximum Daily Contract Quantity;

3.2.4 The type and character of service requested; and

3.2.5 The term of the service requested.

3.3 *Credit Approval*. Transporter's agreement to execute a Service Agreement or to engage in a specific transaction under a Service Agreement is contingent upon a satisfactory appraisal of Shipper's credit by Transporter.

3.3.1 If requested by Transporter, potential Shipper must provide a copy of its last two (2) fiscal years of audited financial statements, including balance sheet, income statement, cash flow statement and accompanying footnotes. If potential Shipper cannot provide the above information on itself, then potential Shipper must, if applicable, provide that information for its parent company.

3.3.2 In the event Transporter determines Shipper's credit to be unsatisfactory in Transporter's sole opinion, as tested in a commercially reasonable and in a not unduly discriminatory manner, at any time during the term of any Service Agreement or applicable Confirmation, Transporter may demand "Adequate Assurance of Performance" which shall mean sufficient security in a form, an amount and for the term reasonably specified by Transporter. Shipper at its option may provide one of the following forms of security:

a. Post an irrevocable standby letter of credit in a form, substance and from a bank satisfactory to Transporter for services equal to or up to three (3) months of all fees and charges that would be due from Shipper if Transporter were performing such service plus an amount for projected imbalances, unless a lesser amount is reasonable to and agreed upon by Transporter based on Shipper's financial condition; or

b. Provide a prepayment or a deposit for services equal to or up to three (3) months of all fees and charges that would be due from Shipper if Transporter were performing such service plus an amount for projected imbalances, unless a lesser amount is reasonable to and agreed upon by Transporter based on Shipper's financial condition; or

c. Provide a guaranty from a guarantor acceptable to Transporter. The demand for Adequate Assurance of Performance can be satisfied with a guaranty issued on behalf of Shipper in a format, amount and term acceptable to Transporter, but only for as long as the credit of Shipper's guarantor continues to be acceptable to Transporter, after which time only Adequate Assurance of Performance in the form of (a) and (b) will be acceptable to Transporter.

3.3.3 Transporter shall have the right to suspend performance under any Service Agreement or any applicable Confirmation in the event: (i) Shipper has voluntarily filed for bankruptcy protection under any chapter of the Bankruptcy Code; (ii) Shipper is the subject of an involuntary petition of bankruptcy under any chapter of the Bankruptcy Code, and such involuntary petition has not been settled or otherwise dismissed within ninety (90) Days of such filing; (iii) Shipper otherwise becomes insolvent, whether by an inability to meet its debts as they come due in the ordinary course of business or because its liabilities exceed its assets on a balance sheet test and/or however such insolvency may otherwise be evidenced; or (iv) Shipper fails to timely pay any amounts due and payable under a Service Agreement or applicable Confirmations.

3.3.4 Should Shipper fail to provide Adequate Assurance of Performance within two (2) business Days after receipt of written demand for such assurance, then Transporter shall have the right to suspend performance under any Confirmation until such time as Shipper furnishes Adequate Assurance of Performance and/or terminate any Service Agreement or applicable Confirmation in addition to all other remedies available at law or in equity.

3.4 Transporter shall have the right to reject any request for Service Agreement or Confirmation that does not contain the required information set forth herein and Transporter will have no liability to Shipper or any other entity in connection with such rejection.

3.5 In addition to requiring Adequate Assurance of Performance to secure the Service Agreement and/or transactions thereunder, Transporter may require additional or alternate security from

Shipper if Transporter's service to Shipper is contingent upon Transporter's construction of facilities. This provision shall also apply to any assignment of a Service Agreement that was initially subject to this provision.

3.6 *Service Agreements*. After Shipper has requested a Service Agreement and after Transporter has determined that Shipper is creditworthy, Transporter and Shipper will enter into a Service Agreement, which will incorporate by reference the provisions of this Statement of Operating Conditions. Multiple transportation arrangements can be agreed to between the parties and confirmed by Confirmations under a single Service Agreement. Neither Transporter nor Shipper will have any obligations to one another until authorized representatives of both Transporter and Shipper have executed a Service Agreement and have agreed to a Confirmation. Any applicable Confirmation(s) will contain specific details agreed to by Transporter and Shipper for a particular service arrangement.

3.7 *Additional Facilities.* Transporter shall not be required to construct additional facilities, modify or expand facilities, or acquire facilities to provide service. Any additional facilities (including meters) required to provide service to a Shipper that Transporter agrees in its sole discretion to provide shall be paid for by such Shipper, unless otherwise agreed to in writing by Shipper and Transporter.

4. GENERAL.

4.1 *Transporter's Obligations*. Transporter will receive Gas up to the Scheduled Quantity at the Receipt Point(s) as nominated and tendered by Shipper under the terms of this Statement of Operating Conditions, the Service Agreement, and its applicable Confirmation, transport and deliver an equivalent quantity of Gas, in MMBtu, to Shipper at the Delivery Point(s), less the Retention Volume as set forth in Section 8.2 of this Statement of Operating Conditions. Transporter's obligations to receive, transport, and deliver Gas to the Delivery Point(s) will be in accordance with the applicable character of service (*i.e.* Firm or Interruptible), and are subject to: (i) available capacity, as determined by Transporter, upon its exercise of reasonable judgment; (ii) an event of Force Majeure; (iii) Shipper's failure or refusal to deliver Gas to or receive Gas from Transporter as required under this Statement of Operating Conditions, the Service Agreement and any applicable Confirmation; (iv) any laws, rules, orders, or requirements of any governmental or regulatory authorities that limit, prevent, or interfere with Transporter's performance; and (v) as otherwise provided under any other terms and conditions in this Statement of Operating Conditions, the Service Agreement, and any applicable Confirmation. Shipper acknowledges that for those Receipt Point(s) and Delivery Point(s) at which Transporter has operational balancing agreements, the Scheduled Quantity is deemed to have been received or delivered for the account of Shipper, subject to the remaining terms and conditions of this Statement of Operating Conditions, the applicable Service Agreement, and any applicable Confirmation. In the event of constraints at a Delivery Point(s) or on a downstream pipeline, Transporter will rely on the downstream party's allocation at the affected Delivery Point(s) and, to the extent Shipper's nominations are reduced, Shipper will be deemed to have failed to receive Gas from Transporter as required hereunder.

4.2 *Interruption of Service*. Transporter will endeavor to advise (by telephone or electronic medium) Shipper's dispatcher or authorized representative of an interruption as soon as practicable, either before or after interruption of service, but Transporter will have no liability for any failure to give such notice. Transporter will not be liable for any loss or damage to any person or property caused, in whole or in part, by any interruption of Interruptible service under any Service Agreement or its applicable Confirmation. Should any third party with the right to control the Receipt Point(s), Delivery Point(s), or any other facilities needed for the receipt, transportation, or delivery of Gas hereunder limit or fail to authorize the use of any such facilities to perform services provided hereunder, Transporter will have no obligation hereunder to perform any transportation service, or receive or deliver Gas hereunder at such facilities.

4.3 *Shipper's Obligations*. Shipper will tender the Scheduled Quantity at the Receipt Point(s), and accept such Gas, less the Retention Volume, at the Delivery Point(s). Shipper's obligations set forth in the preceding sentence are subject to: (i) an event of Force Majeure; (ii) Transporter's failure or refusal to receive Gas from or deliver Gas to Shipper as required under this Statement of Operating Conditions; (iii) any laws, rules, orders, or requirements of any governmental or regulatory authorities that limit, prevent, or interfere with Shipper's performance; and (iv) as otherwise provided under any other terms and conditions in this Statement of Operating Conditions, the applicable Service Agreement, and its applicable Confirmation.

4.4 *Priority of Service and Scheduling*. From time to time, Transporter may not have sufficient capacity available to accommodate all nominations through specific Receipt Point(s), specific Delivery Point(s), specific compression stations, and/or specific segments of Transporter's pipeline system (the "Impacted Location"). In such event, Transporter will schedule and perform service through the Impacted Location in the following order of priority:

1. Firm transportation service shall receive the highest priority. To the extent there is capacity available to accommodate some but not all of the Firm transportation nominations, capacity through the Impacted Location will be allocated among the Firm customers such that the customer with the earliest Effective Date of a Confirmation shall be the last curtailed. In the event one or more customers have the same Effective Date of a Confirmation, then the available capacity, if any, will be awarded to the customer whose transaction provides the greatest economic benefit to Transporter, in Transporter's judgment.
2. Interruptible transportation service shall receive the next highest priority. To the extent there is sufficient capacity to accommodate all Firm nominations and some, but not all, of the Interruptible nominations, capacity through the Impacted Location will be allocated among the Interruptible customers on an economic basis. As such, Transporter shall allocate capacity to the Shippers paying a higher rate per MMBtu before Shippers paying a lower rate. If two or more Shippers are paying the same rate per MMBtu, Transporter shall schedule nominated service on a pro rata basis.

4.5 *Multiple Confirmations*. If Shipper has multiple Confirmations, Shipper will not be permitted to combine services available under such Confirmations. Specifically, Gas will be received under a particular Confirmation and will be delivered under the same Confirmation.

4.6 *Interstate Service*. In addition to the intrastate transportation services that are subject to the exclusive jurisdiction of the TRC and that are exempt from FERC's regulation under the NGPA, Transporter may also be authorized to provide interstate services pursuant to FERC's rules and regulations and the NGPA Section 311 Statement of Operating Conditions that Transporter may file with FERC. In that event and to provide Shippers with flexibility to access intrastate and/or interstate markets, Shippers may contract for both intrastate and NGPA Section 311 service on mutually agreeable terms, including a limitation that Shipper's combined usage under the intrastate and NGPA Section 311 agreements cannot exceed the MDCQ. The description of available NGPA Section 311 services that may be offered is provided for informational purposes only and shall not be construed to make any intrastate services subject to FERC regulation.

4.7 *Filings*. Transporter shall file all necessary reports and/or notices required by any applicable governmental or regulatory authority, and Shipper shall provide Transporter with any necessary compliance information requested by Transporter in connection with preparing such reports.

5. QUANTITY.

5.1 *Maximum Delivery and Receipt Quantities*. The maximum quantity of Gas that Transporter is obligated to receive hereunder at the Receipt Point(s) and deliver hereunder at the Delivery Point(s) during any given hour of any Day is 1/24th of the Shipper's Scheduled Quantity at an instantaneous

standard volumetric flow rate at any point in time during the hour, unless otherwise agreed to by Transporter as specifically provided in the Confirmation. Transporter has no obligation to receive, transport, and deliver quantities of Gas hereunder in excess of the Scheduled Quantity. Transporter has no obligation to receive or deliver Gas in quantities exceeding the physical capacity of the Delivery Point(s) or Receipt Point(s).

5.2 *All Quantities in MMBtu*. All quantities of Gas received and delivered under any Confirmation will be expressed in terms of MMBtu, including, without limitation, calculation of payments, determination of imbalances, and determination of Retention Volume.

5.3 *Authorized Overrun Service*.

5.3.1 Upon request of Shipper at the time it nominates Interruptible Service, Transporter may approve and schedule for receipt or delivery a quantity of Gas greater than the MDCQ and Shipper's Retention Volume ("Authorized Overrun Service"). Authorized Overrun Service will be available only if (i) Transporter determines in its sole discretion that it has sufficient capacity after first scheduling all Firm intrastate and Interruptible transportation service within the limits of all Shippers' MDCQs, and (ii) Shipper has a designated Authorized Overrun Service rate in its Service Agreement or any applicable Confirmation. Authorized Overrun Service will be scheduled on a first-come, first-served basis, with the priorities established in Section 4.4.

5.3.2 Authorized Overrun Service is Interruptible and Transporter has absolutely no liability whatsoever in damages or otherwise for any interruption or cessation of Authorized Overrun Service.

6. DELIVERY POINT(S) AND RECEIPT POINT(S).

6.1 *Delivery Point(s)*. Transporter will deliver Gas to Shipper, or its agent, under this Statement of Operating Conditions, the Service Agreement, and its applicable Confirmation to the existing points of interconnection between Transporter's pipeline facilities and the pipeline or receipt facilities of other parties at the "Delivery Point(s)" or a pool consisting of an aggregate collection of such points, as identified in the Confirmation. Except as set forth in the Service Agreement and/or Confirmations, Delivery Point(s) may be modified, or additional Delivery Point(s) may be added to a Confirmation, by mutual agreement of the parties. In the event Delivery Point(s) are added to a Confirmation, such additional Delivery Point(s) will be prioritized, for purposes of Section 4.4, based on the effective date of the amended Confirmation, unless otherwise mutually agreed.

6.2 *Receipt Point(s)*. Shipper will tender Gas for delivery to Transporter under this Statement of Operating Conditions, the Service Agreement, and its applicable Confirmation from the existing points of interconnection between Transporter's pipeline facilities and the pipeline or delivery facilities of other parties at the "Receipt Point(s)" or a pool consisting of an aggregate collection of such points, as identified in the Confirmation. Except as set forth in the Service Agreement and/or Confirmations, Receipt Point(s) may be modified, or additional Receipt Point(s) may be added to the Confirmation, by mutual agreement of the parties. In the event Receipt Point(s) are added to a Confirmation, such additional Receipt Point(s) will be prioritized, for purposes of Section 4.4, based on the effective date of the amended Confirmation, unless otherwise mutually agreed.

6.3 *Allocation at Receipt and Delivery Point(s)*. It is recognized that quantities of Gas may be transported through the Receipt Point(s) and/or the Delivery Point(s) for one or more parties other than the Shipper. If that occurs, the measurement of Gas under this Agreement may involve the allocation of Gas receipts or deliveries. As between Transporter and Shipper, and subject to Section 4.1, Transporter will determine the allocation of all Gas deliveries hereunder.

6.4 *Payment of Fees*. Shipper must pay any and all transportation, measurement, testing, compression, or other fees or charges imposed by any third party on deliveries at any Receipt Point(s) or

Delivery Point(s). Notwithstanding the foregoing, in the event Transporter pays any such fees and charges, Shipper must reimburse Transporter for any such fees or charges paid by Transporter with respect to Shipper's Gas provided that Transporter has given Shipper written notice of the amount of such fees and charges and Shipper has agreed in writing to reimburse Transporter for such fees and charges. If Shipper has not given Transporter written notice of its agreement to reimburse Transporter for any such fees and charges, Transporter will have no obligation to receive Gas for Shipper at any such Receipt Point(s) or deliver Gas for Shipper at any such Delivery Point(s) that may be subject to such fees and charges.

7. NOMINATIONS AND BALANCING.

7.1 *Nominations*. Shipper shall submit the quantity of Gas in MMBtu Shipper expects to make available and deliver at each Receipt Point each Day, or portion thereof, and receive at each Delivery Point each Day, or portion thereof (the "Nomination") via Transporter's applicable form or Web-based online nomination system. Transporter, to the extent it is utilizing for its own account any available unused capacity, shall submit a Nomination for such service in accordance with the same provisions and shall be treated in the same manner, as all other Nominations pursuant to the nomination procedures set forth herein and the scheduling and priority of service provisions of this Statement of Operating Conditions. Transporter will confirm Shipper's Nomination with upstream and downstream operators in accordance with the provisions of this Statement of Operating Conditions and the applicable Confirmation. Shipper must have a Confirmation in place before a Nomination can be submitted. The deadline for submitting Nominations for the first of each Month is 1:00 p.m. CCT, one business day prior to the beginning of each Month. Shipper will use reasonable efforts to notify Transporter by no later than 1:00 p.m. CCT on the business day prior to the Day(s) of the scheduled flow, of the capacity and path that the Shipper plans to utilize. The deadline for submitting daily nominations is 1:00 p.m. CCT the business day prior to the Day of the scheduled flow. Shipper has the right to nominate quantities up to Shipper's Maximum Daily Contract Quantity. Any initial nomination received after the deadline of 1:00 p.m. CCT on the business day prior to the flow Day will be scheduled by Transporter when feasible. Transporter may, in its sole discretion, allow intraday Nomination changes at the Receipt Point(s) and Delivery Point(s) as operating conditions permit.

7.2 *Shipper's Balancing Obligations*. For each Confirmation, the maximum quantity of Gas that Transporter is obligated to receive at the Receipt Point(s) and deliver at the Delivery Point(s) during any given hour of any Day is 1/24th of Shipper's Scheduled Quantity, unless otherwise agreed to by Transporter or as provided in the applicable Confirmation. Shipper will use reasonable commercial efforts to balance, on an hourly and daily basis, between the Gas received by Transporter at the Receipt Point(s), less the Retention Volume, and the Gas delivered at the Delivery Point(s). Shipper will use reasonable commercial efforts to monitor and adjust its Nominations, deliveries, and receipts to maintain the hourly and daily balances between the Receipt Point(s) and Delivery Point(s), and notify Transporter immediately of any imbalances or situations that may cause imbalances. If Transporter is unable to receive the Scheduled Quantity at any Receipt Point(s) or deliver the Scheduled Quantity, less the Retention Volume, at any Delivery Point(s), Transporter will notify Shipper as soon as practicable. Transporter has no obligation to receive and deliver quantities of Gas that differ from the Scheduled Quantity.

7.3 *Operational Flow Order*. If, in Transporter's sole discretion, it is necessary or desirable in order to preserve the overall operational balance or integrity of Transporter's system, Transporter may issue an "Operational Flow Order".

7.3.1 An Operational Flow Order may be issued if Transporter determines that changes in receipts or deliveries are necessary to maintain overall operational balance of Transporter's system or to enable Transporter to provide the services set forth in this Statement of Operating Conditions, the Service Agreement and/or its Confirmation. The Operational Flow Order will identify with specificity the operational problem to be addressed, the action(s) Shipper must take, the time by which Shipper must

take the specified action(s), and the period during which the Operational Flow Order will be in effect. Transporter will provide as much prior notice as possible, but not less than three (3) hours, to Shipper of actions Shipper must take to comply with an Operational Flow Order; provided that action by Shipper can be required on less than three (3) hours notice if the nature of the Operational Flow Order is due to safety concerns or to protect the integrity of Transporter's pipeline system.

7.3.2 An Operational Flow Order may require Shipper to take any of the following actions or similar actions:

(a) Commence or increase supply inputs into Transporter's pipeline system at specific Receipt Point(s) or, alternatively, cease or reduce deliveries from Transporter's pipeline system at specific Delivery Point(s), both as directed by Transporter.

(b) Cease or reduce supply inputs into Transporter's pipeline system at specific Receipt Point(s) or, alternatively, commence or increase deliveries of Gas from Transporter's pipeline system at specific Delivery Point(s), both as directed by Transporter.

(c) Eliminate any transportation imbalances, as directed by Transporter.

(d) Conform actual receipts and deliveries to nominated and scheduled receipts and deliveries.

(e) Delay changes in deliveries up to twenty-four (24) hours to account for the molecular movement of Gas.

(f) Such other actions that are within Shipper's control that would tend to alleviate the operational situation to be addressed.

7.3.3 Should Shipper fail to adjust its receipts and/or deliveries in compliance with an Operational Flow Order, Shipper must pay Transporter a charge equal to the highest daily price of gas at the location closest to the applicable Receipt Point(s) or Delivery Point(s) as stated in Gas Daily® (Platts, a division of The McGraw-Hill Companies, Inc.), or successor publication, in the column "Daily Price Survey" ("Gas Daily") plus two dollars ($2.00) or if Gas Daily is unavailable another similar publication plus two dollars ($2.00), or ten dollars ($10.00), whichever is greater, for each MMBtu received or delivered under the Confirmation at the Receipt Point(s) or Delivery Point(s) during each hour in which deliveries are greater than 110% or less than 90% of the Scheduled Quantities at the Receipt Point(s) for such hour, less Retention Volume, while the Operational Flow Order is in effect.

7.3.4 Should Shipper fail to abide by an Operational Flow Order issued pursuant to this Section 7.3, Shipper will indemnify Transporter for any damages resulting from Shipper's failure to comply with the Operational Flow Order.

7.4 *Gas Imbalance Account*.

7.4.1 Imbalance-related Definitions.

(a) An imbalance will exist hereunder when, during any designated time period during the term hereof, there is a numerical difference between (i) the quantity of gas delivered by Transporter to Shipper at the Delivery Point(s) grossed up for Retention Volume attributed to the volumes of Gas delivered by Transporter to Shipper at the Delivery Point(s), and (ii) the quantity of gas received by Transporter from Shipper (or its designee) at the Receipt Point(s), exclusive of Make-up Volumes.

(b) "Make-up Volumes" means the volume of gas specifically and separately nominated by Shipper and confirmed by Transporter to resolve any imbalance under the Service Agreement and any applicable Confirmation.

(c) "Monthly Imbalance" means the absolute value of the difference between the cumulative volumes of gas received at the Receipt Point(s) during a given Month, less Retention Volume attributed to the volumes of Gas delivered by Transporter to Shipper at the Delivery Point(s), and the cumulative volumes of gas delivered at the Delivery Point(s) during the same given Month.

(d) For those Receipt Point(s) and Delivery Point(s) at which Transporter has operational balancing agreements, the quantity of gas delivered by Transporter to Shipper at such Delivery Point(s) and the quantity of gas received by Transporter from Shipper (or its designee) at such Receipt Point(s), shall be deemed in accordance with Section 4.1.

7.4.2 As soon as actual measurement information for Gas receipts and deliveries at the Receipt Point(s) and Delivery Point(s) is available, Transporter will provide Shipper with written notice of any imbalance in the prior Month.

7.4.3 Shipper's Balancing Obligations. Shipper will monitor, and if necessary, adjust, or cause to be adjusted, (i) deliveries of gas to Transporter at the Receipt Point(s) for transportation to the Delivery Point(s) and (ii) receipts of gas from Transporter at the Delivery Point(s), in order to maintain a balance of receipts and deliveries at consistent flow rates throughout each Day and Month. Shipper agrees to revise its Nominations as needed to reflect any adjustments to deliveries of gas and receipts of gas. Shipper's balancing requirements (i.e., daily and monthly) may be determined independently for each Delivery Point(s) and corresponding Receipt Point(s), in Transporter's reasonable discretion.

7.4.4 Transporter's Balancing Obligations. Subject to the terms of the Service Agreement and any applicable Confirmation, Transporter will deliver to Shipper at the Delivery Point(s), during each applicable time period, a volume of gas, on a MMBtu basis, equivalent to the volume of gas, on an MMBtu basis, received by Transporter from Shipper (or its designee) at the Receipt Point(s) during such applicable time period, exclusive of any Retention Volumes and Make-up Volumes. Transporter will not be obligated to deliver to Shipper at the Delivery Point(s) volumes of gas in excess of those quantities received from Shipper at the Receipt Point(s) exclusive of Retention Volumes and Make-up Volumes. Transporter's obligation to receive or deliver Make-up Volumes is wholly interruptible and subject to system operations in Transporter's reasonable opinion.

7.4.5 Monthly Imbalance Correction. At the end of each Month, any Monthly Imbalance shall be corrected in-kind during the immediately ensuing Month or within such longer period of time as Transporter and Shipper may mutually agree in writing.

7.4.6 Upon termination of a Service Agreement or its applicable Confirmation, Transporter and Shipper shall, within thirty (30) Days thereafter, or such longer period of time as Transporter and Shipper may mutually agree in writing, eliminate any remaining imbalance by correcting such imbalance in kind. If after the thirty (30) Days, or such longer period of time as Transporter and Shipper may mutually agree in writing, the imbalance has not been corrected in kind, then the Transporter and Shipper will eliminate any remaining imbalance by cash out on the following terms: (i) If Gas is owed to Transporter, Shipper will pay Transporter a per MMBtu fee equal to the simple average of the weekly posted price "Regional Average" as published in the Energy Intelligence's publication *Natural Gas Week* under the section "Texas (West)" for the Month; (ii) If Gas is owed to Shipper, Transporter shall pay a per MMBtu fee equal to the simple average of the weekly posted price "Regional Average" as published in the Energy Intelligence's publication *Natural Gas Week* under the section "Texas (West)" for the Month.

7.5 *Transporter's Right to Balance*. Notwithstanding anything in this Statement of Operating Conditions to the contrary, Transporter may, at any time and from time to time, with notice to Shipper, restrict, interrupt, or reduce its receipts or deliveries of Gas at the Receipt Point(s) or Delivery Point(s), and direct Shipper to make adjustments in its receipts or deliveries, in order to maintain a daily and/or hourly balance or to correct an imbalance. If Shipper fails or refuses to follow any such request from Transporter, Transporter may, without liability to Shipper, cease accepting or delivering Gas under the Service Agreement and any applicable Confirmation, until the conditions causing the imbalance are corrected.

7.6 *Upstream and Downstream Pipeline Penalties*. Cash-out dollar amounts, if any, billed or paid to (or by) Transporter by (or to) upstream or downstream pipelines and attributable to Shipper's Gas shall be billed or credited (as applicable) by Transporter to Shipper. Any penalties imposed by upstream or downstream pipelines on Shipper or Transporter with regard to imbalances shall be the responsibility of Shipper to the extent caused by Shipper's actions or inactions, and by Transporter to the extent caused by Transporter's actions or inactions. The responsible party shall reimburse the non-responsible party for any such penalties paid by the non-responsible party.

8. RATES.

8.1 *Transportation Rates.* Each Month Shipper will, where applicable, pay Transporter the applicable rate as set forth in the Confirmation(s) ("Transportation Rates"). Transportation Rates and other charges due under this Statement of Operating Conditions, the Service Agreement, and its applicable Confirmation, will be invoiced and payable under Section 14 of this Statement of Operating Conditions.

8.2 *Retention Volume*. In addition to the Transportation Rates and other charges payable under this Statement of Operating Conditions, the Service Agreement or its applicable Confirmation, Transporter will retain from the volumes of Gas delivered by Shipper hereunder at each Receipt Point(s) at no cost to Transporter, a volume of Gas allocated ratably to Shipper of all Gas used as fuel, lost, and unaccounted for Gas, associated with the operation, maintenance and repair of the Alpine High Pipeline System (all of the foregoing, collectively, the "Retention Volume").

9. TERM.

9.1 The Service Agreement will be effective on the date listed in the Service Agreement as the "Commencement Date", and will, subject to the terms and provisions of this Statement of Operating Conditions, remain in full force and effect as set forth in the applicable Confirmation; provided the Service Agreement shall continue to apply to all Confirmations then in effect until all Confirmations are completed. Termination, cancellation, or expiration of the Service Agreement or any applicable Confirmation will not extinguish any obligation that accrued before or as a result of the termination, cancellation, or expiration.

10. QUALITY.

10.1 Shipper represents and warrants that all Gas tendered for transportation at the Receipt Point(s) shall meet the Quality Specifications. "Quality Specifications" means, for each constituent, the more stringent of (i) the quality specifications required for the acceptance of Gas by any downstream pipeline, or (ii) Transporter's quality specifications set forth below (or as modified from time to time or as otherwise agreed to by Transporter as specifically provided in the Confirmation on a non-discriminatory basis):

10.1.1 Have a Heating Value of not less than nine hundred fifty (950) Btu per cubic foot nor more than eleven hundred (1,100) Btu per cubic foot;

10.1.2 Be commercially free of dust, gum, gum-forming constituents, gasoline, liquid hydrocarbons, water, and any other substance of any kind that may become separated from the Gas during the handling thereof or that may cause injury to or interference with proper operation of the lines, meters, regulators, or other appliances through which it flows;

10.1.3 Not contain more than five (5) grains of total sulfur nor more than one- fourth (1/4) grain of hydrogen sulfide per one hundred (100) standard cubic feet;

10.1.4 Not contain more than 10 parts per million of oxygen, and shall not contain more than three percent (3%) by volume of carbon dioxide, not contain more than three percent (3%) by

volume of nitrogen or three percent (3%) by volume of total inert gases;

10.1.5 Have a temperature of not more than one hundred twenty degrees Fahrenheit (120°F) nor less than forty degrees Fahrenheit (40°F);

10.1.6 Not contain more than seven (7) pounds of water vapor per one million (1,000,000) standard cubic feet; and

10.1.7 Have a hydrocarbon dew point below forty degrees Fahrenheit (40°F).

10.2 In the event that the Gas being received does not conform to the standards outlined above, Transporter may, in its sole discretion and on a non-discriminatory basis, accept such Gas or restrict or refuse any volumes that are non-conforming or deficient.

10.3 Shipper shall be responsible for odorizing any part of the Gas delivered hereunder at the Delivery Point(s) which is diverted and/or used for any purpose for which odorization is required pursuant to regulations of the Texas Railroad Commission.

10.4 In the event that Shipper's Gas fails to conform to any of the Quality Specifications set forth above, including, but not limited to the hydrocarbon dew point or the gross heating value or any other specification set forth above or to a more restrictive specification imposed by a downstream pipeline to which Shipper has nominated Gas, Transporter, in its discretion and on a non-discriminatory basis, may accept such off-specification Gas for transportation and delivery to such downstream pipeline provided that Shipper has made arrangements to ensure that such off-specification Gas is acceptable to the downstream pipeline and conforms to their applicable specifications, including but not limited to any arrangements to treat, condition, or blend with other Gas (prior to it reaching such downstream pipeline). Upon request from Transporter, Shipper shall provide documentation acceptable to Transporter demonstrating that Shipper has made such contractual arrangements for such off-specification Gas on the path for which Shipper has nominated Gas. This provision shall not be construed as a general waiver to Transporter's specification and is only available where physical blending, treatment and conditioning of Gas is contracted for and will take place prior to reaching the downstream pipeline whose specifications are to be met and such acceptance and service by Transporter shall not adversely impact markets on or downstream of Transporter's system.

11. ADDRESSES.

11.1 *Addresses of Parties*. Except to the extent that oral notification is expressly permitted by this Statement of Operating Conditions, all notices, requests, demands, statements and payments provided for in this Statement of Operating Conditions must be given in writing at the addresses of the parties specified in the Service Agreement.

11.2 *Change of Address*. A party may change its address under the Service Agreement by giving thirty (30) Days prior written notice. Notices and payments will be effective when they are delivered at the appropriate address specified in the Service Agreement, during normal business hours on a business Day. Notices delivered after business hours or on a weekend or holiday will be effective on the next business Day.

12. PRESSURES AT DELIVERY AND RECEIPT POINT(S).

12.1 Shipper (or its designee) will deliver Gas to Transporter at the Receipt Point(s) at pressures sufficient to enter Transporter's pipeline system at such points; provided, however, that Shipper's delivery pressure into Transporter's system at the Receipt Point(s) may not exceed Transporter's maximum allowable operating pressure, as such may vary from time to time, at any such point or cause the pressure at any such point to exceed Transporter's maximum allowable operating pressure. Unless otherwise provided in the

applicable Confirmation, Transporter shall not have any obligations to alter its pipeline pressures, provide compression, or modify its pipeline operations in order to effectuate the receipt or delivery of Gas.

12.2 Transporter will deliver Gas to Shipper or Shipper's designee at Transporter's operating pressure at the Delivery Point(s), as such may vary from time to time.

13. MEASUREMENT.

For the purposes of this Statement of Operating Conditions, the party metering the Gas, or whose designee meters the Gas, at a particular Receipt Point(s) or Delivery Point(s) is referred to as the "Metering Party" and the other party is referred to as the "Non-Metering Party".

13.1 The measuring facilities shall be designed, installed, operated, and maintained by Transporter or its designee in accordance with the recommendations contained in the following standards:

13.1.1 Orifice Measurement - American Gas Association Report Number 3 (herein referred to as AGA 3).

13.1.2 Turbine Measurement - American Gas Association Report Number 7 (herein referred to as AGA 7).

13.1.3 Positive Measurement - American National Standards Institute B109.2 (herein referred to as ANSI B109.2).

13.1.4 Ultrasonic Measurement - American Gas Association Report Number 9 (herein referred to as AGA 9).

13.1.5 Coriolis Measurement - American Gas Association Report Number 11 (herein referred to as AGA 11).

13.2 If adequate metering facilities are already in existence at the Receipt Point(s) and Delivery Point(s), such existing metering facilities will be used for so long as, in Transporter's reasonable judgment, the facilities remain adequate. If the metering facilities at any Receipt Point(s) or Delivery Point(s) are reasonably determined by Transporter to be inadequate, then the parties will mutually agree with respect to the equipment that must be added at such point(s) and the responsibility for payment of such equipment. If the parties are unable to agree upon the equipment to be added at any such point, or which party will be responsible to pay for such equipment, then equipment shall not be added.

13.3 The Non-Metering Party may, at its option and expense, install and operate meters, instruments and equipment, in a manner that will not interfere with the Metering Party's equipment, to check the Metering Party's meters, instruments, and equipment, but the measurement for the custody transfer of Gas for the purpose of the Service Agreement and any applicable Confirmation will be by the Metering Party's meter only, except as hereinafter specifically provided. The meters, check meters, instruments, and equipment installed by each party will be subject at all reasonable times to inspection or examination by the other party (Non-Metering Party), but the calibration and adjustment thereof will be done only by the installing party.

13.4 All meters will be calibrated and/or proven on a schedule, but in no event will the calibration period be in excess of ninety (90) Days. Notification of scheduled calibrations shall be made to all interested parties and reasonable effort will be made to accommodate each party's schedule; however, calibration will proceed at the scheduled time regardless of attendees. Records from all measuring equipment are the property of the Metering Party who will keep all such records on file for a period of not less than two (2) years. Upon request, the Metering Party will make available to the Non-Metering Party volume records from the measuring equipment, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) Days after receipt thereof.

13.5 Either Party shall have the right to conduct such pulsation tests as they deem prudent, at their sole risk and expense. If excessive pulsation is evident, mutually agreed modifications to operation or facility design will be made to reduce the effect of such pulsation. If pulsation issues cannot be resolved in a mutually agreeable manner, either party shall have the right to refuse delivery or receipt of Gas at the Receipt Point(s) or Delivery Point(s).

13.6 If the percentage of inaccuracy from the results of any test is greater than one percent (1%) volumetrically, the registration of such meter shall be corrected at the rate of such inaccuracy for any period which is definitely known or agreed upon. In the event the period is not definitely known or agreed upon, such correction shall be for a period extending back one-half (1/2) of the time elapsed since the date of the last calibration. Following any test, measurement equipment found inaccurate shall be immediately restored by Transporter as closely as possible to a condition of accuracy. If any measurement equipment is out of service or out of repair for any reason so that the amount of Gas delivered cannot be estimated or computed from the reading thereof, the amount of Gas delivered through such meter during the period such meter is out of service or out of repair shall be estimated and agreed upon by Transporter and Shipper upon the basis of the best data available using the first of the following methods which is feasible:

13.6.1 by using the registration of any check meters if installed and accurately registering;

13.6.2 by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or

13.6.3 by estimating the quantity of deliveries by comparison with deliveries during preceding period under similar conditions when the meter was registering accurately.

13.7 Measurement Volume Computations

13.7.1 Units of measurement shall be determined in MMBtu derived from the calculation of gas volume (Mcf) and gas heating value (Btu/ft^3), both at identical base conditions of temperature and pressure. The unit of volume of Gas shall be one (1) standard cubic foot at an absolute pressure of fourteen and sixty-five hundredths pounds per square inch absolute (14.65 Psia) and at a temperature of sixty degrees Fahrenheit (60°F).

13.7.2 Atmospheric pressure shall be assumed to be the pressure value as reasonably determined by Transporter for the county in which each of the Receipt Point(s) and Delivery Point(s) is located pursuant to generally accepted industry practices, but not less than twelve and nine-tenths (12.9) Psia nor more than fourteen and seven-tenths (14.7) Psia irrespective of the actual atmospheric pressure at such points from time to time.

13.7.3 All metered volumes shall be computed in accordance with the standards set forth in Section 13.1 above.

13.8 Records of calibration and or proving and data associated with the volume calculation are the property of the Metering Party who will keep all such records and data on file for a period of not less than two (2) years. Upon request, the Metering Party will make available to the Non-Metering Party records of calibration and or testing and data associated with the volume calculation, subject to return within thirty (30) Days after receipt thereof.

13.9 Transporter shall sample and determine the Gross Heating Value, Relative Density and Compressibility received at the Receipt Point(s) or Delivery Point(s) utilizing the following standards:

13.9.1 Gas Processors Association (GPA) 2166 - Obtaining Natural Gas Samples for Analysis by Gas.

13.9.2 Gas Processors Association (GPA) 2261 - Analysis for Natural Gas and Similar Gaseous

Mixtures by Gas Chromatography.

13.9.3 Gas Processors Association (GPA) 2145 - Physical Constants for Paraffin Hydrocarbons and Other Components of Natural Gas.

13.9.4 Gas Processors Association (GPA) 2172 - Calculation of Gross Heating Value, Relative Density, and Compressibility of Natural Gas Mixtures from Compositional Analysis.

13.10 Transporter shall sample the flowing gas stream utilizing one of the following methods:

13.10.1 On-line Chromatography;

13.10.2 Accumulated Sample - If this method is utilized, the application of gas quality in the volume calculation will be during the time period the gas sample was accumulated;

13.10.3 Spot Sample - If this method is utilized, the application of gas quality in the volume calculation will be the time period beginning on the date the sample was obtained until the next sample is obtained.

14. BILLING, ACCOUNTING, AND REPORTS.

14.1 On or before the fifteenth (15th) Day of each Month, Transporter will render, a statement to Shipper setting forth, in terms of MMBtu, the total volume and quantity of Gas received hereunder at the Receipt Point(s), the volume of Gas retained by Transporter, and the quantity of Gas delivered hereunder at the Delivery Point(s) during the immediately preceding Month and the amount payable therefore. Shipper agrees to pay Transporter by wire transfer in immediately available funds (identifying the invoice number) the full amount payable according to such statement on or before the later of the twenty-fifth (25th) Day of the Month in which the statement is rendered or ten (10) Days following the receipt thereof by Shipper. In the event such quantities are estimated for any period, corrected statements shall be rendered by Transporter to Shipper and paid by Shipper or credited by Transporter, as the case may be, in each instance in which the actual quantity received or delivered hereunder with respect to a Month shall be determined to be at variance with the estimated quantity theretofore made the basis of billing and payment hereunder. If an error is discovered in the amount billed in any statement rendered by Transporter, then such error will be adjusted within thirty (30) Days of the discovery of the error.

14.2 If a bona fide dispute arises as to the amount payable in any statement rendered, then Shipper will nevertheless pay the undisputed amount payable to Transporter under the statement rendered pending resolution of the dispute. Upon resolution of such dispute, Shipper will pay any monies owed Transporter per the terms of this Section 14.

14.3 In addition to all other remedies available to Transporter, should Shipper fail to pay any amount when the same becomes due, Shipper shall pay interest on outstanding balances accruing thereon at a rate equal to the prime rate from time to time in effect and charged by the Citibank, N.A., New York, New York or its successor, plus two percent (2%) per annum, (but in no event greater than the maximum rate of interest permitted by law) with adjustments in such rate to be made on the same Day as any change in such prime rate, for any period during which the same shall be overdue, such interest to be paid when the amount past due is paid. Each party hereto or its representative shall have the right at all reasonable times to examine and copy the books and records of the other party to the extent necessary to confirm the performance of any obligation made under or pursuant to the Service Agreement and any applicable Confirmation or verify the accuracy of any statement, charge, computation or demand made under or pursuant to the Service Agreement and any applicable Confirmation. Any statement shall be final as to all parties unless questioned within two (2) years after payment thereof has been made.

15. RESPONSIBILITY.

15.1 Shipper shall be deemed to be in control and possession of the Gas prior to the receipt of the Gas by Transporter at the Receipt Point and after its delivery to Shipper or for Shipper's account at the Delivery Point(s). Transporter shall be deemed to be in control and possession of the Gas after its receipt by Transporter at the Receipt Point and prior to its delivery to Shipper or for Shipper's account at the Delivery Point(s). The party in control and possession of the Gas will be responsible for and shall indemnify the other party, including the party's affiliates and their officers, directors, agents and employees, with respect to any losses, injuries, claims, liabilities, demands, damages, expenses, reasonable attorneys' fees and court costs caused thereby by accident, incident or otherwise or on account of royalties, taxes, payments, or other charges applicable and occurring while the Gas is deemed to be in its control or possession. Such indemnification shall not extend to claims made that are attributable to the delivery by Shipper to Transporter of Gas that does not meet the Quality Specifications contained herein; provided however that in any instance where Shipper, without prior written consent of Transporter, delivers Gas that does not meet the Quality Specifications herein, Shipper shall indemnify Transporter for any claims, losses, or damages resulting from the delivery of such out of specification Gas. Each party hereto covenants that with respect to the Gas delivered or redelivered by it hereunder, it will indemnify and save the other party harmless from and against any and all suits, actions, causes of action, claims and demands arising from or out of any adverse claims by third parties claiming ownership of or an interest in the Gas so delivered or redelivered. Notwithstanding the foregoing, neither party shall be indemnified for its own negligence, and the parties acknowledge and agree that Shipper shall at all times have all lawful right and/or title to all Gas transported hereunder. Subject to the other terms and conditions of this Statement of Operating Conditions, the Service Agreement and any applicable Confirmation, each party has the right to treat, process, and/or dehydrate the Gas prior to delivering said Gas to the other party.

15.2 Shipper agrees to reimburse Transporter upon invoice for the full amount of any taxes or charges (of every kind and character except corporate franchise and excess profits taxes and taxes measured by net income) levied, assessed or fixed by any municipal or governmental authority against Transporter or its business in connection with or attributable to the volumes, value or gross receipts from the transportation of the Gas received from Shipper hereunder or against such Gas itself or the act, right or privilege of ownership, production, severance, handling, transmission, compression, treating, distribution, sale, delivery or redelivery of such Gas, whether such tax or charge is based upon the volume, value or gross receipts from the transportation of such Gas or upon some other basis.

16. FORCE MAJEURE.

16.1 If either party is rendered unable, wholly or in part, by Force Majeure (defined below) or other causes herein specified, to carry out its obligations under the Service Agreement and any applicable Confirmation, other than the obligation to make payment of amounts due hereunder, it is agreed that on such party's promptly giving notice and reasonably full particulars of such Force Majeure in writing or facsimile or by email to the other party within a reasonable time after the occurrence of the cause relied on, then the obligations of the party giving such notice, so far as such obligations are affected by such Force Majeure or other causes herein specified, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch.

16.2 The term Force Majeure as employed herein means, to the extent not reasonably within the control of the party claiming suspension and which, by the exercise of reasonable diligence, such party is unable to prevent or overcome: acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; sabotage; wars; blockades; insurrections; riots; acts of terror; epidemics; landslides; lightning; earthquakes; fires; storms; storm warnings; hurricanes; floods; washouts; arrests and restraints

of the government and people, either federal or state, civil or military; civil disturbances; explosions; breakage; breakdown or accident to machinery, equipment or lines of pipe; the necessity of altering, maintaining, inspecting, replacing, changing the size of, substituting or removing pipelines or appurtenant facilities; freezing of wells or lines of pipe or other delivery facilities; electric power unavailability or shortages; and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension, and which by the exercise of due diligence such party is unable, wholly or in part, to prevent or overcome. Such term likewise includes (1) in those instances where either party hereto is required to obtain servitudes, right-of- way grants, permits or licenses to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such servitudes, right-of-way grants or licenses, (2) in those instances where either party hereto is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure permits or permission from any governmental agency (federal, state or municipal, civil or military) to enable such party to fulfill its obligations hereunder, the inability of such party to acquire or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions, (3) curtailment or interruption of deliveries, receipts or services by third party purchasers, suppliers or customers as a result of an event of Force Majeure, or a breach by such third party purchasers, suppliers or customers, and (4) failure of transportation or other facilities upstream of the Receipt Point(s) and/or failure of transportation or other facilities downstream of the Delivery Point(s). It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

16.3 Notwithstanding anything herein to the contrary, neither party shall be entitled to the benefits of Section 16.1 to the extent the event of Force Majeure is caused or affected by any or all of the following circumstances: (i) the party claiming excuse failed to remedy the condition and to resume the performance of its covenants or obligations with reasonable dispatch; or (ii) economic hardship, to include, without limitation, Shipper’s ability to sell its Gas at a higher or more advantageous price to a market not requiring the transportation services contracted for herein; or (iii) the loss of Shipper’s market or Shipper’s inability to use or resell Gas transported hereunder (except as provided for under Section 16.2); or (iv) the loss or failure of Shipper’s Gas supply (except as provided for under Section 16.2) or depletion of reserves; provided however such Force Majeure shall not relieve Shipper from any obligations for dedications or commitments of Gas to Transporter made under or pursuant to the Service Agreement or any applicable Confirmation.

16.4 Either party may partially or entirely interrupt its performance hereunder for the purpose of making necessary or scheduled inspections, alterations and repairs which are described as a maintenance event, but only for such time as may be reasonable and unavoidable; and the party requiring such relief shall give to the other party five (5) Days notice of its intention to suspend its performance hereunder, except in cases of emergency where such notice is impracticable and shall endeavor to arrange such interruption so as to inconvenience the other party as little as possible. Should a Force Majeure or maintenance event occur, the volumes to be delivered and/or received at the Receipt Point(s) and Delivery Point(s) by Transporter must be balanced with the hourly and daily nominated quantities.

17. LAWS AND REGULATIONS.

17.1 Transporter’s transportation services are subject to all present and future valid laws and lawful orders of all State and Federal regulatory authorities now or hereafter having jurisdiction over the parties and the services or facilities used to provide such services. The Service Agreement and any

applicable Confirmation are expressly made subject to any and all rate filings made by Transporter and approved by any state regulatory body as such may be amended from time to time. Transporter will have the right to propose to the TRC or other governing regulatory body such changes in its rates and terms of service at any time as it deems necessary, and Shipper's Service Agreement and any applicable Confirmation will be deemed to include any changes that are made effective pursuant to order or regulation or provisions of law, without prejudice to Shipper's right to protest the same. In the event of a conflict between (i) this Statement of Operating Conditions and/or the rules and regulations of the TRC, (ii) the applicable Confirmation, and (iii) the Service Agreement, the terms of the documents shall govern in the order listed in this sentence from (i) to (iii).

17.2. Shipper warrants that at all times during the term of the Service Agreement or any applicable Confirmation, Shipper will commit no action or omission that will cause the transportation service provided to Shipper to fail to comply with all applicable rules and regulations of the applicable regulatory agencies.

17.3 *Law and Venue*. THIS STATEMENT OF OPERATING CONDITIONS, THE SERVICE AGREEMENT, ANY CONFIRMATIONS AND THE RIGHTS OF TRANSPORTER AND SHIPPER HEREUNDER AND THEREUNDER MUST BE INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS; PROVIDED, HOWEVER, THAT NO LAW, THEORY OR PUBLIC POLICY SHALL BE GIVEN EFFECT WHICH WOULD UNDERMINE, DIMINISH OR REDUCE THE EFFECTIVENESS OF EACH PARTY'S WAIVER OF SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES SET FORTH IN SECTION 18.7, IT BEING THE EXPRESS INTENT, UNDERSTANDING, AND AGREEMENT OF THE PARTIES THAT SUCH WAIVERS ARE TO BE GIVEN THE FULLEST EFFECT, NOTWITHSTANDING ANY PRE-EXISTING CONDITION OR THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY PARTY HERETO, OR OTHERWISE. TRANSPORTER AND SHIPPER AGREE TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS IN HARRIS COUNTY, TEXAS AND AGREE THAT ANY ACTION, SUIT, OR PROCEEDING CONCERNING, RELATED TO, OR ARISING OUT OF THIS STATEMENT OF OPERATING CONDITIONS OR THE SERVICE AGREEMENT OR CONFIRMATION WILL BE BROUGHT ONLY IN A FEDERAL OR STATE COURT IN HARRIS COUNTY, TEXAS AND NEITHER TRANSPORTER NOR SHIPPER MAY RAISE ANY DEFENSE OR OBJECTION OR FILE ANY MOTION BASED ON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE, INCONVENIENCE OF THE FORUM, OR THE LIKE, IN ANY CASE FILED IN A FEDERAL OR STATE COURT IN HARRIS COUNTY, TEXAS.

18. MISCELLANEOUS.

18.1 *Assignment and Transfer*. This Statement of Operating Conditions, the Service Agreement and its applicable Confirmation are binding upon and will inure to the benefit of the parties and their respective successors, assigns and legal representatives. However, neither party may assign or transfer the Service Agreement and any applicable Confirmation, or any benefit or obligation arising thereunder, without first obtaining the other party's prior written consent, which consent will not be unreasonably withheld or delayed; provided, either party may transfer its interests, rights and obligations under the Service Agreement and any applicable Confirmation without the other party's consent to (i) any parent, affiliate, or any successor in interest to all or a portion of the assigning party's assets, provided the assignee is creditworthy, as determined in the non-assigning party's reasonable commercial opinion and in a not unduly discriminatory

manner, or (ii) any individual, bank, trustee, company, or corporation as security for any note, notes, bonds, or other obligations or securities of such assignor. Any purported transfer or assignment without required consent will be a breach of the Service Agreement and its applicable Confirmation.

18.2 *Waiver of Breaches, Defaults, or Rights*. No waiver by either party of any one or more breaches, defaults, or rights under any provisions of the Statement of Operating Conditions, the Service Agreement, or any applicable Confirmation will operate or be construed as a waiver of any other breaches, defaults, or rights, whether of a like or of a different character. By providing written notice to the other party, either party may assert any right not previously asserted hereunder or thereunder or may assert its right to object to a default not previously protested. Transporter reserves the right to vary its operations from this Statement of Operating Conditions from time to time on a non-discriminatory basis, provided such variance does not impair, diminish or reduce Transporter's performance and its obligations to Shipper under the Service Agreement and any applicable Confirmation, and the parties agree that if it does so it will not be deemed to have waived its right subsequently to enforce the provisions of the Statement of Operating Conditions. Variances from the terms of the Statement of Operating Conditions, Service Agreement, or any applicable Confirmation shall not be considered to amend or alter the construction or interpretation of the Service Agreement or any applicable Confirmation. Except as specifically provided herein, in the Service Agreement or in any applicable Confirmation, in the event of any dispute under this Statement of Operating Conditions, the Service Agreement, or any applicable Confirmation, the parties will, notwithstanding the pendency of such dispute, diligently proceed with the performance of the Service Agreement and applicable Confirmation without prejudice to the rights of either party.

18.3 *Remedy for Breach.* Except as otherwise specifically provided herein, if either party fails to perform any of the material covenants or obligations imposed upon it in this Statement of Operating Conditions, the Service Agreement, or its applicable Confirmation (except where such failure is excused under the Force Majeure or other provisions hereof or thereof), then the other party may, at its option (without waiving any other remedy for breach hereof), by notice in writing specifying the default that has occurred, indicate such party's intention to terminate the Service Agreement and any applicable Confirmation by reason thereof. The party in default will have thirty (30) Days from receipt of such notice to remedy such material default, and upon failure to do so, the non-defaulting party may elect to immediately terminate the Service Agreement and its applicable Confirmation. Notwithstanding the foregoing, Shipper's failure to pay Transporter within a period of ten (10) Days following Shipper's receipt of written notice from Transporter advising of such failure to make payment in full within the time specified previously herein, will be a default that gives Transporter the right to immediately terminate the Service Agreement and any applicable Confirmation, unless such failure to pay such amounts is the result of a bona fide dispute between the parties regarding such amounts and Shipper timely pays all amounts not in dispute. Termination will be an additional remedy and will not prejudice the right of the party not in default: (i) to collect any amounts due it for any damage or loss suffered by it, and (ii) will not waive any other remedy to which the party not in default may be entitled for breach of this Statement of Operating Conditions, the Service Agreement, or any applicable Confirmation.

18.4 *Entirety*. This Statement of Operating Conditions, the Exhibits, each Service Agreement, and Confirmation constitute the entire agreement between the parties covering the subject matter hereof, and there are no agreements, modifications, conditions, or understandings, written or oral, express or implied, pertaining to the subject matter hereof that are not contained herein or therein.

18.5 *Headings*. The captions or headings preceding the various parts of this Statement of Operating Conditions are inserted and included solely for convenience and will never be considered or given any effect in construing this Statement of Operating Conditions, or in connection with the intent, duties, obligations, or liabilities of Transporter and Shipper.

18.6 *Third Parties*. Nothing contained in this Statement of Operating Conditions, the Service Agreement, or any applicable Confirmation, either express or implied, confers any rights, remedies, or claims upon any person or entity not a party to the Service Agreement or any applicable Confirmation, other than the successors or permitted assigns of the parties.

18.7 *Limitation on Damages*. NOTWITHSTANDING ANYTHING IN THIS STATEMENT OF OPERATING CONDITIONS, SERVICE AGREEMENT OR ANY CONFIRMATION TO THE CONTRARY, IN NO EVENT WILL TRANSPORTER OR SHIPPER BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO THE LOSS OF USE OR LOST PROFITS, RESULTING FROM OR ARISING OUT OF THIS STATEMENT OF OPERATING CONDITIONS, THE SERVICE AGREEMENT OR ANY CONFIRMATION, IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED ON CONTRACT, TORT, WARRANTY, NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE), GROSS NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL FAULT OF SUCH PARTY, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE.

18.8 *Counterparts*. The Service Agreement and any applicable Confirmations, may be executed in any number of counterparts, each of which will be deemed to be an original and all of which will constitute one and the same agreement.

18.9 *Exhibits*. The following exhibits are attached to this Statement of Operating Conditions and are incorporated by this reference:

Exhibit A Form of Service Agreement - Interruptible Service

Exhibit B Form of Service Agreement - Firm Service

Exhibit C Form of Confirmation

EXHIBIT "A"

TO

STATEMENT OF OPERATING CONDITIONS

INTRASTATE INTERRUPTIBLE NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO: _____

THIS INTRASTATE INTERRUPTIBLE NATURAL GAS TRANSPORTATION SERVICE AGREEMENT (the "Service Agreement") is entered into effective _____, 20__, ("Commencement Date") by and between ALPINE HIGH PIPELINE LLC a Delaware limited liability company (hereinafter referred to as "Transporter"), and _____, a _____ (hereinafter referred to as "Shipper"), both hereinafter collectively referred to as the "Parties", and individually as a "Party". In consideration of the mutual covenants herein contained, the Parties agree as follows:

1. Shipper has requested a Service Agreement from Transporter pursuant to the provisions of Transporter's Statement of Operating Conditions Applicable to Intrastate Transportation Service (the "Statement of Operating Conditions") incorporated herein by reference and attached hereto as Appendix "A".
2. Transporter has approved Shipper's request for a Service Agreement and will provide interruptible transportation service for Shipper pursuant to the terms of this Service Agreement and its Confirmation(s). The Shipper shall have the ability to transport under any Confirmation then in effect under this Service Agreement.
3. The transportation service provided under this Service Agreement and its Confirmation(s) shall be subject solely to regulation by TRC under the applicable Texas laws and the rules and regulations TRC has promulgated with respect thereto, and the provisions of Transporter's Statement of Operating Conditions, which are incorporated herein by reference, as if fully set forth herein. The transportation service provided in this Service Agreement and its Confirmations are not subject to the Federal Energy Regulatory Commission's ("FERC") regulations under the Natural Gas Act of 1938, as amended (the "NGA").
4. Shipper represents and warrants that (i) it has all lawful rights and/or title to all Gas delivered by it hereunder for its account, that it has the right to deliver same hereunder, and that such Gas is free from liens and adverse claims of every kind; (ii) it has arranged for the delivery and/or receipt by any necessary third party transporter(s) of the gas to be transported hereunder; and (iii) all Gas delivered to Transporter hereunder will be produced in the State of Texas from reserves not dedicated or committed to interstate commerce, and that the Gas which Shipper delivers or receives hereunder will not have been or be sold, consumed, transported or otherwise utilized in interstate commerce at any point upstream of the Receipt Points or downstream of the Delivery Points, and that such Gas has not been nor will it be commingled at any point upstream of the Receipt Points or downstream of the Delivery Points with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce, in such a manner which will subject the Gas transported under this Service Agreement or Transporter's or its designee's pipeline system, or any portion thereof, to the jurisdiction of the FERC or any successor authority under the NGA. Shipper hereby indemnifies and holds harmless Transporter from all suits, actions, losses, expenses (including attorneys' fees), and regulatory proceedings arising out of or in connection with a breach of the representations and

warranties made by Shipper above.

5. Service Level:
   As shown in the applicable Confirmation

6. Gas received by Transporter hereunder will be received at the following Receipt Point(s): As shown in the applicable Confirmation

7. Gas delivered by Transporter to Shipper will be delivered at the following Delivery Point(s): As shown in the applicable Confirmation

8. Shipper's Maximum Daily Contract Quantity:

   As shown in the applicable Confirmation

9. Transportation Rate(s):

   As shown in the applicable Confirmation

10. Retention Volume:
    As shown in the applicable Confirmation

11. Term:

    As shown in the applicable Confirmation

12.Addresses for Notices and Payments:

TRANSPORTER:	**SHIPPER:**
For Notices/Correspondence:	**Notices/Correspondence:**
Alpine High Pipeline LLC	
Attn: Commercial Operations	
17802 IH-10 West	
Suite 300	
San Antonio, TX 78257	
Email: CommercialOperations@apachecorp.com	
For Accounting Matters:	**For Accounting Matters:**
Attn: Manager of Gas Accounting	
2000 Post Oak Blvd, suite 100	
Houston, Texas 77056-4400	
Phone: 713-296-7147	
Attn: Manager of Gas Accounting	

For Payments:	**For Payments by Check:**
c/o Apache Corporation	
PO Box 840133	
Dallas, TX 75284-0133	
Payments by Wire Transfer:	**Payments by Wire Transfer:**
c/o Apache Corporation	
Bank: CITIBANK, N.A.	
ABA No.: 021000089	
Account: APACHE CORPORATION	
Account No.: 3083-7389	
For Scheduling/Nominations:	**For Scheduling/Nominations:**
Alpine High Pipeline LLC	
Attn: Manager of Commercial Operations	
17802 IH-10 West	
Suite 300	
San Antonio, TX 78257	
Phone: 210-447-5629	
Email: CommercialOperations@apachecorp.com	
For Gas Control:	**For Gas Control:**
Alpine High Pipeline LLC	
Attn: Gas Control	
210-447-5600 (24/7)	
800-548-8090 (24/7)	
Email: fusioncenter.midstream@apachecorp.com	

13. Other Provisions:

ALPINE HIGH PIPELINE LLC **INSERT SHIPPER NAME**

By: _____ By:_____

Name: Bob W. Bourne Name: _____

Title: VP, Business Development - Midstream & Marketing Title: _____

EXHIBIT "B" TO

STATEMENT OF OPERATING CONDITIONS

INTRASTATE FIRM NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO: _____

THIS INTRASTATE FIRM NATURAL GAS TRANSPORTATION SERVICE AGREEMENT (the " Service Agreement") is entered into effective _____, 20__, ("Commencement Date") by and between ALPINE HIGH PIPELINE LLC a Delaware limited liability company (hereinafter referred to as "Transporter"), and _____, a _____ (hereinafter referred to as "Shipper"), both hereinafter collectively referred to as the "Parties", and individually as a "Party". In consideration of the mutual covenants herein contained, the Parties agree as follows:

1. Shipper has requested a Service Agreement from Transporter pursuant to the provisions of Transporter's Statement of Operating Conditions Applicable to Intrastate Transportation Service (the "Statement of Operating Conditions") incorporated herein by reference and attached hereto as Appendix "A".

2. Transporter has approved Shipper's request for a Service Agreement and will provide firm transportation service for Shipper pursuant to the terms of this Service Agreement and its Confirmation(s). The Shipper shall have the ability to transport under any Confirmation then in effect under this Service Agreement.

3. The transportation service provided under this Service Agreement and its Confirmation(s) are subject to applicable Texas laws and the rules and regulations TRC has promulgated with respect thereto, and the provisions of Transporter's Statement of Operating Conditions, which are incorporated herein by reference, as if fully set forth herein. The transportation service provided in this Service Agreement and its Confirmations are not subject to the Federal Energy Regulatory Commission's ("FERC") regulations under the Natural Gas Act of 1938, as amended (the "NGA").

4. Shipper represents and warrants that (i) it has all lawful rights and/or title to all Gas delivered by it hereunder for its account, that it has the right to deliver same hereunder, and that such Gas is free from liens and adverse claims of every kind; (ii) it has arranged for the delivery and/or receipt by any necessary third party transporter(s) of the gas to be transported hereunder; and (iii) all Gas delivered to Transporter hereunder will be produced in the State of Texas from reserves not dedicated or committed to interstate commerce, and that the Gas which Shipper delivers or receives hereunder will not have been or be sold, consumed, transported or otherwise utilized in interstate commerce at any point upstream of the Receipt Points or downstream of the Delivery Points, and that such Gas has not been nor will it be commingled at any point upstream of the Receipt Points or downstream of the Delivery Points with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce, in such a manner which will subject the Gas transported under this Service Agreement or Transporter's or its designee's pipeline system, or any portion thereof, to the jurisdiction of the FERC or any successor authority under the NGA. Shipper hereby indemnifies and holds harmless Transporter from all suits, actions, losses, expenses (including attorneys' fees), and regulatory proceedings arising out of or in connection with a breach of the representations and warranties made by Shipper above.

5. Service Level:
   As shown in the applicable Confirmation

6. Gas received by Transporter hereunder will be received at the following Receipt Point(s): As shown in the applicable Confirmation

7. Gas delivered by Transporter to Shipper will be delivered at the following Delivery Point(s):
   As shown in the applicable Confirmation

8. Shipper's Maximum Daily Contract Quantity:
   As shown in the applicable Confirmation

9. Transportation Rate(s):
   As shown in the applicable Confirmation

10. Retention Volume:
    As shown in the applicable Confirmation

11. Term:
    As shown in the applicable Confirmation

12. Addresses for Notices and Payments:

TRANSPORTER:	**SHIPPER:**
For Notices/Correspondence:	**Notices/Correspondence:**
Alpine High Pipeline LLC	
Attn: Commercial Operations	
17802 IH-10 West	
Suite 300	
San Antonio, TX 78257	
Email: CommercialOperations@apachecorp.com	
For Accounting Matters:	**For Accounting Matters:**
Attn: Manager of Gas Accounting	
2000 Post Oak Blvd, suite 100	
Houston, Texas 77056-4400	
Phone: 713-296-7147	
Attn: Manager of Gas Accounting	

For Payments:	**For Payments by Check:**
c/o Apache Corporation	
PO Box 840133	
Dallas, TX 75284-0133	
Payments by Wire Transfer:	**Payments by Wire Transfer:**
c/o Apache Corporation	
Bank: CITIBANK, N.A.	
ABA No.: 021000089	
Account: APACHE CORPORATION	
Account No.: 3083-7389	
For Scheduling/Nominations:	**For Scheduling/Nominations:**
Alpine High Pipeline LLC	
Attn: Manager of Commercial Operations	
17802 IH-10 West	
Suite 300	
San Antonio, TX 78257	
Phone: 210-447-5629	
Email: CommercialOperations@apachecorp.com	
For Gas Control:	**For Gas Control:**
Alpine High Pipeline LLC	
Attn: Gas Control	
210-447-5600 (24/7)	
800-548-8090 (24/7)	
Email: fusioncenter.midstream@apachecorp.com	

13.Other Provisions:

ALPINE HIGH PIPELINE LLC **INSERT SHIPPER NAME**

By: _____ By:_____

Name: Bob W. Bourne Name: _____

Title: VP, Business Development - Midstream & Marketing Title: _____

EXHIBIT "C" TO

STATEMENT OF OPERATING CONDITIONS

FORM OF CONFIRMATION

INTRASTATE CONFIRMATION

BASE AGREEMENT: Intrastate Natural Gas Transportation Service Agreement dated _____

CONTRACT NUMBER:

CONFIRMATION NUMBER:

SHIPPER:

TRANSPORTER: **ALPINE HIGH PIPELINE LLC**

SERVICE LEVEL: Interruptible: _____ Firm: _____

Authorized Overrun Service: _____

This Confirmation constitutes part of and is subject to the Service Agreement and the Statement of Operating Conditions (collectively, the "Agreement"). All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Statement of Operating Conditions and Service Agreement.

RECEIPT POINT(S):

DELIVERY POINT(S):

MAXIMUM DAILY CONTRACT QUANTITY:

TRANSPORTATION RATE(S):

RETENTION VOLUME: Transporter will retain from the volumes of Gas delivered by Shipper hereunder at each Receipt Point(s) at no cost to Transporter, a volume of Gas allocated ratably to Shipper of all Gas used as fuel, lost, and unaccounted for Gas, associated with the operation, maintenance and repair of the Alpine High Pipeline System (all of the foregoing, collectively, the "Retention Volume").

TERM:

OTHER PROVISIONS:

ALPINE HIGH PIPELINE LLC **INSERT SHIPPER NAME**

By: _____ By:_____

Name: Bob W. Bourne Name: _____

Title: VP, Business Development - Midstream & Marketing Title: _____

AMENDMENT TO
INTRASTATE FIRM CONFIRMATION DATED APRIL 1, 2017
CONTRACT NO: 1000-001-1
CONFIRMATION NO: 1000-001-1-103

THIS AMENDMENT is entered into as of May 18, 2018, by and between Apache Corporation ("Shipper") and Alpine High Pipeline LLC ("Transporter").

WHEREAS, Shipper and Transporter entered into that Intrastate Firm Natural Gas Transportation Service Agreement, Contract Number: 1000-001-1, and Intrastate Firm Confirmation, Confirmation Number 1000-001-1-101, both dated April 1, 2017, as amended (the "Service Agreement" and "Confirmation" respectively); and

WHEREAS, the Shipper and Transporter desire to amend, restate, and replace the Confirmation.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Shipper and Transporter agree to amend, restate, and replace the Confirmation as follows:

1. The Confirmation is amended, restated, and replaced with the Confirmation attached hereto and incorporated herein as Appendix "A".

This Amendment shall be effective as of May 1, 2018.

Except as specifically amended herein, the terms and conditions of the Service Agreement and Confirmation shall remain in full force and effect as written.

IN WITNESS WHEREOF, the parties have duly executed and exchanged duplicate originals of this Amendment to the Confirmation by their respective officers or other person duly authorized to do so.

ALPINE HIGH PIPELINE LLC	APACHE CORPORATION
Accepted and Agreed	Accepted and Agreed
This 18th day of May 2018	This 18th day of May 2018
By: /s/ Robert W. Bourne	By: /s/ Brian W. Freed
Title: VP, Bus. Dev. - Midstream & Marketing	Title: SVP Midstream & Marketing

INTRASTATE FIRM CONFIRMATION

Amended and Restated effective May 1, 2018

BASE AGREEMENT: Intrastate Firm Natural Gas Transportation Service Agreement dated April 1, 2017

CONTRACT NUMBER: 1000-001-1

CONFIRMATION NUMBER: 1000-001-1-102

SHIPPER: APACHE CORPORATION

TRANSPORTER: ALPINE HIGH PIPELINE LLC

SERVICE LEVEL: Interruptible: _____ Firm: ___X_____

Authorized Overrun Service: ____X_____

This Confirmation constitutes part of and is subject to the Service Agreement and the Statement of Operating Conditions (collectively, the "Agreement"). All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Statement of Operating Conditions and Service Agreement.

RECEIPT POINT(S): All existing and future interconnects between Transporter and (i) Alpine High Gathering LLP, (ii) Alpine High Processing LLP, (iii) Comanche Trail Pipeline LLC, (iv) Oneok Roadrunner Pipeline LLC, (v) Trans-Pecos Pipeline, LLC, and (vi) any other intrastate pipelines.

DELIVERY POINT(S): All existing and future interconnects between Transporter and (i) Apache Corporation, (ii) Alpine High Gathering LLP, (iii) Alpine High Processing LLP, (iv) Comanche Trail Pipeline LLC, (v) Oneok Roadrunner Pipeline LLC, (vi) Trans-Pecos Pipeline, LLC, (vii) Trans-Pecos Waha Header, (viii) Gulf Coast Express Pipeline, LLC, (ix) Whitewater Midstream LLC, (x) Alpine High NGL Pipeline LLC, and (xi) any other intrastate pipelines.

MAXIMUM DAILY CONTRACT QUANTITY:

- Dedicated Area MDCQ - See Exhibit "A-2" attached hereto and incorporated herein.
- Non-Dedicated Area MDCQ - the amount of Gas from outside the Dedicated Area (defined below) that Transporter determines it can transport on a Firm basis, such amount to be determined when Shipper submits a nomination to Transporter.

TRANSPORTATION RATE(S):

- For all Gas delivered at the Delivery Points (up to the Dedicated Area MDCQ) that was produced from the Dedicated Area (defined below), Shipper shall pay Transporter a Commodity Fee equal to $0.13 per MMBtu for all such Gas delivered at a the Delivery Point(s).
- For all Gas delivered at the Delivery Points (up to the Non-Dedicated Area MDCQ) that was produced outside of the Dedicated Area (defined below), Shipper shall pay Transporter (i) a Demand Fee equal to $0.12 per MMBtu multiplied by the Non-Dedicated Area MDCQ times the number of Days in the Month and (ii) a Commodity Fee equal to $0.01 per MMBtu for all such Gas delivered at the Delivery Point(s).

RETENTION VOLUME: Transporter will retain from the volumes of Gas delivered by Shipper hereunder at each Receipt Point(s) at no cost to Transporter, a volume of Gas allocated ratably to Shipper of all Gas used as fuel, lost, and unaccounted for Gas, associated with the operation, maintenance and repair of the Alpine High Pipeline System (all of the foregoing, collectively, the "**Retention Volume**").

TERM: This Confirmation is effective as of April 1, 2017, and shall continue through March 31, 2032 (the "Term"). The Term shall automatically extend by five (5) years (the "***First Extension***") unless Shipper, by the delivery of written notice to Transporter no later than March 31, 2031, makes an irrevocable election not to extend the Term by five (5) years. If Shipper exercises the First Extension (which, for certainty, shall be deemed to have been exercised automatically unless Shipper makes the irrevocable election not to extend the Term as contemplated in the immediately preceding sentence), the Term shall automatically extend by an additional five (5) years (the "***Second Extension***") unless Shipper, by the delivery of written notice to Transporter no later than March 31, 2036, makes an irrevocable election not to extend the Term by an additional five (5) years. For certainty, the Second Extension shall be deemed to have been exercised automatically unless Shipper makes the irrevocable election not to extend the Term as contemplated in the immediately preceding sentence. Following the end of any Second Extension, this Confirmation shall continue in effect for successive extension terms of one (1) year each (each such extension, an "***Evergreen Extension***"), unless either Party provides written notice of termination to the other Party not less than six (6) Months prior to the end of the Second Extension or the relevant Evergreen Extension, as applicable, in which case this Confirmation shall terminate at the end of the Second Extension or the relevant Evergreen Extension, as applicable. Unless otherwise agreed by Shipper and Transporter in writing, the Dedicated Area MDCQs during any Extension periods will be the applicable Dedicated Area MDCQ in effect on March 31, 2032.

OTHER PROVISIONS:

Subject to the terms and conditions of this Agreement, and solely for the performance of this Agreement, Shipper has agreed to dedicate Gas produced from the Dedicated Area (defined below) for shipment on the Alpine High Pipeline System.

1. Additional Definitions. the following terms as used in this Confirmation will be construed to have the following scope and meaning:

   (i) "**Dedicated Area**" means the lands more particularly described on Exhibit "B" attached hereto and incorporated herein.

(ii) "**Interests**" means any right, title, or interest in lands which gives the owner thereof the right to produce oil and/or Gas therefrom, whether arising from fee ownership, working interest ownership, mineral ownership, leasehold ownership, farmout or other contractual arrangement or arising from any pooling, unitization, or communitization of any of the foregoing rights.

(iii) "**Prior Dedication**" means, as to any Interests acquired by Shipper (or any of its successors or assigns under this Agreement) within the Dedicated Area, whether before or after the Effective Date, any dedication or commitment for some or all services burdening such Interests which is in effect as of the time of any such acquisition.

2. Dedication. Shipper hereby dedicates for transportation service under this Agreement, and shall deliver or cause to be delivered at the Receipt Point(s) on Transporter's pipeline system the following:

(i) all Gas produced and saved from wells now or hereafter located in the Dedicated Area or on lands pooled or unitized therewith, to the extent such Gas is attributable to Interests within the Dedicated Area now owned or hereafter acquired by Shipper and not delivered or used as permitted pursuant to this Agreement; and

(ii) with respect to wells now or hereafter located within the Dedicated Area or on lands pooled or unitized therewith for which Shipper is the operator, Gas from such wells that is owned by other working interest owners and royalty owners ("**Non-Op Gas**") but only to the extent and for the period that Shipper has the right or obligation to market such Non-Op Gas;

provided, however, with respect to any such Gas that is subject to a Prior Dedication, such Gas shall not be subject to the dedication hereunder until the expiration or termination of such Prior Dedication. Upon the expiration or termination of that Prior Dedication, such additional Interests and such Gas attributable thereto will automatically be subject to the dedication hereunder without any further actions by the Parties. Producer shall notify Processor in writing of any such expiration or termination.

3. Forecasts. Subject to Transporter's compliance with the confidentiality and restricted use requirements set forth in Section 7 below, on or before October 1st of each year during the term of this Agreement, Shipper shall deliver to Transporter a 2-Year Forecast with respect to Shipper's Gas. "**2-Year Forecast**" shall mean Shipper's good faith estimate (expressed in Mcf per Day) and associated gas analysis of Shipper's Gas to be produced from the Dedicated Area and delivered to existing or anticipated Receipt Points for each month for the next two (2) years of the term of this Agreement, which forecast shall be based on Shipper's most recent engineering and planning data. For sake of clarity, Transporter acknowledges that Shipper shall not at any time be required to deliver any of Shipper's internal budget information to Transporter. Shipper shall use all commercially reasonable efforts and information available to it to create the 2-Year Forecasts, but, given the inherent nature of the estimates involved in creating such forecasts, Shipper cannot guarantee the accuracy of any 2-Year Forecast.

4. Shipper's Reservations.

(i) Gas for Lessors or Royalty Owners. Shipper shall have the right to utilize Gas as may be required to be delivered to lessors or royalty owners under the terms of leases or other agreements or as required for Shipper's operations within the Dedicated Area or lands pooled or unitized therewith, as determined by Shipper in its sole discretion.

(ii) Pooling or Units. Shipper may form, dissolve, and/or participate in pooling agreements or units encompassing all or any portions of the Dedicated Area, as determined by Shipper in its sole discretion.

(iii) Operational Control of Wells. Shipper reserves the right to operate its leases and wells in any manner that it desires, as determined by Shipper in its sole discretion and free of any control by Transporter, including without limitation, (i) shutting-in, cleaning out, reworking, modifying, deepening, or abandoning any such wells, (ii) using any efficient, modern, or improved method for the production of its wells, (iii) flaring, burning, or venting Gas (with no fees to be associated with such Gas), and (iv) surrendering, releasing, or terminating its leases or Interests at any time; provided that before any well is taken out of service for any reason, Shipper shall first shut-off the well's connection to the applicable Receipt Point.

(iv) Well Development and Operations. Shipper reserves the right to use Gas (including its components), above ground or below, to develop and operate its leases and wells, including, without limitation, for Gas lift, fuel, pressure maintenance or other re-injection purposes, secondary and tertiary recovery, drilling or cycling, operation of Shipper's facilities, and/or any other legitimate use in connection with the development and/or operation of its leases and wells that are now or hereafter become subject to the terms of this Agreement. Additionally, for Gas used for fuel, Shipper has the right to remove liquid hydrocarbons from such Gas by any means as it deems necessary, including via low temperature separation.

(v) No Obligation to Develop. Notwithstanding anything else in this Agreement that may be construed to the contrary, Shipper reserves the right to develop and operate its leases and wells as it sees fit, in its sole discretion, and Shipper shall have no obligation to Transporter under this Agreement to develop or otherwise produce Gas or other hydrocarbons from any properties owned by it, including any properties now or hereafter located within the Dedicated Area or the lands pooled or unitized therewith.

(vi) Processing. Shipper reserves the right to process or not process Gas prior to delivering Gas to Transporter at the Receipt Points.

5. Release from Dedication.

(i) Immediate Temporary Release. If for any reason, including Force Majeure, Transporter does not transport all or any portion of Shipper's Gas delivered or otherwise available for delivery at a Receipt Point, Shipper shall be entitled to an immediate temporary release from dedication of such volume of Gas not transported, and may dispose of such Gas in any manner it sees fit, subject to Transporter's right to resume receipts at a subsequent time when Transporter is able to receive all of Shipper's Gas available for delivery at the Receipt Point in accordance with the terms of this Agreement, *provided*, *however*, if during such temporary release period Shipper secures a different temporary market, Transporter may resume receipts only upon thirty (30) Days' advance written notice and only as of the beginning of a Month, unless otherwise agreed.

(ii) Permanent Release. Notwithstanding Section 5(i), above, if, for a cumulative thirty (30) Days in any ninety (90) Day period, Transporter does not transport or ceases transporting all or any portion of Shipper's Gas for delivery at a Receipt Point for any reason (but not including a failure to meet quality requirements, for which no permanent release shall be available), then upon Shipper's written notice to Transporter, Transporter shall have fifteen (15) Days from receipt of such notice to propose a feasible plan to Shipper that shall resolve such issue, at Transporter's sole cost and expense, within sixty (60) Days after proposing such plan (the "**Resolution Period**"). Shipper, in its sole discretion, may either accept or reject Transporter's plan. If (A) Transporter fails to propose a resolution within the stated fifteen (15) Days, (B) Shipper rejects Transporter's proposed resolution, or (C) Shipper accepts Transporter's proposed resolution but Transporter does not complete such resolution within the Resolution Period, Shipper may elect, by giving written notice to Transporter, to either (x) a permanent release from dedication as to the affected Receipt Point and the portion(s) of the Dedicated Area associated with such Receipt Point (and such released portion(s) shall be stated in terms of acreage) or (y) a fifteen percent (15%) reduction in the transportation rate for all Gas delivered under this Agreement until the issue has been resolved. If Shipper elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Shipper, acting reasonably and in good faith, *provided that* Shipper shall provide to Transporter (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Shipper's determination of the portion(s) of the Dedicated Area to be released, and as long as Shipper's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive.

6. No Election of Remedies. Shipper's exercise of any right to a release from dedication under Section 5 shall not be deemed an election of remedies for any unexcused failure of Transporter to perform any obligation under this Agreement, and Shipper shall be entitled to any and all other remedies, including the right to sue for damages, specific performance, and injunctive relief (without the need to post any bond).

7. Confidentiality. Shipper's 2-Year Forecast delivered to Transporter pursuant to Section 3 above and all other information received by Transporter pursuant to the terms of this Agreement which involves or in any way relates to Shipper's production estimates, development plans and/or other similar information shall be kept strictly confidential by Transporter, and Transporter shall not disclose any such information to any third party or use any such information for any purpose other than performing under this Agreement, *provided, however*, Transporter may disclose such information to those of its legal counsel, accountants and other representatives with a specific need to know such information for purposes of Transporter's performance under this Agreement or enforcement of this Agreement or as required by applicable Law, *provided* such third parties have likewise agreed in writing to the confidentiality and non-use restrictions set forth herein. In the event Transporter is required by Law to disclose any such information, Transporter shall first notify Shipper in writing as soon as practicable of any proceeding of which it is aware that may result in disclosure and shall use all reasonable efforts to prevent or limit such disclosure. Shipper's confidential information shall not include information that Transporter can satisfactorily demonstrate was: (a) rightfully in the possession of Transporter prior to Shipper's disclosure hereunder, (b) in the public domain prior to Shipper's disclosure hereunder, (c) made public by any Governmental Authority; (d) supplied to Transporter without restriction by a third party who is under no obligation to Shipper to maintain such confidential information in confidence; or (e) independently developed by Transporter. The confidentiality requirements and non-use restrictions set forth herein shall survive termination or expiration of this Agreement for five (5) Years after such termination or expiration. Notwithstanding anything else in this Agreement, the Parties agree that there is not an adequate remedy at law for any breach of these confidentiality and non-use restrictions and, therefore, Shipper shall be entitled (without the posting of any bond) to specific performance and injunctive relief restraining any breach hereof, in addition to any other rights and remedies which it may have or be entitled.

Limitation of Transporter's Remedies. Notwithstanding anything contained in Sections 3.3.4, 18.3, and any other section or provision of the Statement of Operating Conditions to the contrary, in no event shall Transporter have the right, and Transporter hereby expressly waives any such right, to terminate Shipper's Service Agreement or Confirmation on account of a breach or default by Shipper under this Agreement.

ALPINE HIGH PIPELINE LLC APACHE CORPORATION

By: /s/ Bob W. Bourne By: /s/ Brian W. Freed

Name: Bob W. Bourne Name: Brian W. Freed

Title: VP, Business Development - Midstream & Marketing Title: SVP, Marketing and Midstream

Exhibit “A-2” to

Firm Intrastate Confirmation

Amended and Restated effective May 1, 2018

Month-Year	Dedicated Area MDCQ (MMBtu/day)

[***] [5 PAGES OF TABLES OMITTED] [***]

Exhibit “B”

Dedicated Area

The Dedicated Area is depicted in the map below within the red border.

[***]

AMENDMENT TO
INTRASTATE FIRM CONFIRMATION DATED APRIL 1, 2017
CONTRACT NO: 1000-001-1
CONFIRMATION NO: 1000-001-1-104

THIS AMENDMENT is entered into as of May 22, 2018, by and between Apache Corporation ("Shipper") and Alpine High Pipeline LLC ("Transporter").

WHEREAS, Shipper and Transporter entered into that Intrastate Firm Natural Gas Transportation Service Agreement, Contract Number: 1000-001-1, and Intrastate Firm Confirmation, Confirmation Number 1000-001-1-101, both dated April 1, 2017, as amended (the "Service Agreement" and "Confirmation" respectively); and

WHEREAS, the Shipper and Transporter desire to amend the Confirmation.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Shipper and Transporter agree to amend the Confirmation as follows:

1. Exhibit "A-2" shall be deleted in its entirety and replaced with Exhibit "A-3" attached hereto.

This Amendment shall be effective as of May 1, 2018.

Except as specifically amended herein, the terms and conditions of the Service Agreement and Confirmation shall remain in full force and effect as written.

IN WITNESS WHEREOF, the parties have duly executed and exchanged duplicate originals of this Amendment to the Confirmation by their respective officers or other person duly authorized to do so.

ALPINE HIGH PIPELINE LLC	APACHE CORPORATION
Accepted and Agreed	Accepted and Agreed
This 22nd day of May 2018	This 22nd day of May 2018
By: /s/ Robert W. Bourne	By: /s/ Brian W. Freed
Title: VP	Title: SVP

Alpine High Pipeline LLC
Exhibit “A-3” to Firm Intrastate Confirmation
Effective May 1, 2018

Month-Year	Dedicated Area MDCQ (MMBtu/d)
	[***]

AMENDMENT TO
INTRASTATE FIRM CONFIRMATION DATED APRIL 1, 2017
CONTRACT NO: 1000-001-1
CONFIRMATION NO: 1000-001-1-105

THIS AMENDMENT is entered into as of September _____, 2018, by and between Apache Corporation ("Shipper") and Alpine High Pipeline LP ("Transporter").

WHEREAS, Shipper and Transporter entered into that Intrastate Firm Natural Gas Transportation Service Agreement, Contract Number: 1000-001-1, and Intrastate Firm Confirmation, Confirmation Number 1000-001-1-101, both dated April 1, 2017, as amended (the "Service Agreement" and "Confirmation" respectively); and

WHEREAS, the Shipper and Transporter desire to amend the Confirmation.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Shipper and Transporter agree to amend the Confirmation as follows:

1. Effective October 1, 2018, the "**TRANSPORTATION RATE(S)"** section shall be deleted in its entirety and replaced with the following:

   TRANSPORTATION RATE(S):

   Transportation Service:

   - For all Gas delivered at the Delivery Points (up to the Dedicated Area MDCQ) that was produced from the Dedicated Area (defined below), Shipper shall pay Transporter a Commodity Fee equal to $0.0975 per MMBtu for all such Gas delivered at the Delivery Point(s).
   - For all Gas delivered at the Delivery Points (up to the Non-Dedicated Area MDCQ) that was produced outside of the Dedicated Area (defined below), Shipper shall pay Transporter (i) a Demand Fee equal to $0.0875 per MMBtu multiplied by the Non-Dedicated Area MDCQ times the number of Days in the Month and (ii) a Commodity Fee equal to $0.01 per MMBtu for all such Gas delivered at the Delivery Point(s).

   Authorized Overrun Service:

   Authorized Overrun Service Rate:

   COMMODITY FEE: Shipper shall pay Transporter a Commodity Fee equal to $0.0975 per MMBtu for all Gas over the Dedicated Area MDCQ and Non-Dedicated Area MDCQ delivered at the Delivery Point(s)**.**

2. For the avoidance of doubt, the "**RETENTION VOLUME"** section is unchanged.
3. Effective May 1, 2018, the "Dedication" section in "**OTHER PROVISIONS**:" is amended by adding the following sentence to the end of the section:

   Notwithstanding the first sentence of this Section 2 "Dedication" to the contrary, Shipper shall have the option from time to time to have all or any portion of the Gas produced from the Dedicated Area and Non-Dedicated Area transported by Transporter under Shipper's NGPA § 311 Natural Gas Transportation Service Agreement, Contract Number: 2000-002-1 dated April 1, 2017, and any effective NGPA 311 Confirmations in effect thereunder from time to time. For any Dedicated Area volumes Shipper elects to transport under Shipper's NGPA 311 Service Agreement and Confirmations, Shipper shall pay the transportation rate set forth in the applicable NGPA 311 Confirmation and for Dedicated Area volumes Shipper transports under this Confirmation, Shipper shall pay the transportation rates set forth herein. For any Non-Dedicated Area volumes Shipper elects to transport

under Shipper's NGPA 311 Service Agreement and Confirmations, Shipper will receive a credit against the Demand Fees under this Confirmation equal to the product of (i) $0.0875/MMBtu and (ii) the lesser of (x) the volume of Non-Dedicated Area Gas Shipper elects to transport under Shipper's NGPA 311 Service Agreement and Confirmations and (y) the positive difference between the Non-Dedicated Area MCDQ and the volume of Non-Dedicated Gas transported under this Confirmation; provided, however, such credit shall not exceed the Demand Fees.

This Amendment shall be effective as of September 11, 2018.

Except as specifically amended herein, the terms and conditions of the Service Agreement and Confirmation shall remain in full force and effect as written.

IN WITNESS WHEREOF, the parties have duly executed and exchanged duplicate originals of this Amendment to the Confirmation by their respective officers or other person duly authorized to do so.

ALPINE HIGH PIPELINE LP APACHE CORPORATION

By: Alpine High Subsidiary GP LLC,
its general partner

Accepted and Agreed Accepted and Agreed

This 11th day of September 2018 This 11th day of September 2018

By: /s/ Robert W. Bourne By: /s/ Brian W. Freed

Title: VP Marketing Title: SVP Midstream & Marketing

CERTAIN CONFIDENTIAL INFORMATION HAS BEEN OMITTED FROM THIS AGREEMENT. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED INFORMATION, WHICH HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE OMITTED INFORMATION IS MARKED WITH "[***]".

GAS PROCESSING AGREEMENT

by and between

APACHE CORPORATION

and

ALPINE HIGH PROCESSING LP

dated

July 1, 2018

GAS PROCESSING AGREEMENT

EXHIBITS:

GAS PROCESSING AGREEMENT

This Gas Processing Agreement (this "**Agreement**") is made and entered into to be retroactively effective July 1, 2018 ("**Effective Date**"), by and between Alpine High Processing LP, a Delaware limited partnership ("**Processor**"), and Apache Corporation, a Delaware corporation ("**Producer**"). Processor and Producer are sometimes referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

Background:

Producer owns or controls volumes of Gas produced from certain oil and gas leases located in Reeves, Pecos, Jeff Davis, and Culberson Counties, Texas, and Processor owns and operates natural gas and natural gas liquids processing facilities located in Reeves County, Texas. The Parties desire for Processor to process certain volumes of Producer's Gas at the Processor's Facilities on the terms and conditions set forth in this Agreement.

The Parties originally entered into that certain Gas Processing Agreement dated as of May 1, 2018 (the "**Original Processing Agreement**"). This Agreement hereby amends, restates, supersedes and replaces the Original Processing Agreement in its entirety.

Agreement:

In consideration of the premises and of the mutual covenants in this Agreement, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Party, Processor and Producer agree as follows:

ARTICLE I

DEFINITIONS

Unless another definition is expressly stated or the context requires otherwise, the following terms, when used in this Agreement and all exhibits and attachments to this Agreement, have the following meanings:

(a) "**2-Year Forecast**" shall have the meaning set forth in Section 2.1.

(b) "**Affiliate**" means any person that directly or indirectly controls, is controlled by, or is under common control with another person through one more intermediaries or otherwise. The term "control" means having the power, directly or indirectly, to direct or cause the direction of the management and policies of a person, whether through ownership, by contract, or otherwise. A person is deemed to be an Affiliate of another specified person if such person owns 50% or more of the voting securities of the specified person, or if the specified person owns 50% or more of the voting securities of such person, or if 50% or more of the voting securities of the specified person and such person are under common control. Notwithstanding the foregoing, for purposes of Article XIII, (1) Producer and Processor are deemed to not be Affiliates of one another, (2) Alpine High Gathering LP, Alpine High Pipeline LP, Alpine High NGL Pipeline LP, and Alpine High Subsidiary GP are deemed Affiliates of Alpine High Processing LP and not Affiliates of Apache Corporation, and (3) all other Affiliates of Apache Corporation are deemed to not be Affiliates of Alpine High Processing LP.

(c) "**Affiliate Interests**" As defined in Section 2.11.

(d) "**Audit**" shall have the meaning set forth in Article XI.

(e) "**Btu**" means a "**British Thermal Unit**," which is the amount of heat required to raise the temperature of one pound of water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at a constant pressure of 14.65 psia.

(f) "**Business Day**" means any calendar day, other than a Saturday or Sunday, on which commercial banks in Houston, Texas are open for business.

(g) **"Calendar Year"** means the period from January 1st through December 31st of the same calendar year.

(h) "**Capacity Commitment**" shall have the meaning set forth in Section 2.4.

(i) "**Central Conditioning Facility**" means a facility used for dehydration, compression, treating, or any combination of the foregoing for Non-Processable Gas.

(j) "**Central Processing Facility**" means a refrigeration processing plant used for processing and for dehydration, compression, treating, or any combination of the foregoing.

(k) "**Central Time**" means Central Standard Time, as adjusted semi-annually for daylight savings time.

(l) "**Claim**" means any lawsuit, claim, proceeding, investigation, or other similar action.

(m) "**Consequential Damages**" shall have the meaning set forth in Section 19.9.

(n) "**Cryogenic Processing Facility**" or "**Cryo**" means a cryogenic processing plant used for processing and for dehydration, compression, treating or any combination of the foregoing. Each Cryo shall have a minimum design capacity of 200 MMcf per day.

(o) "**Cubic Foot**" means a volume of Gas occupying a space of one cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.65 psia.

(p) "**Day**" means the 24-hour period beginning at 9:00 a.m., Central Time, on a calendar day and ending at 9:00 a.m., Central Time, on the following calendar day (as Central Time is adjusted each calendar year for daylight savings time).

(q) "**Dedicated Area**" means the lands located in Reeves, Pecos, Jeff Davis, and Culberson Counties, Texas, more particularly described in Exhibit A.

(r) "**Delivery Point**" or "**Delivery Points**" shall have the meaning set forth in Section 3.1.

(s) "**Ethane Rejection Option**" shall have the meaning set forth in Section 2.5(b).

(t) "**Fees**" shall mean, collectively, the Central Conditioning Fee, the Central Processing Fee, and the Cryogenic Processing Fee.

(u) "**Firm**" means Processor's obligation to receive and process Producer's Gas, and Producer's right to deliver and have its Gas processed, shall not be subject to interruption, except as absolutely necessary as a result of Force Majeure or, after reasonable prior notice, during periods of Processor's Facilities maintenance or repair, and in the event of any such interruption or in the event of excess Gas deliveries to the Processor's Facilities (from Producer or a third party) over and above Plant Capacity, Producer's Gas shall have first priority rights and shall be the last curtailed, unless Producer otherwise provides consent.

(v) "**FL&U**" means fuel and lost and unaccounted for Gas and fuel for Gas-Electric Equivalent that is deducted and retained as fuel and/or system loss by Processor, which is used in and/or occurs in the operation of Processor's Facilities.

(w) "**Force Majeure**" shall have the meaning set forth in Section 12.2.

(x) "**Gas**" means any mixture of hydrocarbon gases or of hydrocarbon gases and non-combustible gases in a gaseous state.

(y) "**Gas Electric Equivalent**" shall have the meaning set forth in Exhibit C.

(z) "**Gas Price**" shall have the meaning set forth in Exhibit C.

(aa) "**Governmental Authority**" Any federal, state, municipal, local or similar governmental authority, regulatory or administrative agency or court with jurisdiction over the Parties or either Party, this Agreement, any of the transactions contemplated hereby, or Processor's Facilities or any other facilities utilized by a Party for the performance of this Agreement.

(ab) "**Gross Heating Value**" means the amount of energy transferred as heat per mass or mole from the complete, ideal combustion of the Gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. If the gross heating value has a volumetric rather than a mass or molar basis, the standard conditions are deemed 14.65 psia and 60 degrees Fahrenheit.

(ac) "**Ideal Gas Laws**" means the thermodynamic laws applying to perfect gases.

(ad) "**Inert Constituents**" means constituents other than Plant Products contained in Gas, including oxygen, carbon dioxide, nitrogen, hydrogen sulfide, water vapor, ozone, nitrous oxide, and mercury.

(ae) "**Interests**" means any right, title, or interest in lands which gives Producer the right to produce and market oil and/or Gas therefrom, whether arising from fee ownership, working interest ownership, mineral ownership, leasehold ownership, farmout, or other contractual arrangement or arising from any pooling, unitization, or communitization of any of the foregoing rights within the Dedicated Area, and any and all replacements, renewals, and extensions or amendments of any of the same.

(af) "**Law**" or "**Laws**" Any of the following: laws, rules, regulations, decrees, judgments or orders of, or licenses or permits issued by, any Governmental Authority, including, without limitation, any U.S. Bureau of Land Management requirement that is applicable to any federal lease included in the Dedicated Area.

(ag) "**Loss**" means any loss, cost, expense, liability, damage, sanction, judgment, lien, fine, or penalty, including reasonable attorney's fees, incurred, suffered or paid by the applicable indemnified Persons on account of: (i) injuries (including death) to any Person or damage to or destruction of any property, sustained or alleged to have been sustained in connection with or arising out of the matters for which the indemnifying Party has agreed to indemnify the applicable indemnified Persons, or (ii) the breach of any covenant or agreement made or to be performed by the indemnifying Party pursuant to this Agreement.

(ah) "**Material Measurement Error**" shall have the meaning set forth in Section 5.4.

(ai) "**Mcf**" means one thousand Cubic Feet.

(aj) "**Minimum Cryo Volume**" shall have the meaning set forth in Section 2.4.

(ak) "**MMBtu**" means one million Btu.

(al) "**Month**" means the period beginning at 9:00 a.m., Central Time, on the first Day of a calendar month and ending at 9:00 a.m., Central Time, on the first Day of the succeeding calendar month.

(am) "**Monthly Statement**" shall have the meaning set forth in Section 10.1.

(an) "**Non-Conforming Plant Products**" shall have the meaning set forth in Section 9.3.

(ao) "**Non-Conforming Residue Gas**" shall have the meaning set forth in Section 8.3.

(ap) "**Non-Op Gas**" shall have the meaning set forth in Section 2.1.

(aq) "**Non-Processable Gas**" means Producer's Gas that Producer elects to have delivered to a Central Conditioning Facility.

(ar) "**Off-Spec Gas**" shall have the meaning set forth in Section 4.2.

(as) "**Operational**" means in-service and ready to accept deliveries of Producer's Gas under this Agreement.

(at) "**Person**" An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

(au) "**Processor's Facilities**" means any or all of the compressor stations, Central Conditioning Facilities, Central Processing Facilities, and Cryogenic Processing Facilities owned by Processor, capable of receiving Producer's Gas for dehydration, compression, treating, and/or removal of Plant Products from time to time, and located in Reeves, Pecos, Jeff Davis, and Culberson Counties, Texas.

(av) "**Plant Capacity**" shall have the meaning set forth in Section 2.4.

(aw) "**Plant Products**" means the mixture consisting primarily of ethane, propane, isobutane, normal butane, and natural gasoline (and any incidental methane) that are extracted at the Processor's

Facilities and all other condensate in Producer's Gas delivered to the Delivery Points or otherwise recovered at the Processor's Facilities.

(ax) "**Plant Products Price**" means, for each component Plant Product, a price per gallon equal to 100% of the Monthly average of Processor's actual sales price for such component product sold from the Processor's Facilities. It is understood that the Plant Products Price shall be net of actual, third–party, commercially reasonable fees paid or incurred by Processor for the transportation and fractionation directly related to Producer's Plant Products but shall not in any circumstance include any (i) marketing or broker fees, (ii) deficiency, take-or-pay, or demand charges, (iii) price adjustments relating to Y-grade product quality specifications, (iv) imbalance fees and penalties, (v) line fill requirements, or (vi) requirements as to product working inventory of Y-grade at a fractionation facility.

(ay) "**Plant Products Redelivery Points**" means the upstream insulating flange of the applicable custody meter at the discharge points downstream of the Processor's Facilities, as applicable, as described on Exhibit B, in which Plant Products are redelivered as raw mix to a takeaway pipeline or other transport mode for the account of Producer.

(az) "**Primary Term**" shall have the meaning set forth in Section 18.1.

(ba) "**Prior Dedication**" means, as to any Interests acquired by Producer (or any of its successors or assigns under this Agreement) within the Dedicated Area, whether before or after the Effective Date, any dedication or commitment for some or all Services burdening such Interests which is in effect as of the time of any such acquisition.

(bb) "**Processable Gas**" means Producer's Gas that Producer elects to have delivered to a Central Processing Facility and/or a Cryogenic Processing Facility.

(bc) "**Processor Indemnified Parties**" shall have the meaning set forth in Section 13.1.

(bd) "**Producer's Gas**" means all of the Gas owned or controlled by Producer that is produced from the Dedicated Area and delivered to Processor under this Agreement.

(be) "**Producer Indemnified Parties**" shall have the meaning set forth in Section 13.1.

(bf) "**psia**" means pounds per square inch absolute.

(bg) "**psig**" means pounds per square inch gauge.

(bh) "Receipt Point" means the inlet flange of the upstream gatherer's facilities at the point of interconnection between the low pressure gathering system and Producer's facilities or the inlet flange of the upstream gatherer's facilities at the point of interconnection between the high pressure gathering system and Processor's compression facilities.

(bi) "**Redelivery Point Gas Quality Specifications**" mean the Gas quality requirements of downstream pipelines or other facility operators at the Residue Gas Delivery Points, as such requirements are in effect from time to time.

(bj) "**Residue Gas**" means the portion of the Gas delivered to the Processor's Facilities that remains after processing.

(bk) "**Residue Gas Price**" means a price per MMBtu equal to 100% of the Monthly average of Processor's actual sales price for Residue Gas sold from the Processor's Facilities. It is understood that the Residue Gas Price shall be net of actual, third-party, commercially reasonable fees paid or incurred by Processor for the transportation directly related to Producer's Residue Gas but shall not in any circumstance include any (i) marketing or broker fees, (ii) take-or-pay, reservation, or demand charges, (iii) imbalance fees and penalties, or (iv) line fill requirements.

(bl) "**Residue Gas Redelivery Points**" means the upstream insulating flange of the applicable Residue Gas custody meter at the discharge points downstream of the Processor's Facilities, as applicable, as described on Exhibit B, where Residue Gas is delivered to a takeaway pipeline for the account of Producer.

(bm) "**Resolution Period**" shall have the meaning set forth in Section 2.2 or Section 3.5, as applicable.

(bn) "**Services**" shall have the meaning set forth in Section 2.4.

(bo) "**Shrinkage**" shall have meaning set forth in Exhibit F.

(bp) "**Similarly Situated Customers**" means any assignee of Producer's interests hereunder (whether total or partial) pursuant to Section 19.6 or any third party customer for which Producer consents to Processor providing an equal level of service priority pursuant to Section 2.7.

(bq) "**Tax**" or "**Taxes**" Any federal, state or local taxes, fees, levies or other assessments, including all sales and use, goods and services, ad valorem, transfer, gains, profits, excise, franchise, real and personal property, gross receipt, value added, capital stock, production, business and occupation, disability, employment, payroll, license, unemployment, social security, Medicare, or withholding taxes or charges imposed by any Governmental Authority, and including any interest and penalties (civil or criminal) on any of the foregoing.

(br) "**Term**" shall have the meaning set forth in Section 18.1.

(bs) "**Third Party**" Any Person that, as of any applicable determination date, is not a Party to this Agreement.

(bt) "**Third Party Gas**" means Gas other than Producer's Gas.

(bu) "**Transfer**" means any direct or indirect transfer, conveyance, assignment, grant, or other disposition of any rights, interests, or obligations.

(bv) "**Transferee Agreement**" An agreement in the form as attached hereto as Exhibit I, which is to be signed by Processor and a Third Party to which Producer partially assigns its Interests in the Dedicated Area.

(bw) "**Year**" means a period of 365 consecutive Days, provided that any year containing the date of February 29 shall consist of 366 consecutive Days.

ARTICLE II

DEDICATION AND SERVICES

Section 2.1 Dedication; Producer Reservations; Release Rights.

(a) Dedication. Subject to the terms and conditions of this Agreement, and solely for the purpose of this Agreement, Producer hereby dedicates for the Services to be provided by Processor under this Agreement and shall deliver or cause to be delivered at the Delivery Point(s) the following:

(i) all Gas owned by Producer that is produced and saved from wells now or hereafter located within the Dedicated Area or on lands pooled or unitized therewith, to the extent such Gas is attributable to Interests within the Dedicated Area, now owned or hereafter acquired by Producer and not otherwise delivered or used as permitted pursuant to this Agreement; and

(ii) with respect to wells now or hereafter located within the Dedicated Area or on lands pooled or unitized herewith for which Producer is the operator, Gas for such wells that is owned by other working interest owners and royalty owners ("**Non-Op Gas**") but only to the extent and for the period that Producer has the right or obligation to market such Non-Op Gas;

provided, however, with respect to any such Gas that is subject to a Prior Dedication, such Gas shall not be subject to the dedication hereunder until the expiration or termination of such Prior Dedication. Upon the expiration or termination of that Prior Dedication, such additional Interests within the Dedicated Area and such Gas attributable thereto will automatically be subject to the dedication hereunder without any further actions by the Parties. Producer shall notify Processor in writing of any such expiration or termination.

(b) Covenant Running with the Land. It is the mutual intention of the Parties that, so long as the dedication in Section 2.1(a) is in effect, this Agreement and the dedication under Section 2.1(a) and all of the terms and provisions of this Agreement collectively shall (i) be a covenant running with the Interests within the Dedicated Area and (ii) be binding on and enforceable by Processor and its successors and assigns against Producer and its successors and assigns of the Interests within the Dedicated Area. Each Party agrees to execute, acknowledge, and deliver to the other Party from time to time such additional agreements and instruments as may be reasonably requested by such other Party to more fully effectuate the intention of the Parties set forth in the immediately preceding sentence, including a memorandum of this Agreement in the form set forth on Exhibit G, and in the event of a permanent release or partial assignment of the Interests dedicated hereunder, a memorandum of release in the form set forth on Exhibit H. Producer shall cause any conveyance by it of all or any of the Interests within the Dedicated Area to be made expressly subject to the terms of this Agreement. By January 31 of each year, Producer and Processor shall update Exhibit A to reflect any Interests within the Dedicated Area (1) acquired by Producer, (2) permanently released by Processor, or (3) partially assigned by Producer (and reflected in a Transferee Agreement) during the immediately preceding year, and, for the avoidance of doubt, any such new Interests within the Dedicated Area shall be subject to this Agreement (including Section 2.1(a) and Section 2.1(b)). Contemporaneously with any such update and supplement to this Agreement, Producer shall execute, acknowledge, and deliver to Processor a supplement to each of the applicable memoranda of this Agreement previously filed for recording in the real property records of each county in which any portion of such new Interests is located.

(c) Forecasts. On or before August 1st of each Year during the Term, Processor shall deliver to Producer a map showing each current Processor's Facilities. Subject to Processor's delivery of such map and Processor's compliance with the confidentiality and restricted use requirements set forth in Section 19.1 on or before October 1st of each Year during the Term, Producer shall deliver to Processor a 2-Year Forecast with respect to the Producer's Gas. "**2-Year Forecast**" shall mean Producer's good faith estimate (expressed in Mcf per Day) and associated gas analysis of Producer's Gas, to be produced from the Dedicated Area, broken down by Processor's Facilities, and delivered to the Delivery Points for each Month for the next two (2) years of the Term of the Agreement, which forecasts shall be based on Producer's most recent engineering and planning data. At Processor's request, but no more than once per quarter, Producer and Processor will meet to discuss changes in the forecast to ensure that Processor will have adequate capacity in place to meet Producer's requirements. For the sake of clarity, Processor acknowledges that Producer shall not at any time be required to deliver any of Producer's internal budget information to Processor. Producer shall use all commercially reasonable efforts and information available to it to create the 2-Year Forecasts, but, given the inherent nature of the estimates involved in creating such Forecasts, Producer cannot guarantee the accuracy of any 2-Year Forecast.

(d) Producer's Reservations.

(i) Gas for Lessors or Royalty Owners. Producer shall have the right to utilize Gas as may be required to be delivered to lessors or royalty owners under the terms of leases or other agreements or as required for Producer's operations within the Dedicated Area or lands pooled or unitized therewith, as determined by Producer in its sole discretion.

(ii) Pooling or Units. Producer may form, dissolve, and/or participate in pooling agreements or units encompassing all or any portions of the Dedicated Area, as determined by Producer in its sole discretion.

(iii) Operational Control of Wells. Producer reserves the right to operate its leases and wells in any manner that it desires, as determined by Producer in its sole discretion and free of any control by Processor, including without limitation, (i) shutting-in, cleaning out, reworking, modifying, deepening, or abandoning any such wells, (ii) using any efficient, modern, or improved method for the production of its wells, (iii) flaring, burning, or venting Gas and (iv) surrendering, releasing, or terminating its leases or Interests or allowing such leases or Interests to expire at any time.

(iv) Well Development and Operations. Producer reserves the right to use Gas (including the Plant Products in such Gas), above ground or below, to develop and operate its leases and wells,

including, without limitation, for Gas lift, fuel, pressure maintenance, or other re-injection purposes, secondary and tertiary recovery, drilling or cycling, operation of Producer's facilities, and/or any other legitimate use in connection with the development and/or operation of its leases and wells that are now or hereafter become subject to the terms of this Agreement. Additionally, for Gas used for fuel, Producer has the right to remove and dispose of liquid hydrocarbons from such Gas by means it deems necessary, including via low temperature separation.

(v) No Obligation to Develop. Notwithstanding anything else in this Agreement that may be construed to the contrary, Producer reserves the right to develop and operate its leases and wells as it sees fit, in its sole discretion, and Producer shall have no obligation to Processor under this Agreement to develop or otherwise produce Gas or other hydrocarbons from any properties owned by it, including any properties now or hereafter located within the Dedicated Area or the lands pooled or unitized therewith.

Section 2.2 Release from Dedication.

(a) Immediate Temporary Release. If for any reason including Force Majeure (but not including a pressure problem which is addressed in Section 3.5), Processor does not take all or any portion of Producer's Gas delivered or otherwise available for delivery at a Delivery Point, Producer shall be entitled to an immediate temporary release from dedication of such volume of Producer's Gas, and may dispose of such Gas in any manner it sees fits, subject to Processor's right to resume receipts at a subsequent time when Processor is able to take all of Producer's Gas available for delivery at the Delivery Point in accordance with the terms of this Agreement, provided however if during such temporary release period Producer secures a different temporary market, Processor may resume receipts only upon thirty (30) days' advance written notice and only as of the beginning of a Month, unless otherwise agreed.

(b) Permanent Release. In addition to Section 2.2(a), above, if Processor does not take and process all or any portion of Producer's Gas for delivery at a Delivery Point for any reason (including a failure to meet quality requirements for nitrogen, but not including (i) a failure to meet quality requirements other than for nitrogen as set forth above, for which no permanent release shall be available, or (ii) a pressure problem, which is addressed in Section 3.5) for a cumulative thirty (30) Days in any ninety (90) Day period, unless such failure is caused by Force Majeure, in which case a cumulative 180 Days in any 365-Day period, then upon Producer's written notice to Processor, Processor shall have fifteen (15) Days from receipt of such notice to propose a feasible plan to Producer that shall resolve such issue, at Processor's sole cost and expense, within sixty (60) Days after proposing such plan (the "**Resolution Period**"). If (A) Processor fails to propose a resolution within the stated fifteen (15) Days, (B) the issue is not resolved after completion of Processor's resolution, or (C) Processor does not complete such resolution within the Resolution Period (but if Processor's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days), Producer may elect within 30 days following Processor's failure to propose a resolution, the completion of such inadequate resolution or the expiration of such Resolution Period, as applicable, by giving written notice to Processor, a permanent release from dedication as to the affected Delivery Point and the portion(s) of the Dedicated Area associated with such Delivery Point (and such released portion(s) shall be stated in terms of acreage); provided, however, Producer shall

not be entitled to the foregoing remedy to the extent that Producer's good-faith estimate of the affected volumes exceeds the last 2-Year Forecast Producer delivered to Processor in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Processor (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive.

(c) Release by Upstream Gatherer. Delivery of Producer's Gas to Processor hereunder is dependent upon the performance of upstream gathering facilities to which Producer has made a dedication similar to the dedication under this Agreement. To the extent that Producer's dedication under such upstream contracts is released, Producer shall receive a corresponding release from dedication under this Agreement.

Section 2.3 No Election of Remedies. Producer's exercise of any right to a release from dedication under Section 2.2 shall not be deemed as an election of remedies for any unexcused failure of Processor to perform any obligation under this Agreement, and Producer shall be entitled to any and all other remedies, including specific performance and injunctive relief (without the need to post any bond).

Section 2.4 Processing and Related Services. Subject to the terms and conditions of this Agreement, each Month during the Term Processor shall provide, or cause to be provided the following services, each on a Firm Basis (collectively, the "**Services**"):

(a) receive, or cause to be received, Producer's Gas at the Delivery Points up to the capacity of the Processor's Facilities ("**Plant Capacity**");

(b) receive, or cause to be received, condensate at the Delivery Points;

(c) dehydrate, compress, and/or treat all of Producer's Non-Processable Gas at the Central Conditioning Facilities and purchase or deliver for Producer's account such Producer's Non-Processable Gas;

(d) dehydrate, compress, treat, and/or remove Plant Products from all of Producer's Processable Gas at Processor's facilities;

(e) for Processable Gas to be delivered to the Cryos, compress and redeliver such Producer's Gas into a high pressure gathering system and re-accepting such Producer's Gas at the Cryos;

(f) purchase or deliver for Producer's account all Producer's Residue Gas and Plant Products for volumes attributable to Producer's Processable Gas;

(g) construct and place in operation at least three Cryogenic Processing Facilities by the following dates (subject to Force Majeure provided that Force Majeure shall not extend any of the following deadlines by more than 3 months):

(i) Cryo #1 will be Operational on or before July 1, 2019;

(ii) Cryo #2 will be Operational on or before October 1, 2019;

(iii) Cryo #3 will be Operational on or before January 1, 2020; and

(iv) Additional Cryos as required by Section 2.4(h)(ii) within 18 months of Producer's notice that it has met the criteria set forth in Section 2.4(h)(ii)

Upon the designated Operational dates above (including the permitted Force Majeure extensions), Processor shall be obligated to deliver and process at the Cryogenic Processing Facilities a volume of Processable Gas from Producer and Similarly Situated Customers equal to one hundred percent (100%) of the aggregate design capacity of all Cryos that are or should then be Operational prior to processing the Gas of any non-Similarly Situated Customer at a Cryo. If a Cryogenic Processing Facility is not Operational by the required deadline the design capacity of such Cryo shall be deemed to be 200 MMcf per day for purposes of calculating the Minimum Cryo Volume. Notwithstanding Section 6.1, if Processor delivers a volume of Processable Gas equal to less than [***] percent ([***]%) of the aggregate design capacity of all Cryos that are or should be Operational (such volume, the "**Minimum Cryo Volumes**") to Cryogenic Processing Facilities, the portion of the Minimum Cryo Volume not processed at a Cryo and attributable to Producer's Processable Gas shall have [***]. Furthermore, In the event that Processor processes Gas from a non-Similarly Situated Customer in a Cryo(s) prior to processing all of Producer's Processable Gas in a Cryo(s), then Producer shall have [***] with respect to the volume of Producer's Processable Gas that should have been but was not processed at a Cryo(s).

(h) subject to Section 18.3, expand its Facilities pursuant to the following requirements:

(i) Central Conditioning Facilities. Processor shall have available capacity at the Central Conditioning Facilities to receive, and Processor shall receive, on a Firm basis, one hundred percent (100%) of Producer's Non-Processable Gas ("**Capacity Commitment**"). In order to satisfy the Capacity Commitment, Processor shall, at Processor's sole expense, undertake an expansion of existing infrastructure or construct and/or install new Central Conditioning Facilities (i) if the then-existing throughput in existing Central Conditioning Facilities exceeds eighty percent (80%) of the design capacity, and (ii) if Producer's 2-Year Forecast plus Third Party Gas for Similarly Situated Customers for Non-Processable Gas exceeds one hundred five percent (105%) of the designated design capacity for existing Central Conditioning Facilities;

(ii) Cryos. Processor shall, at Processor's sole expense, undertake an expansion of existing and currently planned infrastructure or construct and/or install new infrastructure within a Cryo (i) if the then-existing throughput in existing and currently planned Cryos exceeds eighty percent (80%) of the Cryos design capacity, and (ii) if Producer's 2-Year Forecast plus Third Party Gas for Similarly Situated Customers for Processable Gas exceeds one hundred five percent (105%) of the designated design capacity for existing and currently planned Cryos;

(i) perform such other obligations and actions as are described under this Agreement.

Processor shall perform all Services and operate Processor's Facilities consistent with industry standard and in a prudent, workmanlike manner.

Notwithstanding anything in this Agreement to the contrary, Producer shall not be entitled to Services on a Firm basis on any Processor's Facilities, or any portions of the Processor's Facilities, that have been built by Processor exclusively to service Gas volumes delivered by any Third Party customer.

Section 2.5 Recovery Rates and Take In-Kind Rights.

(a) Recovery Rates. Subject to Producer's Ethane Rejection Option, Processor shall determine Producer's share of Residue Gas and Plant Products within the Processor's Facilities based on actual recovery rates (including condensate fallout upstream of the Processor's Facilities) and the allocation methodology shown on Exhibit F.

(b) Ethane Rejection Mode. For Producer's Gas allocated to a Cryogenic Processing Facility, Processor grants Producer an option exercisable by giving Processor at least 5 Days' notice prior to the beginning of a Month to have Processor operate its Cryogenic Processing Facilities in ethane rejection mode ("**Ethane Rejection Option**"), and Producer's election of the Ethane Rejection Option shall continue to apply for successive Months until Producer provides notice otherwise to Processor at least 5 Days prior to the beginning of a Month. For each Month in which the Ethane Rejection Option applies, if Processor is prohibited by the specifications of downstream pipelines from operating Processor's Facilities in ethane rejection mode, Processor shall operate the Cryos at the lowest ethane recovery rate allowed by the specifications of the downstream pipelines.

(c) Take In-Kind - Residue Gas. For each Calendar Year during the Term, Producer shall have the right to take its Residue Gas in-kind. Producer elects to take its Residue Gas in-kind at the Residue Gas Redelivery Point as of the Effective Date of this Agreement. This election shall remain in effect until Producer provides notice to Processor at least one hundred eighty (180) Days prior to beginning of the Calendar Year that Producer no longer elects to take its Residue Gas in-kind, and such election to no longer take in-kind shall continue for the remainder of the Term. For any Calendar Year the Producer elects to take its Residue Gas in-kind, Processor shall not be required to pay the Residue Gas Price. Additionally, during any such Calendar Year, the "Take In-Kind Terms" set forth in Article VIII and Exhibit E, as well as the applicable title, possession, and liability provisions of Article XIII and Article XIV shall apply.

(d) Take In-Kind - Plant Products. For each Calendar Year during the Term, Producer shall have the right to take its Plant Products in-kind. Producer elects to take its Plant Products in-kind at the Plant Products Redelivery Point as of the Effective Date of this Agreement. This election shall remain in effect until Producer provides notice to Processor at least one hundred eighty (180) Days period to the beginning of the Calendar Year that Producer no longer elects to take its Plant Products in-kind, and such election to no longer take in-kind shall continue for the remainder of the Term. For any Calendar Year that Producer elects to take its Plant Products in-kind, Processor shall not be required to pay the Plant Products Price. Additionally, during any such Calendar Year, the "Take In-Kind Terms" set forth in Article IX and Exhibit E, as well as the applicable title, possession, and liability provisions of Article XIII and Article XIV shall apply.

Section 2.6 Modification of System Capacity. Other than during periods of emergency and/or required Maintenance, Processor shall not take, without Producer's prior written consent, any action that

could cause the Plant Capacity to be reduced in a manner that negatively affects Producer's ability to deliver Gas to any Delivery Point.

Section 2.7 Priority of Gas Services; Curtailment. Processor covenants that it shall not oversubscribe the Processing Facilities or take additional production into the Processing Facilities if, as a result, Processor is unable to perform its Service obligations under this Agreement. Processor agrees to not provide services of any kind for any Third Party Gas on a basis that has a priority (i) higher than or (ii) equal to that to which Producer is entitled under this Agreement without Producer's prior written consent; provided, however, that in the case of (ii), such consent shall not be unreasonably withheld if the Third Party agreement shall not be reasonably expected to impact Processor's ability to perform its obligations to Producer under this Agreement. If for any reason, including, without limitation, Force Majeure, maintenance, or constraints at Redelivery Point(s), Processor needs to curtail receipt, processing or delivery of Gas at the Processor's Facilities, the following procedures shall be followed:

(a) First, Gas deliveries from all customers other than Producer and Similarly Situated Customers shall be curtailed prior to any curtailment or interruption of Producer's Gas or Gas from Similarly Situated Customers; and

(b) Second, if additional curtailments are required beyond Section 2.7(a) above, Processor shall notify Producer and the Similarly Situated Customers of such curtailment and require good faith estimates of expected gas volumes from Producer and Similarly Situated Customers. Processor shall then allocate the Plant Capacity at the affected Delivery Point on a pro rata basis based upon Producer's and each Similarly Situated Customer's respective good faith estimates for the affected point.

Section 2.8 Third Party Gas. Processor agrees that it shall not accept Third Party Gas into the Processor's Facilities if such Third Party Gas shall cause Producer's Gas to not meet the Redelivery Point Gas Quality Specifications.

Section 2.9 Operation and Maintenance of Processor's Facilities. Processor shall (i) be entitled to complete operational control of the Processor's Facilities and (ii) construct, install, own, operate, and maintain, at its sole cost, risk and expense, the facilities in accordance with all applicable laws, as a reasonably prudent operator and, to the extent reasonably possible, in a cost-efficient and effective manner for Producer.

Section 2.10 Commingling. The Parties agree that Producer's Gas may constitute part of the supply of Gas from multiple sources, and Processor shall have the right, subject to Processor's obligations under this Agreement, to commingle Producer's Gas with other Gas, to deliver Residue Gas and Plant Products containing molecules different from those received at the Delivery Points, and to handle the molecules delivered at the Delivery Points in any manner.

Section 2.11 Acquisitions by Affiliates of Producer. If any Affiliate of Producer acquires any fee ownership, working interest ownership, mineral ownership, leasehold ownership, farmout, or other contractual arrangement or arising from any pooling, unitization, or communitization of any of the foregoing rights within the Dedicated Area ("**Affiliate Interests**"), then Producer shall use its best efforts to cause any applicable Affiliate of Producer who acquires such Affiliate Interests to execute and deliver to Processor (i) a joinder to this Agreement in the form of Exhibit J attached hereto and (ii) a memorandum of this Agreement in the form set forth on Exhibit G. In the event that an Affiliate of Producer becomes a Producer

under this Agreement, the liabilities of Producer and each such Affiliate of Producer shall be several and not joint.

Section 2.12 Producer's Right to Deliver Other Gas. Subject to the terms and conditions of this Agreement and availability of capacity, Producer shall have the continuing right to deliver Producer's equity Gas production and Gas that Producer controls as operator on behalf of non-operating partners from outside of the Dedicated Area to Processor at any one or more Delivery Point(s), and Processor shall provide the Services for such Gas at Processor's Facilities; provided that such Gas shall not be dedicated under this Agreement.

ARTICLE III

DELIVERY POINTS AND PRESSURE

Section 3.1 Delivery Points. The delivery points for all Producer's Gas delivered by Producer under this Agreement shall be the location where Producer's Gas enters the inlet flange of the Processor's Facilities located at the points identified on Exhibit B of this Agreement (each, a "**Delivery Point**," and together, the "**Delivery Points**").

Section 3.2 Pressure at Delivery Points. Producer shall cause Producer's Gas to be delivered to the Delivery Points at a pressure sufficient to enter the Processor's facilities, provided that Processor maintains the operating pressures at not more than (a) [***] psig at the inlet flange of the on-skid compressor inlet suction scrubber of the Central Conditioning Facilities and (b) [***] psig at the inlet flange of the on-skid compressor inlet suction scrubber of the Central Processing Facilities and at all other Delivery Points other than the inlet to the Cryogenic Processing Facilities. Producer shall not deliver Gas at a pressure in excess of the MAOP at the Delivery Point, as such MAOP may exist from time to time. As of the Effective Date, the MAOP at each Delivery Point shall be listed on Exhibit B, and Processor shall give written notice to Producer at any time thereafter that the MAOP for any Delivery Point changes and for each additional Delivery Point when it is added.

Section 3.3 Pressure at Residue Gas Redelivery Points. If Producer elects to take its Residue Gas in-kind, Processor shall redeliver Residue Gas at a pressure sufficient to enter the receiving facilities at such Residue Gas Redelivery Point, but shall not deliver such Gas at a pressure in excess of the MAOP of such receiving facilities, as such MAOP may exist from time to time.

Section 3.4 Pressure at Plant Product Redelivery Points. If Producer elects to take its Plant Products in-kind, Processor shall redeliver Plant Products at a pressure sufficient to enter the receiving facilities at each Plant Product Redelivery Point, but shall not deliver such Plant Products at a pressure in excess of MAOP of such receiving facilities, as such MAOP may exist from time to time.

Section 3.5 Release Rights. At any time that the operating pressure at a Delivery Point is not in compliance with the required operating pressure or is in excess of the MAOP for any reason, including Force Majeure, Producer shall be entitled to an immediate temporary release from dedication and may immediately dispose of and/or deliver to any third Person any of Producer's Gas available for delivery at such Delivery Point. In the event the operating pressure is not in compliance with the required pressure

for a cumulative thirty (30) Days in any ninety (90) Day period for reasons other than Force Majeure, then upon Producer's written notice to Processor, Processor shall have fifteen (15) Days from receipt of such notice to propose a feasible plan that shall, at Processor's sole cost and expense, resolve the pressure issue within sixty (60) Days after proposing such plan (the "**Resolution Period**") so that the pressure shall be maintained in compliance with the required pressure (including when all available Gas is delivered to the Delivery Point(s), i.e., including all of Producer's Gas that may have been temporarily released). If (a) Processor fails to propose a resolution within the stated fifteen (15) Days, (b) the issue is not resolved after completion of Processor's resolution, or (c) Processor does not complete its proposed resolution within the Resolution Period for any reason (but if Processor's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days), then Producer may elect, by giving written notice to Processor, to either (i) a permanent release from dedication as to any affected Delivery Point(s) and the portion(s) of the Dedicated Area associated with such Delivery Point(s) (and such released portion(s) may be stated in terms of wells and/or acreage) or (ii) until the pressure issue has been resolved, [***] percent ([***]%) reduction in the then-existing applicable Fees for a volume of Gas equal to Producer's good-faith estimate of the volumes that would have been delivered to the affected Delivery Points under this Agreement; provided, however, Producer shall not be entitled to the remedies set forth in either subsection (i) or subsection (ii) to the extent that (x) any Receipt Point(s) upstream of the Delivery Point are in compliance with the Required Pressure (as defined in the Gas Gathering Agreement between Producer and Alpine High Gathering LP dated July 1, 2018) for such Receipt Point(s) or (y) Producer's good-faith estimate of volumes exceeds the last 2-Year Forecast Producer delivered to Processor in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Processor (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive. Producer's right to a release from dedication or Fee reduction under this Section 3.5 shall not be deemed an election of remedies, and Producer shall be entitled to any and all other remedies, including specific performance and injunctive relief (without the need to post any bond).

ARTICLE IV

GAS QUALITY

Section 4.1 Gas Quality Specifications. Producer's Gas delivered to a Central Processing Facility or a Cryogenic Processing Facility shall meet the Gas Quality Specifications set forth in Exhibit D-1. Producer's Gas delivered to a Central Conditioning Facility shall meet the Gas Quality Specifications set forth in Exhibit D-2. Producer, at its sole election, may [***]. Producer must provide Processor nine (9) Months' advance written notice of its desire to [***]. Upon Processor's receipt of such election, the changes shall be effective on the 1st Day of the Month following the nine (9)-Month notice period.

Section 4.2 Non-Conforming Gas. If at any time Processor becomes aware that Producer's Gas at a Delivery Point fails to conform to the applicable Gas Quality Specifications set forth in Exhibit D-1, or Exhibit D-2 ("**Off-Spec Gas**"), then Processor shall promptly give Producer written notice of the deficiency, and Producer shall take commercially reasonable steps to remedy the deficiency. Processor shall use all commercially reasonable efforts to accept such Off-Spec Gas, as long as (i) Processor is able to accept such Off-Spec Gas without unreasonable risk of harm to the Processor's Facilities or to the Processor's Facilities personnel, (ii) the acceptance of such Off-Spec Gas does not render the Processor's Facilities unable to meet the Redelivery Point Gas Quality Specifications, and (iii) Processor's receipt of the Off-Spec Gas shall not be construed as a change of requirements for future volumes delivered to the Processor's Facilities. Processor may immediately cease taking any Off-Spec Gas that Processor deems would be harmful to the Processor's Facilities or the Processor's Facilities personnel.

Section 4.3 Reimbursement for Costs and Expenses. Producer shall reimburse Processor for actual, reasonable costs and expenses directly resulting from damage to the Processor's Facilities, or to other customers' Gas therein, to the extent such damage is directly caused by the delivery to the Processor's Facilities of Producer's Gas that is Off-Spec Gas, *except* when Processor knowingly accepts such Off-Spec Gas into the Processor's Facilities. ***Notwithstanding the above or anything else in this Agreement, Producer's responsibility under this Section 4.3 shall be for actual, direct damages only, and in no event shall this Section 4.3 require Producer to pay or in any way be responsible for the Consequential Damages of any Person***.

ARTICLE V

MEASUREMENT

Section 5.1 Equipment and Specifications. Producer's Gas delivered to the Processor's Facilities shall be measured by Processor at each Receipt Point, each Delivery Point, and any point on the gathering system upstream of Processor's Facilities where buyback gas is redelivered to Producer, and the Residue Gas and Plant Products shall be measured at the meter(s) at the applicable Redelivery Point(s). Additionally, Processor shall measure any gas consumed as fuel or flared at its facilities. The meters and appurtenant facilities shall be installed, operated, and maintained by Processor in accurate working order and condition, in accordance with the requirements set forth in this Article V, with good and workmanlike standards generally practiced by reasonably prudent gas processing operators, and in accordance with all laws.

Section 5.2 Gas Meter Standards. Orifice meters installed in such measuring stations for Gas shall be constructed and operated in accordance with ANSI/API 2530 API 14.3, AGA Report No. 3, Orifice

Metering of Natural Gas and Other Related Hydrocarbon Fluids (including as it may be revised from time to time) and shall include the use of flange connections and, where necessary, straightening vanes, flow conditioners and/or pulsation dampening equipment. Ultrasonic meters or Coriolis meters installed in such measuring stations shall be constructed and operated in accordance with AGA Report No. 9, Measurement of Gas by Ultrasonic Meters, First Edition, and AGA Report No. 11, Measurement of Natural Gas by Coriolis Meter, respectively; and any subsequent modification and amendment thereof generally accepted within the Gas industry. Electronic flow computers shall be used and the Gas shall have its volume, mass, and/or heat content computed in accordance with the applicable AGA standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7, 8 and API 21.1 "Flow Measurement Using Electronic Metering Systems" and any subsequent modifications and amendments thereof generally accepted within the Gas industry. When Gas chromatographs are used they shall be installed, operated, maintained, and verified according to industry standards (GPA 2261, GPA 2145, GPA 2172, and GPA 2177).

Section 5.3 Notice of Measurement Equipment Inspection and Calibration. Each Party shall give seventy-two (72) hours' notice to the other Party in order that the other Party may, at its option, have representatives present to observe any reading, inspecting, testing, calibrating, or adjusting of measuring equipment used in measuring or checking the measurement of receipts or deliveries of Gas under this Agreement. The official electronic data from such measuring equipment shall remain the property of the measuring equipment owner, but copies of such records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 5.4 Measurement Accuracy Verification. Each Party shall verify the accuracy of all transmitters, flow computers, and other equipment used in the measurement of the Gas hereunder at intervals not to exceed one hundred eighty (180) Days and cause such equipment to be adjusted or calibrated as necessary. Testing frequency shall be based upon each Delivery Point flow rate (Mcf/Day). Any flow rate at a Delivery Point that is: (x) greater than 1,000 Mcf/Day shall be tested Monthly, (y) between 101 and 1,000 Mcf/Day shall be tested quarterly, and (z) less than 100 Mcf/Day shall be tested semi-annually. Neither Party shall be required to cause adjustment or calibration of such equipment more frequently than once every Month, unless a special test is requested pursuant to Section 5.5. If, upon testing, (i) no adjustment or calibration error is found that results in an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) or (ii) any quantity error is not greater than two hundred fifty (250) Mcf per Month, then any previous recordings of such equipment shall be considered accurate in computing deliveries but such equipment shall be adjusted or calibrated at once. If, during any test of the measuring equipment, an adjustment or calibration error is found that results in (i) an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) and (ii) a quantity error greater than two hundred fifty (250) Mcf per Month ("**Material Measurement Error**"), then any previous recordings of such equipment shall be corrected to zero error for any period during which the error existed (and which is either known definitely or agreed to by the Parties) and the total flow for such period shall be determined in accordance with the provisions of Section 5.6. If the period of error condition cannot be determined or agreed upon between the Parties, such correction shall be for a period extending over the last one half (1/2) of the time elapsed since the date of the last test.

Section 5.5 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 5.4) of any measuring equipment, seventy-two (72) hours' advance notice shall be given to the other Party and, after providing such notice, such test shall be promptly performed. If no Material Measurement Error is found, the Party requesting the test shall pay the costs of such special test including any labor and transportation costs pertaining thereto. If a Material Measurement Error is determined to exist, the Party responsible for such measurement shall pay such costs and perform any corrections required under Section 5.4.

Section 5.6 Metered Flow Rates in Error. If, for any reason, any measurement equipment is (i) out of adjustment, (ii) out of service, or (iii) out of repair, and, in each case, a Material Measurement Error exists as a result thereof, the total quantity of Gas delivered shall be determined in accordance with the first of the following methods which is feasible:

(a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 5.4);

(b) where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering; or

(c) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Section 5.7 Record Retention. Processor shall retain and preserve all test data, charts, and similar records for any Calendar Year for a period of at least sixty (60) Months, unless any applicable Law requires a longer time period or Processor has received written notification of a dispute involving such records, in which case all records shall be retained until the related issue is resolved.

Section 5.8 Correction Factors for Volume Measurement. The computations of the volumes of Gas measured shall be made as follows:

(a) The hourly orifice coefficient for each meter shall be calculated at the base pressure of fourteen and sixty-five hundredths (14.65) psia and the base temperature of sixty (60) degrees Fahrenheit. All Gas volume measurements shall be based on a local atmospheric pressure assumed to be thirteen and seven-tenths (13.7) psia.

(b) The flowing temperature of the Gas shall be continuously measured. In the case of electronic metering, such temperature measurement shall be used as continuous input to the flow computer for calculation of Gas volume, mass and/or energy content in accordance with the applicable AGA or API 21.1 standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7 and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(c) Measurements of inside diameters of pipe runs and orifices shall be obtained by means of a micrometer to the nearest one-thousandth of an inch, and such measurements shall be used in computations of coefficients.

(d) In determining the volume of Gas, when electronic transducers and flow computers are used, the Gas shall have its volume, mass and/or energy content continuously integrated in accordance with the applicable AGA standards including, but not limited to, AGA report Nos. 3, 5, 6, 7 and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(e) In calculating the volume of Gas, deviation from Boyle's Law at the pressure, specific gravity, and temperature for each measurement shall be determined by use of AGA Report No. 8, Compressibility Factors for Natural Gas and Other Related Hydrocarbon Gases, published by the AGA in conjunction with Gas Measurement Committee Report No. 3 and amendments thereto generally accepted within the Gas industry.

(f) Whenever the conditions of pressure and temperature differ from the standards described herein, conversion of the volume from these conditions to the standard conditions shall be made in accordance with the Ideal Gas Laws, corrected for deviation by the methods set forth in the AGA Gas Measurement Committee Report No. 3, as said report may be amended from time to time.

Section 5.9 Exception to Gas Measurement Basis. If at any time the basis of measurement set out in this Agreement should conflict with any Law, then the basis of measurement provided for in such Law shall govern measurements hereunder.

Section 5.10 Gas Sampling. Receipt Point meters downstream of new wells or wells that have been changed due to a workover or other well bore alteration that could alter the Gas composition shall be sampled Monthly until the analyses demonstrate reasonable consistency. After such time, said meters shall then be sampled at the stated calibration frequency. Processor shall install and maintain a Gas composite sampler at each of the Receipt Points.

(a) Receipt Points and Delivery Points. The composition, specific gravity and Gross Heating Value of Producer's Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through an on-line chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(b) Residue Gas Redelivery Points. The composition, specific gravity, and Gross Heating Value of Producer's Residue Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through either an on-line Gas chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(c) The specific gravity of Gas at all applicable measurement points shall be determined by a Gas chromatographic component analysis to the nearest one thousandth (0.001) of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

(d) The Gross Heating Value shall be measured by Gas chromatographic analysis or component analysis of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

(e) The Gas received by Processor at Delivery Points other than those at the inlet of a Cryogenic Processing Facility shall be deemed as saturated with water and the Gas shall be measured and settled as saturated at base pressure and base temperature.

Section 5.11 Modifications to Measurement Procedures. In the event the measurement procedures herein cease to be reflective of actual operations or become inequitable in any respect, such measurement procedures shall be modified to reflect actual operations and to remove such inequities, as long as such modified measurement procedures are consistently applied to Producer and all other customers at the Processor's Facilities.

Section 5.12 Substitute Measurement and Sampling. Notwithstanding anything in this Article V to the contrary, for any of the Receipt Point(s) where Producer has installed a meter in accordance with the standards set forth in Section 5.2, Processor shall not be obligated to install its own meter and may use the measurements and samples taken by Producer at the Receipt Point(s). Additionally, notwithstanding anything in this Article V to the contrary, Processor is not obligated to install its own meter at a Delivery Point and may use aggregate measurements and samples taken at all Receipt Points upstream of such Delivery Point. When relying on Producer's Receipt Point meters, Processor shall have the right to witness meter provings and have access to raw measurement data collected. For the avoidance of doubt, if Processor installs its own Receipt Point meters or any upstream gatherer installs a Receipt Point meter and makes it available to Processor, then Processor shall use such meters, as appropriate, for custody transfer measurement under this Agreement.

ARTICLE VI.

FEES, FUEL, AND CONSIDERATION

Section 6.1 Fees.

(a) Non-Processable Gas. Producer shall pay to Processor the Central Conditioning Fee, set forth in Exhibit C, for all Producer's Non-Processable Gas.

(b) Processable Gas. Producer shall pay to Processor the applicable Fees, set forth in Exhibit C, for all Producer's Processable Gas, illustrated by the following formula.

PF = (CPF x A) + (CRO x B)

Where:

PF = Total Processing Fees

CPF = Producer's CPF Volumes (as defined in Exhibit F, Paragraph 3)

CRO = Producer's Cryo Volumes (as defined in Exhibit F, Paragraph 4)

A = Central Processing Fee

B = Cryogenic Processing Fee

Section 6.2 FL&U. For Services provided at the Central Conditioning Facility, Central Processing Facility, or Cryogenic Processing Facility to which Producer's Gas is delivered, Producer shall bear responsibility for FL&U, as set forth on Exhibit C.

Section 6.3 Fee Adjustment. On each anniversary of the Effective Date, all Fees shall each be automatically adjusted upward or downward by the percentage change in the Chained Consumer Price Index for All Urban Consumers, all items less food and energy, as and when published and considered final by the U.S. Department of Labor Bureau of Labor Statistics calculated for the twelve (12) Months immediately preceding the date of escalation; *provided*, *however*, no Fee shall ever be adjusted below its original amount as of the Effective Date; and, *provided*, *further*, that the amount of adjustment for each year shall not exceed [***] percent ([***]%) per annum.

Section 6.4 Most Favored Nations. If, any time during the Term of this Agreement, Processor agrees to provide Services to any Third Party customer on Processor's Facilities for any individual Fees that are less than any of Producer's Fees, then Processor will immediately notify Producer in writing of such agreement with a description of the applicable processing fees, treating fees, product allocation percentages (including allocations of drip or condensate), and fuel (such commercial terms and only such terms, collectively, the "**Proposed Commercial Terms**"). Within thirty (30) Days of Producer's receipt of such notice, Producer shall notify Processor in writing if Producer wishes to amend this Agreement to incorporate the Proposed Commercial Terms for the remainder of the Term, and in such case the Parties will enter into an amendment to this Agreement to incorporate the Proposed Commercial Terms.

ARTICLE VII

PRICE AND ALLOCATIONS

Section 7.1 Residue Gas and Plant Products Purchases. Except to the extent that Producer has elected to take its Residue Gas and/or its Plant Products in-kind pursuant to Sections 2.5(c) and 2.5(d), as full consideration for Producer's Residue Gas and Producer's Plant Products attributable to Producer's Gas and all its components delivered to Processor each month at the Delivery Point, Processer shall pay Producer: (i) the Residue Gas Price for each MMBtu of Producer's Residue Gas and (ii) the Plant Products Price for each gallon of each component contained in Producer's Plant Products. No separate payment is due under this Agreement for helium, sulfur, CO_2, or other non-hydrocarbons.

Section 7.2 Allocation of Residue Gas and Plant Products. Processor shall determine, on a Monthly basis, the Residue Gas and Plant Products attributable to Producer's Gas on a proportional basis by component using the allocation methodologies set forth in Exhibit F. From time to time Processor may make changes and adjustments in its allocation methods to improve accuracy, provided that Processor provides written notice, evidencing the reasons for the necessary changes and adjustments, to Producer prior to making such changes or adjustments.

ARTICLE VIII

RESIDUE GAS REDELIVERY PROCEDURES

Section 8.1 Procedure for Residue Gas Disposition. When Producer has elected to take its Residue Gas in-kind, Processor shall return to Producer, or for Producer's account, Producer's Residue Gas at the Residue Gas Redelivery Points.

Section 8.2 Disposition of Producer's Residue Gas. Producer shall arrange for the disposition and sale of Producer's Residue Gas actually delivered to Producer or for Producer's account. If Producer fails to provide for the disposition and sale of that Residue Gas (i.e., Producer fails to nominate on a downstream pipeline), Processor shall, in a commercially reasonable manner, arrange for disposition and sale of that Residue Gas and shall remit the net proceeds to Producer after deductions for all reasonable transportation charges, a marketing fee of $0.05 per MMBtu, and other actual, reasonable costs associated with the disposition and sale of Producer's Residue Gas. Processor's remittance of such net proceeds to Producer shall include the gross sales proceeds at which such Residue Gas was sold and reasonably detailed documentation of all such costs and charges deducted from such gross sales proceeds.

Section 8.3 Quality. The Residue Gas delivered by Processor from the Processor's Facilities to Producer or for Producer's account at the Residue Gas Redelivery Point(s) must meet all quality specifications of the Producer's designated receiving pipeline(s), as such quality specifications are in effect as of the Effective Date, and if at any time after the Effective Date the applicable receiving pipeline changes its quality specifications to be more stringent, Processor shall have the right to make corresponding revisions to the quality specifications set forth in Exhibit D in amounts consistent with the receiving pipeline's changes. Any Residue Gas redelivered by Processor which does not conform with all of the aforesaid quality requirements is referred to herein as "**Non-Conforming Residue Gas**". If Processor fails to redeliver Residue Gas on behalf of Producer that meets all quality specifications of the receiving pipeline, in addition to any other remedy available to Producer at law or in equity, Processor shall be responsible for, and shall indemnify, defend, and hold harmless Producer Indemnified Parties and its and their officers, agents, employees, and contractors, and all third parties located downstream of Processor's facilities, from and against any and all damages, losses, fines, penalties, fees, charges, claims, demands, suits, actions, causes of action, obligations, liabilities (including, without limitation, for injury, death or damage to property), contractual liabilities, and reasonable expenses and costs (including, without limitation, court costs, reasonable attorney's fees, and all other reasonable costs and expenses incurred in investigating and defending any of the above) to the extent directly arising from Processor's delivery of Non-Conforming Residue Gas. Further, Processor shall be responsible for all reasonable costs and expenses incurred by Producer in order to avoid any fees or fines charged by any downstream transporter for so long as Processor delivers Non-Conforming Residue Gas and so long as such fees or fines are charged.

ARTICLE IX

PLANT PRODUCTS REDELIVERY PROCEDURES

Section 9.1 Procedure for Plant Product Disposition. When Producer has elected to take its Plant Products in-kind, Processor shall return to Producer, or for Producer's account, Producer's Plant Products at the Plant Products Redelivery Points in the form of raw mix of natural gas liquids.

Section 9.2 Disposition of Producer's Plant Products. Producer shall arrange for the disposition and sale of its share of Plant Products actually delivered to Producer or for Producer's account. If Producer fails to provide for the disposition and sale of its share of Plant Products actually delivered to it, Processor may arrange for disposition and sale of those Plant Products and Processor shall remit the net proceeds to

Producer after deductions for all actual, reasonable transportation and fractionation charges, a marketing fee of $0.005 per Gallon, and other actual, reasonable costs associated with the disposition and sale of such Plant Products. Processor's remittance of such net proceeds to Producer shall include the price at which each Plant Product was sold and reasonably detailed documentation of all such costs and charges deducted from such sale price.

Section 9.3 Quality. The Plant Products delivered by Processor to Producer or for Producer's account at the Plant Products Redelivery Points must meet all quality requirements of the Producer's designated receiving pipeline(s), as such quality specifications are in effect as of the Effective Date, and if at any time after the Effective Date the applicable receiving transporter changes its quality specifications to be more stringent, Processor shall have the right to make corresponding revisions to the quality specifications set forth in Exhibit D in amounts consistent with the receiving transporter's changes. Any Plant Products redelivered by Processor which do not conform with all of the aforesaid quality requirements is referred to herein as "**Non-Conforming Plant Products**". If Processor fails to redeliver Plant Products on behalf of Producer that meet all quality specifications of the receiving transporter, in addition to any other remedy available to Producer at law or in equity, Processor shall be responsible for, and shall indemnify, defend, and hold harmless Producer Indemnified Parties and its and their officers, agents, employees, and contractors, and all third parties located downstream of Processor's facilities, from and against any and all damages, losses, fines, fees, charges, penalties, claims, demands, suits, actions, causes of action, obligations, liabilities (including, without limitation, for injury, death or damage to property), contractual liabilities, and reasonable expenses and costs (including, without limitation, court costs, reasonable attorney's fees, and all other reasonable costs and expenses incurred in investigating and defending any of the above) to the extent directly arising from Processor's delivery of Non-Conforming Plant Products. Further, Processor shall be responsible for all reasonable costs and expenses incurred by Producer in order to avoid any fees or fines charged by any downstream transporter for so long as Processor delivers Non-Conforming Plant Products and so long as such fees or fines are charged.

ARTICLE X

PAYMENTS

Section 10.1 Payments and Invoices. Processor shall provide Producer with a detailed statement and supporting documentation for the net amount of all consideration due from Producer to Processor under the terms of this Agreement (net of any amounts due from Processor to Producer under this Agreement), not later than the last Day of the Month immediately following the Month for which the consideration is due (such statement, the "**Monthly Statement**"); *provided* that if measurements are based on those of Producer at the Receipt Point(s)as permitted in Section 5.12, then Processor is not required to provide the Monthly Statement until at least ten (10) Days after Producer provides its measurements at the Receipt Point(s). Not later than thirty (30) Days following Producer's receipt of a Monthly Statement, Producer shall pay to Processor all net amounts due and owing from Producer to Processor under the Monthly Statement. If a good faith dispute arises as to a Monthly Statement, Producer shall provide Processor a written notice of dispute on or before the date payment is due for same, setting forth, in reasonable detail, the grounds for such dispute. Notwithstanding the delivery of a dispute notice, Producer shall pay to Processor the undisputed portions of each Monthly Statement in accordance with the terms of this Agreement. Any amounts owing by Processor to Producer shall be paid simultaneously with delivery of the Monthly Statement. Payments to either Party shall be according to the applicable payment instructions

set forth in Article XVI. If any payment due date falls on a non-Business Day, the payment shall be due on the first Business Day thereafter.

Section 10.2 Netting, Offset of Amounts Due. Either Party shall have the right to offset any undisputed amounts due by it under this Agreement against any undisputed amounts due to it under this Agreement and pay the net amount due to the other Party.

Section 10.3 Interest on Late Payments. In the event either Party fails to make timely payment of any amount when due under this Agreement (including any disputed amount which is later found to have been correct when payment was first requested), interest shall accrue, from the date payment was due until the date payment is made, at an annual rate equal to the lower of: (a) the prime rate as published in the "Money Rates" section of *The Wall Street Journal*, plus two percent (2%), or (b) the maximum rate of interest allowed under applicable Laws.

ARTICLE XI

AUDIT RIGHTS

Section 11.1 Audit Rights.

(a) Each Party shall have the right, at its own expense, upon thirty (30) Days' written notice and during reasonable working hours to perform an audit of the other Party's books and records ("**Audit**"). The Audit provides the Parties the right to obtain access to and copies of the relevant portion of the books and records which includes, but is not limited to, financial information, reports, charts, calculations, measurement data, allocation support, third-party support, telephone recordings, and electronic communications of the other Party to the extent reasonably necessary to verify performance under the terms and conditions of this Agreement including the accuracy of any statement, allocation, charge, payment calculation or determination made pursuant to the provisions contained herein for any Calendar Year within the twenty-four (24) Month period next following the end of such Calendar Year. The Party subject to the Audit shall respond to all exceptions and claims of discrepancies within ninety (90) Days of receipt thereof.

(b) Either Party has the right to Audit any agents of the other Party or any third Person performing services related to this Agreement. Either Party shall have the right to make and retain copies of the books and records to the extent necessary to support the audit work papers and claims resulting from the Audit. Additionally, the Parties reserve the right to perform site inspections or carry out field visits of the assets and related measurement being audited.

(c) The accuracy of any statement, allocation, charge, payment calculation, or determination made pursuant to the provisions of the Agreement shall be conclusively presumed to be correct after the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared, if not challenged (claimed) in writing prior thereto. For the avoidance of doubt, all claims shall be deemed waived unless they are made in writing within the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared.

ARTICLE XII

FORCE MAJEURE

Section 12.1 Suspension of Obligations. In the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than the obligation to indemnify and/or to make payments due hereunder, and such Party gives notice and reasonably full particulars of such Force Majeure in writing to the other Party promptly after the occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as and to the extent affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch by the Party claiming Force Majeure. A Force Majeure event affecting the performance of a Party shall not relieve it of liability in the event of its gross negligence, where such gross negligence was the cause of, or a contributing factor in causing, the Force Majeure event, or in the event of its failure to use commercially reasonable efforts to remedy the situation and remove the cause with all reasonable dispatch. Additionally, it is specifically understood that a Force Majeure shall in no way terminate each Party's obligation to balance those volumes of Gas received and delivered hereunder.

Section 12.2 Definition of Force Majeure. "**Force Majeure**" shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including, without limitation, any of the following that meets the foregoing criteria: acts of God, acts and/or delays in action of any Governmental Authority, strikes, lockouts, work stoppages or other industrial disturbances, acts of a public enemy, sabotage, wars, blockades, insurrections, riots, acts of terror, epidemics, landslides, lightning, earthquakes, fires, storms, storm warnings, floods, washouts, extreme cold or freezing weather, arrests and restraints of governments and people, civil or criminal disturbances, explosions, mechanical failures, breakage or accident to equipment installations, machinery, compressors, or lines of pipe and associated repairs, freezing of wells or lines of pipe, partial or entire failure of wells, pipes, facilities, or equipment, electric power unavailability or shortages, failure of third party pipelines, gatherers, or processors to deliver, receive, or transport Gas, and, in those instances where a Party is required to secure permits from any Governmental Authority to enable such Party to fulfill its obligations under this Agreement, the inability of such Party, at reasonable costs and after the exercise of all reasonable diligence, to acquire such permits. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty and that the above requirement that a Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of Persons striking when such course is inadvisable in the sole discretion of the Party having the difficulty.

ARTICLE XIII

INDEMNIFICATION

Section 13.1 Definitions. The following terms are defined as follows.

(a) "**Processor Indemnified Parties**" Processor and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors and agents.

(b) "**Producer Indemnified Parties**" Producer and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors and agents.

Section 13.2 PRODUCER'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND PROCESSOR UNDER THIS AGREEMENT, PRODUCER SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS BEFORE SUCH GAS IS DELIVERED TO PROCESSOR AT THE DELIVERY POINT, (II) WHEN PRODUCER HAS ELECTED TO TAKE ITS RESIDUE GAS IN-KIND, PRODUCER'S RESIDUE GAS AFTER SUCH RESIDUE GAS IS REDELIVERED TO PRODUCER AT THE RESIDUE GAS REDELIVERY POINT, AND (III) WHEN PRODUCER HAS ELECTED TO TAKE ITS PLANT PRODUCTS IN-KIND, PRODUCER'S PLANT PRODUCTS AFTER SUCH PLANT PRODUCTS HAVE BEEN DELIVERED TO THE PLANT PRODUCTS REDELIVERY POINT. WHEN PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS ARE IN THE CONTROL AND POSSESSION OF PRODUCER AS DESCRIBED ABOVE, PRODUCER SHALL BE RESPONSIBLE FOR AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PROCESSOR INDEMNIFIED PARTIES FROM ANY ACTUAL LOSS OR DAMAGE OR ACTUAL INJURY CAUSED BY PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS WHILE IN A PRODUCER INDEMNIFIED PARTY'S CONTROL AND POSSESSION *EXCEPT* TO THE EXTENT CAUSED BY THE BREACH OF THIS AGREEMENT BY PROCESSOR OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR OTHER FAULT OF ANY OF THE PROCESSOR INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 13.4. PRODUCER'S INDEMNIFICATION, HOLD HARMLESS, DEFENSE, AND RELEASE OBLIGATIONS UNDER THIS SECTION 13.2 SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES AND THE WAIVER OF REMEDIES IN ARTICLE XIX.

Section 13.3 PROCESSOR'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND PROCESSOR UNDER THIS AGREEMENT, PROCESSOR SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS AFTER SUCH GAS IS DELIVERED TO PROCESSOR AT THE DELIVERY POINT, (II) PRODUCER'S RESIDUE GAS UNLESS AND UNTIL SUCH RESIDUE GAS HAS BEEN REDELIVERED TO PRODUCER AT THE RESIDUE GAS REDELIVERY POINT, AND (III) PRODUCER'S PLANT PRODUCTS UNLESS AND UNTIL SUCH PLANT PRODUCTS HAVE BEEN REDELIVERED TO PRODUCER AT THE PLANT PRODUCTS REDELIVERY POINT. WHEN PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS ARE IN THE CONTROL AND POSSESSION OF PROCESSOR AS DESCRIBED HEREIN, PROCESSOR SHALL BE RESPONSIBLE FOR AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PRODUCER INDEMNIFIED PARTIES FROM ANY ACTUAL LOSS OR DAMAGE OR ACTUAL INJURY CAUSED BY PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS WHILE IN A PROCESSOR INDEMNIFIED PARTY'S CONTROL AND POSSESSION, *EXCEPT* TO THE EXTENT CAUSED BY THE BREACH OF THIS AGREEMENT BY PRODUCER OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR OTHER FAULT OF ANY OF THE PRODUCER INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 13.4. PROCESSOR'S INDEMNIFICATION, HOLD HARMLESS, DEFENSE, AND RELEASE OBLIGATIONS UNDER THIS SECTION 13.3 SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES AND THE WAIVER OF REMEDIES IN ARTICLE XIX.

Section 13.4 Personal Injury Claims of Producer Indemnified Parties and Processor Indemnified Parties. PRODUCER SHALL BE RESPONSIBLE FOR, AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PROCESSOR INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE PRODUCER INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH PROCESSOR INDEMNIFIED PARTIES. PROCESSOR SHALL BE RESPONSIBLE FOR, AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PRODUCER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE PROCESSOR INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH PRODUCER INDEMNIFIED PARTIES.

Section 13.5 Insurance. In support of the liability and indemnity obligations assumed by the Parties in this Agreement, each Party agrees to obtain and maintain, at its own expense, insurance coverages in the types and amounts which are comparable with its peers and that is generally carried by companies performing the same or similar activities as the Parties in this Agreement. In addition, each Party shall comply with all statutory insurance requirements determined by governmental laws and regulations, as applicable. To the extent of the Parties' indemnity obligations or liabilities assumed under this Agreement, (i) each Party's insurance coverage shall be primary to and shall receive no contribution from any insurance maintained by the Indemnified Parties, and (ii) any insurance of each Party shall waive rights of subrogation against the Indemnified Parties and include the Indemnified Parties as additional insured under any applicable coverages. Failure to obtain adequate insurance coverage shall in no way relieve or limit any indemnity or liability of either Party under this Agreement.

ARTICLE XIV

TITLE

Section 14.1 Producer's Warranty. Producer warrants that it owns, or has the right to deliver, Producer's Gas to the Delivery Points for the purposes of this Agreement, free and clear of all liens, encumbrances, and adverse claims. If the title to Producer's Gas delivered hereunder is disputed or is involved in any legal action in any material respect, Processor shall have the right to withhold payment (without interest), or cease receiving such Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until title is freed from the dispute or until Producer furnishes, or causes to be furnished, indemnification to save Processor harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Processor. Subject to Sections 19.9 and 19.10, Producer agrees to indemnify the Processor Indemnified Parties from and against all Claims or Losses suffered by the Processor Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 14.2 Processor's Warranty. Processor warrants that it has the right to accept Gas at the Delivery Points and to deliver the Residue Gas to the Residue Gas Redelivery Points and the Plant Products to the Plant Products Redelivery Points free and clear of all liens, encumbrances, and adverse claims. If the Processor's Facilities are involved in any legal action in any material respect, Producer shall have the

right to withhold payment (without interest), or cease delivering Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until Processor furnishes, or causes to be furnished, indemnification to save Producer harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Producer. Subject to Sections 19.9 and 19.10, Processor agrees to indemnify the Producer Indemnified Parties from and against all Claims or Losses suffered by the Producer Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 14.3 Title. Except to the extent that Producer has elected to take any Residue Gas and/or Plant Products in-kind in accordance with Section 2.5, title to Producer's Gas (including Plant Products and Inert Constituents contained in Producer's Gas) delivered to Processor under this Agreement shall pass to Processor at the tailgate of the Processor's Facilities, and Producer conveys Producer's Gas (and the Plant Products and Inert Constituents in the Producer's Gas) to Processor, free and clear of any claims, liens or encumbrances of any nature. In the event that Producer has elected to take its Residue Gas and Plant Products in-kind in accordance with Section 2.5, title to the Inert Constituents contained in Producer's Gas and extracted by Processor at the Processor's Facilities shall pass to Processor at the tailgate of the Processor's Facilities.

ARTICLE XV

ROYALTY AND TAXES

Section 15.1 Proceeds of Production. Producer shall have the sole and exclusive obligation and liability for the payment of all Persons due any proceeds derived by Producer from Producer's Gas (including all constituents and products thereof) delivered under this Agreement, including, without limitation, royalties, overriding royalties, and similar interests, in accordance with the provisions of the leases or agreements creating those rights to such proceeds.

Section 15.2 Producer's Taxes. Producer shall pay and be responsible for all gross production and severance Taxes levied against or with respect to Producer's Gas delivered under this Agreement, all ad valorem Taxes levied against the property of Producer, all income, excess profits, and other Taxes measured by the income or capital of Producer, and all payroll Taxes related to employees of Producer.

Section 15.3 Processor's Taxes. Processor shall pay and be responsible for all Taxes levied with respect to the providing of Services under this Agreement, all ad valorem Taxes levied against the property of Processor, all income, excess profits, and other Taxes measured by the income or capital of Processor, and all payroll Taxes related to employees of Processor.

Section 15.4 Severance Tax Reimbursement. Producer and Processor agree that the price paid by Processor for Residue Gas and associated Plant Products purchased hereunder is inclusive of all severance tax reimbursements which are levied on the production of such Residue Gas and Plant Products and which are measured by the quantity of Residue Gas and Plant Products or by the revenues received by Producer for the sale of such Residue Gas and Plant Products.

ARTICLE XVI

NOTICE AND PAYMENT INSTRUCTIONS

Except as specifically provided elsewhere in this Agreement, any notice or other communication provided for in this Agreement shall be in writing and shall be given (i) by depositing in the United States mail, postage paid and certified with return receipt requested, (ii) by depositing with a reputable overnight courier, (iii) by delivering to the recipient in person by courier, or (iv) by facsimile or email transmission, in each of the foregoing cases addressed to the applicable Party as set forth below, and payments required under this Agreement shall be made to the applicable Party according to the payment instructions set forth below. A Party may at any time designate a different address or payment instructions by giving written notice to the other Party. Notices, invoices, allocation statements, claims, or other communications shall be deemed received when delivered to the addressee in person, or by courier, or transmitted by facsimile transmission or email during normal business hours, or upon actual receipt by the addressee after such notice has either been delivered to an overnight courier or deposited in the United States mail, as the case may be.

NOTICES:

Producer	Processor
Apache Corporation	Alpine High Processing LLC
Attn: Marketing Contract Administration	Attn: Commercial Operations
2000 Post Oak Blvd., Suite 100	17802 IH-10 West
Houston, Texas 77056-4400	San Antonio, Texas 78257
Telephone: (713) 296-6000	Telephone: 210-447-5629
Fax: (713) 296-6473	Email: CommercialOperations@apachecorp.com
Email: contract.administration@apachecorp.com	

PAYMENT INSTRUCTIONS:

Producer	Processor
Bank: [***]	c/o [***]
ABA: [***]	Bank: [***]
[***]	ABA: [***]
Acct: [***]	[***]
	Acct: [***]

ARTICLE XVII
DISPUTE RESOLUTION

Section 17.1 Negotiation. Prior to submitting any dispute for resolution by a court, a Party shall provide written notice of such dispute to the other Party. If the Parties fail to resolve the dispute within fifteen (15) Business Days after such notice is given, the Parties shall seek to resolve the dispute by negotiation between senior management personnel of each Party. Such personnel shall endeavor to meet and attempt to amicably resolve the dispute. If the Parties are unable to resolve the dispute for any reason within thirty (30) Business Days after the original notice of dispute was given, then either Party shall be entitled to pursue any available remedies; *provided, however*, this Section 17.1 shall not limit a Party's right to initiate litigation prior to the expiration of the time periods set forth in this Section 17.1 if application of such limitations would prevent a Party from filing a Claim within the applicable period for filing lawsuits (*e.g.* statutes of limitation, prescription, etc.) or would otherwise prejudice or harm a Party.

Section 17.2 Jurisdiction and Venue.

(a) Each Party agrees that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in Houston, Texas, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

(b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection (including, without limitation, the defense of inconvenient forum) 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 the transactions contemplated hereby in any court referred to in paragraph (a) above.

ARTICLE XVIII

TERM

Section 18.1 Primary Term; Producer's Right to Extension. This Agreement is effective as of the Effective Date and shall continue in full force and effect until March 31, 2032 (the "**Primary Term**"); provided that Producer shall have two (2) successive options to extend the Primary Term by five (5) Years each. Each five (5)-Year Primary Term extension shall occur automatically unless Producer gives Processor at least nine (9) Months' prior written notice that it does not wish to extend the Primary Term. Unless terminated at the end of the Primary Term by either Party giving at least six (6) Months' prior written notice, this Agreement shall continue after the Primary Term on a Year-to-Year basis unless terminated at the end of any Yearly extension period by either Party giving at least six (6) Months' prior written notice. For purposes of this Agreement, the period during which this Agreement continues in full force and effect prior to any termination pursuant to this Agreement is referred to herein as the "**Term**".

Section 18.2 Termination of Gathering Agreement. Notwithstanding anything to the contrary in this Article XVIII, Producer shall have the right to terminate this Agreement upon the termination or expiration of that certain Gas Gathering Agreement between Producer and Alpine High Gathering LP dated July 1, 2018.

Section 18.3 Processor's Facilities Expansion. In the event that Processor is required to undertake an expansion pursuant to Section 2.4(h) and the Agreement is within the final two (2) Years of the Term or is on a Year-to-Year basis, Processor shall not be obligated to undertake an expansion unless Producer agrees to a Term extension such that at least two (2) Years remain in the Term.

ARTICLE XIX

MISCELLANEOUS

Section 19.1 Confidentiality. Producer's 2-Year Forecast delivered to Processor pursuant to Section 2.1(b) and all other information received by Processor pursuant to the terms of this Agreement which involves or in any way relates to Producer's production estimates, development plans, and/or other similar information, and information related to Producer's actual production at any individual Receipt Point, including, without limitation, information relating to production rates, volumes, composition, heating value, or other similar or dissimilar information, shall be kept strictly confidential by Processor, and Processor shall not disclose any such information to any third Person or use any such information for any purpose other than performing under this Agreement, *provided*, *however*, Processor may disclose such information to those of its legal counsel, accountants, and other representatives with a specific need to know such information for purposes of Processor's performance under this Agreement or enforcement of this Agreement or as required by applicable Law, *provided* such third Persons have likewise agreed in writing to the confidentiality and non-use restrictions set forth herein. In the event Processor is required by Law to disclose any such information, Processor shall first notify Producer in writing as soon as practicable of any proceeding of which it is aware that may result in disclosure and shall use all reasonable efforts to prevent or limit such disclosure. Producer's confidential information shall not include information that Processor can satisfactorily demonstrate was: (a) rightfully in the possession of Processor prior to Producer's disclosure hereunder, (b) in the public domain prior to Producer's disclosure hereunder, (c) made public by any Governmental Authority; (d) supplied to Processor without restriction by a third party who is under no obligation to Producer to maintain such confidential information in confidence; or (e) independently developed by Processor. The confidentiality requirements and non-use restrictions set forth herein shall survive termination or expiration of this Agreement for two (2) Years after such termination or expiration. Notwithstanding anything else in this Agreement, the Parties agree that there is not an adequate remedy at law for any breach of these confidentiality and non-use restrictions and, therefore, Producer shall be entitled (without the posting of any bond) to specific performance and injunctive relief restraining any breach hereof, in addition to any other rights and remedies which it may have or be entitled.

Section 19.2 Independent Contractor. Notwithstanding anything else in this Agreement, Processor undertakes its obligations under this Agreement as an independent contractor, at its sole risk, and all Persons carrying out any of Processor's obligations set forth herein for or on behalf of Processor are or shall be deemed employees, contractors, subcontractors, agents, and/or representatives of Processor, subject to the direction and control of Processor. Processor is to determine the manner, means, and methods in which such Persons shall carry out their work to attain the results contemplated by this Agreement, consistent with the general coordinative efforts and suggestions of Producer with respect to the work. Nothing in this Agreement or inferred from any action of either Party shall be taken to establish the relationship of master and servant or principal and agent between Producer and Processor.

Section 19.3 Rights; Waivers. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided.

Section 19.4 Applicable Laws. This Agreement is subject to all valid present and future Laws of any Governmental Authority(ies) now or hereafter having jurisdiction over the Parties, this Agreement, or the Services performed or the facilities utilized under this Agreement.

Section 19.5 Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Texas, without regard to any choice of law principles that would require the application of the Laws of any other jurisdiction, ***PROVIDED, HOWEVER*, THAT NO LAW, THEORY, OR PUBLIC POLICY SHALL BE GIVEN EFFECT WHICH WOULD UNDERMINE, DIMINISH, OR REDUCE THE EFFECTIVENESS OF EACH PARTY'S WAIVER OF SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, AND EXEMPLARY DAMAGES SET FORTH IN SECTION 19.9 OR WAIVER OF THE RIGHT TO CERTAIN REMEDIES SET FORTH IN SECTION 19.10, IT BEING THE EXPRESS INTENT, UNDERSTANDING, AND AGREEMENT OF THE PARTIES THAT SUCH WAIVERS ARE TO BE GIVEN THE FULLEST EFFECT, NOTWITHSTANDING ANY PRE-EXISTING CONDITION OR THE NEGLIGENCE (WHETHER SOLE, JOINT, OR CONCURRENT), GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY PARTY HERETO, OR OTHERWISE.**

Section 19.6 Assignments. This Agreement, including any and all renewals, extensions, and amendments hereto, and all rights, title, and interests contained herein, shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns, the assigns of all or any part of Processor's right, title, or interest in the Processor's Facilities, and the assigns of all or any part of Producer's Interests in the Dedicated Area, and each Party's respective obligations hereunder shall be covenants running with the lands underlying or included in any such assets. Neither Party shall Transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed, or conditioned; *provided, however*, that either Party may Transfer any of its rights or obligations under this Agreement to any Affiliate of such Party without the prior written consent of the other Party and that, in connection with a Transfer of all or any portion of the Dedicated Area, Producer shall Transfer its corresponding rights and obligations under this Agreement without the need for the prior written consent of Processor; *provided, further,* that if Producer Transfers a portion but not all of the Dedicated Area, instead of acquiring this Agreement, the transferee of such Interests shall execute an agreement in the form attached hereto as Exhibit I (the "**Transferee Agreement**"), Processor shall likewise execute such Transferee Agreement, and such Transferred portion of the Dedicated Area shall be removed from dedication under this Agreement. Any Transfer of this Agreement shall expressly require that the assignee assume and agree to discharge the duties and obligations of its assignor under this Agreement, and the assignor shall be released from the duties and obligations arising under this Agreement which accrue after the effective date of such Transfer. Processor shall not Transfer its rights and interests in the Processor's Facilities, in whole or in part, unless the transferee of such interests agrees in writing to be bound by the terms and conditions of this Agreement. No Transfer of this Agreement or of any interest of either Party shall be binding on the other Party until such other Party

has been notified in writing of such Transfer and furnished with reasonable evidence of same. No such Transfer of this Agreement or of any interests of either Party shall operate in any way to enlarge, alter, or modify any obligation of the other Party hereto. Any Person that succeeds by purchase, merger, or consolidation with a Party hereto shall be subject to the duties and obligations of its predecessor in interests under this Agreement or a Transferee Agreement, as applicable.

Section 19.7 Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes all prior understandings, agreements, representations, and/or warranties by or among the Parties, written or oral, with respect to the subject matter hereof. No other representations, warranties, understandings, or agreements shall have any effect on this Agreement.

Section 19.8 Amendments. This Agreement may not be amended or modified in any manner except by a written document signed by both Parties that expressly amends this Agreement.

Section 19.9 LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES (COLLECTIVELY, "CONSEQUENTIAL DAMAGES") RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT OR WARRANTY, OR OTHERWISE. IN FURTHERANCE OF THE FOREGOING, EACH PARTY RELEASES THE OTHER PARTY AND WAIVES ANY RIGHT OF RECOVERY FOR CONSEQUENTIAL DAMAGES SUFFERED BY SUCH PARTY, REGARDLESS OF WHETHER ANY SUCH DAMAGES ARE CAUSED BY THE OTHER PARTY'S NEGLIGENCE (AND REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR GROSS), FAULT, OR LIABILITY WITHOUT FAULT. PROCESSOR UNDERSTANDS THAT PRODUCER IS RELYING ON PROCESSOR'S PERFORMANCE UNDER THIS AGREEMENT TO ENABLE PRODUCER TO MEET ITS OBLIGATIONS UNDER DOWNSTREAM CONTRACTS, AND PROCESSOR EXPRESSLY AGREES THAT ANY DAMAGES SUFFERED BY PRODUCER UNDER ANY SUCH DOWNSTREAM CONTRACT AS A RESULT OF PROCESSOR'S UNEXCUSED FAILURE TO PERFORM UNDER THIS AGREEMENT SHALL BE CONSIDERED DIRECT DAMAGES.

Section 19.10 RIGHTS AND REMEDIES. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT THAT MAY BE CONSTRUED TO THE CONTRARY, A PARTY'S SOLE REMEDY AGAINST THE OTHER PARTY FOR NON-PERFORMANCE OR BREACH OF THIS AGREEMENT OR ANY OTHER CLAIM OF WHATSOEVER NATURE ARISING OUT OF THIS AGREEMENT OR OUT OF ANY ACTION OR INACTION BY A PARTY IN RELATION HERETO SHALL BE IN CONTRACT AND EACH PARTY EXPRESSLY WAIVES ANY OTHER REMEDY IT MAY HAVE IN LAW OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY REMEDY IN TORT.

Section 19.11 Replacement Indices. In the event a published index or rate required hereunder is not available, the Parties shall promptly agree upon an alternative index or rate to be utilized, upon either Party giving written notice to the other that an alternative index or rate is needed. Such alternative index or rate shall be effective retroactively to the date on which the original index or rate ceased to be available. If the Parties have not agreed on an alternative index or rate by the end of the fifth (5th) Business Day after

notice was given, then each Party shall, by the end of the fifteenth (15th) Business Day after the notice was given, prepare a list of three alternative published and industry recognized indices or rates to replace the index or rate that has become unavailable. The first common item that appears on each of the lists shall be the alternative index or rate. If there is more than one common item on both lists, the one appearing first on both lists, giving priority to the list first submitted by one Party to the other, shall be the alternative index or rate. If no common item appears on the lists, each Party may strike in turn, one item from the other Party's list until only one item remains on each list. The alternative index or rate will then be determined from the two remaining items by coin flip. If either Party fails to deliver a list, the first item appearing on the submitting Party's list will govern and prevail to determine the alternative index or rate.

Section 19.12 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary, or partnership duty, obligation, or liability on or with regard to either Party.

Section 19.13 Rules of Construction. In construing this Agreement, the following principles shall be followed:

(a) no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement;

(b) the headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and/or conditions hereof;

(c) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;

(d) the word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions; and

(e) the plural shall be deemed to include the singular and vice versa, as applicable.

Section 19.14 No Third Party Beneficiaries. Except for Persons expressly indemnified hereunder, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and shall not inure to the benefit of any other Person, it being the intention of the Parties that no third Person shall be deemed a third-party beneficiary of this Agreement.

Section 19.15 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 19.16 No Inducements. No director, employee, or agent of any Party shall give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement.

Section 19.17 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 19.18 Survival. The terms of this Agreement which by their nature should reasonably be expected to survive termination or expiration of this Agreement shall survive, including, without limitation, Article XI (Audit Rights), Article XIII (Indemnification), Article XVII (Dispute Resolution), Section 19.1 (Confidentiality), Section 19.5 (Governing Law), Section 19.9 (Limitation of Liability), Section 19.10 (Rights and Remedies), this Section 19.18 (Survival), and the obligations of either Party under any provision of this Agreement to make payment hereunder.

Section 19.19 Financial Assurance. If either Party has reasonable grounds for insecurity regarding the performance of any payment obligation under this Agreement (whether or not then due) by the other Party or that other Party's guarantor, if any, including, without limitation, the occurrence of a material adverse change in the creditworthiness of the other Party, a Party may demand Adequate Assurance of Performance. A demand by a Party seeking Adequate Assurance of Performance shall be in writing and shall include an explanation in reasonable detail of the calculation of the Adequate Assurance of Performance demand. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, and for a term, and from an issuer, all reasonably acceptable to the Party seeking assurance, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset, or a guaranty. If either Party does not give Adequate Assurance of Performance in accordance with the terms of this Agreement within - ten (10) Business Days of a written request by the other Party, the Party making a reasonable request for Adequate Assurance of Performance has the right to immediately suspend deliveries or receipts, as applicable, under this Agreement with immediate effect until such time sufficient security is provided.

Section 19.20 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein by this reference:

Exhibit A - Dedicated Area

Exhibit B - Delivery Points and Redelivery Points

Exhibit C - Fees and FL&U

Exhibit D - Gas Quality Specifications

Exhibit E - Take In-Kind Terms

Exhibit F - Allocation Methodologies

Exhibit G - Form of Memorandum of Agreement

Exhibit H - Form of Memorandum of Release

Exhibit I - Form of Transferee Agreement

Exhibit J - Form of Joinder Agreement

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

PROCESSOR:

ALPINE HIGH PROCESSING LP

By: Alpine High Subsidiary GP LLC,

its general partner

By: /s/ Brian W. Freed

Name: Brian W. Freed

Title: Senior Vice President

PRODUCER:

APACHE CORPORATION

By: /s/ Stephen J. Riney

Name: Stephen J. Riney

Title: Chief Financial Officer and

Executive Vice President

EXHIBIT A
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

DEDICATED AREA

"**Dedicated Area**" shall mean the following lands as further described in the map (the area within the red border) and table below, as the same may be updated annually pursuant to Section 2.1(b). In the event of a conflict between the map and the table, the map shall control.

[***]

Section	Block	Survey	County	State	Dedicated Interest as of the Effective Date

[***] [22 PAGES OF TABLE OMITTED] [***]

EXHIBIT B
to
Gas Processing Agreement dated July 1, 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

Processor shall update Exhibit B on January 1, April 1, July 1, and October 1 of each Year to include any additional points that have been placed into service

DELIVERY POINTS AND REDELIVERY POINTS

LOW PRESSURE DELIVERY POINTS

Delivery Point Name	Location	MAOP	Required Pressure
[***]			

HIGH PRESSURE RECEIPT POINTS

Receipt Point Name	Meter Number	MAOP
[***]		

HIGH PRESSURE DELIVERY POINTS

Delivery Point Name	Meter Number	MAOP
[***]		

RESIDUE GAS REDELIVERY POINTS

Redelivery Point Name	Meter Number
[***]	

PLANT PRODUCTS REDELIVERY POINTS

Redelivery Point Name	Meter Number
[***]	

EXHIBIT C
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

FEES AND FL&U

Fees:

1. Central Conditioning Fee: $[***] per Mcf of Producer's Non-Processable Gas delivered to a Central Conditioning Facility.

2. Central Processing Fee: (a) From the Effective Date through December 31, 2020, $[***] per Mcf of Producer's Processable Gas delivered only to a Central Processing Facility, and (b) from January 1, 2021, through the remainder of the Term, $[***] per Mcf of Producer's Processable Gas delivered only to a Central Processing Facility. [***]

3. Cryogenic Processing Fee: $[***] per Mcf of Producer's Processable Gas delivered to a Cryogenic Processing Facility. [***]

[***]

FL&U:

1. FL&U at Central Conditioning Facilities: Producer will be allocated its proportionate share of actual FL&U but not to exceed [***]% of Producer's Non-Processable Gas in MMBtu (the "**Non-Processable Gas FL&U Cap**").

a) Fuel for electric power that Processor purchases shall be determined each Month by the following equation:

$GEE\ (CCF) = (MEU_{CC} \times EPR_{CC})/GP_{CC}$

Where:

GEE (CCF) = Gas Electric Equivalent at the Central Conditioning Facilities, which means an amount of MMBtus that may be included as the electric power component of FL&U.

MEU_{CC} = Measured Electrical Use, means Producer's pro rata share of electricity usage expressed in kilowatt-hours, used in lieu of gas-driven equipment, limited only to motors used for compression.

EPR_{CC} = The electric power rate actually paid by Processor for electricity at Central Conditioning Facilities, in $/kWh.

GP_{CC} = Gas Price, means the greatest of (i) *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for West Texas "Waha", (ii) 98.7% of *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for HSC less $0.46 per MMBtu, *or (iii) Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for El Paso Permian.

Electric power that Processor generates shall not be considered in the calculation of FL&U.

b) FL&U for Gas shall be determined each Month by the following equation:

GF (CCF) = X-Y

Where:

GF (CCF) = Gas FL&U at the Central Conditioning Facilities, which means an amount of MMBtus retained as fuel and/or system loss by Processor

X = Producer's Non-Processable Gas in MMBtu delivered to applicable Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Points

Y = Producer's Non-Processable Gas in MMBtu redelivered to the discharge of the Central Conditioning Facilities

In the event that the sum of (i) GEE (CCF) and (ii) GF (CCF) exceeds the Non-Processable Gas FL&U Cap, then the FL&U at Central Conditioning Facilities will be reduced to the Non-Processable Gas FL&U Cap.

2. FL&U at Central Processing Facilities and Cryogenic Processing Facilities: Producer will be allocated its proportionate share of actual FL&U but not to exceed [***]% of Producer's Processable Gas in MMBtu (the "**Processable Gas FL&U Cap**"); provided that during periods when a Cryogenic Processing Facility is Operational, the Processable Gas FL&U Cap shall be [***]% of Producer's Processable Gas in MMBtu.

a) Fuel for electric power that Processor purchases shall be determined each Month by the following equation:

$GEE\ (PF) = (MEU_{PF} \times EPR_{PF}) / GP_{PF}$

Where:

GEE (PF) = Gas Electric Equivalent at the Central Processing Facilities and Cryos, which means an amount of MMBtus that is included as the electric power component of FL&U

MEU_{PF} = Measured Electrical Use, means Producer's pro rata share of electricity usage expressed in kilowatt-hours, used in lieu of gas-driven equipment, limited

only to motors used for field compression, Cryo and Central Processing Facilities recompression, and Cryo refrigeration recompression.

EPR_{PF} = The electric power rate actually paid by Processor for electricity at Cryos and Central Processing Facilities, in $/kWh.

GP_{PF} = Gas Price, means the greatest of (i) *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for West Texas "Waha", (ii) 98.7% of *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for HSC less $0.46 per MMBtu, *or (iii) Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for El Paso Permian. (iii).

Electric power that Processor generates shall not be considered in the calculation of FL&U.

b) FL&U for Gas shall be determined each Month by the following equation:

GF (PF) = CI - RG - S

Where:

GF (PF) = Gas FL&U means an amount of MMBtus retained as fuel and/or system loss by Processor

CI = All Producer's Processable Gas in MMBtu delivered to applicable Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Points

RG = Producer's Residue Gas at the Cryos and Central Processing Facilities, in MMBtu

S = Producer's Cryo and Central Processing Facilities Shrinkage as defined in Exhibit F, Paragraph 5

In the event that the sum of (i) GEE (PF) and (ii) GF (PF) exceeds the Processable Gas FL&U Cap, then the FL&U at the Central Processing Facilities and Cryos will be reduced to the Processable Gas FL&U Cap.

EXHIBIT D-1
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

GAS QUALITY SPECIFICATIONS
(Central Processing Facility and Cryogenic Processing Facility)

1. The Gas shall be free of objectionable liquids and solids and other impurities, including, but not limited to, methanol, and shall be commercially free from dust, gum, gum-forming constituents, free water, and other liquids and solids.

2. The Gas shall have zero (0) parts per million of oxygen.

3. The Gas shall not contain more than four (4) parts per million by volume of hydrogen sulfide. [***]

4. The Gas shall not have a carbon dioxide content in excess of two (2) percent by volume. [***]

5. The Gas shall not have nitrogen content in excess of two (2) percent by volume.

6. The Gas shall be received at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit and not less than thirty-five (35) degrees Fahrenheit.

[***]

EXHIBIT D-2
to
Gas Processing Agreement dated July 1, 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

GAS QUALITY SPECIFICATIONS
(Central Conditioning Facility)

1. The Gas shall be free of objectionable liquids and solids and other impurities, including, but not limited to, methanol, and shall be commercially free from dust, gum, gum-forming constituents, free water, and other liquids and solids.

2. The Gas shall have zero (0) parts per million of oxygen.

3. The Gas shall not contain more than fifty (50) parts per million by volume of hydrogen sulfide.

4. The Gas shall not have a carbon dioxide content in excess of four (4) percent by volume.

5. The Gas shall not have nitrogen content in excess of two (2) percent by volume.

6. The Gas shall be received at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit and not less than thirty-five (35) degrees Fahrenheit.

EXHIBIT E
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

TAKE IN-KIND TERMS

For any Calendar Year during which Producer elects under Section 2.5 of the Agreement to take its Residue Gas and/or Plant Products in-kind, the following terms shall apply:

I. Nominations. Processor and Producer agree that scheduling and commencement of service shall be consistent with the downstream receiving pipeline or transporter nomination requirements. Whenever Producer's Residue Gas is to be scheduled or nominated hereunder, each Party shall provide to the other Party all information required for such nominations and confirmations with upstream and downstream pipelines or transporters. Producer may but shall not be required to provide Processor with Plant Product nominations.

(a) Delivery Point Nominations. Producer shall not be required to provide Processor with nominations of the Producer's Gas at the Delivery Point(s), however, Producer shall provide volume forecast information pursuant to Section 2.1(b) of the Agreement, for Processor's general capacity planning purposes by Delivery Point.

(b) Operational Information. Processor shall use reasonable efforts to provide daily information related to Delivery Point volume, Plant Product composition, and historical volume information in order to assist with Producer's nominations below. Processor shall use reasonable efforts to make nomination changes as necessary, based on the information provided by Producer, at the Redelivery Points to minimize imbalances.

(c) Redelivery Point Nominations.

i. Producer shall make all necessary arrangements with pipelines or other third parties downstream of the Residue Gas Redelivery Points in order to help manage Processor's delivery of Producer's Residue Gas. Those arrangements must be coordinated with Processor, and Processor shall coordinate such arrangements with Producer and such downstream pipelines or other third parties.

ii. Residue Gas. No later than 12:00 PM on the fifth (5^{th}) Business Day prior to the beginning of each Month, but no later than one (1) Business Day prior to the nomination deadline each Month for the applicable downstream pipeline(s) receiving Residue Gas at the Residue Gas Redelivery Points, Processor shall notify Producer of the estimated quantity of Producer's Residue Gas per Day for each Residue Gas Redelivery Point, provided that nominations at the Residue Gas

Redelivery Points are subject to confirmation by the downstream pipeline. By 7:00 AM on the day prior to gas flow, Processor shall notify Producer of the estimated quantity of Producer's Residue Gas available for next day's flow for each Residue Gas Redelivery Point. By 10:30 AM on the day prior to gas flow, Producer shall provide a nomination form to Processor, indicating downstream pipeline contract number, downstream delivery point and counterparty. If Producer does not provide a nomination form to Processor, the prior nomination shall remain in effect until such time as when Producer provides notice to Processor to revise the prior nomination. Processor will use reasonable efforts to confirm any nomination change requested by Producer after the nomination deadline. Processor reserves the right, from time to time, to revise its nomination procedures, subject to Producer's consent which shall not be unreasonably withheld.

iii. Producer will make all necessary arrangements with pipelines or other third parties downstream of the Plant Products Redelivery Points in order to facilitate Processor's delivery of Plant Products. No later than one (1) Business Day prior to the nomination deadline each Month for the applicable downstream pipeline(s) receiving Plant Products, Producer will notify Processor of the estimated quantity of Plant Products per Day, *provided* that nominations at each Redelivery Point are subject to confirmation by the downstream pipeline. At any time, Producer may adjust its nomination prospectively for the remainder of such Month by providing Processor notice prior to the nomination deadline of the applicable downstream pipeline.

(d) Processor and Producer shall immediately inform each other of any discovered unanticipated changes in deliveries at either the Delivery Point(s) or Redelivery Point(s). Nominations may be made by telephone, but shall be confirmed in writing by e-mail, facsimile, or other electronic means to Processor's Gas Control Department.

II.Balancing. Subject to the provisions of the Agreement, Processor shall accept at the Delivery Point a Daily quantity of Producer's Gas at the Delivery Points and redeliver Producer's Residue Gas and Producer's Plant Products allocated to such Producer's Gas at the Residue Gas Redelivery Points and Plant Products Redelivery Point, respectively. All quantities received in accordance with the Agreement at the Delivery Points and all deliveries of Producer's Residue Gas in accordance with this Agreement at the Residue Gas Redelivery Point shall be balanced on a Btu basis, and all such quantities referred to in the Agreement shall be adjusted for the Gross Heating Value thereof. Processor shall provide Producer reasonable flexibility in adjusting nominations provided however, that providing Producer such flexibility in adjusting nominations shall be subject to Processor not incurring financial harm or loss as a result of Producer's actions. Processor shall use its best efforts to enter into, and maintain in good standing, operational balancing agreements with the downstream receiving pipelines at each of the Residue Gas Redelivery Points and Plant Products Redelivery Points. Processor shall not impose balancing guidelines on Producer that are more stringent than those imposed on Processor under the operational balancing agreements with the applicable downstream receiving pipeline. When operational balancing agreements are effective between Processor and an applicable downstream pipeline (and the applicable downstream pipeline keeps

Producer whole on its nominations each Month) and an imbalance is caused solely by Producer and Processor incurs a cash out, penalty, or settlement due to said imbalance, then Producer shall reimburse Processor for such cash out, penalty or settlement incurred by Processor pursuant to the terms of the applicable operational balancing agreement, to the extent such cash out, penalty, or settlement is caused by Producer. Processor shall provide an invoice to Producer for same, along with reasonable documentation evidencing same, and Producer shall reimburse Processor for same in accordance with the payment terms set forth in Article X of the Agreement.

III.Imbalances. Because of dispatching and other causes outside of Processor's reasonable control, imbalances may occur between the total heating value of the Residue Gas delivered to downstream pipelines at the Residue Gas Redelivery Points for Producer's account and the allocated quantity of Residue Gas attributable to Producer's Gas. Similarly, imbalances may occur between the allocated volumes of Producer's Plant Products that are delivered to downstream pipelines at the Plant Products Redelivery Points for Producer's account and the allocated Plant Products attributable to Producer's Gas.

(a) Residue Gas Redelivery Point. For imbalance events at Residue Gas Redelivery Points where Processor does not have an operational balancing agreement in place, the Parties agree to settle imbalances through a monthly cash out. The monthly cash out price shall be the simple average of (i) *Inside F.E.R.C's* Gas Market Report in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for El Paso Permian and (ii) *Inside F.E.R.C's* Gas Market Report in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for West Texas "Waha".

(b) Plant Products Redelivery Points. For imbalance events at Plant Products Redelivery Points where Processor does not have an operational balancing agreement in place, the Parties agree to settle imbalances through a monthly cash out. The monthly cash out price shall be based on Producer's weighted average sales price for that month.

IV.Curtailment. Processor shall use reasonable efforts to provide timely notification to Producer by telephone, with subsequent e-mail notification, of the potential size and duration of any unscheduled capacity disruption. If Producer does not adjust its nomination within two hours after receiving notification from Processor, then Processor may adjust Producer's nomination and/or not confirm the nominations requested by Producer in the next nomination cycle. If Producer does not adjust its nomination as reasonably requested by Processor, and such failure to adjust nominations could materially impact operations at the Processor's Facilities, Processor may curtail or shut in Gas for a reasonable period of time.

EXHIBIT F
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

ALLOCATION METHODOLGIES
(Central Processing Facility and Cryogenic Processing Facility)

1. Plant Products Allocable to Producer. The quantity of each Plant Product component allocable to Producer's Processable Gas that was delivered to the Central Processing Facilities and the Cryogenic Processing Facilities shall be determined by multiplying the total quantity of each Plant Product component recovered at all Central Processing Facilities and Cryogenic Processing Facilities (including any condensate recovered from Producer's Gas) by a fraction. The numerator shall be the theoretical gallons of that Plant Product component contained in Producer's Gas at the low pressure Receipt Point less any buyback volumes redelivered to Producer upstream of the Delivery Point, measured pursuant to Section 5.10, and the denominator shall be the total theoretical gallons of that component contained in all Gas at all receipt points where Gas was first gathered and delivered to Processor and processed at the Central Processing Facilities and Cryogenic Processing Facilities.

2. Residue Gas Allocable to Producer. The MMBtus of Residue Gas allocable to Producer's Processable Gas that was delivered to the Central Processing Facilities and the Cryogenic Processing Facilities shall be determined by multiplying the total MMBtus of Residue Gas measured at all Central Processing Facilities and Cryogenic Processing Facilities by a fraction; provided that in the event that Producer's proportionate share of actual FL&U at the Central Processing Facilities and Cryos, as calculated pursuant to Exhibit C, FL&U Paragraph 2, exceeds the Processable Gas FL&U Cap, the total MMBtus of Residue Gas measured at all Central Processing Facilities and Cryogenic Processing Facilities shall be increased by an amount sufficient to acknowledge the Processable Gas FL&U Cap. The numerator of such fraction shall be Producer's Theoretical Residue Gas, as defined below, and the denominator shall be the total theoretical MMBtus of Residue Gas contained in all Gas at all receipt points where Gas was first gathered and delivered to Processor and processed at all Central Processing Facilities and Cryogenic Processing Facilities. Producer's Theoretical Residue Gas shall be determined by the following equation:

PTRG = A - S

where:

PTRG = Producer's Theoretical Residue Gas in MMBtus

A = The aggregate volume of Producer's Processable Gas measured at all low pressure Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Point in MMBtu

S = Producer's allocated share of Shrinkage as defined in Exhibit F, Paragraph 5

3. Central Processing Facilities Inlet Volume ("Producer's CPF Volumes"). The aggregate volume of Producer's Processable Gas delivered to all Central Processing Facility inlets shall be determined by the following equation:

CPFV = A – CI

where:

CPFV = Producer's CPF Volumes

A = The aggregate volume of Producer's Processable Gas measured at all low pressure Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Point in Mcf

CI = Producer's Cryo Volumes, as defined in Exhibit F, Paragraph 4

4. Cryogenic Processing Facilities Inlet Volume ("Producer's Cryo Volumes"). The aggregate volume in Mcf of Producer's Gas delivered to all Cryo inlets shall be determined by the following equation:

CI = ((CD+CC) /CE) x A
where:

CI = Producer's Cryo Volumes

CD = The aggregate volume of Processable Gas in Mcf metered at all high pressure Receipt Points entering the high pressure gathering pipeline

CC = The total compressor condensate volumes (converted to Mcf) metered at the discharge of the compressor prior to entering the high pressure gathering pipeline

CE = The aggregate volume of Processable Gas in Mcf metered at all low pressure Receipt Points entering the low pressure gathering pipeline

A = The aggregate volume of Producer's Processable Gas measured at all low pressure Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Point in Mcf

5. Central Processing Facilities and Cryogenic Processing Facilities Shrinkage ("Shrinkage"). Producer's share of shrinkage at the Central Processing Facilities and the Cryos will be determined by converting each individual component of Producer's Plant Products, extracted and allocated to Producer at the aggregate of all the Central Processing Facilities and all the Cryos, to its respective heating value (as measured in MMBtu) by using the conversion factors published in the Gas Processor's Association GPA Publication 2145-16, or any subsequent revision thereof in effect at the time such calculation is performed, and adjusted to a pressure base of 14.65 psia and a temperature of 60° Fahrenheit.

6. Allocations of Plant Products and Residue Gas hereunder shall be based on the aggregate recoveries within all Central Processing Facilities and Cryogenic Processing Facilities and not based on each individual Central Processing Facility or Cryogenic Processing Facility.

EXHIBIT G
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

FORM OF MEMORANDUM OF AGREEMENT

State of Texas §

§

County of [____] §

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Processing LP**, a Delaware limited partnership ("**Processor**") and **Apache Corporation**, a Delaware corporation ("**Producer**").

RECITALS

WHEREAS, Processor and Producer have entered into a certain Gas Processing Agreement dated July 1, 2018 (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for processing by Processor; and

WHEREAS, the Parties wish to file this Memorandum of Agreement to put third parties on notice as to the existence of the Agreement.

1. **Dedication.**

Producer's interests in the acreage and/or well(s) set forth on Exhibit A hereto ("**Dedicated Area**") are dedicated to Processor for processing. The Agreement is for an initial term ending on March 31, 2032, but subject to extension, renewal, and/or termination as more particularly provided therein.

2. **Incorporation of Agreement and Effect of Memorandum.**

The sole purpose of this Memorandum of Agreement is to give notice to third parties of the existence of the Agreement and the rights of Processor in and to Producer's Gas from the Dedicated Area. This Memorandum shall not modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Agreement as if set out fully herein. In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

3. **Defined Terms.**

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Agreement is executed by Processor and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

PROCESSOR

ALPINE HIGH PROCESSING LP

By: Alpine High Subsidiary GP LLC, its general partner

By:

Name:

Title:

PRODUCER

APACHE CORPORATION

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Processing LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of Apache Corporation on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF AGREEMENT

DEPICTION OF DEDICATED AREA

EXHIBIT H
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

FORM OF MEMORANDUM OF RELEASE

State of Texas §

§

County of [____] §

MEMORANDUM OF RELEASE

This Memorandum of Release is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Processing LP**, a Delaware limited partnership ("**Processor**") and **Apache Corporation**, a Delaware corporation ("**Producer**").

RECITALS

WHEREAS, Processor and Producer have previously entered into a certain Gas Processing Agreement dated July 1, 2018 (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for processing by Processor; and

WHEREAS, a Memorandum of Agreement dated [___], 2018 was executed by Processor and Producer to give notice to third parties of the existence of the Agreement and the respective rights and obligations of Processor and Producer with respect thereto and with respect to the dedication as set forth therein; and

WHEREAS, such Memorandum of Agreement was filed of record in Book ____, Page_____ of the real property records of [___] County, Texas; and

WHEREAS, the Parties wish to file this Memorandum of Release to put third parties on notice as to the release of certain Interests from the dedication.

1. **Release from Dedication.**

The following Interests in the following acreage and/or well(s) ("**Released Interests**") are hereby released from the dedication, as further set forth on **Exhibit A** hereto:

[Description of Released Interests]

2. **Incorporation of Agreement and Effect of Memorandum.**

The sole purpose of this Memorandum of Release is to give notice to third parties of the existence of the Agreement, the rights of Processor in and to Producer's Gas from the Dedicated Area, and the release of the Released Interests from the dedication. This Memorandum shall not

modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Release as if set out fully herein. In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

3. Defined Terms.

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Release is executed by Processor and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

PROCESSOR

ALPINE HIGH PROCESSING LP

By: Alpine High Subsidiary GP LLC

By:

Name:

Title:

PRODUCER

APACHE CORPORATION

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Processing LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of Apache Corporation on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF RELEASE

DEPICTION OF RELEASED INTERESTS

EXHIBIT I
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

FORM OF TRANSFEREE AGREEMENT

[attached]

EXHIBIT J
to
Gas Processing Agreement dated July, 1 2018 between
Alpine High Processing LP ("Processor") and
Apache Corporation ("Producer")

FORM OF JOINDER AGREEMENT

JOINDER AGREEMENT

This Joinder Agreement is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Processing LP**, a Delaware limited partnership ("**Processor**") and **_____**, a _____ _____ ("**Producer**").

WHEREAS, Processor and Apache Corporation have entered into a certain Gas Processing Agreement dated July 1, 2018, as such agreement may be amended, modified or supplemented from time to time (the "**Agreement**"), pursuant to which Producer dedicated gas produced from a certain geographic area as defined in the Agreement (the "**Dedicated Area**") for processing by Processor;

WHEREAS, Processor and Producer agree that all capitalized terms used in this Joinder Agreement and not defined herein shall have the meanings set forth in the Agreement;

WHEREAS, Producer, an affiliate of Apache Corporation, has acquired certain oil and gas interests, which are described in greater detail on Exhibit A hereto, within the Dedicated Area (the "**Affiliate Interests**"); and

WHEREAS, in accordance with Section 2.11 of the Agreement, Producer is entering into this Joinder Agreement in order that the Affiliate Interests will become subject to the terms of the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Processor and Producer hereby agree as follows:

Producer hereby absolutely, unconditionally and irrevocably agrees to be bound by the terms and provisions of the Agreement, including, for the avoidance of doubt, Section 2.1(a) (Dedication) and Section 2.1(b) (Covenant Running with the Land), with the same force and effect as if it were originally a party thereto, and to assume all of its rights and obligations under the Agreement, including to perform, satisfy and timely discharge all of its obligations, duties and covenants that are required to be performed, satisfied or discharged after the Effective Date in accordance with the terms thereof.

Producer acknowledges that it has been provided and has reviewed a full and complete copy of the Agreement.

This Joinder Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Texas, without regard to any choice of law principles that would require the application of the Laws of any other jurisdiction.

This Joinder Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument. A signature delivered by facsimile or other electronic transmission of a .pdf (including e-mail) will be considered an original signature.

IN WITNESS WHEREOF, this Joinder Agreement is executed by Processor and Producer as of the date of their signatures, but is effective for all purposes as of the Effective Date stated above.

PROCESSOR

ALPINE HIGH PROCESSING LP

By: Alpine High Subsidiary GP LLC

By:

Name:

Title:

PRODUCER

[_____]

By: _____

Name: _____

Title: _____

CERTAIN CONFIDENTIAL INFORMATION HAS BEEN OMITTED FROM THIS AGREEMENT. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED INFORMATION, WHICH HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE OMITTED INFORMATION IS MARKED WITH "[***]".

EXHIBIT I

GAS PROCESSING AGREEMENT

by and between

[_____]

and

ALPINE HIGH PROCESSING LP

dated

[_____]

GAS PROCESSING AGREEMENT

EXHIBITS:

GAS PROCESSING AGREEMENT

This Gas Processing Agreement (this "**Agreement**") is made and entered into to be effective [_____] ("**Effective Date**"), by and between Alpine High Processing LP, a Delaware limited partnership ("**Processor**"), and [_____], a [_____] ("**Producer**"). Processor and Producer are sometimes referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

Background:

Producer owns or controls volumes of Gas produced from certain oil and gas leases located in Reeves, Pecos, Jeff Davis, and Culberson Counties, Texas, and Processor owns and operates natural gas and natural gas liquids processing facilities located in Reeves County, Texas. The Parties desire for Processor to process certain volumes of Producer's Gas at the Processor's Facilities on the terms and conditions set forth in this Agreement.

Agreement:

In consideration of the premises and of the mutual covenants in this Agreement, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Party, Processor and Producer agree as follows:

ARTICLE I

DEFINITIONS

Unless another definition is expressly stated or the context requires otherwise, the following terms, when used in this Agreement and all exhibits and attachments to this Agreement, have the following meanings:

(a) "**2-Year Forecast**" shall have the meaning set forth in Section 2.1.

(b) "**Adequate Assurance of Performance**" shall have the meaning set forth in Section 19.19.

(c) "**Affiliate**" means any person that directly or indirectly controls, is controlled by, or is under common control with another person through one more intermediaries or otherwise. The term "control" means having the power, directly or indirectly, to direct or cause the direction of the management and policies of a person, whether through ownership, by contract, or otherwise. A person is deemed to be an Affiliate of another specified person if such person owns 50% or more of the voting securities of the specified person, or if the specified person owns 50% or more of the

voting securities of such person, or if 50% or more of the voting securities of the specified person and such person are under common control.

(d) "**Audit**" shall have the meaning set forth in Article XI.

(e) "**Btu**" means a "**British Thermal Unit**," which is the amount of heat required to raise the temperature of one pound of water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at a constant pressure of 14.65 psia.

(f) "**Business Day**" means any calendar day, other than a Saturday or Sunday, on which commercial banks in Houston, Texas are open for business.

(g) **"Calendar Year"** means the period from January 1st through December 31st of the same calendar year.

(h) "**Central Conditioning Facility**" means a facility used for dehydration, compression, treating, or any combination of the foregoing for Non-Processable Gas.

(i) "**Central Processing Facility**" means a refrigeration processing plant used for processing and for dehydration, compression, treating, or any combination of the foregoing.

(j) "**Central Time**" means Central Standard Time, as adjusted semi-annually for daylight savings time.

(k) "**Claim**" means any lawsuit, claim, proceeding, investigation, or other similar action.

(l) "**Consequential Damages**" shall have the meaning set forth in Section 19.9.

(m) "**Cryogenic Processing Facility**" or "**Cryo**" means a cryogenic processing plant used for processing and for dehydration, compression, treating or any combination of the foregoing. Each Cryo shall have a minimum design capacity of 200 MMcf per day.

(n) "**Cubic Foot**" means a volume of Gas occupying a space of one cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.65 psia.

(o) "**Day**" means the 24-hour period beginning at 9:00 a.m., Central Time, on a calendar day and ending at 9:00 a.m., Central Time, on the following calendar day (as Central Time is adjusted each calendar year for daylight savings time).

(p) "**Dedicated Area**" means the lands located in [Reeves, Pecos, Jeff Davis, and Culberson Counties], Texas, more particularly described in Exhibit A. [Insert all applicable counties in which any of the properties listed on Exhibit A are located.]

(q) "**Delivery Point**" or "**Delivery Points**" shall have the meaning set forth in Section 3.1.

(r) "**Fees**" shall mean, collectively, the Central Conditioning Fee, the Central Processing Fee, and the Cryogenic Processing Fee.

(s) "**Firm**" means Processor's obligation to receive and process Producer's Gas, and Producer's right to deliver and have its Gas processed, shall not be subject to interruption, except as absolutely necessary as a result of Force Majeure or, after reasonable prior notice, during periods of Processor's Facilities maintenance or repair, and in the event of any such interruption or in the event of excess Gas deliveries to the Processor's Facilities (from Producer or a third party) over and above Plant Capacity, Producer's Gas shall have first priority rights and shall be the last curtailed, unless Producer otherwise provides consent.

(t) "**FL&U**" means fuel and lost and unaccounted for Gas and fuel for Gas-Electric Equivalent that is deducted and retained as fuel and/or system loss by Processor, which is used in and/or occurs in the operation of Processor's Facilities.

(u) "**Force Majeure**" shall have the meaning set forth in Section 12.2.

(v) "**Gas**" means any mixture of hydrocarbon gases or of hydrocarbon gases and non-combustible gases in a gaseous state.

(w) "**Gas Electric Equivalent**" shall have the meaning set forth in Exhibit C.

(x) "**Gas Price**" shall have the meaning set forth in Exhibit C.

(y) "**Governmental Authority**" Any federal, state, municipal, local or similar governmental authority, regulatory or administrative agency or court with jurisdiction over the Parties or either Party, this Agreement, any of the transactions contemplated hereby, or Processor's Facilities or any other facilities utilized by a Party for the performance of this Agreement.

(z) "**Gross Heating Value**" means the amount of energy transferred as heat per mass or mole from the complete, ideal combustion of the Gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. If the gross heating value has a volumetric rather than a mass or molar basis, the standard conditions are deemed 14.65 psia and 60 degrees Fahrenheit.

(aa) "**Ideal Gas Laws**" means the thermodynamic laws applying to perfect gases.

(ab) "**Inert Constituents**" means constituents other than Plant Products contained in Gas, including oxygen, carbon dioxide, nitrogen, hydrogen sulfide, water vapor, ozone, nitrous oxide, and mercury.

(ac) "**Interests**" means any right, title, or interest in lands which gives Producer the right to produce and market oil and/or Gas therefrom, whether arising from fee ownership, working interest ownership, mineral ownership, leasehold ownership, farmout, or other contractual arrangement or arising from any pooling, unitization, or communitization of any of the foregoing rights within the Dedicated Area, and any and all replacements, renewals, and extensions or amendments of any of the same.

(ad) "**Law**" or "**Laws**" Any of the following: laws, rules, regulations, decrees, judgments or orders of, or licenses or permits issued by, any Governmental Authority, including, without limitation, any U.S. Bureau of Land Management requirement that is applicable to any federal lease included in the Dedicated Area.

(ae) "**Loss**" means any loss, cost, expense, liability, damage, sanction, judgment, lien, fine, or penalty, including reasonable attorney's fees, incurred, suffered or paid by the applicable indemnified Persons on account of: (i) injuries (including death) to any Person or damage to or destruction of any property, sustained or alleged to have been sustained in connection with or arising out of the matters for which the indemnifying Party has agreed to indemnify the applicable indemnified Persons, or (ii) the breach of any covenant or agreement made or to be performed by the indemnifying Party pursuant to this Agreement.

(af) "**Material Measurement Error**" shall have the meaning set forth in Section 5.4.

(ag) "**Mcf**" means one thousand Cubic Feet.

(ah) "**MMBtu**" means one million Btu.

(ai) "**Month**" means the period beginning at 9:00 a.m., Central Time, on the first Day of a calendar month and ending at 9:00 a.m., Central Time, on the first Day of the succeeding calendar month.

(aj) "**Monthly Statement**" shall have the meaning set forth in Section 10.1.

(ak) "**Non-Conforming Plant Products**" shall have the meaning set forth in Section 9.3.

(al) "**Non-Conforming Residue Gas**" shall have the meaning set forth in Section 8.3.

(am) "**Non-Op Gas**" shall have the meaning set forth in Section 2.1.

(an) "**Non-Processable Gas**" means Producer's Gas that Producer elects to have delivered to a Central Conditioning Facility.

(ao) "**Off-Spec Gas**" shall have the meaning set forth in Section 4.2.

(ap) "**Operational**" means in-service and ready to accept deliveries of Producer's Gas under this Agreement.

(aq) "**Person**" An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

(ar) "**Processor's Facilities**" means any or all of the compressor stations, Central Conditioning Facilities, Central Processing Facilities, and Cryogenic Processing Facilities owned by Processor, capable of receiving Producer's Gas for dehydration, compression, treating, and/or removal of Plant Products from time to time, and located in Reeves, Pecos, Jeff Davis, and Culberson Counties, Texas.

(as) "**Plant Capacity**" shall have the meaning set forth in Section 2.4.

(at) "**Plant Products**" means the mixture consisting primarily of ethane, propane, isobutane, normal butane, and natural gasoline (and any incidental methane) that are extracted at the Processor's Facilities and all other condensate in Producer's Gas delivered to the Delivery Points or otherwise recovered at the Processor's Facilities.

(au) "**Plant Products Price**" means, for each component Plant Product, a price per gallon equal to 100% of the Monthly average of Processor's actual sales price for such component product sold from the Processor's Facilities. It is understood that the Plant Products Price shall be net of actual, third–party, commercially reasonable fees paid or incurred by Processor for the transportation and fractionation directly related to Producer's Plant Products but shall not in any circumstance include any (i) marketing or broker fees, (ii) deficiency, take-or-pay, or demand charges, (iii) price adjustments relating to Y-grade product quality specifications, (iv) imbalance fees and penalties, (v) line fill requirements, or (vi) requirements as to product working inventory of Y-grade at a fractionation facility.

(av) "**Plant Products Redelivery Points**" means the upstream insulating flange of the applicable custody meter at the discharge points downstream of the Processor's Facilities, as applicable, as described on Exhibit B, in which Plant Products are redelivered as raw mix to a takeaway pipeline or other transport mode for the account of Producer.

(aw) "**Primary Term**" shall have the meaning set forth in Section 18.1.

(ax) "**Processable Gas**" means Producer's Gas that Producer elects to have delivered to a Central Processing Facility and/or a Cryogenic Processing Facility.

(ay) "**Processor Indemnified Parties**" shall have the meaning set forth in Section 13.1.

(az) "**Producer's Gas**" means all of the Gas owned or controlled by Producer that is produced from the Dedicated Area and delivered to Processor under this Agreement.

(ba) "**Producer Indemnified Parties**" shall have the meaning set forth in Section 13.1.

(bb) "**psia**" means pounds per square inch absolute.

(bc) "**psig**" means pounds per square inch gauge.

(bd) "Receipt Point" means the inlet flange of the upstream gatherer's facilities at the point of interconnection between the low pressure gathering system and Producer's facilities or the inlet flange of the upstream gatherer's facilities at the point of interconnection between the high pressure gathering system and Processor's compression facilities.

(be) "**Redelivery Point Gas Quality Specifications**" mean the Gas quality requirements of downstream pipelines or other facility operators at the Residue Gas Delivery Points, as such requirements are in effect from time to time.

(bf) "**Residue Gas**" means the portion of the Gas delivered to the Processor's Facilities that remains after processing.

(bg) "**Residue Gas Price**" means a price per MMBtu equal to 100% of the Monthly average of Processor's actual sales price for Residue Gas sold from the Processor's Facilities. It is understood that the Residue Gas Price shall be net of actual, third-party, commercially reasonable fees paid or incurred by Processor for the transportation directly related to Producer's Residue Gas but shall not in any circumstance include any (i) marketing or broker fees, (ii) take-or-pay, reservation, or demand charges, (iii) imbalance fees and penalties, or (iv) line fill requirements.

(bh) "**Residue Gas Redelivery Points**" means the upstream insulating flange of the applicable Residue Gas custody meter at the discharge points downstream of the Processor's Facilities, as applicable, as described on Exhibit B, where Residue Gas is delivered to a takeaway pipeline for the account of Producer.

(bi) "**Resolution Period**" shall have the meaning set forth in Section 2.2 or Section 3.5, as applicable.

(bj) "**Services**" shall have the meaning set forth in Section 2.4.

(bk) "**Shrinkage**" shall have meaning set forth in Exhibit F.

(bl) "**Similarly Situated Customers**" means any assignee of Producer's interests hereunder (whether total or partial) pursuant to Section 19.6 or any third party customer who has an equal level of service priority at Processor's Facilities.

(bm) "**Tax**" or "**Taxes**" Any federal, state or local taxes, fees, levies or other assessments, including all sales and use, goods and services, ad valorem, transfer, gains, profits, excise, franchise, real and personal property, gross receipt, value added, capital stock, production, business and occupation, disability, employment, payroll, license, unemployment, social security, Medicare, or withholding taxes or charges imposed by any Governmental Authority, and including any interest and penalties (civil or criminal) on any of the foregoing.

(bn) "**Term**" shall have the meaning set forth in Section 18.1.

(bo) "**Third Party**" Any Person that, as of any applicable determination date, is not a Party to this Agreement.

(bp) "**Third Party Gas**" means Gas other than Producer's Gas.

(bq) "**Transfer**" means any direct or indirect transfer, conveyance, assignment, grant, or other disposition of any rights, interests, or obligations.

(br) "**Year**" means a period of 365 consecutive Days, provided that any year containing the date of February 29 shall consist of 366 consecutive Days.

ARTICLE II

DEDICATION AND SERVICES

Section 2.1 Dedication; Producer Reservations; Release Rights.

(a) Dedication. Subject to the terms and conditions of this Agreement, and solely for the purpose of this Agreement, Producer hereby dedicates for the Services to be provided by Processor under this Agreement and shall deliver or cause to be delivered at the Delivery Point(s) the following:

(i) all Gas owned by Producer that is produced and saved from wells now or hereafter located within the Dedicated Area or on lands pooled or unitized therewith, to the

extent such Gas is attributable to Interests within the Dedicated Area and not otherwise delivered or used as permitted pursuant to this Agreement; and

(ii) with respect to wells now or hereafter located within the Dedicated Area or on lands pooled or unitized herewith for which Producer is the operator, Gas for such wells that is owned by other working interest owners and royalty owners ("**Non-Op Gas**") but only to the extent and for the period that Producer has the right or obligation to market such Non-Op Gas.

(b) Covenant Running with the Land. It is the mutual intention of the Parties that, so long as the dedication in Section 2.1(a) is in effect, this Agreement and the dedication under Section 2.1(a) and all of the terms and provisions of this Agreement collectively shall (i) be a covenant running with the Interests within the Dedicated Area and (ii) be binding on and enforceable by Processor and its successors and assigns against Producer and its successors and assigns of the Interests within the Dedicated Area. Each Party agrees to execute, acknowledge, and deliver to the other Party from time to time such additional agreements and instruments as may be reasonably requested by such other Party to more fully effectuate the intention of the Parties set forth in the immediately preceding sentence, including a memorandum of this Agreement in the form set forth on Exhibit G, and in the event of a permanent release or partial assignment of the Interests dedicated hereunder, a memorandum of release in the form set forth on Exhibit H. Producer shall cause any conveyance by it of all or any of the Interests within the Dedicated Area to be made expressly subject to the terms of this Agreement. By January 31 of each year, Producer and Processor shall update Exhibit A to reflect any Interests within the Dedicated Area (1) permanently released by Processor or (2) partially assigned by Producer during the immediately preceding year. Contemporaneously with any such update and supplement to this Agreement, Producer shall execute, acknowledge, and deliver to Processor a supplement to each of the applicable memoranda of this Agreement previously filed for recording in the real property records of each county in which any portion of such new Interests is located.

(c) Forecasts. On or before August 1st of each Year during the Term, Processor shall deliver to Producer a map showing each current Processor's Facilities. Subject to Processor's delivery of such map and Processor's compliance with the confidentiality and restricted use requirements set forth in Section 19.1 on or before October 1st of each Year during the Term, Producer shall deliver to Processor a 2-Year Forecast with respect to the Producer's Gas. "**2-Year Forecast**" shall mean Producer's good faith estimate (expressed in Mcf per Day) and associated gas analysis of Producer's Gas, to be produced from the Dedicated Area, broken down by Processor's Facilities, and delivered to the Delivery Points for each Month for the next two (2) years of the Term of the Agreement, which forecasts shall be based on Producer's most recent engineering and planning data. At Processor's request, but no more than once per quarter, Producer and Processor

will meet to discuss changes in the forecast to ensure that Processor will have adequate capacity in place to meet Producer's requirements. For the sake of clarity, Processor acknowledges that Producer shall not at any time be required to deliver any of Producer's internal budget information to Processor. Producer shall use all commercially reasonable efforts and information available to it to create the 2-Year Forecasts, but, given the inherent nature of the estimates involved in creating such Forecasts, Producer cannot guarantee the accuracy of any 2-Year Forecast.

(d) Producer's Reservations.

(i) Gas for Lessors or Royalty Owners. Producer shall have the right to utilize Gas as may be required to be delivered to lessors or royalty owners under the terms of leases or other agreements or as required for Producer's operations within the Dedicated Area or lands pooled or unitized therewith, as determined by Producer in its sole discretion.

(ii) Pooling or Units. Producer may form, dissolve, and/or participate in pooling agreements or units encompassing all or any portions of the Dedicated Area, as determined by Producer in its sole discretion.

(iii) Operational Control of Wells. Producer reserves the right to operate its leases and wells in any manner that it desires, as determined by Producer in its sole discretion and free of any control by Processor, including without limitation, (i) shutting-in, cleaning out, reworking, modifying, deepening, or abandoning any such wells, (ii) using any efficient, modern, or improved method for the production of its wells, (iii) flaring, burning, or venting Gas and (iv) surrendering, releasing, or terminating its leases or Interests or allowing such leases or Interests to expire at any time.

(iv) Well Development and Operations. Producer reserves the right to use Gas (including the Plant Products in such Gas), above ground or below, to develop and operate its leases and wells, including, without limitation, for Gas lift, fuel, pressure maintenance, or other re-injection purposes, secondary and tertiary recovery, drilling or cycling, operation of Producer's facilities, and/or any other legitimate use in connection with the development and/or operation of its leases and wells that are now or hereafter become subject to the terms of this Agreement. Additionally, for Gas used for fuel, Producer has the right to remove and dispose of liquid hydrocarbons from such Gas by means it deems necessary, including via low temperature separation.

(v) No Obligation to Develop. Notwithstanding anything else in this Agreement that may be construed to the contrary, Producer reserves the right to develop and operate its leases and wells as it sees fit, in its sole discretion, and Producer shall have no obligation to Processor under this Agreement to develop or otherwise produce Gas or other

hydrocarbons from any properties owned by it, including any properties now or hereafter located within the Dedicated Area or the lands pooled or unitized therewith.

Section 2.2 Release from Dedication.

(a) Immediate Temporary Release. If for any reason including Force Majeure (but not including a pressure problem which is addressed in Section 3.5), Processor does not take all or any portion of Producer's Gas delivered or otherwise available for delivery at a Delivery Point, Producer shall be entitled to an immediate temporary release from dedication of such volume of Producer's Gas, and may dispose of such Gas in any manner it sees fits, subject to Processor's right to resume receipts at a subsequent time when Processor is able to take all of Producer's Gas available for delivery at the Delivery Point in accordance with the terms of this Agreement, provided however if during such temporary release period Producer secures a different temporary market, Processor may resume receipts only upon thirty (30) days' advance written notice and only as of the beginning of a Month, unless otherwise agreed.

(b) Permanent Release. In addition to Section 2.2(a), above, if Processor does not take and process all or any portion of Producer's Gas for delivery at a Delivery Point for any reason (including a failure to meet quality requirements for nitrogen, but not including (i) a failure to meet quality requirements other than for nitrogen as set forth above, for which no permanent release shall be available, or (ii) a pressure problem, which is addressed in Section 3.5) for a cumulative thirty (30) Days in any ninety (90) Day period, unless such failure is caused by Force Majeure, in which case a cumulative 180 Days in any 365-Day period, then upon Producer's written notice to Processor, Processor shall have fifteen (15) Days from receipt of such notice to propose a feasible plan to Producer that shall resolve such issue, at Processor's sole cost and expense, within sixty (60) Days after proposing such plan (the "**Resolution Period**"). If (A) Processor fails to propose a resolution within the stated fifteen (15) Days, (B) the issue is not resolved after completion of Processor's resolution, or (C) Processor does not complete such resolution within the Resolution Period (but if Processor's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days), Producer may elect within 30 days following Processor's failure to propose a resolution, the completion of such inadequate resolution or the expiration of such Resolution Period, as applicable, by giving written notice to Processor, to receive a permanent release from dedication as to the affected Delivery Point and the portion(s) of the Dedicated Area associated with such Delivery Point (and such released portion(s) shall be stated in terms of acreage); provided, however, Producer shall not be entitled to the foregoing remedy to the extent that Producer's good-faith estimate of the affected volumes exceeds the last 2-Year Forecast Producer delivered to Processor in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Processor

(subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive.

(c) Release by Upstream Gatherer. Delivery of Producer's Gas to Processor hereunder is dependent upon the performance of upstream gathering facilities to which Producer has made a dedication similar to the dedication under this Agreement. To the extent that Producer's dedication under such upstream contracts is released, Producer shall receive a corresponding release from dedication under this Agreement.

Section 2.3 No Election of Remedies. Producer's exercise of any right to a release from dedication under Section 2.2 shall not be deemed as an election of remedies for any unexcused failure of Processor to perform any obligation under this Agreement, and Producer shall be entitled to any and all other remedies, including specific performance and injunctive relief (without the need to post any bond).

Section 2.4 Processing and Related Services. Subject to the terms and conditions of this Agreement, each Month during the Term Processor shall provide, or cause to be provided the following services, each on a Firm Basis (collectively, the "**Services**"):

(a) receive, or cause to be received, Producer's Gas at the Delivery Points up to the capacity of the Processor's Facilities ("**Plant Capacity**");

(b) receive, or cause to be received, condensate at the Delivery Points;

(c) dehydrate, compress, and/or treat all of Producer's Non-Processable Gas at the Central Conditioning Facilities and purchase or deliver for Producer's account such Producer's Non-Processable Gas;

(d) dehydrate, compress, treat, and/or remove Plant Products from all of Producer's Processable Gas at Processor's facilities;

(e) for Processable Gas to be delivered to the Cryos, compress and redeliver such Producer's Gas into a high pressure gathering system and re-accepting such Producer's Gas at the Cryos;

(f) purchase or deliver for Producer's account all Producer's Residue Gas and Plant Products for volumes attributable to Producer's Processable Gas; and

(h) perform such other obligations and actions as are described under this Agreement.

Processor shall perform all Services and operate Processor's Facilities consistent with industry standard and in a prudent, workmanlike manner.

Notwithstanding anything in this Agreement to the contrary, Producer shall not be entitled to Services on a Firm basis on any Processor's Facilities, or any portions of the Processor's Facilities, that have been built by Processor exclusively to service Gas volumes delivered by any Third Party customer.

Section 2.5 Recovery Rates and Take In-Kind Rights.

(a) Recovery Rates. Processor shall determine Producer's share of Residue Gas and Plant Products within the Processor's Facilities based on actual recovery rates (including condensate fallout upstream of the Processor's Facilities) and the allocation methodology shown on Exhibit F.

(b) Take In-Kind - Residue Gas. For each Calendar Year during the Term, Producer shall have the right to take its Residue Gas in-kind. Producer elects to take its Residue Gas in-kind at the Residue Gas Redelivery Point as of the Effective Date of this Agreement. This election shall remain in effect until Producer provides notice to Processor at least one hundred eighty (180) Days prior to beginning of the Calendar Year that Producer no longer elects to take its Residue Gas in-kind, and such election to no longer take in-kind shall continue for the remainder of the Term. For any Calendar Year the Producer elects to take its Residue Gas in-kind, Processor shall not be required to pay the Residue Gas Price. Additionally, during any such Calendar Year, the "Take In-Kind Terms" set forth in Article VIII and Exhibit E, as well as the applicable title, possession, and liability provisions of Article XIII and Article XIV shall apply.

(c) Take In-Kind - Plant Products. For each Calendar Year during the Term, Producer shall have the right to take its Plant Products in-kind. Producer elects to take its Plant Products in-kind at the Plant Products Redelivery Point as of the Effective Date of this Agreement. This election shall remain in effect until Producer provides notice to Processor at least one hundred eighty (180) Days period to the beginning of the Calendar Year that Producer no longer elects to take its Plant Products in-kind, and such election to no longer take in-kind shall continue for the remainder of the Term. For any Calendar Year that Producer elects to take its Plant Products in-kind, Processor shall not be required to pay the Plant Products Price. Additionally, during any such Calendar Year, the "Take In-Kind Terms" set forth in Article IX and Exhibit E, as well as the applicable title, possession, and liability provisions of Article XIII and Article XIV shall apply.

Section 2.6 Modification of System Capacity. Other than during periods of emergency and/or required Maintenance, Processor shall not take, without Producer's prior written consent, any action that could cause the Plant Capacity to be reduced in a manner that negatively affects Producer's ability to deliver Gas to any Delivery Point.

Section 2.7 Priority of Gas Services; Curtailment. Processor covenants that it shall not oversubscribe the Processing Facilities or take additional production into the Processing Facilities if, as a result, Processor is unable to perform its Service obligations under this Agreement. Processor agrees to not provide services of any kind for any Third Party Gas on a basis that has a priority higher than that to which Producer is entitled under this Agreement without Producer's prior written consent; provided, however, that in the case of (ii), such consent shall not be unreasonably withheld if the Third Party agreement shall not be reasonably expected to impact Processor's ability to perform its obligations to Producer under this Agreement. If for any reason, including, without limitation, Force Majeure, maintenance, or constraints at Redelivery Point(s), Processor needs to curtail receipt, processing or delivery of Gas at the Processor's Facilities, the following procedures shall be followed:

(a) First, Gas deliveries from all customers other than Producer and Similarly Situated Customers shall be curtailed prior to any curtailment or interruption of Producer's Gas or Gas from Similarly Situated Customers; and

(b) Second, if additional curtailments are required beyond Section 2.7(a) above, Processor shall notify Producer and the Similarly Situated Customers of such curtailment and require good faith estimates of expected gas volumes from Producer and Similarly Situated Customers. Processor shall then allocate the Plant Capacity at the affected Delivery Point on a pro rata basis based upon Producer's and each Similarly Situated Customer's respective good faith estimates for the affected point.

Section 2.8 Third Party Gas. Processor agrees that it shall not accept Third Party Gas into the Processor's Facilities if such Third Party Gas shall cause Producer's Gas to not meet the Redelivery Point Gas Quality Specifications.

Section 2.9 Operation and Maintenance of Processor's Facilities. Processor shall (i) be entitled to complete operational control of the Processor's Facilities and (ii) construct, install, own, operate, and maintain, at its sole cost, risk and expense, the facilities in accordance with all applicable laws, as a reasonably prudent operator and, to the extent reasonably possible, in a cost-efficient and effective manner for Producer.

Section 2.10 Commingling. The Parties agree that Producer's Gas may constitute part of the supply of Gas from multiple sources, and Processor shall have the right, subject to Processor's obligations under this Agreement, to commingle Producer's Gas with other Gas, to deliver Residue

Gas and Plant Products containing molecules different from those received at the Delivery Points, and to handle the molecules delivered at the Delivery Points in any manner.

ARTICLE III

DELIVERY POINTS AND PRESSURE

Section 3.1 Delivery Points. The delivery points for all Producer's Gas delivered by Producer under this Agreement shall be the location where Producer's Gas enters the inlet flange of the Processor's Facilities located at the points identified on Exhibit B of this Agreement (each, a "**Delivery Point**," and together, the "**Delivery Points**").

Section 3.2 Pressure at Delivery Points. Producer shall cause Producer's Gas to be delivered to the Delivery Points at a pressure sufficient to enter the Processor's facilities, provided that Processor maintains the operating pressures at not more than (a) [***] psig at the inlet flange of the on-skid compressor inlet suction scrubber of the Central Conditioning Facilities and (b) [***] psig at the inlet flange of the on-skid compressor inlet suction scrubber of the Central Processing Facilities and at all other Delivery Points other than the inlet to the Cryogenic Processing Facilities. Producer shall not deliver Gas at a pressure in excess of the MAOP at the Delivery Point, as such MAOP may exist from time to time. As of the Effective Date, the MAOP at each Delivery Point shall be listed on Exhibit B, and Processor shall give written notice to Producer at any time thereafter that the MAOP for any Delivery Point changes and for each additional Delivery Point when it is added.

Section 3.3 Pressure at Residue Gas Redelivery Points. If Producer elects to take its Residue Gas in-kind, Processor shall redeliver Residue Gas at a pressure sufficient to enter the receiving facilities at such Residue Gas Redelivery Point, but shall not deliver such Gas at a pressure in excess of the MAOP of such receiving facilities, as such MAOP may exist from time to time.

Section 3.4 Pressure at Plant Product Redelivery Points. If Producer elects to take its Plant Products in-kind, Processor shall redeliver Plant Products at a pressure sufficient to enter the receiving facilities at each Plant Product Redelivery Point, but shall not deliver such Plant Products at a pressure in excess of MAOP of such receiving facilities, as such MAOP may exist from time to time.

Section 3.5 Release Rights. At any time that the operating pressure at a Delivery Point is not in compliance with the required operating pressure or is in excess of the MAOP for any reason, including Force Majeure, Producer shall be entitled to an immediate temporary release from dedication and may immediately dispose of and/or deliver to any third Person any of Producer's Gas available for delivery at such Delivery Point. In the event the operating pressure is not in compliance with the required pressure for a cumulative thirty (30) Days in any ninety (90) Day

period for reasons other than Force Majeure, then upon Producer's written notice to Processor, Processor shall have fifteen (15) Days from receipt of such notice to propose a feasible plan that shall, at Processor's sole cost and expense, resolve the pressure issue within sixty (60) Days after proposing such plan (the "**Resolution Period**") so that the pressure shall be maintained in compliance with the required pressure (including when all available Gas is delivered to the Delivery Point(s), i.e., including all of Producer's Gas that may have been temporarily released). If (a) Processor fails to propose a resolution within the stated fifteen (15) Days, (b) the issue is not resolved after completion of Processor's resolution, or (c) Processor does not complete its proposed resolution within the Resolution Period for any reason (but if Processor's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days), then Producer may elect, by giving written notice to Processor, to receive a permanent release from dedication as to any affected Delivery Point(s) and the portion(s) of the Dedicated Area associated with such Delivery Point(s) (and such released portion(s) may be stated in terms of wells and/or acreage); provided, however, Producer shall not be entitled to a permanent release to the extent that (x) any Receipt Point(s) upstream of the Delivery Point are in compliance with the Required Pressure (as defined in the Gas Gathering Agreement between Producer and Alpine High Gathering LP dated July 1, 2018) for such Receipt Point(s) or (y) Producer's good-faith estimate of volumes exceeds the last 2-Year Forecast Producer delivered to Processor in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Processor (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive. Producer's right to a release from dedication or Fee reduction under this Section 3.5 shall not be deemed an election of remedies, and Producer shall be entitled to any and all other remedies, including specific performance and injunctive relief (without the need to post any bond).

ARTICLE IV

GAS QUALITY

Section 4.1 Gas Quality Specifications. Producer's Gas delivered to a Central Processing Facility or a Cryogenic Processing Facility shall meet the Gas Quality Specifications set forth in Exhibit D-1. Producer's Gas delivered to a Central Conditioning Facility shall meet the Gas Quality Specifications set forth in Exhibit D-2.

Section 4.2 Non-Conforming Gas. If at any time Processor becomes aware that Producer's Gas at a Delivery Point fails to conform to the applicable Gas Quality Specifications set forth in Exhibit D-1, or Exhibit D-2 ("**Off-Spec Gas**"), then Processor shall promptly give

Producer written notice of the deficiency, and Producer shall take commercially reasonable steps to remedy the deficiency. Processor shall use all commercially reasonable efforts to accept such Off-Spec Gas, as long as (i) Processor is able to accept such Off-Spec Gas without unreasonable risk of harm to the Processor's Facilities or to the Processor's Facilities personnel, (ii) the acceptance of such Off-Spec Gas does not render the Processor's Facilities unable to meet the Redelivery Point Gas Quality Specifications, and (iii) Processor's receipt of the Off-Spec Gas shall not be construed as a change of requirements for future volumes delivered to the Processor's Facilities. Processor may immediately cease taking any Off-Spec Gas that Processor deems would be harmful to the Processor's Facilities or the Processor's Facilities personnel.

Section 4.3 Reimbursement for Costs and Expenses. Producer shall reimburse Processor for actual, reasonable costs and expenses directly resulting from damage to the Processor's Facilities, or to other customers' Gas therein, to the extent such damage is directly caused by the delivery to the Processor's Facilities of Producer's Gas that is Off-Spec Gas, *except* when Processor knowingly accepts such Off-Spec Gas into the Processor's Facilities. ***Notwithstanding the above or anything else in this Agreement, Producer's responsibility under this Section 4.3 shall be for actual, direct damages only, and in no event shall this Section 4.3 require Producer to pay or in any way be responsible for the Consequential Damages of any Person***.

ARTICLE V

MEASUREMENT

Section 5.1 Equipment and Specifications. Producer's Gas delivered to the Processor's Facilities shall be measured by Processor at each Receipt Point, each Delivery Point, and any point on the gathering system upstream of Processor's Facilities where buyback gas is redelivered to Producer, and the Residue Gas and Plant Products shall be measured at the meter(s) at the applicable Redelivery Point(s). Additionally, Processor shall measure any gas consumed as fuel or flared at its facilities. The meters and appurtenant facilities shall be installed, operated, and maintained by Processor in accurate working order and condition, in accordance with the requirements set forth in this Article V, with good and workmanlike standards generally practiced by reasonably prudent gas processing operators, and in accordance with all laws.

Section 5.2 Gas Meter Standards. Orifice meters installed in such measuring stations for Gas shall be constructed and operated in accordance with ANSI/API 2530 API 14.3, AGA Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids (including as it may be revised from time to time) and shall include the use of flange connections and, where necessary, straightening vanes, flow conditioners and/or pulsation dampening equipment. Ultrasonic meters or Coriolis meters installed in such measuring stations shall be constructed and operated in accordance with AGA Report No. 9, Measurement of Gas by Ultrasonic Meters, First Edition, and AGA Report No. 11, Measurement of Natural Gas by Coriolis Meter, respectively; and any subsequent modification and amendment thereof generally accepted within the Gas industry. Electronic flow computers shall be used and the Gas shall have its volume, mass, and/or heat content computed in accordance with the applicable AGA standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7, 8 and API 21.1 "Flow Measurement Using Electronic Metering Systems" and any subsequent modifications and amendments thereof generally accepted within the Gas industry. When Gas chromatographs are used they shall be installed, operated, maintained, and verified according to industry standards (GPA 2261, GPA 2145, GPA 2172, and GPA 2177).

Section 5.3 Notice of Measurement Equipment Inspection and Calibration. Each Party shall give seventy-two (72) hours' notice to the other Party in order that the other Party may, at its option, have representatives present to observe any reading, inspecting, testing, calibrating, or adjusting of measuring equipment used in measuring or checking the measurement of receipts or deliveries of Gas under this Agreement. The official electronic data from such measuring equipment shall remain the property of the measuring equipment owner, but copies of such records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 5.4 Measurement Accuracy Verification. Each Party shall verify the accuracy of all transmitters, flow computers, and other equipment used in the measurement of the Gas hereunder at intervals not to exceed one hundred eighty (180) Days and cause such equipment to be adjusted or calibrated as necessary. Testing frequency shall be based upon each Delivery Point flow rate (Mcf/Day). Any flow rate at a Delivery Point that is: (x) greater than 1,000 Mcf/Day shall be tested Monthly, (y) between 101 and 1,000 Mcf/Day shall be tested quarterly, and (z) less than 100 Mcf/Day shall be tested semi-annually. Neither Party shall be required to cause adjustment or calibration of such equipment more frequently than once every Month, unless a special test is requested pursuant to Section 5.5. If, upon testing, (i) no adjustment or calibration error is found that results in an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) or (ii) any quantity error is not greater than two hundred fifty (250) Mcf per Month, then any previous recordings of such equipment shall be considered accurate in computing deliveries but such equipment shall be adjusted or calibrated at once. If, during any test of the measuring equipment, an adjustment or calibration error is found

that results in (i) an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) and (ii) a quantity error greater than two hundred fifty (250) Mcf per Month ("**Material Measurement Error**"), then any previous recordings of such equipment shall be corrected to zero error for any period during which the error existed (and which is either known definitely or agreed to by the Parties) and the total flow for such period shall be determined in accordance with the provisions of Section 5.6. If the period of error condition cannot be determined or agreed upon between the Parties, such correction shall be for a period extending over the last one half (1/2) of the time elapsed since the date of the last test.

Section 5.5 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 5.4) of any measuring equipment, seventy-two (72) hours' advance notice shall be given to the other Party and, after providing such notice, such test shall be promptly performed. If no Material Measurement Error is found, the Party requesting the test shall pay the costs of such special test including any labor and transportation costs pertaining thereto. If a Material Measurement Error is determined to exist, the Party responsible for such measurement shall pay such costs and perform any corrections required under Section 5.4.

Section 5.6 Metered Flow Rates in Error. If, for any reason, any measurement equipment is (i) out of adjustment, (ii) out of service, or (iii) out of repair, and, in each case, a Material Measurement Error exists as a result thereof, the total quantity of Gas delivered shall be determined in accordance with the first of the following methods which is feasible:

(a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 5.4);

(b) where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering; or

(c) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Section 5.7 Record Retention. Processor shall retain and preserve all test data, charts, and similar records for any Calendar Year for a period of at least sixty (60) Months, unless any applicable Law requires a longer time period or Processor has received written notification of a dispute involving such records, in which case all records shall be retained until the related issue is resolved.

Section 5.8 Correction Factors for Volume Measurement. The computations of the volumes of Gas measured shall be made as follows:

(a) The hourly orifice coefficient for each meter shall be calculated at the base pressure of fourteen and sixty-five hundredths (14.65) psia and the base temperature of sixty (60) degrees Fahrenheit. All Gas volume measurements shall be based on a local atmospheric pressure assumed to be thirteen and seven-tenths (13.7) psia.

(b) The flowing temperature of the Gas shall be continuously measured. In the case of electronic metering, such temperature measurement shall be used as continuous input to the flow computer for calculation of Gas volume, mass and/or energy content in accordance with the applicable AGA or API 21.1 standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7 and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(c) Measurements of inside diameters of pipe runs and orifices shall be obtained by means of a micrometer to the nearest one-thousandth of an inch, and such measurements shall be used in computations of coefficients.

(d) In determining the volume of Gas, when electronic transducers and flow computers are used, the Gas shall have its volume, mass and/or energy content continuously integrated in accordance with the applicable AGA standards including, but not limited to, AGA report Nos. 3, 5, 6, 7 and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(e) In calculating the volume of Gas, deviation from Boyle's Law at the pressure, specific gravity, and temperature for each measurement shall be determined by use of AGA Report No. 8, Compressibility Factors for Natural Gas and Other Related Hydrocarbon Gases, published by the AGA in conjunction with Gas Measurement Committee Report No. 3 and amendments thereto generally accepted within the Gas industry.

(f) Whenever the conditions of pressure and temperature differ from the standards described herein, conversion of the volume from these conditions to the standard conditions shall be made in accordance with the Ideal Gas Laws, corrected for deviation by the methods set forth in the AGA Gas Measurement Committee Report No. 3, as said report may be amended from time to time.

Section 5.9 Exception to Gas Measurement Basis. If at any time the basis of measurement set out in this Agreement should conflict with any Law, then the basis of measurement provided for in such Law shall govern measurements hereunder.

Section 5.10 Gas Sampling. Receipt Point meters downstream of new wells or wells that have been changed due to a workover or other well bore alteration that could alter the Gas composition shall be sampled Monthly until the analyses demonstrate reasonable consistency. After such time, said meters shall then be sampled at the stated calibration frequency. Processor shall install and maintain a Gas composite sampler at each of the Receipt Points.

(a) Receipt Points and Delivery Points. The composition, specific gravity and Gross Heating Value of Producer's Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through an on-line chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(b) Residue Gas Redelivery Points. The composition, specific gravity, and Gross Heating Value of Producer's Residue Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through either an on-line Gas chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(c) The specific gravity of Gas at all applicable measurement points shall be determined by a Gas chromatographic component analysis to the nearest one thousandth (0.001) of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

(d) The Gross Heating Value shall be measured by Gas chromatographic analysis or component analysis of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

(e) The Gas received by Processor at Delivery Points other than those at the inlet of a Cryogenic Processing Facility shall be deemed as saturated with water and the Gas shall be measured and settled as saturated at base pressure and base temperature.

Section 5.11 Modifications to Measurement Procedures. In the event the measurement procedures herein cease to be reflective of actual operations or become inequitable in any respect, such measurement procedures shall be modified to reflect actual operations and to remove such inequities, as long as such modified measurement procedures are consistently applied to Producer and all other customers at the Processor's Facilities.

ARTICLE VI.

FEES, FUEL, AND CONSIDERATION

Section 6.1 Fees.

(a) Non-Processable Gas. Producer shall pay to Processor the Central Conditioning Fee, set forth in Exhibit C, for all Producer's Non-Processable Gas.

(b) Processable Gas. Producer shall pay to Processor the applicable Fees, set forth in Exhibit C, for all Producer's Processable Gas, illustrated by the following formula.

PF = (CPF x A) + (CRO x B)

Where:

PF = Total Processing Fees

CPF = Producer's CPF Volumes (as defined in Exhibit F, Paragraph 3)

CRO = Producer's Cryo Volumes (as defined in Exhibit F, Paragraph 4)

A = Central Processing Fee

B = Cryogenic Processing Fee

Section 6.2 FL&U. For Services provided at the Central Conditioning Facility, Central Processing Facility, or Cryogenic Processing Facility to which Producer's Gas is delivered, Producer shall bear responsibility for FL&U, as set forth on Exhibit C.

Section 6.3 Fee Adjustment. On July 1st of each year, all Fees shall each be automatically adjusted upward or downward by the percentage change in the Chained Consumer Price Index for All Urban Consumers, all items less food and energy, as and when published and considered final by the U.S. Department of Labor Bureau of Labor Statistics calculated for the twelve (12) Months immediately preceding the date of escalation; *provided*, *however*, no Fee shall ever be adjusted below its original amount as of the Effective Date; and, *provided*, *further*, that the amount of adjustment for each year shall not exceed [***] percent ([***]%) per annum.

ARTICLE VII

PRICE AND ALLOCATIONS

Section 7.1 Residue Gas and Plant Products Purchases. Except to the extent that Producer has elected to take its Residue Gas and/or its Plant Products in-kind pursuant to Sections 2.5(b) and 2.5(c), as full consideration for Producer's Residue Gas and Producer's Plant Products attributable to Producer's Gas and all its components delivered to Processor each month at the Delivery Point,

Processer shall pay Producer: (i) the Residue Gas Price for each MMBtu of Producer's Residue Gas and (ii) the Plant Products Price for each gallon of each component contained in Producer's Plant Products. No separate payment is due under this Agreement for helium, sulfur, CO_2, or other non-hydrocarbons.

Section 7.2 Allocation of Residue Gas and Plant Products. Processor shall determine, on a Monthly basis, the Residue Gas and Plant Products attributable to Producer's Gas on a proportional basis by component using the allocation methodologies set forth in Exhibit F. From time to time Processor may make changes and adjustments in its allocation methods to improve accuracy, provided that Processor provides written notice, evidencing the reasons for the necessary changes and adjustments, to Producer prior to making such changes or adjustments.

ARTICLE VIII

RESIDUE GAS REDELIVERY PROCEDURES

Section 8.1 Procedure for Residue Gas Disposition. When Producer has elected to take its Residue Gas in-kind, Processor shall return to Producer, or for Producer's account, Producer's Residue Gas at the Residue Gas Redelivery Points.

Section 8.2 Disposition of Producer's Residue Gas. Producer shall arrange for the disposition and sale of Producer's Residue Gas actually delivered to Producer or for Producer's account. If Producer fails to provide for the disposition and sale of that Residue Gas (i.e., Producer fails to nominate on a downstream pipeline), Processor shall, in a commercially reasonable manner, arrange for disposition and sale of that Residue Gas and shall remit the net proceeds to Producer after deductions for all reasonable transportation charges, a marketing fee of $0.05 per MMBtu, and other actual, reasonable costs associated with the disposition and sale of Producer's Residue Gas. Processor's remittance of such net proceeds to Producer shall include the gross sales proceeds at which such Residue Gas was sold and reasonably detailed documentation of all such costs and charges deducted from such gross sales proceeds.

Section 8.3 Quality. The Residue Gas delivered by Processor from the Processor's Facilities to Producer or for Producer's account at the Residue Gas Redelivery Point(s) must meet all quality specifications of the Producer's designated receiving pipeline(s), as such quality specifications are in effect as of the Effective Date, and if at any time after the Effective Date the applicable receiving pipeline changes its quality specifications to be more stringent, Processor shall have the right to make corresponding revisions to the quality specifications set forth in Exhibit D in amounts consistent with the receiving pipeline's changes. Any Residue Gas redelivered by Processor which does not conform with all of the aforesaid quality requirements is referred to herein as "**Non-Conforming Residue Gas**". If Processor fails to redeliver Residue Gas on behalf of Producer that meets all quality specifications of the receiving pipeline, in addition to any other

remedy available to Producer at law or in equity, Processor shall be responsible for, and shall indemnify, defend, and hold harmless Producer Indemnified Parties and its and their officers, agents, employees, and contractors, and all third parties located downstream of Processor's facilities, from and against any and all damages, losses, fines, penalties, fees, charges, claims, demands, suits, actions, causes of action, obligations, liabilities (including, without limitation, for injury, death or damage to property), contractual liabilities, and reasonable expenses and costs (including, without limitation, court costs, reasonable attorney's fees, and all other reasonable costs and expenses incurred in investigating and defending any of the above) to the extent directly arising from Processor's delivery of Non-Conforming Residue Gas. Further, Processor shall be responsible for all reasonable costs and expenses incurred by Producer in order to avoid any fees or fines charged by any downstream transporter for so long as Processor delivers Non-Conforming Residue Gas and so long as such fees or fines are charged.

ARTICLE IX

PLANT PRODUCTS REDELIVERY PROCEDURES

Section 9.1 Procedure for Plant Product Disposition. When Producer has elected to take its Plant Products in-kind, Processor shall return to Producer, or for Producer's account, Producer's Plant Products at the Plant Products Redelivery Points in the form of raw mix of natural gas liquids.

Section 9.2 Disposition of Producer's Plant Products. Producer shall arrange for the disposition and sale of its share of Plant Products actually delivered to Producer or for Producer's account. If Producer fails to provide for the disposition and sale of its share of Plant Products actually delivered to it, Processor may arrange for disposition and sale of those Plant Products and Processor shall remit the net proceeds to Producer after deductions for all actual, reasonable transportation and fractionation charges, a marketing fee of $0.005 per Gallon, and other actual, reasonable costs associated with the disposition and sale of such Plant Products. Processor's remittance of such net proceeds to Producer shall include the price at which each Plant Product was sold and reasonably detailed documentation of all such costs and charges deducted from such sale price.

Section 9.3 Quality. The Plant Products delivered by Processor to Producer or for Producer's account at the Plant Products Redelivery Points must meet all quality requirements of the Producer's designated receiving pipeline(s), as such quality specifications are in effect as of the Effective Date, and if at any time after the Effective Date the applicable receiving transporter changes its quality specifications to be more stringent, Processor shall have the right to make corresponding revisions to the quality specifications set forth in Exhibit D in amounts consistent with the receiving transporter's changes. Any Plant Products redelivered by Processor which do not conform with all of the aforesaid quality requirements is referred to herein as "**Non-Conforming Plant Products**".

If Processor fails to redeliver Plant Products on behalf of Producer that meet all quality specifications of the receiving transporter, in addition to any other remedy available to Producer at law or in equity, Processor shall be responsible for, and shall indemnify, defend, and hold harmless Producer Indemnified Parties and its and their officers, agents, employees, and contractors, and all third parties located downstream of Processor's facilities, from and against any and all damages, losses, fines, fees, charges, penalties, claims, demands, suits, actions, causes of action, obligations, liabilities (including, without limitation, for injury, death or damage to property), contractual liabilities, and reasonable expenses and costs (including, without limitation, court costs, reasonable attorney's fees, and all other reasonable costs and expenses incurred in investigating and defending any of the above) to the extent directly arising from Processor's delivery of Non-Conforming Plant Products. Further, Processor shall be responsible for all reasonable costs and expenses incurred by Producer in order to avoid any fees or fines charged by any downstream transporter for so long as Processor delivers Non-Conforming Plant Products and so long as such fees or fines are charged.

ARTICLE X

PAYMENTS

Section 10.1 Payments and Invoices. Processor shall provide Producer with a detailed statement and supporting documentation for the net amount of all consideration due from Producer to Processor under the terms of this Agreement (net of any amounts due from Processor to Producer under this Agreement), not later than the last Day of the Month immediately following the Month for which the consideration is due (such statement, the "**Monthly Statement**"). Not later than thirty (30) Days following Producer's receipt of a Monthly Statement, Producer shall pay to Processor all net amounts due and owing from Producer to Processor under the Monthly Statement. If a good faith dispute arises as to a Monthly Statement, Producer shall provide Processor a written notice of dispute on or before the date payment is due for same, setting forth, in reasonable detail, the grounds for such dispute. Notwithstanding the delivery of a dispute notice, Producer shall pay to Processor the undisputed portions of each Monthly Statement in accordance with the terms of this Agreement. Any amounts owing by Processor to Producer shall be paid simultaneously with delivery of the Monthly Statement. Payments to either Party shall be according to the applicable payment instructions set forth in Article XVI. If any payment due date falls on a non-Business Day, the payment shall be due on the first Business Day thereafter.

Section 10.2 Netting, Offset of Amounts Due. Either Party shall have the right to offset any undisputed amounts due by it under this Agreement against any undisputed amounts due to it under this Agreement and pay the net amount due to the other Party.

Section 10.3 Interest on Late Payments. In the event either Party fails to make timely payment of any amount when due under this Agreement (including any disputed amount which is later found to have been correct when payment was first requested), interest shall accrue, from the date payment was due until the date payment is made, at an annual rate equal to the lower of: (a)

the prime rate as published in the "Money Rates" section of *The Wall Street Journal*, plus two percent (2%), or (b) the maximum rate of interest allowed under applicable Laws.

ARTICLE XI

AUDIT RIGHTS

Section 11.1 Audit Rights.

(a) Each Party shall have the right, at its own expense, upon thirty (30) Days' written notice and during reasonable working hours to perform an audit of the other Party's books and records ("**Audit**"). The Audit provides the Parties the right to obtain access to and copies of the relevant portion of the books and records which includes, but is not limited to, financial information, reports, charts, calculations, measurement data, allocation support, third-party support, telephone recordings, and electronic communications of the other Party to the extent reasonably necessary to verify performance under the terms and conditions of this Agreement including the accuracy of any statement, allocation, charge, payment calculation or determination made pursuant to the provisions contained herein for any Calendar Year within the twenty-four (24) Month period next following the end of such Calendar Year. The Party subject to the Audit shall respond to all exceptions and claims of discrepancies within ninety (90) Days of receipt thereof.

(b) Either Party has the right to Audit any agents of the other Party or any third Person performing services related to this Agreement. Either Party shall have the right to make and retain copies of the books and records to the extent necessary to support the audit work papers and claims resulting from the Audit. Additionally, the Parties reserve the right to perform site inspections or carry out field visits of the assets and related measurement being audited.

(c) The accuracy of any statement, allocation, charge, payment calculation, or determination made pursuant to the provisions of the Agreement shall be conclusively presumed to be correct after the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared, if not challenged (claimed) in writing prior thereto. For the avoidance of doubt, all claims shall be deemed waived unless they are made in writing within the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared.

ARTICLE XII

FORCE MAJEURE

Section 12.1 Suspension of Obligations. In the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than the obligation to indemnify and/or to make payments due hereunder, and such Party gives notice and reasonably full particulars of such Force Majeure in writing to the other Party promptly after the occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as and to the extent affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch by the Party claiming Force Majeure. A Force Majeure event affecting the performance of a Party shall not relieve it of liability in the event of its gross negligence, where such gross negligence was the cause of, or a contributing factor in causing, the Force Majeure event, or in the event of its failure to use commercially reasonable efforts to remedy the situation and remove the cause with all reasonable dispatch. Additionally, it is specifically understood that a Force Majeure shall in no way terminate each Party's obligation to balance those volumes of Gas received and delivered hereunder.

Section 12.2 Definition of Force Majeure. "**Force Majeure**" shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including, without limitation, any of the following that meets the foregoing criteria: acts of God, acts and/or delays in action of any Governmental Authority, strikes, lockouts, work stoppages or other industrial disturbances, acts of a public enemy, sabotage, wars, blockades, insurrections, riots, acts of terror, epidemics, landslides, lightning, earthquakes, fires, storms, storm warnings, floods, washouts, extreme cold or freezing weather, arrests and restraints of governments and people, civil or criminal disturbances, explosions, mechanical failures, breakage or accident to equipment installations, machinery, compressors, or lines of pipe and associated repairs, freezing of wells or lines of pipe, partial or entire failure of wells, pipes, facilities, or equipment, electric power unavailability or shortages, failure of third party pipelines, gatherers, or processors to deliver, receive, or transport Gas, and, in those instances where a Party is required to secure permits from any Governmental Authority to enable such Party to fulfill its obligations under this Agreement, the inability of such Party, at reasonable costs and after the exercise of all reasonable diligence, to acquire such permits. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty and that the above requirement that a Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of Persons striking when such course is inadvisable in the sole discretion of the Party having the difficulty.

ARTICLE XIII

INDEMNIFICATION

Section 13.1 Definitions. The following terms are defined as follows.

(a) "**Processor Indemnified Parties**" Processor and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors and agents.

(b) "**Producer Indemnified Parties**" Producer and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors and agents.

Section 13.2 PRODUCER'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND PROCESSOR UNDER THIS AGREEMENT, PRODUCER SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS BEFORE SUCH GAS IS DELIVERED TO PROCESSOR AT THE DELIVERY POINT, (II) WHEN PRODUCER HAS ELECTED TO TAKE ITS RESIDUE GAS IN-KIND, PRODUCER'S RESIDUE GAS AFTER SUCH RESIDUE GAS IS REDELIVERED TO PRODUCER AT THE RESIDUE GAS REDELIVERY POINT, AND (III) WHEN PRODUCER HAS ELECTED TO TAKE ITS PLANT PRODUCTS IN-KIND, PRODUCER'S PLANT PRODUCTS AFTER SUCH PLANT PRODUCTS HAVE BEEN DELIVERED TO THE PLANT PRODUCTS REDELIVERY POINT. WHEN PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS ARE IN THE CONTROL AND POSSESSION OF PRODUCER AS DESCRIBED ABOVE, PRODUCER SHALL BE RESPONSIBLE FOR AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PROCESSOR INDEMNIFIED PARTIES FROM ANY ACTUAL LOSS OR DAMAGE OR ACTUAL INJURY CAUSED BY PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS WHILE IN A PRODUCER INDEMNIFIED PARTY'S CONTROL AND POSSESSION *EXCEPT* TO THE EXTENT CAUSED BY THE BREACH OF THIS AGREEMENT BY PROCESSOR OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR OTHER FAULT OF ANY OF THE PROCESSOR INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 13.4. PRODUCER'S INDEMNIFICATION, HOLD HARMLESS, DEFENSE, AND RELEASE OBLIGATIONS UNDER THIS SECTION 13.2 SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES AND THE WAIVER OF REMEDIES IN ARTICLE XIX.

Section 13.3 PROCESSOR'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND PROCESSOR UNDER THIS AGREEMENT, PROCESSOR SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS AFTER SUCH GAS IS DELIVERED TO PROCESSOR AT THE DELIVERY POINT, (II) PRODUCER'S RESIDUE GAS UNLESS AND UNTIL SUCH RESIDUE GAS HAS BEEN REDELIVERED TO PRODUCER AT THE RESIDUE GAS REDELIVERY POINT, AND (III) PRODUCER'S PLANT PRODUCTS UNLESS AND UNTIL SUCH PLANT PRODUCTS HAVE BEEN REDELIVERED TO PRODUCER AT THE PLANT PRODUCTS REDELIVERY POINT. WHEN PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS ARE IN THE CONTROL AND POSSESSION OF PROCESSOR AS DESCRIBED HEREIN, PROCESSOR SHALL BE RESPONSIBLE FOR AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PRODUCER INDEMNIFIED PARTIES FROM ANY ACTUAL LOSS OR DAMAGE OR ACTUAL INJURY

CAUSED BY PRODUCER'S GAS, RESIDUE GAS, OR PLANT PRODUCTS WHILE IN A PROCESSOR INDEMNIFIED PARTY'S CONTROL AND POSSESSION, *EXCEPT* TO THE EXTENT CAUSED BY THE BREACH OF THIS AGREEMENT BY PRODUCER OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR OTHER FAULT OF ANY OF THE PRODUCER INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 13.4. PROCESSOR'S INDEMNIFICATION, HOLD HARMLESS, DEFENSE, AND RELEASE OBLIGATIONS UNDER THIS SECTION 13.3 SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES AND THE WAIVER OF REMEDIES IN ARTICLE XIX.

Section 13.4 Personal Injury Claims of Producer Indemnified Parties and Processor Indemnified Parties. PRODUCER SHALL BE RESPONSIBLE FOR, AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PROCESSOR INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE PRODUCER INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH PROCESSOR INDEMNIFIED PARTIES. PROCESSOR SHALL BE RESPONSIBLE FOR, AND SHALL INDEMNIFY, HOLD HARMLESS, DEFEND, AND RELEASE PRODUCER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE PROCESSOR INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH PRODUCER INDEMNIFIED PARTIES.

Section 13.5 Insurance. In support of the liability and indemnity obligations assumed by the Parties in this Agreement, each Party agrees to obtain and maintain, at its own expense, insurance coverages in the types and amounts which are comparable with its peers and that is generally carried by companies performing the same or similar activities as the Parties in this Agreement. In addition, each Party shall comply with all statutory insurance requirements determined by governmental laws and regulations, as applicable. To the extent of the Parties' indemnity obligations or liabilities assumed under this Agreement, (i) each Party's insurance coverage shall be primary to and shall receive no contribution from any insurance maintained by the Indemnified Parties, and (ii) any insurance of each Party shall waive rights of subrogation against the Indemnified Parties and include the Indemnified Parties as additional insured under any applicable coverages. Failure to obtain adequate insurance coverage shall in no way relieve or limit any indemnity or liability of either Party under this Agreement.

ARTICLE XIV

TITLE

Section 14.1 Producer's Warranty. Producer warrants that it owns, or has the right to deliver, Producer's Gas to the Delivery Points for the purposes of this Agreement, free and clear of

all liens, encumbrances, and adverse claims. If the title to Producer's Gas delivered hereunder is disputed or is involved in any legal action in any material respect, Processor shall have the right to withhold payment (without interest), or cease receiving such Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until title is freed from the dispute or until Producer furnishes, or causes to be furnished, indemnification to save Processor harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Processor. Subject to Sections 19.9 and 19.10, Producer agrees to indemnify the Processor Indemnified Parties from and against all Claims or Losses suffered by the Processor Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 14.2 Processor's Warranty. Processor warrants that it has the right to accept Gas at the Delivery Points and to deliver the Residue Gas to the Residue Gas Redelivery Points and the Plant Products to the Plant Products Redelivery Points free and clear of all liens, encumbrances, and adverse claims. If the Processor's Facilities are involved in any legal action in any material respect, Producer shall have the right to withhold payment (without interest), or cease delivering Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until Processor furnishes, or causes to be furnished, indemnification to save Producer harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Producer. Subject to Sections 19.9 and 19.10, Processor agrees to indemnify the Producer Indemnified Parties from and against all Claims or Losses suffered by the Producer Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 14.3 Title. Except to the extent that Producer has elected to take any Residue Gas and/or Plant Products in-kind in accordance with Section 2.5, title to Producer's Gas (including Plant Products and Inert Constituents contained in Producer's Gas) delivered to Processor under this Agreement shall pass to Processor at the tailgate of the Processor's Facilities, and Producer conveys Producer's Gas (and the Plant Products and Inert Constituents in the Producer's Gas) to Processor, free and clear of any claims, liens or encumbrances of any nature. In the event that Producer has elected to take its Residue Gas and Plant Products in-kind in accordance with Section 2.5, title to the Inert Constituents contained in Producer's Gas and extracted by Processor at the Processor's Facilities shall pass to Processor at the tailgate of the Processor's Facilities.

ARTICLE XV

ROYALTY AND TAXES

Section 15.1 Proceeds of Production. Producer shall have the sole and exclusive obligation and liability for the payment of all Persons due any proceeds derived by Producer from Producer's Gas (including all constituents and products thereof) delivered under this Agreement, including,

without limitation, royalties, overriding royalties, and similar interests, in accordance with the provisions of the leases or agreements creating those rights to such proceeds.

Section 15.2 Producer's Taxes. Producer shall pay and be responsible for all gross production and severance Taxes levied against or with respect to Producer's Gas delivered under this Agreement, all ad valorem Taxes levied against the property of Producer, all income, excess profits, and other Taxes measured by the income or capital of Producer, and all payroll Taxes related to employees of Producer.

Section 15.3 Processor's Taxes. Processor shall pay and be responsible for all Taxes levied with respect to the providing of Services under this Agreement, all ad valorem Taxes levied against the property of Processor, all income, excess profits, and other Taxes measured by the income or capital of Processor, and all payroll Taxes related to employees of Processor.

Section 15.4 Severance Tax Reimbursement. Producer and Processor agree that the price paid by Processor for Residue Gas and associated Plant Products purchased hereunder is inclusive of all severance tax reimbursements which are levied on the production of such Residue Gas and Plant Products and which are measured by the quantity of Residue Gas and Plant Products or by the revenues received by Producer for the sale of such Residue Gas and Plant Products.

ARTICLE XVI

NOTICE AND PAYMENT INSTRUCTIONS

Except as specifically provided elsewhere in this Agreement, any notice or other communication provided for in this Agreement shall be in writing and shall be given (i) by depositing in the United States mail, postage paid and certified with return receipt requested, (ii) by depositing with a reputable overnight courier, (iii) by delivering to the recipient in person by courier, or (iv) by facsimile or email transmission, in each of the foregoing cases addressed to the applicable Party as set forth below, and payments required under this Agreement shall be made to the applicable Party according to the payment instructions set forth below. A Party may at any time designate a different address or payment instructions by giving written notice to the other Party. Notices, invoices, allocation statements, claims, or other communications shall be deemed received when delivered to the addressee in person, or by courier, or transmitted by facsimile transmission or email during normal business hours, or upon actual receipt by the addressee after such notice has either been delivered to an overnight courier or deposited in the United States mail, as the case may be.

NOTICES:

Producer Processor

_____ Alpine High Processing LLC

_____ Attn: Commercial Operations
_____ 17802 IH-10 West
_____ San Antonio, Texas 78257
_____ Telephone: 210-447-5629
_____ Email: CommercialOperations@apachecorp.com

PAYMENT INSTRUCTIONS:

Producer	Processor
Bank: _____	c/o [***]
ABA: _____	Bank: [***]
_____	ABA: [***]
Acct: _____	[***]
	Acct: [***]

ARTICLE XVII
DISPUTE RESOLUTION

Section 17.1 Negotiation. Prior to submitting any dispute for resolution by a court, a Party shall provide written notice of such dispute to the other Party. If the Parties fail to resolve the dispute within fifteen (15) Business Days after such notice is given, the Parties shall seek to resolve the dispute by negotiation between senior management personnel of each Party. Such personnel shall endeavor to meet and attempt to amicably resolve the dispute. If the Parties are unable to resolve the dispute for any reason within thirty (30) Business Days after the original notice of dispute was given, then either Party shall be entitled to pursue any available remedies; *provided, however*, this Section 17.1 shall not limit a Party's right to initiate litigation prior to the expiration of the time periods set forth in this Section 17.1 if application of such limitations would prevent a Party from filing a Claim within the applicable period for filing lawsuits (*e.g.* statutes of limitation, prescription, etc.) or would otherwise prejudice or harm a Party.

Section 17.2 Jurisdiction and Venue.

(a) Each Party agrees that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in Houston, Texas, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

(b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection (including, without limitation, the defense of

inconvenient forum) 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 the transactions contemplated hereby in any court referred to in paragraph (a) above.

ARTICLE XVIII

TERM

Section 18.1 Primary Term; Producer's Right to Extension. This Agreement is effective as of the Effective Date and shall continue in full force and effect until March 31, 2032 (the "**Primary Term**"); provided that Producer shall have two (2) successive options to extend the Primary Term by five (5) Years each. Each five (5)-Year Primary Term extension shall occur automatically unless Producer gives Processor at least nine (9) Months' prior written notice that it does not wish to extend the Primary Term. Unless terminated at the end of the Primary Term by either Party giving at least six (6) Months' prior written notice, this Agreement shall continue after the Primary Term on a Year-to-Year basis unless terminated at the end of any Yearly extension period by either Party giving at least six (6) Months' prior written notice. For purposes of this Agreement, the period during which this Agreement continues in full force and effect prior to any termination pursuant to this Agreement is referred to herein as the "**Term**".

Section 18.2 Termination of Gathering Agreement. Notwithstanding anything to the contrary in this Article XVIII, Producer shall have the right to terminate this Agreement upon the termination or expiration of that certain Gas Gathering Agreement between Producer and Alpine High Gathering LP dated [_____].

ARTICLE XIX

MISCELLANEOUS

Section 19.1 Confidentiality. Producer's 2-Year Forecast delivered to Processor pursuant to Section 2.1(b) and all other information received by Processor pursuant to the terms of this Agreement which involves or in any way relates to Producer's production estimates, development plans, and/or other similar information shall be kept strictly confidential by Processor, and Processor shall not disclose any such information to any third Person or use any such information for any purpose other than performing under this Agreement, *provided*, *however*, Processor may disclose such information to those of its legal counsel, accountants, and other representatives with a specific need to know such information for purposes of Processor's performance under this Agreement or enforcement of this Agreement or as required by applicable Law, *provided* such third Persons have likewise agreed in writing to the confidentiality and non-use restrictions set forth herein. In the event Processor is required by Law to disclose any such information, Processor shall first notify Producer in writing as soon as practicable of any proceeding of which it is aware that may result

in disclosure and shall use all reasonable efforts to prevent or limit such disclosure. Producer's confidential information shall not include information that Processor can satisfactorily demonstrate was: (a) rightfully in the possession of Processor prior to Producer's disclosure hereunder, (b) in the public domain prior to Producer's disclosure hereunder, (c) made public by any Governmental Authority; (d) supplied to Processor without restriction by a third party who is under no obligation to Producer to maintain such confidential information in confidence; or (e) independently developed by Processor. The confidentiality requirements and non-use restrictions set forth herein shall survive termination or expiration of this Agreement for two (2) Years after such termination or expiration. Notwithstanding anything else in this Agreement, the Parties agree that there is not an adequate remedy at law for any breach of these confidentiality and non-use restrictions and, therefore, Producer shall be entitled (without the posting of any bond) to specific performance and injunctive relief restraining any breach hereof, in addition to any other rights and remedies which it may have or be entitled.

Section 19.2 Independent Contractor. Notwithstanding anything else in this Agreement, Processor undertakes its obligations under this Agreement as an independent contractor, at its sole risk, and all Persons carrying out any of Processor's obligations set forth herein for or on behalf of Processor are or shall be deemed employees, contractors, subcontractors, agents, and/or representatives of Processor, subject to the direction and control of Processor. Processor is to determine the manner, means, and methods in which such Persons shall carry out their work to attain the results contemplated by this Agreement, consistent with the general coordinative efforts and suggestions of Producer with respect to the work. Nothing in this Agreement or inferred from any action of either Party shall be taken to establish the relationship of master and servant or principal and agent between Producer and Processor.

Section 19.3 Rights; Waivers. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided.

Section 19.4 Applicable Laws. This Agreement is subject to all valid present and future Laws of any Governmental Authority(ies) now or hereafter having jurisdiction over the Parties, this Agreement, or the Services performed or the facilities utilized under this Agreement.

Section 19.5 Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Texas, without regard to any choice of law principles that would require the application of the Laws of any other jurisdiction, ***PROVIDED, HOWEVER,*** **THAT NO LAW, THEORY, OR PUBLIC POLICY SHALL BE GIVEN EFFECT WHICH WOULD UNDERMINE, DIMINISH, OR REDUCE THE EFFECTIVENESS OF EACH PARTY'S WAIVER OF SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, AND EXEMPLARY DAMAGES SET FORTH IN SECTION 19.9 OR WAIVER OF THE RIGHT TO CERTAIN REMEDIES SET FORTH IN SECTION 19.10, IT BEING THE EXPRESS INTENT, UNDERSTANDING, AND AGREEMENT OF THE PARTIES THAT**

SUCH WAIVERS ARE TO BE GIVEN THE FULLEST EFFECT, NOTWITHSTANDING ANY PRE-EXISTING CONDITION OR THE NEGLIGENCE (WHETHER SOLE, JOINT, OR CONCURRENT), GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY PARTY HERETO, OR OTHERWISE.

Section 19.6 Assignments. This Agreement, including any and all renewals, extensions, and amendments hereto, and all rights, title, and interests contained herein, shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns, the assigns of all or any part of Processor's right, title, or interest in the Processor's Facilities, and the assigns of all or any part of Producer's Interests in the Dedicated Area, and each Party's respective obligations hereunder shall be covenants running with the lands underlying or included in any such assets. Neither Party shall Transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed, or conditioned; *provided*, *however*, that either Party may Transfer any of its rights or obligations under this Agreement to any Affiliate of such Party without the prior written consent of the other Party and that, in connection with a Transfer of all or any portion of the Dedicated Area, Producer shall Transfer its corresponding rights and obligations under this Agreement without the need for the prior written consent of Processor. Any Transfer of this Agreement shall expressly require that the assignee assume and agree to discharge the duties and obligations of its assignor under this Agreement, and the assignor shall be released from the duties and obligations arising under this Agreement which accrue after the effective date of such Transfer. Processor shall not Transfer its rights and interests in the Processor's Facilities, in whole or in part, unless the transferee of such interests agrees in writing to be bound by the terms and conditions of this Agreement. No Transfer of this Agreement or of any interest of either Party shall be binding on the other Party until such other Party has been notified in writing of such Transfer and furnished with reasonable evidence of same. No such Transfer of this Agreement or of any interests of either Party shall operate in any way to enlarge, alter, or modify any obligation of the other Party hereto. Any Person that succeeds by purchase, merger, or consolidation with a Party hereto shall be subject to the duties and obligations of its predecessor in interests under this Agreement.

Section 19.7 Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes all prior understandings, agreements, representations, and/or warranties by or among the Parties, written or oral, with respect to the subject matter hereof. No other representations, warranties, understandings, or agreements shall have any effect on this Agreement.

Section 19.8 Amendments. This Agreement may not be amended or modified in any manner except by a written document signed by both Parties that expressly amends this Agreement.

Section 19.9 LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES (COLLECTIVELY, "CONSEQUENTIAL DAMAGES") RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT OR WARRANTY, OR

OTHERWISE. IN FURTHERANCE OF THE FOREGOING, EACH PARTY RELEASES THE OTHER PARTY AND WAIVES ANY RIGHT OF RECOVERY FOR CONSEQUENTIAL DAMAGES SUFFERED BY SUCH PARTY, REGARDLESS OF WHETHER ANY SUCH DAMAGES ARE CAUSED BY THE OTHER PARTY'S NEGLIGENCE (AND REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR GROSS), FAULT, OR LIABILITY WITHOUT FAULT. PROCESSOR UNDERSTANDS THAT PRODUCER IS RELYING ON PROCESSOR'S PERFORMANCE UNDER THIS AGREEMENT TO ENABLE PRODUCER TO MEET ITS OBLIGATIONS UNDER DOWNSTREAM CONTRACTS, AND PROCESSOR EXPRESSLY AGREES THAT ANY DAMAGES SUFFERED BY PRODUCER UNDER ANY SUCH DOWNSTREAM CONTRACT AS A RESULT OF PROCESSOR'S UNEXCUSED FAILURE TO PERFORM UNDER THIS AGREEMENT SHALL BE CONSIDERED DIRECT DAMAGES.

Section 19.10 **RIGHTS AND REMEDIES. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT THAT MAY BE CONSTRUED TO THE CONTRARY, A PARTY'S SOLE REMEDY AGAINST THE OTHER PARTY FOR NON-PERFORMANCE OR BREACH OF THIS AGREEMENT OR ANY OTHER CLAIM OF WHATSOEVER NATURE ARISING OUT OF THIS AGREEMENT OR OUT OF ANY ACTION OR INACTION BY A PARTY IN RELATION HERETO SHALL BE IN CONTRACT AND EACH PARTY EXPRESSLY WAIVES ANY OTHER REMEDY IT MAY HAVE IN LAW OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY REMEDY IN TORT.**

Section 19.11 Replacement Indices. In the event a published index or rate required hereunder is not available, the Parties shall promptly agree upon an alternative index or rate to be utilized, upon either Party giving written notice to the other that an alternative index or rate is needed. Such alternative index or rate shall be effective retroactively to the date on which the original index or rate ceased to be available. If the Parties have not agreed on an alternative index or rate by the end of the fifth (5th) Business Day after notice was given, then each Party shall, by the end of the fifteenth (15th) Business Day after the notice was given, prepare a list of three alternative published and industry recognized indices or rates to replace the index or rate that has become unavailable. The first common item that appears on each of the lists shall be the alternative index or rate. If there is more than one common item on both lists, the one appearing first on both lists, giving priority to the list first submitted by one Party to the other, shall be the alternative index or rate. If no common item appears on the lists, each Party may strike in turn, one item from the other Party's list until only one item remains on each list. The alternative index or rate will then be determined from the two remaining items by coin flip. If either Party fails to deliver a list, the first item appearing on the submitting Party's list will govern and prevail to determine the alternative index or rate.

Section 19.12 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary, or partnership duty, obligation, or liability on or with regard to either Party.

Section 19.13 Rules of Construction. In construing this Agreement, the following principles shall be followed:

(a) no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement;

(b) the headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and/or conditions hereof;

(c) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;

(d) the word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions; and

(e) the plural shall be deemed to include the singular and vice versa, as applicable.

Section 19.14 No Third Party Beneficiaries. Except for Persons expressly indemnified hereunder, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and shall not inure to the benefit of any other Person, it being the intention of the Parties that no third Person shall be deemed a third-party beneficiary of this Agreement.

Section 19.15 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 19.16 No Inducements. No director, employee, or agent of any Party shall give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement.

Section 19.17 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 19.18 Survival. The terms of this Agreement which by their nature should reasonably be expected to survive termination or expiration of this Agreement shall survive, including, without limitation, Article XI (Audit Rights), Article XIII (Indemnification), Article XVII (Dispute Resolution), Section 19.1 (Confidentiality), Section 19.5 (Governing Law), Section 19.9 (Limitation of Liability), Section 19.10 (Rights and Remedies), this Section 19.18 (Survival), and the obligations of either Party under any provision of this Agreement to make payment hereunder.

Section 19.19 Financial Assurance. If either Party has reasonable grounds for insecurity regarding the performance of any payment obligation under this Agreement (whether or not then due) by the other Party or that other Party's guarantor, if any, including, without limitation, the occurrence of a material adverse change in the creditworthiness of the other Party, a Party may demand Adequate Assurance of Performance. A demand by a Party seeking Adequate Assurance of Performance shall be in writing and shall include an explanation in reasonable detail of the calculation of the Adequate Assurance of Performance demand. "**Adequate Assurance of**

Performance" shall mean sufficient security in the form, amount, and for a term, and from an issuer, all reasonably acceptable to the Party seeking assurance, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset, or a guaranty. If either Party does not give Adequate Assurance of Performance in accordance with the terms of this Agreement within - ten (10) Business Days of a written request by the other Party, the Party making a reasonable request for Adequate Assurance of Performance has the right to immediately suspend deliveries or receipts, as applicable, under this Agreement with immediate effect until such time sufficient security is provided.

Section 19.20 Changes in Laws. If following the Effective Date there is a change in any Law or legal requirement affecting the Services provided by Processor which, in the reasonable judgment of Processor, materially adversely affects the economics for Processor of the Services provided under this Agreement, then, upon notice by Processor to Producer, the Parties will as promptly as practicable meet to negotiate in good faith such changes to the terms of this Agreement as may be necessary or appropriate to preserve and continue for the Parties the rights and benefits originally contemplated for the Parties by this Agreement, with such amendment to this Agreement to be effective no later than the effective date of such new or amended applicable Law. If the Parties cannot agree on replacement terms, then either party may terminate this Agreement by giving the other party written notice of termination. Such termination will be effective no earlier than sixty (60) Days after the date of the notice.

Section 19.21 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein by this reference:

Exhibit A - Dedicated Area
Exhibit B - Delivery Points and Redelivery Points
Exhibit C - Fees and FL&U
Exhibit D - Gas Quality Specifications
Exhibit E - Take In-Kind Terms
Exhibit F - Allocation Methodologies
Exhibit G - Form of Memorandum of Agreement
Exhibit H - Form of Memorandum of Release

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

[_____]

By: _____
Name: _____
Title: _____

ALPINE HIGH PROCESSING LP
By: Alpine High Subsidiary GP LLC, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT A
to
Gas Processing Agreement dated **[_____]** between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

DEDICATED AREA

"**Dedicated Area**" shall mean the following lands as further described in the map (the area within the red border) and table below, as the same may be updated annually pursuant to Section 2.1(b). In the event of a conflict between the map and the table, the map shall control.

[Insert map with boundaries around each block containing any property assigned to transferee producer]

[Insert description of property assigned to transferee producer]

Section	Block	Survey	County	WI%

EXHIBIT B
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

Processor shall update Exhibit B on January 1, April 1, July 1, and October 1 of each Year to include any additional points that have been placed into service

DELIVERY POINTS AND REDELIVERY POINTS

LOW PRESSURE DELIVERY POINTS

Delivery Point Name	Location	MAOP	Required Pressure

HIGH PRESSURE RECEIPT POINTS

Receipt Point Name	Meter Number	MAOP

HIGH PRESSURE DELIVERY POINTS

Delivery Point Name	Meter Number	MAOP

RESIDUE GAS REDELIVERY POINTS

Redelivery Point Name	Meter Number

PLANT PRODUCTS REDELIVERY POINTS

Redelivery Point Name	Meter Number

EXHIBIT C
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

FEES AND FL&U

Fees:

1. Central Conditioning Fee: [$[***]] per Mcf of Producer's Non-Processable Gas delivered to a Central Conditioning Facility.

2. Central Processing Fee: (a) From the Effective Date through December 31, 2020, [$[***]] per Mcf of Producer's Processable Gas delivered only to a Central Processing Facility, and (b) from January 1, 2021, through the remainder of the Term, [$[***]] per Mcf of Producer's Processable Gas delivered only to a Central Processing Facility.

3. Cryogenic Processing Fee: [$[***]] per Mcf of Producer's Processable Gas delivered to a Cryogenic Processing Facility.
[Insert then effective fees under Alpine High/Apache anchor shipper form]

FL&U:

1. FL&U at Central Conditioning Facilities: Producer will be allocated its proportionate share of actual FL&U but not to exceed [***]% of Producer's Non-Processable Gas in MMBtu (the "**Non-Processable Gas FL&U Cap**").

a) Fuel for electric power that Processor purchases shall be determined each Month by the following equation:

$$GEE\ (CCF) = (MEU_{CC} \times EPR_{CC})/GP_{CC}$$

Where:

GEE (CCF) = Gas Electric Equivalent at the Central Conditioning Facilities, which means an amount of MMBtus that may be included as the electric power component of FL&U.

MEU_{CC} = Measured Electrical Use, means Producer's pro rata share of electricity usage expressed in kilowatt-hours, used in lieu of gas-driven equipment, limited only to motors used for compression.

EPR_{CC} = The electric power rate actually paid by Processor for electricity at Central Conditioning Facilities, in $/kWh.

GP_{CC} = Gas Price, means the greatest of (i) *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for West Texas "Waha", (ii) 98.7% of *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for HSC less $0.46 per MMBtu, *or (iii) Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for El Paso Permian.

Electric power that Processor generates shall not be considered in the calculation of FL&U.

b) FL&U for Gas shall be determined each Month by the following equation:

GF (CCF) = X-Y

Where:

GF (CCF) = Gas FL&U at the Central Conditioning Facilities, which means an amount of MMBtus retained as fuel and/or system loss by Processor

X = Producer's Non-Processable Gas in MMBtu delivered to applicable Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Points

Y = Producer's Non-Processable Gas in MMBtu redelivered to the discharge of the Central Conditioning Facilities

In the event that the sum of (i) GEE (CCF) and (ii) GF (CCF) exceeds the Non-Processable Gas FL&U Cap, then the FL&U at Central Conditioning Facilities will be reduced to the Non-Processable Gas FL&U Cap.

2. FL&U at Central Processing Facilities and Cryogenic Processing Facilities: Producer will be allocated its proportionate share of actual FL&U but not to exceed [***]% of Producer's Processable Gas in MMBtu (the "**Processable Gas FL&U Cap**"); provided that during periods when a Cryogenic Processing Facility is Operational, the Processable Gas FL&U Cap shall be [***]% of Producer's Processable Gas in MMBtu.

a) Fuel for electric power that Processor purchases shall be determined each Month by the following equation:

$GEE\ (PF) = (MEU_{PF} \times EPR_{PF}) / GP_{PF}$

Where:

GEE (PF) = Gas Electric Equivalent at the Central Processing Facilities and Cryos, which means an amount of MMBtus that is included as the electric power component of FL&U

MEU_{PF} = Measured Electrical Use, means Producer's pro rata share of electricity usage expressed in kilowatt-hours, used in lieu of gas-driven equipment, limited

only to motors used for field compression, Cryo and Central Processing Facilities recompression, and Cryo refrigeration recompression.

EPR_{PF} = The electric power rate actually paid by Processor for electricity at Cryos and Central Processing Facilities, in $/kWh.

GP_{PF} = Gas Price, means the greatest of (i) *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for West Texas "Waha", (ii) 98.7% of *Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for HSC less $0.46 per MMBtu, *or (iii) Inside F.E.R.C's Gas Market Report* in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for El Paso Permian. (iii).

Electric power that Processor generates shall not be considered in the calculation of FL&U.

b) FL&U for Gas shall be determined each Month by the following equation:

GF (PF) = CI - RG - S

Where:

GF (PF) = Gas FL&U means an amount of MMBtus retained as fuel and/or system loss by Processor

CI = All Producer's Processable Gas in MMBtu delivered to applicable Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Points

RG = Producer's Residue Gas at the Cryos and Central Processing Facilities, in MMBtu

S = Producer's Cryo and Central Processing Facilities Shrinkage as defined in Exhibit F, Paragraph 5

In the event that the sum of (i) GEE (PF) and (ii) GF (PF) exceeds the Processable Gas FL&U Cap, then the FL&U at the Central Processing Facilities and Cryos will be reduced to the Processable Gas FL&U Cap.

EXHIBIT D-1
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

GAS QUALITY SPECIFICATIONS
(Central Processing Facility and Cryogenic Processing Facility)

1. The Gas shall be free of objectionable liquids and solids and other impurities, including, but not limited to, methanol, and shall be commercially free from dust, gum, gum-forming constituents, free water, and other liquids and solids.

2. The Gas shall have zero (0) parts per million of oxygen.

3. The Gas shall not contain more than four (4) parts per million by volume of hydrogen sulfide.

4. The Gas shall not have a carbon dioxide content in excess of two (2) percent by volume.

5. The Gas shall not have nitrogen content in excess of two (2) percent by volume.

6. The Gas shall be received at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit and not less than thirty-five (35) degrees Fahrenheit.

EXHIBIT D-2
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

GAS QUALITY SPECIFICATIONS
(Central Conditioning Facility)

1. The Gas shall be free of objectionable liquids and solids and other impurities, including, but not limited to, methanol, and shall be commercially free from dust, gum, gum-forming constituents, free water, and other liquids and solids.
2. The Gas shall have zero (0) parts per million of oxygen.
3. The Gas shall not contain more than fifty (50) parts per million by volume of hydrogen sulfide.
4. The Gas shall not have a carbon dioxide content in excess of four (4) percent by volume.
5. The Gas shall not have nitrogen content in excess of two (2) percent by volume.

The Gas shall be received at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit and not less than thirty-five (35) degrees Fahrenheit.

EXHIBIT E
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

TAKE IN-KIND TERMS

For any Calendar Year during which Producer elects under Section 2.5 of the Agreement to take its Residue Gas and/or Plant Products in-kind, the following terms shall apply:

I. Nominations. Processor and Producer agree that scheduling and commencement of service shall be consistent with the downstream receiving pipeline or transporter nomination requirements. Whenever Producer's Residue Gas is to be scheduled or nominated hereunder, each Party shall provide to the other Party all information required for such nominations and confirmations with upstream and downstream pipelines or transporters. Producer may but shall not be required to provide Processor with Plant Product nominations.

(a) Delivery Point Nominations. Producer shall not be required to provide Processor with nominations of the Producer's Gas at the Delivery Point(s), however, Producer shall provide volume forecast information pursuant to Section 2.1(b) of the Agreement, for Processor's general capacity planning purposes by Delivery Point.

(b) Operational Information. Processor shall use reasonable efforts to provide daily information related to Delivery Point volume, Plant Product composition, and historical volume information in order to assist with Producer's nominations below. Processor shall use reasonable efforts to make nomination changes as necessary, based on the information provided by Producer, at the Redelivery Points to minimize imbalances.

(c) Redelivery Point Nominations.

i. Producer shall make all necessary arrangements with pipelines or other third parties downstream of the Residue Gas Redelivery Points in order to help manage Processor's delivery of Producer's Residue Gas. Those arrangements must be coordinated with Processor, and Processor shall coordinate such arrangements with Producer and such downstream pipelines or other third parties.

ii. Residue Gas. No later than 12:00 PM on the fifth (5^{th}) Business Day prior to the beginning of each Month, but no later than one (1) Business Day prior to the nomination deadline each Month for the applicable downstream pipeline(s) receiving Residue Gas at the Residue Gas Redelivery Points, Processor shall notify Producer of the estimated quantity of Producer's Residue Gas per Day for each Residue Gas Redelivery Point, provided that nominations at the Residue Gas

Redelivery Points are subject to confirmation by the downstream pipeline. By 7:00 AM on the day prior to gas flow, Processor shall notify Producer of the estimated quantity of Producer's Residue Gas available for next day's flow for each Residue Gas Redelivery Point. By 10:30 AM on the day prior to gas flow, Producer shall provide a nomination form to Processor, indicating downstream pipeline contract number, downstream delivery point and counterparty. If Producer does not provide a nomination form to Processor, the prior nomination shall remain in effect until such time as when Producer provides notice to Processor to revise the prior nomination. Processor will use reasonable efforts to confirm any nomination change requested by Producer after the nomination deadline. Processor reserves the right, from time to time, to revise its nomination procedures, subject to Producer's consent which shall not be unreasonably withheld.

iii. Producer will make all necessary arrangements with pipelines or other third parties downstream of the Plant Products Redelivery Points in order to facilitate Processor's delivery of Plant Products. No later than one (1) Business Day prior to the nomination deadline each Month for the applicable downstream pipeline(s) receiving Plant Products, Producer will notify Processor of the estimated quantity of Plant Products per Day, *provided* that nominations at each Redelivery Point are subject to confirmation by the downstream pipeline. At any time, Producer may adjust its nomination prospectively for the remainder of such Month by providing Processor notice prior to the nomination deadline of the applicable downstream pipeline.

(d) Processor and Producer shall immediately inform each other of any discovered unanticipated changes in deliveries at either the Delivery Point(s) or Redelivery Point(s). Nominations may be made by telephone, but shall be confirmed in writing by e-mail, facsimile, or other electronic means to Processor's Gas Control Department.

II. Balancing. Subject to the provisions of the Agreement, Processor shall accept at the Delivery Point a Daily quantity of Producer's Gas at the Delivery Points and redeliver Producer's Residue Gas and Producer's Plant Products allocated to such Producer's Gas at the Residue Gas Redelivery Points and Plant Products Redelivery Point, respectively. All quantities received in accordance with the Agreement at the Delivery Points and all deliveries of Producer's Residue Gas in accordance with this Agreement at the Residue Gas Redelivery Point shall be balanced on a Btu basis, and all such quantities referred to in the Agreement shall be adjusted for the Gross Heating Value thereof. Processor shall provide Producer reasonable flexibility in adjusting nominations provided however, that providing Producer such flexibility in adjusting nominations shall be subject to Processor not incurring financial harm or loss as a result of Producer's actions. Processor shall use its best efforts to enter into, and maintain in good standing, operational balancing agreements with the downstream receiving pipelines at each of the Residue Gas Redelivery Points and Plant Products Redelivery Points. Processor shall not impose balancing guidelines on Producer that are more stringent than those imposed on Processor under the operational balancing agreements with the applicable downstream receiving pipeline. When operational balancing agreements are effective between Processor and an applicable downstream pipeline (and the applicable downstream pipeline keeps

Producer whole on its nominations each Month) and an imbalance is caused solely by Producer and Processor incurs a cash out, penalty, or settlement due to said imbalance, then Producer shall reimburse Processor for such cash out, penalty or settlement incurred by Processor pursuant to the terms of the applicable operational balancing agreement, to the extent such cash out, penalty, or settlement is caused by Producer. Processor shall provide an invoice to Producer for same, along with reasonable documentation evidencing same, and Producer shall reimburse Processor for same in accordance with the payment terms set forth in Article X of the Agreement.

III. Imbalances. Because of dispatching and other causes outside of Processor's reasonable control, imbalances may occur between the total heating value of the Residue Gas delivered to downstream pipelines at the Residue Gas Redelivery Points for Producer's account and the allocated quantity of Residue Gas attributable to Producer's Gas. Similarly, imbalances may occur between the allocated volumes of Producer's Plant Products that are delivered to downstream pipelines at the Plant Products Redelivery Points for Producer's account and the allocated Plant Products attributable to Producer's Gas.

(a) Residue Gas Redelivery Point. For imbalance events at Residue Gas Redelivery Points where Processor does not have an operational balancing agreement in place, the Parties agree to settle imbalances through a monthly cash out. The monthly cash out price shall be the simple average of (i) *Inside F.E.R.C's* Gas Market Report in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for El Paso Permian and (ii) *Inside F.E.R.C's* Gas Market Report in its first publication of the delivery month for "Prices of Spot Gas Delivered to Pipeline" for West Texas "Waha".

(b) Plant Products Redelivery Points. For imbalance events at Plant Products Redelivery Points where Processor does not have an operational balancing agreement in place, the Parties agree to settle imbalances through a monthly cash out. The monthly cash out price shall be based on Producer's weighted average sales price for that month.

IV. Curtailment. Processor shall use reasonable efforts to provide timely notification to Producer by telephone, with subsequent e-mail notification, of the potential size and duration of any unscheduled capacity disruption. If Producer does not adjust its nomination within two hours after receiving notification from Processor, then Processor may adjust Producer's nomination and/or not confirm the nominations requested by Producer in the next nomination cycle. If Producer does not adjust its nomination as reasonably requested by Processor, and such failure to adjust nominations could materially impact operations at the Processor's Facilities, Processor may curtail or shut in Gas for a reasonable period of time.

EXHIBIT F
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

ALLOCATION METHODOLGIES
(Central Processing Facility and Cryogenic Processing Facility)

1. Plant Products Allocable to Producer. The quantity of each Plant Product component allocable to Producer's Processable Gas that was delivered to the Central Processing Facilities and the Cryogenic Processing Facilities shall be determined by multiplying the total quantity of each Plant Product component recovered at all Central Processing Facilities and Cryogenic Processing Facilities (including any condensate recovered from Producer's Gas) by a fraction. The numerator shall be the theoretical gallons of that Plant Product component contained in Producer's Gas at the low pressure Receipt Point less any buyback volumes redelivered to Producer upstream of the Delivery Point, measured pursuant to Section 5.10, and the denominator shall be the total theoretical gallons of that component contained in all Gas at all receipt points where Gas was first gathered and delivered to Processor and processed at the Central Processing Facilities and Cryogenic Processing Facilities.

2. Residue Gas Allocable to Producer. The MMBtus of Residue Gas allocable to Producer's Processable Gas that was delivered to the Central Processing Facilities and the Cryogenic Processing Facilities shall be determined by multiplying the total MMBtus of Residue Gas measured at all Central Processing Facilities and Cryogenic Processing Facilities by a fraction; provided that in the event that Producer's proportionate share of actual FL&U at the Central Processing Facilities and Cryos, as calculated pursuant to Exhibit C, FL&U Paragraph 2, exceeds the Processable Gas FL&U Cap, the total MMBtus of Residue Gas measured at all Central Processing Facilities and Cryogenic Processing Facilities shall be increased by an amount sufficient to acknowledge the Processable Gas FL&U Cap. The numerator of such fraction shall be Producer's Theoretical Residue Gas, as defined below, and the denominator shall be the total theoretical MMBtus of Residue Gas contained in all Gas at all receipt points where Gas was first gathered and delivered to Processor and processed at all Central Processing Facilities and Cryogenic Processing Facilities. Producer's Theoretical Residue Gas shall be determined by the following equation:

PTRG = A - S

where:

PTRG = Producer's Theoretical Residue Gas in MMBtus

A = The aggregate volume of Producer's Processable Gas measured at all low pressure Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Point in MMBtu

S = Producer's allocated share of Shrinkage as defined in Exhibit F, Paragraph 5

3. Central Processing Facilities Inlet Volume ("Producer's CPF Volumes"). The aggregate volume of Producer's Processable Gas delivered to all Central Processing Facility inlets shall be determined by the following equation:

CPFV = A – CI

where:

CPFV = Producer's CPF Volumes

A = The aggregate volume of Producer's Processable Gas measured at all low pressure Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Point in Mcf

CI = Producer's Cryo Volumes, as defined in Exhibit F, Paragraph 4

4. Cryogenic Processing Facilities Inlet Volume ("Producer's Cryo Volumes"). The aggregate volume in Mcf of Producer's Gas delivered to all Cryo inlets shall be determined by the following equation:

CI = ((CD+CC) /CE) x A
where:

CI = Producer's Cryo Volumes

CD = The aggregate volume of Processable Gas in Mcf metered at all high pressure Receipt Points entering the high pressure gathering pipeline

CC = The total compressor condensate volumes (converted to Mcf) metered at the discharge of the compressor prior to entering the high pressure gathering pipeline

CE = The aggregate volume of Processable Gas in Mcf metered at all low pressure Receipt Points entering the low pressure gathering pipeline

A = The aggregate volume of Producer's Processable Gas measured at all low pressure Receipt Points less buyback gas redelivered to Producer upstream of the Delivery Point in Mcf

5. Central Processing Facilities and Cryogenic Processing Facilities Shrinkage ("Shrinkage"). Producer's share of shrinkage at the Central Processing Facilities and the Cryos will be determined by converting each individual component of Producer's Plant Products, extracted and allocated to Producer at the aggregate of all the Central Processing Facilities and all the Cryos, to its respective heating value (as measured in MMBtu) by using the conversion factors published in the Gas Processor's Association GPA Publication 2145-16, or any subsequent revision thereof in effect at the time such calculation is performed, and adjusted to a pressure base of 14.65 psia and a temperature of 60° Fahrenheit.

6. Allocations of Plant Products and Residue Gas hereunder shall be based on the aggregate recoveries within all Central Processing Facilities and Cryogenic Processing Facilities and not based on each individual Central Processing Facility or Cryogenic Processing Facility.

EXHIBIT G
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

FORM OF MEMORANDUM OF AGREEMENT

State of Texas §

§

County of [____] §

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Processing LP**, a Delaware limited partnership ("**Processor**") and [_____], a [_____] ("**Producer**").

RECITALS

WHEREAS, Processor and Producer have entered into a certain Gas Processing Agreement dated [_____] (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for processing by Processor; and

WHEREAS, the Parties wish to file this Memorandum of Agreement to put third parties on notice as to the existence of the Agreement.

1. **Dedication.**

Producer's interests in the acreage and/or well(s) set forth on Exhibit A hereto ("**Dedicated Area**") are dedicated to Processor for processing. The Agreement is for an initial term ending on March 31, 2032, but subject to extension, renewal, and/or termination as more particularly provided therein.

2. **Incorporation of Agreement and Effect of Memorandum.**

The sole purpose of this Memorandum of Agreement is to give notice to third parties of the existence of the Agreement and the rights of Processor in and to Producer's Gas from the Dedicated Area. This Memorandum shall not modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Agreement as if set out fully herein. In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

3. **Defined Terms.**

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Agreement is executed by Processor and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

PROCESSOR

ALPINE HIGH PROCESSING LP

By: Alpine High Subsidiary GP LLC, its general partner

By:

Name:

Title:

PRODUCER

[_____]

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Processing LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of [_____] on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF AGREEMENT

DEPICTION OF DEDICATED AREA

EXHIBIT H
to
Gas Processing Agreement dated [_____] between
Alpine High Processing LP ("Processor") and
[_____] ("Producer")

FORM OF MEMORANDUM OF RELEASE

State of Texas §

§

County of [____] §

MEMORANDUM OF RELEASE

This Memorandum of Release is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Processing LP**, a Delaware limited partnership ("**Processor**") and [_____], a [_____] ("**Producer**").

RECITALS

WHEREAS, Processor and Producer have previously entered into a certain Gas Processing Agreement dated [_____] (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for processing by Processor; and

WHEREAS, a Memorandum of Agreement dated [_____] was executed by Processor and Producer to give notice to third parties of the existence of the Agreement and the respective rights and obligations of Processor and Producer with respect thereto and with respect to the dedication as set forth therein; and

WHEREAS, such Memorandum of Agreement was filed of record in Book ____, Page_____ of the real property records of [___] County, Texas; and

WHEREAS, the Parties wish to file this Memorandum of Release to put third parties on notice as to the release of certain Interests from the dedication.

1. **Release from Dedication.**

The following Interests in the following acreage and/or well(s) ("**Released Interests**") are hereby released from the dedication, as further set forth on **Exhibit A** hereto:

[Description of Released Interests]

2. **Incorporation of Agreement and Effect of Memorandum.**

The sole purpose of this Memorandum of Release is to give notice to third parties of the existence of the Agreement, the rights of Processor in and to Producer's Gas from the Dedicated Area, and the release of the Released Interests from the dedication. This Memorandum shall not

modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Release as if set out fully herein. In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

3. Defined Terms.

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Release is executed by Processor and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

PROCESSOR

ALPINE HIGH PROCESSING LP

By: Alpine High Subsidiary GP LLC

By:

Name:

Title:

PRODUCER

[_____]

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Processing LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of [_____] on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF RELEASE

DEPICTION OF RELEASED INTERESTS

CERTAIN CONFIDENTIAL INFORMATION HAS BEEN OMITTED FROM THIS AGREEMENT. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED INFORMATION, WHICH HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE OMITTED INFORMATION IS MARKED WITH "[***]".

GAS GATHERING AGREEMENT

by and between

APACHE CORPORATION

and

ALPINE HIGH GATHERING LP

dated

July 1, 2018

GAS GATHERING AGREEMENT

EXHIBITS:

GAS GATHERING AGREEMENT

This Gas Gathering Agreement ("***Agreement***") is entered into to be retroactively effective July 1, 2018 ("***Effective Date***") by and between **APACHE CORPORATION**, a Delaware corporation (together with its successors and permitted assigns, "***Producer***"), and **ALPINE HIGH GATHERING LP**, a Delaware limited partnership (together with its successors and permitted assigns, "***Gatherer***"). Producer and Gatherer may be referred to herein individually as "***Party***," or collectively as the "***Parties***."

RECITALS

A. Gatherer owns and operates the high pressure and low pressure Gathering System (as defined in Article 1 below).

B. Producer owns or controls Gas production in the vicinity of the Gathering System.

C. Subject to the terms and conditions of this Agreement, Producer desires to deliver to Gatherer, and Gatherer desires to receive from Producer, Gas owned and/or controlled by Producer at the Receipt Points for Gathering on the Gathering System. In accordance with the terms and conditions of this Agreement, Gatherer shall provide the Services with respect to Producer's Gas delivered to Gatherer hereunder.

D. The Parties originally entered into that certain Gas Gathering Agreement dated as of May 1, 2018 (the "***Original Gathering Agreement***"). This Agreement hereby amends, restates, supersedes and replaces the Original Gathering Agreement in its entirety.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Capitalized terms used in this Agreement shall have the following meanings:

"**2-Year Forecast**" As defined in Section 2.1.

"**Additional Delivery Point**" As defined in Section 3.8.

"**Additional Receipt Point**" As defined in Section 3.7.

"**Affiliate**" With respect to a Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such specified Person through one or more intermediaries or otherwise. For purposes of this definition, with respect to a Person: (a) "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of Voting Securities or interests, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings, and (b) "Voting Securities" means securities of any class of such Person entitling the holders thereof to vote in the election of, or to appoint, members of the board of directors or other similar governing

body of the Person; provided that if such Person is a limited partnership, Voting Securities of such Person shall be the general partner interest in such Person. Notwithstanding the foregoing, for purposes of Article 12, (1) Producer and Gatherer are deemed to not be Affiliates of one another, (2) Alpine High Processing LP, Alpine High Pipeline LP, Alpine High NGL Pipeline LP, and Alpine High Subsidiary GP LLC are deemed Affiliates of Alpine High Gathering LP and not Affiliates of Apache Corporation, and (3) all other Affiliates of Apache Corporation are deemed to not be Affiliates of Alpine High Gathering LP.

"**Affiliate Interests**" As defined in Section 2.1(g).

"**Audit**" As defined in Section 7.1.

"**Btu**" or "**British Thermal Unit**" The amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees Fahrenheit (59ºF) to sixty degrees Fahrenheit (60ºF) at a constant pressure of fourteen and sixty-five hundredths (14.65) psia.

"**Business Day**" Any calendar day, other than a Saturday or Sunday, on which commercial banks in Houston, Texas are open for business.

"**Calendar Year**" The period from January 1st through December 31st of the same calendar year.

"**Central Clock Time**" Central Standard time throughout the year, as may be adjusted semi-annually for Central Daylight Savings time.

"**Claim**" Any lawsuit, claim, proceeding, investigation, or other similar action.

"**Condensate**" Hydrocarbons that have condensed from Gas downstream of a Receipt Point and are collected as a liquid in the Gathering System, including all liquid hydrocarbons accumulating in drips, separators and/or pipelines downstream of a Receipt Point.

"**Consequential Damages**" As defined in Section 18.9.

"**Cubic Foot of Gas**" The volume of Gas occupying one (1) cubic foot of space when such Gas is at a base pressure of fourteen and sixty-five hundredths (14.65) psia and at a base temperature of sixty degrees Fahrenheit (60ºF). Whenever the conditions of pressure and temperature differ from the foregoing standard, conversion from the foregoing standard conditions shall be made in accordance with the Ideal Gas Laws.

"**Day**" or "**Daily**" A period of time commencing at 9:00 A.M., Central Clock Time, on a calendar day and ending at 9:00 A.M., Central Clock Time, on the next succeeding calendar day.

"**Dedicated Area**" The lands located in Reeves, Pecos, Jeff Davis, and Culberson Counties, Texas, more particularly described in Exhibit A.

"**Delivery Point**" The outlet flange of Gatherer's facilities at the point of interconnection between the low pressure Gathering System and other facilities where Gas is delivered out of the low pressure Gathering System or the outlet flange of Gatherer's facilities at the point of interconnection between the high pressure Gathering System and other facilities where Gas is delivered out of the

Gathering System. The Delivery Points existing on the Effective Date, including the Gathering Subsystem to which such points belong, are reflected on Exhibit B. Gatherer shall update Exhibit B on January 1, April 1, July 1, and October 1 of each Year to include Additional Delivery Points that have been placed into service and, if necessary, to update the Gathering Subsystem of existing points; provided that Gatherer may not change the Gathering Subsystem to which an existing Delivery Point is connected without Producer's consent.

"**Delivery Point Gas Quality Specifications**" The Gas quality requirements of downstream pipelines or other facility operators at the Delivery Points, as such requirements are in effect from time to time.

"**Effective Date**" As defined in the preamble of this Agreement.

"**Firm**" The provision of Services hereunder shall not be subject to interruption, except as absolutely necessary as a result of Force Majeure or, after reasonable prior notice, during periods of Maintenance, and in the event of any such interruption or in the event of excess Gas deliveries to the Gathering System (from Producer or a Third Party) over and above the System Gas Capacity, Producer's Gas shall have first priority rights and shall be the last curtailed, unless Producer otherwise provides consent.

"**Force Majeure**" As defined in Section 11.2.

"**Gas**" Any mixture of hydrocarbons or of hydrocarbons and non-combustible gases in a gaseous state.

"**Gather**" or "**Gathering**" The receipt of Gas by Gatherer at the Receipt Points for the transportation and delivery of Gas to the Delivery Point(s).

"**Gatherer Indemnified Parties**" As defined in Section 12.1.

"**Gathering Fees**" As defined in Section 4.1.

"**Gathering System**" The natural gas low pressure and high pressure gathering system owned by Gatherer and located in Reeves and Pecos Counties, Texas, and the Receipt Points and Delivery Points listed on Exhibit B to the extent the facilities are owned/leased and operated by Gatherer at such points, as such system may be expanded or modified from time to time. The Gathering System shall be divided into a subsystem for all Processable Gas and a subsystem for Non-Processable Gas (each a "Gathering Subsystem") that do not commingle.

"**Governmental Authority**" Any federal, state, municipal, local or similar governmental authority, regulatory or administrative agency or court with jurisdiction over the Parties or either Party, this Agreement, any of the transactions contemplated hereby, or the Gathering System or any other facilities utilized by a Party for the performance of this Agreement.

"**High Pressure Gathering Fee**" As defined in Section 4.1.

"**Ideal Gas Laws**" The thermodynamic laws applying to perfect gases.

"**Interests**" Any right, title, or interest in lands which gives Producer the right to produce and market oil and/or Gas therefrom, whether arising from fee ownership, working interest ownership,

mineral ownership, leasehold ownership, farmout, or other contractual arrangement or arising from any pooling, unitization, or communitization of any of the foregoing rights within the Dedicated Area, and any and all replacements, renewals, and extensions or amendments of any of the same.

"**Law**" or "**Laws**" Any of the following: laws, rules, regulations, decrees, judgments or orders of, or licenses or permits issued by, any Governmental Authority, including, without limitation, any U.S. Bureau of Land Management requirement that is applicable to any federal lease included in the Dedicated Area.

"**Loss**" Any loss, cost, expense, liability, damage, sanction, judgment, lien, fine, or penalty, including reasonable attorney's fees, incurred, suffered or paid by the applicable indemnified Persons on account of: (i) injuries (including death) to any Person or damage to or destruction of any property, sustained or alleged to have been sustained in connection with or arising out of the matters for which the indemnifying Party has agreed to indemnify the applicable indemnified Persons, or (ii) the breach of any covenant or agreement made or to be performed by the indemnifying Party pursuant to this Agreement.

"**Low Pressure Gathering Fee**" As defined in Section 4.1.

"**Maintenance**" As defined in Section 8.1.

"**MAOP**" The maximum allowable operating pressure.

"**Material Measurement Error**" As defined in Section 10.4.

"**Mcf**" One thousand (1,000) Cubic Feet of Gas.

"**Mcf Volume**" Gas as measured on an Mcf basis.

"**Measurement Meter**" The meter used to measure the Mcf Volume of Producer's Gas delivered to the Gathering System at a Receipt Point.

"**MMBtu**" One million (1,000,000) Btus.

"**MMBtu Volume**" Gas as measured on an MMBtu basis.

"**MMcf**" One million (1,000,000) Cubic Feet of Gas.

"**Month**" or "**Monthly**" A period commencing at 9:00 A.M., Central Clock Time, on the first Day of a calendar month and extending until 9:00 A.M., Central Clock Time, on the first Day of the next succeeding calendar month.

"**Monthly Invoice**" As defined in Section 6.1.

"**Non-Op Gas**" As defined in Section 2.1.

"**Non-Processable Gas**" Producer's Gas that Producer elects or has elected to not be bound for a downstream processing facility.

"**Off-Spec Gas**" As defined in Section 9.2.

"**Person**" An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**Primary Term**" As defined in Section 17.1.

"**Prior Dedication**" As to any Interests acquired by Producer (or any of its successors or assigns under this Agreement) within the Dedicated Area, whether before or after the Effective Date, any dedication or commitment for some or all Services burdening such Interests which is in effect as of the time of any such acquisition.

"**Processable Gas**" Producer's Gas that Producer elects or has elected to be bound for a downstream processing facility.

"**Producer Indemnified Parties**" As defined in Section 12.1.

"**Producer's Gas**" All Gas now or hereafter owned or controlled by Producer and delivered to the Gathering System pursuant to the terms of this Agreement.

"**psia**" Pressure expressed in pounds per square inch absolute.

"**psig**" Pressure expressed in pounds per square inch gauge.

"**Receipt Point**" The inlet flange of Gatherer's facilities at the point of interconnection between the low pressure Gathering System and Producer's facilities or the inlet flange of Gatherer's facilities at the point of interconnection between the high pressure Gathering System and other facilities where Gas is received into the high pressure Gathering System. The Receipt Points existing on the Effective Date, including the Gathering Subsystem to which such points belong, are listed on Exhibit B. Gatherer shall update Exhibit B on January 1, April 1, July 1, and October 1 of each Year to include Additional Receipt Points that have been placed into service and, if necessary, to update the Gathering Subsystem of existing points; provided that Gatherer may not change the Gathering Subsystem to which an existing Receipt Point is connected without Producer's consent.

"**Receipt Point Mcf Volume**" The actual Mcf Volume of Gas delivered by Producer and received by Gatherer at such Receipt Point during a Month, as measured at the applicable Measurement Meter, net of buyback gas redelivered to Producer pursuant to Section 3.9.

"**Receipt Point Gas Quality Specifications**" For each Receipt Point, the applicable downstream Delivery Point Gas Quality Specifications.

"**Required Pressure**" For each Receipt Point, the pressure listed on Exhibit B for such Receipt Point; provided that for Additional Receipt Points on the low pressure portion of the Gathering System, the Required Pressure shall not be higher than [***] ([***]) psig. For Additional Receipt Points on the high pressure portion of the Gathering System the Required Pressure shall not exceed MAOP, as such MAOP may exist from time to time.

"**Resolution Period**" As defined in Section 2.1 or Section 3.6, as applicable.

"**Services**" As defined in Section 2.3.

"**Shipper**" Any Person for whom Gatherer provides Services on the Gathering System.

"**Similarly Situated Shipper**" Any assignee of Producer's interests hereunder (whether total or partial) pursuant to Section 18.6 or any Third Party Shipper for which Producer consents to Gatherer providing an equal level of service priority pursuant to Section 2.5.

"**System Gas Capacity**" As of any determination time, the Gathering System throughput capacity as it exists as of such time.

"**Tax**" or "**Taxes**" Any federal, state or local taxes, fees, levies or other assessments, including all sales and use, goods and services, ad valorem, transfer, gains, profits, excise, franchise, real and personal property, gross receipt, value added, capital stock, production, business and occupation, disability, employment, payroll, license, unemployment, social security, Medicare, or withholding taxes or charges imposed by any Governmental Authority, and including any interest and penalties (civil or criminal) on any of the foregoing.

"**Term**" As defined in Section 17.1.

"**Third Party**" Any Person that, as of any applicable determination date, is not a Party to this Agreement.

"**Third Party Gas**" Gas other than Producer's Gas.

"**Transfer**" Any direct or indirect transfer, conveyance, assignment, grant or other disposition of any rights, interests or obligations.

"**Transferee Agreement**" An agreement in the form as attached hereto as Exhibit F, which is to be signed by Gatherer and a Third Party to which Producer partially assigns its Interests in the Dedicated Area.

"**Year**" A period of three hundred sixty-five (365) consecutive Days; provided, however, any year that contains the date of February 29 shall consist of three hundred sixty-six (366) consecutive Days.

ARTICLE 2
DEDICATION AND SERVICES

Section 2.1 Dedication; Producer Reservations; Release Rights.

(a) Dedication. Subject to the terms and conditions of this Agreement, and solely for the performance of this Agreement, Producer hereby dedicates for Gathering and the other Services to be provided by Gatherer under this Agreement and shall deliver or cause to be delivered at the Receipt Point(s) on the Gathering System the following:

(i) all Gas produced and saved from wells now or hereafter located within the Dedicated Area or on lands pooled or unitized therewith, to the extent such Gas is attributable to Interests within the Dedicated Area, now owned or hereafter acquired by Producer and not delivered or used as permitted pursuant to this Agreement; and

(ii) with respect to wells now or hereafter located within the Dedicated Area or on lands pooled or unitized therewith for which Producer is the operator, Gas from such wells that is owned by other working interest owners and royalty owners ("**Non-Op Gas**") but only to the extent and for the period that Producer has the right or obligation to market such Non-Op Gas;

provided, however, with respect to any such Gas that is or becomes subject to a Prior Dedication, such Gas shall not be subject to the dedication hereunder until the expiration or termination of such Prior Dedication. Upon the expiration or termination of that Prior Dedication, such additional Interests within the Dedicated Area and such Gas attributable thereto will automatically be subject to the dedication hereunder without any further action by the Parties. Producer shall notify Gatherer in writing of any such expiration or termination.

(b) Covenant Running with the Land. It is the mutual intention of the Parties that, so long as the dedication in Section 2.1(a) is in effect, this Agreement and the dedication under Section 2.1(a) and all of the terms and provisions of this Agreement collectively shall (i) be a covenant running with the Interests within the Dedicated Area and (ii) be binding on and enforceable by Gatherer and its successors and assigns against Producer and its successors and assigns of the Interests within the Dedicated Area. Each Party agrees to execute, acknowledge, and deliver to the other Party from time to time such additional agreements and instruments as may be reasonably requested by such other Party to more fully effectuate the intention of the Parties set forth in the immediately preceding sentence, including a memorandum of this Agreement in the form set forth on Exhibit D, and in the event of a permanent release or partial assignment of the Interests dedicated hereunder, a memorandum of release in the form set forth on Exhibit E. Producer shall cause any conveyance by it of all or any of the Interests within the Dedicated Area to be made expressly subject to the terms of this Agreement. By January 31 of each year, Producer and Gatherer shall update Exhibit A to reflect any Interests within the Dedicated Area (1) acquired by Producer, (2) permanently released by Gatherer, or (3) partially assigned by Producer (and reflected in a Transferee Agreement) during the immediately preceding year, and, for the avoidance of doubt, any such new Interests within the Dedicated Area shall be subject to this Agreement (including Section 2.1(a) and Section 2.1(b)). Contemporaneously with any such update and supplement to this Agreement, Producer shall execute, acknowledge, and deliver to Gatherer a supplement to each of the applicable memoranda of this Agreement previously filed for recording in the real property records of each county in which any portion of such new Interests is located.

(c) Forecasts. Subject to Gatherer's compliance with the confidentiality and restricted use requirements set forth in Section 18.1, on or before October 1st of each Year during the Term of this Agreement, Producer shall deliver to Gatherer a 2-Year Forecast with respect to Producer's Gas. "**2-Year Forecast**" shall mean Producer's good faith estimate (expressed in Mcf per Day) and associated gas analysis of Producer's Gas to be produced from the Dedicated Area, including the general geographic location and anticipated Gathering Subsystem, for each Month for the next two (2) years of the Term of the Agreement, which forecast shall be based

on Producer's most recent engineering and planning data. At Gatherer's request, but no more than once per quarter, Producer and Gatherer will meet to discuss changes in the forecast to ensure that Gatherer will have adequate capacity in place to meet Producer's requirements. For the sake of clarity, Gatherer acknowledges that Producer shall not at any time be required to deliver any of Producer's internal budget information to Gatherer. Producer shall use all commercially reasonable efforts and information available to it to create the 2-Year Forecasts, but, given the inherent nature of the estimates involved in creating such Forecasts, Producer cannot guarantee the accuracy of any 2-Year Forecast.

(d) Producer's Reservations.

(i) Gas for Lessors or Royalty Owners. Producer shall have the right to utilize Gas as may be required to be delivered to lessors or royalty owners under the terms of leases or other agreements or as required for Producer's operations within the Dedicated Area or lands pooled or unitized therewith, as determined by Producer in its sole discretion.

(ii) Pooling or Units. Producer may form, dissolve, and/or participate in pooling agreements or units encompassing all or any portions of the Dedicated Area, as determined by Producer in its sole discretion.

(iii) Operational Control of Wells. Producer reserves the right to operate its leases and wells in any manner that it desires, as determined by Producer in its sole discretion and free of any control by Gatherer, including without limitation, (i) shutting-in, cleaning out, reworking, modifying, deepening, or abandoning any such wells, (ii) using any efficient, modern, or improved method for the production of its wells, (iii) flaring, burning, or venting Gas (with no fees to be associated with such Gas), and (iv) surrendering, releasing, or terminating its leases or Interests or allowing such leases or Interests to expire at any time; provided that before any well is taken out of service for any reason, Producer shall first shut-off the well's connection to the applicable Receipt Point.

(iv) Well Development and Operations. Producer reserves the right to use Gas (including its components) above ground or below, to develop and operate its leases and wells, including, without limitation, for Gas lift, fuel, pressure maintenance, or other re-injection purposes, secondary and tertiary recovery, drilling or cycling, operation of Producer's facilities, and/or any other legitimate use in connection with the development and/or operation of its leases and wells that are now or hereafter become subject to the terms of this Agreement. Additionally, for Gas used for fuel, Producer has the right to remove liquid hydrocarbons from such Gas by means it deems necessary, including via low temperature separation.

(v) No Obligation to Develop. Notwithstanding anything else in this Agreement that may be construed to the contrary, Producer reserves the right to develop

and operate its leases and wells as it sees fit, in its sole discretion, and Producer shall have no obligation to Gatherer under this Agreement to develop or otherwise produce Gas or other hydrocarbons from any properties owned by it, including any properties now or hereafter located within the Dedicated Area or the lands pooled or unitized therewith.

(e) Release from Dedication.

(i) Immediate Temporary Release. If for any reason, including Force Majeure (but not including a pressure problem, which is addressed in Section 3.6), Gatherer does not Gather all or any portion of Producer's Gas delivered or otherwise available for delivery at a Receipt Point, Producer shall be entitled to an immediate temporary release from dedication of such volume of Gas not Gathered, and may dispose of such Gas in any manner it sees fit, subject to Gatherer's right to resume receipts at a subsequent time when Gatherer is able to receive all of Producer's Gas available for delivery at the Receipt Point in accordance with the terms of this Agreement, *provided, however*, if during such temporary release period Producer secures a different temporary market, Gatherer may resume receipts only upon thirty (30) Days' advance written notice and only as of the beginning of a Month, unless otherwise agreed.

(ii) Permanent Release. In addition to Section 2.1(e)(i), above, if Gatherer does not Gather or ceases Gathering all or any portion of Producer's Gas for delivery at a Receipt Point for any reason (but not including a pressure problem, which is addressed in Section 3.6, or a failure to meet quality requirements, for which no permanent release shall be available) for a cumulative thirty (30) Days in any ninety (90) Day period, unless such failure is caused by Force Majeure, in which case a cumulative 180 Days in any 365-Day period, then upon Producer's written notice to Gatherer, Gatherer shall have fifteen (15) Days from receipt of such notice to propose a feasible plan to Producer that shall resolve such issue, at Gatherer's sole cost and expense, within sixty (60) Days after proposing such plan (the "**Resolution Period**"). If (A) Gatherer fails to propose a resolution within the stated fifteen (15) Days, (B) the issue is not resolved after completion of Gatherer's resolution, or (C) Gatherer does not complete such resolution within the Resolution Period for any reason (but if Gatherer's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days), Producer may elect, by giving written notice to Gatherer, to either (x) a permanent release from dedication as to the affected Receipt Point and the portion(s) of the Dedicated Area associated with such Receipt Point (and such released portion(s) shall be stated in terms of acreage) or (y) until the issue has been resolved, [***] percent ([***]%) reduction in the then-existing Low Pressure Gathering Fees for a volume of Gas equal to Producer's good-faith estimate of the affected volumes of Gas; provided, however, Producer shall not be entitled to the remedies set forth in either subsection (x) or subsection (y) to the extent that Producer's good-faith estimate of the affected volumes exceeds the last 2-

Year Forecast Producer delivered to Gatherer in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Gatherer (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive.

(iii) Release by Downstream Processor. Gatherer is providing Services in order to deliver Producer's Gas to downstream facilities in satisfaction of Producer's dedication to such downstream facilities. To the extent that Producer's dedication under such downstream contracts is released, Producer shall receive a corresponding release from dedication under this Agreement.

(f) No Election of Remedies. Producer's exercise of any right to a release from dedication under Section 2.1(e) or Section 3.6 shall not be deemed an election of remedies for any unexcused failure of Gatherer to perform any obligation under this Agreement, and Producer shall be entitled to any and all other remedies, including specific performance and injunctive relief (without the need to post any bond).

(g) Acquisitions by Affiliates of Producer. If any Affiliate of Producer acquires any fee ownership, working interest ownership, mineral ownership, leasehold ownership, farmout, or other contractual arrangement or arising from any pooling, unitization, or communitization of any of the foregoing rights within the Dedicated Area ("***Affiliate Interests***"), then Producer shall use its best efforts to cause any applicable Affiliate of Producer who acquires such Affiliate Interests to execute and deliver to Gatherer (i) a joinder to this Agreement in the form of Exhibit G attached hereto and (ii) a memorandum of this Agreement in the form set forth on Exhibit D. In the event that an Affiliate of Producer becomes a Producer under this Agreement, the liabilities of Producer and each such Affiliate of Producer shall be several and not joint.

Section 2.2 Producer's Right to Deliver Other Gas. Subject to the terms and conditions of this Agreement and availability of capacity, Producer shall have the continuing right to deliver Producer's equity Gas production and Gas that Producer controls as operator on behalf of non-operating partners from outside of the Dedicated Area to Gatherer at any one or more Receipt Point(s), and Gatherer shall provide Services for such Gas on the Gathering System; provided that such Gas shall not be dedicated under this Agreement.

Section 2.3 Gathering and Related Services. Subject to the terms and conditions of this Agreement, each Month during the Term Gatherer shall provide, or cause to be provided, the following services, each on a Firm basis (collectively, the "***Services***"):

(a) receive, or cause to be received, Producer's Gas at the low pressure Receipt Points;

(b) gather Producer's Gas on the low pressure Gathering System;

(c) deliver for Producer's account all Producer's Gas, less any Producer's Gas required under Section 3.9, and Condensate at the low pressure Delivery Point(s),

(d) receive, or cause to be received, Producer's Gas at the high pressure Receipt Points;

(e) gather Producer's Gas on the high pressure Gathering System;

(f) deliver for Producer's account Producer's Gas and Condensate at the high pressure Delivery Point(s); and

(g) perform such other obligations and actions as are described under this Agreement.

The Services described in subparts (d)-(f) above shall be at Producer's direction and for a volume up to the capacity of Gatherer's high pressure Gathering System. Gatherer shall perform all Services and operate the Gathering System consistent with industry standard and in a prudent, workmanlike manner.

Notwithstanding anything in this Agreement to the contrary, Producer shall not be entitled to Services on a Firm basis on any facilities that have been built by Gatherer exclusively to service Gas volumes delivered by any Third Party customer.

Section 2.4 Modification of System Capacity. Other than during periods of emergency and/or required Maintenance, Gatherer shall not take, without Producer's prior written consent, any action that could cause the System Gas Capacity to be reduced in a manner that negatively affects Producer's ability to deliver Gas to any Receipt Point.

Section 2.5 Priority of Gas Services; Curtailment. Gatherer covenants that it shall not oversubscribe the Gathering System (or any Gathering Subsystem) or take additional production into the Gathering System (or any Gathering Subsystem) if, as a result, Gatherer is unable to perform its Service obligations under this Agreement. Gatherer agrees to not provide services of any kind for any Third Party Gas on the Gathering System (or any Gathering Subsystem) on a basis that has a priority (i) higher than or (ii) equal to that to which Producer is entitled under this Agreement without Producer's prior written consent; provided, however, that in the case of (ii), such consent shall not be unreasonably withheld if the Third Party agreement shall not be reasonably expected to impact Gatherer's ability to perform its obligations to Producer under this Agreement. If for any reason, including, without limitation, Force Majeure, Maintenance, or constraints at Delivery Point(s), Gatherer needs to curtail receipt, Gathering or delivery of Gas on any part of a Gathering Subsystem, the following procedures shall be followed:

(a) First, Gas deliveries from all Persons other than Producer and Similarly Situated Shippers shall be curtailed prior to any curtailment or interruption of Producer's Gas or Gas from Similarly Situated Shippers; and

(b) Second, if additional curtailments are required beyond Section 2.5(a) above, Gatherer shall notify Producer and Similarly Situated Shippers of such curtailment and require good faith estimates of expected gas volumes from Producer and Similarly Situated Shippers. Gatherer shall then allocate the capacity of the applicable Gathering Subsystem at the affected Receipt Point on a pro rata basis based upon Producer's and each Similarly Situated Shipper's respective good faith estimates for the affected point.

Notwithstanding anything to the contrary contained in this Agreement, to the extent Gas deliveries from Persons other than Producer or Similarly Situated Shippers cause or would reasonably be expected to cause Producer or a Similarly Situated Shipper to reduce or curtail its Gas production, Gatherer shall curtail receipts of Gas deliveries from such Persons into the Gathering System.

Section 2.6 Third Party Gas. Gatherer agrees that it shall not accept Third Party Gas into the Gathering System if such Third Party Gas shall cause Producer's Gas to not meet the Delivery Point Gas Quality Specifications.

Section 2.7 Operation and Maintenance of Gathering System. Gatherer shall (i) be entitled to complete operational control of the Gathering System, and (ii) construct, install, own, operate and maintain, at its sole cost, risk and expense, the Gathering System in accordance with all applicable Laws, as a reasonably prudent natural gas gathering system operator and, to the extent reasonably possible, in a cost-efficient and effective manner for Producer.

Section 2.8 Commingling. Although Producer shall retain title to Producer's Gas (except as otherwise provided in this Agreement), the Parties agree that Producer's Gas may constitute part of the supply of Gas from multiple sources in the Gathering System and Gatherer shall have the right, subject to Gatherer's obligations under this Agreement, to commingle Producer's Gas with other Gas, to deliver molecules different from those received at the Receipt Points, and to handle the molecules delivered at the Receipt Points in any manner.

ARTICLE 3
RECEIPT POINTS, DELIVERY POINTS, AND PRESSURES

Section 3.1 Receipt Points. Producer shall deliver Producer's Gas to Gatherer at the Receipt Points.

Section 3.2 Delivery Points. Gatherer shall deliver Producer's Gas and Condensate to the Delivery Points.

Section 3.3 Uniform Deliveries. Producer shall deliver Producer's Gas to Gatherer, and Gatherer shall receive and redeliver Producer's Gas, as nearly as practicable at uniform hourly and daily rates of flow.

Section 3.4 Pressure at Receipt Points. Producer shall cause Producer's Gas to be delivered to the Receipt Points at a pressure sufficient to enter the Gathering System, provided that Gatherer maintains the operating pressure at low pressure Receipt Points at no greater than the applicable

Required Pressure. Producer shall not deliver Gas at any Receipt Point at a pressure in excess of the MAOP at the Receipt Point, as such MAOP may exist from time to time. As of the Effective Date, the MAOP at each Receipt Point shall be listed on Exhibit B, and Gatherer shall give written notice to Producer at any time thereafter that the MAOP for any Receipt Point changes and for each Additional Receipt Point when it is added.

Section 3.5 Pressure at Delivery Points. Gatherer shall deliver Gas to each Delivery Point at a pressure sufficient to enter the receiving facilities at such Delivery Point, but shall not deliver such Gas at a pressure in excess of the MAOP of such receiving facilities, as such MAOP may exist from time to time**.**

Section 3.6 Release Rights. At any time the operating pressure at a Receipt Point or on any Gathering Subsystem is not in compliance with the Required Pressure or in excess of the MAOP for any reason, including Force Majeure, Producer shall be entitled to an immediate temporary release from dedication and may immediately dispose of and/or deliver to any third Person any of Producer's Gas available for delivery at Receipt Point(s) delivering to such Gathering Subsystem. In the event the operating pressure at a Receipt Point or on a Gathering Subsystem is not in compliance with the Required Pressure for a cumulative thirty (30) Days in any ninety (90) Day period for reasons other than Force Majeure, then upon Producer's written notice to Gatherer, Gatherer shall have fifteen (15) Days from receipt of such notice to propose a feasible plan that shall, at Gatherer's sole cost and expense, resolve the pressure issue within sixty (60) Days after proposing such plan (the "**Resolution Period**") so that the pressure shall be maintained in compliance with the Required Pressure (including when all available Gas is delivered to the Receipt Point(s), i.e., including all of Producer's Gas that may have been temporarily released). If (a) Gatherer fails to propose a resolution within the stated fifteen (15) Days, (b) the issue is not resolved after completion of Gatherer's resolution, or (c) Gatherer does not complete its proposed resolution within the Resolution Period for any reason (but if Gatherer's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days), then Producer may elect, by giving written notice to Gatherer, to either (i) a permanent release from dedication as to any Receipt Point(s) and the portion(s) of the Dedicated Area associated with such Receipt Point(s) (and such released portion(s) shall be stated in terms of acreage) or (ii) until the issue has been resolved, [***] percent ([***]%) reduction in the then-existing Low Pressure Gathering Fee for a volume of Gas equal to Producer's good-faith estimate of the affected volumes of Gas; provided, however, Producer shall not be entitled to the remedies set forth in either subsection (i) or subsection (ii) to the extent that Producer's good-faith estimate of affected volumes exceeds the last 2-Year Forecast Producer delivered to Gatherer in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Gatherer (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive.

Section 3.7 Additional Receipt Points.

(a) Producer shall have the continuing right, at its option, at any time after the Effective Date, to designate additional Receipt Point(s) (each, an "**Additional Receipt Point**") pursuant to the terms of this Section 3.7. In each such case, Producer shall, at its sole cost, install, own, and operate all necessary facilities upstream of the Additional Receipt Point. Gatherer shall own and operate all necessary facilities downstream of such Additional Receipt Point.

(b) Producer shall be allowed, in its sole discretion, to designate (1) the location for the Additional Receipt Point as long as the location is within the Dedicated Area and (2) the Gathering Subsystem to which the Additional Receipt Point shall be connected, and Gatherer will connect the Additional Receipt Point in accordance with Producer's notice in Section 3.7(c). If Producer requires a change in Gathering Subsystem after the initial connection by Gatherer, Producer may request an Additional Receipt Point as provided for in Section 3.7(c) below; however, Producer shall reimburse Gatherer for its actual and reasonable costs incurred to connect Additional Receipt Point to its facilities.

(c) When Producer desires to install an Additional Receipt Point, Producer shall provide written notice to Gatherer, including a plat of the location of the proposed Additional Receipt Point and notice of whether the Additional Receipt Point shall be connected to the Gathering Subsystem for Processable Gas or the Gathering Subsystem for Non-Processable Gas. Subject to Section 3.7(b) above, within [***] ([***]) Days of Gatherer's receipt of Producer's notice which included Producer's proposed location for the Additional Receipt Point, each Party shall install and place in service its respective facilities as required under Section 3.7(a) above. Thereafter, Producer may deliver Gas to such Additional Receipt Point, and Gatherer shall receive and Gather such Gas from such point.

(d) If the Additional Receipt Point is not completed within [***] ([***]) Days after Gatherer's receipt of Producer's notice as provided in Section 3.7(c) for any reason other than Force Majeure, or within [***] ([***]) Days if Gatherer has encountered an event of Force Majeure, Producer may elect, by giving written notice to Gatherer to (i) a permanent release from dedication as to such Additional Receipt Point (and the associated Dedicated Area) or (ii) [***] percent ([***]%) reduction in the then-existing Low Pressure Gathering Fee for all Gas delivered under this Agreement until the Additional Receipt Point has been connected. If Producer does not elect a permanent release and elects instead to connect the Additional Receipt Point at Producer's own cost, Producer will receive [***] percent ([***]%) reduction in the then-existing Gathering Fees for all Gas delivered to the applicable Additional Receipt Point under this Agreement for the Term.

Section 3.8 Additional Delivery Points.

(a) Producer shall have the continuing right, at its option, at any time after the Effective Date, to designate additional Delivery Point(s) (each, an "**Additional Delivery Point**") pursuant to the terms of this Section 3.8. In each such case, Producer shall cause to be installed, owned, and operated all necessary facilities downstream of the Additional Delivery

Point. Gatherer shall own and operate all necessary facilities upstream of such Additional Delivery Point.

(b) Producer shall be allowed, in its sole discretion, to designate (1) the location for the Additional Delivery Point as long as the facility at such Delivery Point services Producer's Gas from the Dedicated Area and/or (2) the Gathering Subsystem to which the Additional Delivery Point be connected.

(c) When Producer desires an Additional Delivery Point, Producer shall provide written notice to Gatherer, including a plat of the location of the proposed Additional Delivery Point and/or notice of whether the Additional Delivery Point shall be connected to the Gathering Subsystem for Processable Gas or the Gathering Subsystem for Non-Processable Gas. Subject to Section 3.8(b) above, within [***] ([***]) Days of Gatherer's receipt of Producer's notice, Gatherer shall have installed the facilities as required under Section 3.8(a). Thereafter, Gatherer may deliver Gas to such Additional Delivery Point, and Producer shall have such Gas received for its account from such point.

(d) If the Additional Delivery Point is not completed within [***] ([***]) Days, after Gatherer's receipt of Producer's notice as provided in Section 3.8(c) for any reason other than Force Majeure, or within [***] ([***]) Days if Gatherer has encountered an event of Force Majeure, Producer may elect, [***] percent ([***]%) reduction in the then-existing Low Pressure Gathering Fee for all Gas delivered under this Agreement until the Additional Delivery Point(s) has been connected.

Section 3.9 Buyback Gas. Producer shall have the right to request installation of a buyback gas meter downstream of a Receipt Point for Producer's use as described in Section 2.1(d), subpart (iv), provided that Producer shall not withdraw volumes that exceed what Producer delivers to the applicable Receipt Point. Producer shall pay Gatherer the actual and reasonable costs incurred to install such meter. When Producer desires to have such meter installed, Producer shall provide written notice to the Gatherer of the applicable Receipt Point and the date on which Producer desires to begin receiving buyback gas, which date shall not be sooner than thirty (30) Days after the date of Producer's notice, and Gatherer shall construct and install facilities necessary within thirty (30) Days of Producer's notice.

ARTICLE 4
FEES

Section 4.1 Gathering Fee. For each Month during the Term, and for each low pressure Receipt Point, Producer shall pay to Gatherer an amount equal to: *(i)* the Monthly low pressure Receipt Point Mcf Volume, *multiplied by (ii)* $[***] per Mcf (the "**Low Pressure Gathering Fee**"). For each high pressure Receipt Point, Producer shall pay to Gatherer an amount equal to: (i) the Monthly high pressure Receipt Point Mcf Volume for each Month, multiplied by (ii) $[***] per Mcf (the "**High Pressure Gathering Fee**"). Collectively, the Low Pressure Gathering Fee and the High Pressure

Gathering Fee are the "**Gathering Fees**", as such Gathering Fees are annually adjusted pursuant to Section 4.2.

Section 4.2 Fee Escalation. On each anniversary of the Effective Date, the Gathering Fees shall each be automatically adjusted upward or downward by the percentage change in the Chained Consumer Price Index for All Urban Consumers, all items less food and energy, as and when published and considered final by the U.S. Department of Labor Bureau of Labor Statistics calculated for the twelve (12) Months immediately preceding the date of escalation; *provided, however*, the Gathering Fees shall never be adjusted below their original amount as of the Effective Date; and, *provided, further*, that the amount of adjustment for each year shall not exceed [***] percent ([***]%) per annum.

Section 4.3 Most Favored Nations. If, any time during the Term of this Agreement, Gatherer agrees to provide Services to any Third Party customer on the Gathering System for Gathering Fees that are less than Producer's Gathering Fees, then Gatherer will (i) immediately notify Producer in writing of such agreement and (ii) offer Producer the same lower Gathering Fee as of the date that Gatherer begins providing the lower Gathering Fee to the Third Party customer. This most favored nations provision shall apply regardless of: (i) the classification of the Third Party customer offered the lower Gathering Fee(s) (*e.g.*, similarly situated customer or otherwise) or (ii) the duration of the term for the Third Party customer. The Gathering Fees hereunder shall automatically be revised to match the fees offered to the Third Party customer (without regard to, and without altering, Gatherer's obligation to provide the Services to Producer pursuant to Section 2.3), and the Parties will enter into an amendment to this Agreement to incorporate the lower Gathering Fee(s) in the Third Party agreement unless Producer notifies Gatherer within ten (10) Business Days of Producer's receipt of such offer that Producer does not wish to amend its Gathering Fees.

ARTICLE 5
FUEL AND LOST & UNACCOUNTED FOR GAS

Section 5.1 There is deemed to be no fuel or lost & unaccounted for Gas on the Gathering System.

ARTICLE 6
PAYMENTS

Section 6.1 Payments and Invoices. Gatherer shall provide Producer with a detailed statement and supporting documentation for the net amount of all consideration due from Producer to Gatherer under the terms of this Agreement (net of any amounts due from Gatherer to Producer under this Agreement), not later than the last Day of the Month immediately following the Month for which the consideration is due (such statement, the "**Monthly Invoice**"); *provided* that if measurements are based on those of Producer at the Receipt Points as permitted in Section 10.12, then Gatherer is not required to provide the Monthly Invoice until at least ten (10) Days after Producer provides its measurements at the Receipt Points. Not later than thirty (30) Days following Producer's receipt of a Monthly Invoice, Producer shall pay to Gatherer all amounts due and owing from Producer to Gatherer under the Monthly Invoice. Producer shall pay to Gatherer the undisputed portions of each Monthly Invoice in accordance with the terms of this Agreement, and as to any disputed portions that Producer

does not pay, Producer shall provide Gatherer a written notice of dispute setting forth, in reasonable detail, the grounds for such dispute. Any amounts owing by Gatherer to Producer shall be deducted from amounts otherwise due Gatherer in the next ensuing Monthly Invoice, or Producer may request payment for same, and Gatherer shall pay to Producer such amounts within thirty (30) Days of Producer's written request for same, subject to Gatherer's good faith dispute of any such amounts, in which case Gatherer shall pay the undisputed portions in accordance with the terms of this Agreement. Payments to either Party shall be according to the applicable payment instructions set forth in Article 15. If any payment due date falls on a non-Business Day, the payment shall be due on the first Business Day thereafter.

Section 6.2 Netting, Offset of Amounts Due. Either Party shall have the right to offset any undisputed amounts due by it under this Agreement against any undisputed amounts due to it under this Agreement and pay the net amount due to the other Party.

Section 6.3 Interest on Late Payments. In the event either Party fails to make timely payment of any amount when due under this Agreement (including any disputed amount which is later found to have been correct when payment was first requested), interest shall accrue, from the date payment was due until the date payment is made, at an annual rate equal to the lower of: (a) the prime rate as published in the "Money Rates" section of *The Wall Street Journal*, plus two percent (2%), or (b) the maximum rate of interest allowed under applicable Laws.

ARTICLE 7
AUDIT RIGHTS

Section 7.1 Audit Rights.

(a) Each Party shall have the right, at its own expense, upon thirty (30) Days written notice and during reasonable working hours to perform an audit of the other Party's books and records ("**Audit**"). The Audit provides the Parties the right to obtain access to and copies of the relevant portion of the books and records which includes, but is not limited to, financial information, reports, charts, calculations, measurement data, allocation support, third-party support, telephone recordings, and electronic communications of the other Party to the extent reasonably necessary to verify performance under the terms and conditions of this Agreement including the accuracy of any statement, allocation, charge, payment calculation, or determination made pursuant to the provisions contained herein for any Calendar Year within the twenty-four (24) Month period next following the end of such Calendar Year. The Party subject to the Audit shall respond to all exceptions and claims of discrepancies within ninety (90) Days of receipt thereof.

(b) Either Party has the right to Audit any agents of the other Party, or any third Person performing services related to this Agreement. Either Party shall have the right to make and retain copies of the books and records to the extent necessary to support the audit work papers and claims resulting from the audit. Additionally, the Parties reserve the right to perform site inspections or carry out field visits of the assets and related measurement being audited.

(c) The accuracy of any statement, allocation, charge, payment calculation, or determination made pursuant to the provisions of the Agreement shall be conclusively presumed to be correct after the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared, if not challenged (claimed) in writing prior thereto. For the avoidance of doubt, all claims shall be deemed waived unless they are made in writing within the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared.

ARTICLE 8
MAINTENANCE

Section 8.1 Maintenance. Gatherer shall be entitled to interrupt Services hereunder to perform necessary or desirable inspections, pigging, maintenance, testing, connections, repairs, or replacements to the Gathering System ("***Maintenance***"), *provided, however*, that Gatherer shall use all commercially reasonable efforts to minimize the amount of time that Services are interrupted and to cooperate with Producer to minimize any production shut-in or interruption of lease operations. On or before December 1st of each Calendar Year, Gatherer shall provide Producer with written notice of the types of anticipated Maintenance, with anticipated dates of performance, to be performed during the next Calendar Year. No prior written notice shall be required for emergency Maintenance requirements, *provided, however*, in the event of any such emergency, Gatherer shall provide notice to Producer as soon as practicable, including reasonable details as to the nature of the emergency and the anticipated date that the related Service interruption shall cease.

Section 8.2 Maintenance Schedules.

(a) If Maintenance is scheduled for any Month, Gatherer shall send notice to Producer setting forth the Maintenance that is to be performed during such Month in accordance with the notice requirements of Article 15, even if Gatherer does not think that such Maintenance shall cause a Service interruption.

(b) No later than five working days prior to the beginning of the start of a Maintenance project, a volume curtailment allocation shall be sent to Producer if capacity allocations are determined to be necessary by Gatherer.

Section 8.3 Access to Facilities. Subject to its safety rules, regulations and procedures, Gatherer shall provide reasonable access to the Gathering System and related facilities to Producer for the purposes set forth in Section 7.1, provided that Producer shall not unreasonably interfere with the operations of the Gathering System or any related facility.

ARTICLE 9
GAS QUALITY

Section 9.1 Receipt Point Gas Quality Specifications. Producer's Gas delivered to the Receipt Points shall meet the applicable Receipt Point Gas Quality Specifications.

Section 9.2 Non-Conforming Gas. If at any time Gatherer becomes aware that Producer's Gas at a Receipt Point fails to conform to the applicable Receipt Point Gas Quality Specifications ("**Off-Spec Gas**"), then Gatherer shall promptly give Producer written notice of the deficiency, and Producer shall take commercially reasonable steps to remedy the deficiency. Gatherer shall use all commercially reasonable efforts to accept such Off-Spec Gas as long as (i) Gatherer is able to accept such Off-Spec Gas without unreasonable risk of harm to the Gathering System or to Gatherer's personnel, (ii) the acceptance of such Off-Spec Gas does not render the Gathering System unable to meet the Delivery Point Gas Quality Specifications, and (iii) Gatherer's receipt of the Off-Spec Gas shall not be construed as a change of requirements for future volumes delivered to the Gathering System. Gatherer may immediately cease taking any Off-Spec Gas that Gatherer deems would be harmful to the Gathering System or Gatherer's personnel.

Section 9.3 Reimbursement for Costs and Expenses. Producer shall reimburse Gatherer for all actual, reasonable costs and expenses directly resulting from damage to the Gathering System, or to other Shippers' Gas therein, to the extent such damage is directly caused by the delivery to the Gathering System of Producer's Gas that is Off-Spec Gas, *except* when Gatherer knowingly accepts such Off-Spec Gas into the Gathering System. ***Notwithstanding the above or anything else in this Agreement, Producer's responsibility under this Section 9.3 shall be for actual, direct damages only, and in no event shall this Section 9.3 require Producer to pay or in any way be responsible for the special, indirect, consequential, punitive or exemplary damages of any Person***.

ARTICLE 10
MEASUREMENT

Section 10.1 Equipment and Specifications. Producer's Gas delivered into the Gathering System shall be measured by the Measurement Meter(s) at the Receipt Point(s), the Delivery Point(s), and any point(s) redelivering buyback gas to Producer. The Measurement Meter and appurtenant facilities shall be installed, operated, and maintained by Gatherer in accurate working order and condition, and in accordance with the requirements set forth in this Article 10, with good and workmanlike standards generally practiced by reasonably prudent gas pipeline operators, and in accordance with all Laws.

Section 10.2 Gas Meter Standards. Orifice meters installed in such measuring stations for Gas shall be constructed and operated in accordance with ANSI/API 2530 API 14.3, AGA Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids (including as it may be revised from time to time) and shall include the use of flange connections and, where necessary, straightening vanes, flow conditioners, and/or pulsation dampening equipment. Ultrasonic meters or Coriolis meters installed in such measuring stations shall be constructed and operated in accordance with AGA Report No. 9, Measurement of Gas by Ultrasonic Meters, First Edition, and AGA Report No. 11, Measurement of Natural Gas by Coriolis Meter, respectively; and any subsequent modification and amendment thereof generally accepted within the Gas industry. Electronic flow computers shall be used and the Gas shall have its volume, mass, and/or heat content computed in accordance with the applicable AGA standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7, 8 and API 21.1 "Flow Measurement Using Electronic Metering Systems" and any subsequent modifications and amendments thereof generally accepted within the Gas industry. When Gas chromatographs are used they shall be installed, operated, maintained, and verified according to industry standards (GPA 2261, GPA 2145, GPA 2172, and GPA 2177).

Section 10.3 Notice of Measurement Equipment Inspection and Calibration. Each Party shall give at least seventy-two (72) hours' notice to the other Party in order that the other Party may, at its option, have representatives present to observe any reading, inspecting, testing, calibrating, or adjusting of measuring equipment used in measuring or checking the measurement of receipts or deliveries of Gas under this Agreement. The official electronic data from such measuring equipment shall remain the property of the measuring equipment owner, but copies of such records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 10.4 Measurement Accuracy Verification. Each Party shall verify the accuracy of all transmitters, flow computers, and other equipment used in the measurement of the Gas hereunder at intervals not to exceed one hundred eighty (180) Days and cause such equipment to be adjusted or calibrated as necessary. Testing frequency shall be based upon each Receipt Point flow rate (Mcf/Day). Any flow rate at a Receipt Point that is: (x) greater than 1,000 Mcf/Day shall be tested Monthly, (y) between 101 and 1000 Mcf/Day shall be tested quarterly, and (z) less than 100 Mcf/Day shall be tested semi-annually. Neither Party shall be required to cause adjustment or calibration of such equipment more frequently than once every Month, unless a special test is requested pursuant to Section 10.5 of this Agreement. If, upon testing, (i) no adjustment or calibration error is found that results in an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) or (ii) any quantity error is not greater than two hundred fifty (250) Mcf per Month, then any previous recordings of such equipment shall be considered accurate in computing deliveries but such equipment shall be adjusted or calibrated at once. If, during any test of the measuring equipment, an adjustment or calibration error is found that results in (i) an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) and (ii) a quantity error greater than two hundred fifty (250) Mcf per Month

("**Material Measurement Error**"), then any previous recordings of such equipment shall be corrected to zero error for any period during which the error existed (and which is either known definitely or agreed to by the Parties) and the total flow for such period shall be determined in accordance with the provisions of Section 10.6. If the period of error condition cannot be determined or agreed upon between the Parties, such correction shall be for a period extending over the last one half (1/2) of the time elapsed since the date of the last test.

Section 10.5 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 10.4) of any measuring equipment, seventy-two (72) hours' advance notice shall be given to the other Party and, after providing such notice, such test shall be promptly performed. If no Material Measurement Error is found, the Party requesting the test shall pay the costs of such special test including any labor and transportation costs pertaining thereto. If a Material Measurement Error is determined to exist, the Party responsible for such measurement shall pay such costs and perform any corrections required under Section 10.4.

Section 10.6 Metered Flow Rates in Error. If, for any reason, any measurement equipment is (i) out of adjustment, (ii) out of service, or (iii) out of repair, and, in each case, a Material Measurement Error exists as a result thereof, the total quantity of Gas delivered shall be determined in accordance with the first of the following methods which is feasible:

(a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 10.4);

(b) where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering; or

(c) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Section 10.7 Record Retention. Gatherer shall retain and preserve all test data, charts, and similar records for any Calendar Year for a period of at least sixty (60) Months following such Calendar Year, unless any applicable Law requires a longer time period or Gatherer has received written notification of a dispute involving such records, in which case all records shall be retained until the related issue is resolved.

Section 10.8 Correction Factors for Volume Measurement. The computations of the volumes of Gas measured shall be made as follows:

(a) The hourly orifice coefficient for each meter shall be calculated at the base pressure of fourteen and sixty-five hundredths (14.65) psia and the base temperature of sixty (60) degrees Fahrenheit. All Gas volume measurements shall be based on a local atmospheric pressure assumed to be thirteen and seven-tenths (13.7) psia.

(b) The flowing temperature of the Gas shall be continuously measured. In the case of electronic metering, such temperature measurement shall be used as continuous input to the flow computer for calculation of Gas volume, mass, and/or energy content in accordance with the applicable AGA or API 21.1 standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7, and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(c) Measurements of inside diameters of pipe runs and orifices shall be obtained by means of a micrometer to the nearest one-thousandth of an inch, and such measurements shall be used in computations of coefficients.

(d) In determining the volume of Gas, when electronic transducers and flow computers are used, the Gas shall have its volume, mass, and/or energy content continuously integrated in accordance with the applicable AGA standards including, but not limited to, AGA report Nos. 3, 5, 6, 7, and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(e) In calculating the volume of Gas, deviation from Boyle's Law at the pressure, specific gravity, and temperature for each measurement shall be determined by use of AGA Report No. 8, Compressibility Factors for Natural Gas and Other Related Hydrocarbon Gases, published by the AGA in conjunction with Gas Measurement Committee Report No. 3 and amendments thereto generally accepted within the Gas industry.

(f) Whenever the conditions of pressure and temperature differ from the standards described herein, conversion of the volume from these conditions to the standard conditions shall be made in accordance with the Ideal Gas Laws, corrected for deviation by the methods set forth in the AGA Gas Measurement Committee Report No. 3, as said report may be amended from time to time.

Section 10.9 Exception to Gas Measurement Basis. If at any time the basis of measurement set out in this Agreement should conflict with any Law, then the basis of measurement provided for in such Law shall govern measurements hereunder.

Section 10.10 Gas Sampling. Receipt Point meters downstream of new wells or wells that have been changed due to a workover or other well bore alteration that could alter the Gas composition shall be sampled Monthly until the analyses demonstrate reasonable consistency. After such time, said meters shall then be sampled at the stated calibration frequency. Gatherer shall install and maintain a Gas composite sampler at each Receipt Point.

(a) Receipt Points. The composition, specific gravity, and Gross Heating Value of Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through either an on-line Gas chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(b) Delivery Points. The composition, specific gravity, and Gross Heating Value of Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through either an on-line Gas chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(c) The specific gravity of Gas at all applicable measurement points shall be determined by a Gas chromatographic component analysis to the nearest one thousandth (0.001) of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

(d) The Gross Heating Value shall be measured by Gas chromatographic analysis or component analysis of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

Section 10.11 Modifications to Measurement Procedures. In the event the measurement procedures herein cease to be reflective of actual operations or become inequitable in any respect, such measurement procedures shall be modified to reflect actual operations and to remove such inequities, as long as such modified measurement procedures are consistently applied to Producer and all other Shippers utilizing the Gathering System.

Section 10.12 Substitute Measurement and Sampling. Notwithstanding anything in this Article 10 to the contrary, for any Receipt Points where Producer has installed a Measurement Meter in accordance with the standards set forth in Section 10.2, Gatherer shall not be obligated to install its own Measurement Meter at such Receipt Point(s) or at any Delivery Point(s) downstream of such Receipt Point(s), and may use the measurements and samples taken by Producer.

ARTICLE 11
FORCE MAJEURE

Section 11.1 Suspension of Obligations. In the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than the obligation to indemnify and/or to make payments due hereunder, and such Party gives notice and reasonably full particulars of such Force Majeure in writing to the other Party promptly after the occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as and to the extent affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch by the Party claiming Force Majeure. A Force Majeure event affecting the performance of a Party shall not relieve it of liability in the event of its gross negligence, where such gross negligence was the cause of, or a contributing factor in causing, the Force Majeure event, or in the event of its failure to use commercially reasonable efforts to remedy the situation and remove the cause with all reasonable dispatch. Additionally, it is specifically understood that a Force Majeure shall in no way terminate each Party's obligation to balance those volumes of Gas received and delivered hereunder.

Section 11.2 Definition of Force Majeure. "**Force Majeure**" shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including, without limitation, any of the following that meets the foregoing criteria: acts of God, acts and/or delays in action of any Governmental Authority, strikes, lockouts, work stoppages or other industrial disturbances, acts of a public enemy, sabotage, wars, blockades, insurrections, riots, acts of terror, epidemics, landslides, lightning, earthquakes, fires, storms, storm warnings, floods, washouts, extreme cold or freezing weather, arrests and restraints of governments and people, civil or criminal disturbances, explosions, mechanical failures, breakage or accident to equipment installations, machinery, compressors, or lines of pipe and associated repairs, freezing of wells or lines of pipe, partial or entire failure of wells, pipes, facilities, or equipment, electric power unavailability or shortages, failure of Third Party pipelines, gatherers, or processors to deliver, receive, or transport Gas, and, in those instances where a Party is required to secure permits from any Governmental Authority to enable such Party to fulfill its obligations under this Agreement, the inability of such Party, at reasonable costs and after the exercise of all reasonable diligence, to acquire such permits; provided, however, that a Governmental Authority requiring Gatherer to provide gathering services to Third Parties shall not constitute Force Majeure. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that a Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of Persons striking when such course is inadvisable in the sole discretion of the Party having the difficulty.

ARTICLE 12
INDEMNIFICATION

Section 12.1 Definitions. The following terms are defined as follows.

(a) "**Gatherer Indemnified Parties**" Gatherer and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors, and agents.

(b) "**Producer Indemnified Parties**" Producer and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors, and agents.

Section 12.2 PRODUCER'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND GATHERER UNDER THIS AGREEMENT, PRODUCER SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS BEFORE SUCH GAS IS DELIVERED TO GATHERER AT THE RECEIPT POINT, AND (II) PRODUCER'S GAS AND CONDENSATE AFTER SUCH GAS AND CONDENSATE HAVE BEEN DELIVERED TO OR FOR PRODUCER'S ACCOUNT AT THE DELIVERY POINT. WHEN PRODUCER'S GAS AND/OR CONDENSATE ARE IN THE CONTROL AND POSSESSION OF PRODUCER AS DESCRIBED HEREIN, PRODUCER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS GATHERER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ACTUAL PHYSICAL LOSS OR DAMAGE OR ACTUAL INJURY CAUSED BY PRODUCER'S GAS WHILE IN A PRODUCER INDEMNIFIED PARTY'S CONTROL AND POSSESSION, *EXCEPT* TO THE EXTENT SUCH LOSS, DAMAGE, OR INJURY IS CAUSED BY A BREACH OF THIS AGREEMENT BY GATHERER OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER FAULT OF ANY OF THE GATHERER INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 12.4. PRODUCER'S INDEMNIFICATION, DEFENSE, AND HOLD HARMLESS OBLIGATIONS UNDER THIS SECTION SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES SET FORTH IN ARTICLE 18 AND THE WAIVER OF CERTAIN REMEDIES IN ARTICLE 18.

Section 12.3 GATHERER'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND GATHERER UNDER THIS AGREEMENT, GATHERER SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS AFTER SUCH GAS IS DELIVERED TO GATHERER AT THE RECEIPT POINT AND (II) PRODUCER'S GAS AND CONDENSATE BEFORE SUCH GAS AND CONDENSATE HAVE BEEN DELIVERED TO OR FOR PRODUCER'S ACCOUNT AT THE DELIVERY POINT. WHEN PRODUCER'S GAS AND/OR THE CONDENSATE ARE IN THE CONTROL AND POSSESSION OF GATHERER AS DESCRIBED HEREIN, GATHERER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS PRODUCER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ACTUAL PHYSICAL LOSS OR DAMAGE OR ACTUAL INJURY CAUSED BY SUCH

GAS AND/OR CONDENSATE WHILE IN A GATHERER INDEMNIFIED PARTY'S CONTROL AND POSSESSION, *EXCEPT* TO THE EXTENT SUCH LOSS, DAMAGE, OR INJURY IS CAUSED BY A BREACH OF THIS AGREEMENT BY PRODUCER OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER FAULT OF ANY OF THE PRODUCER INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 12.4. GATHERER'S INDEMNIFICATION, DEFENSE, AND HOLD HARMLESS OBLIGATIONS UNDER THIS SECTION SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES SET FORTH IN ARTICLE 18 AND THE WAIVER OF CERTAIN REMEDIES IN ARTICLE 18.

Section 12.4 Personal Injury Claims of Producer Indemnified Parties and Gatherer Indemnified Parties. PRODUCER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS GATHERER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE PRODUCER INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY GATHERER INDEMNIFIED PARTIES. GATHERER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS PRODUCER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE GATHERER INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PRODUCER INDEMNIFIED PARTIES.

Section 12.5 Insurance. In support of the liability and indemnity obligations assumed by the Parties in this Agreement, each Party agrees to obtain and maintain, at its own expense, insurance coverages in the types and amounts which are comparable with its peers and that is generally carried by companies performing the same or similar activities as the Parties in this Agreement. In addition, each Party shall comply with all statutory insurance requirements determined by governmental laws and regulations, as applicable. To the extent of the Parties' indemnity obligations or liabilities assumed under this Agreement, (i) each Party's insurance coverage shall be primary to and shall receive no contribution from any insurance maintained by the Indemnified Parties, and (ii) any insurance of each Party shall waive rights of subrogation against the Indemnified Parties and include the Indemnified Parties as additional insured under any applicable coverages. Failure to obtain adequate insurance coverage shall in no way relieve or limit any indemnity or liability of either Party under this Agreement.

ARTICLE 13
TITLE

Section 13.1 Producer's Warranty. Producer warrants that it owns, or has the right to deliver, Producer's Gas to the Receipt Points for the purposes of this Agreement, free and clear of all liens, encumbrances, and adverse claims. If the title to Producer's Gas delivered hereunder is disputed or

is involved in any legal action in any material respect, Gatherer shall have the right to cease receiving such Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until title is freed from the dispute or until Producer furnishes, or causes to be furnished, indemnification to save Gatherer harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Gatherer. Subject to Sections 18.9 and 18.10, Producer agrees to indemnify the Gatherer Indemnified Parties from and against all Claims or Losses suffered by the Gatherer Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 13.2 Gatherer's Warranty. Gatherer warrants that it has the right to accept Gas at the Receipt Points and to deliver Gas to the Delivery Points free and clear of all liens, encumbrances, and adverse claims. If the Gathering System is involved in any legal action in any material respect, Producer shall have the right to withhold payment (without interest), or cease delivering Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until Gatherer furnishes, or causes to be furnished, indemnification to save Producer harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Producer. Subject to Sections 18.9 and 18.10, Gatherer agrees to indemnify the Producer Indemnified Parties from and against all Claims or Losses suffered by the Producer Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 13.3 Title. Title to Producer's Gas delivered under this Agreement, including all constituents thereof, shall remain with and in Producer or its designee at all times.

ARTICLE 14
ROYALTY AND TAXES

Section 14.1 Proceeds of Production. Producer shall have the sole and exclusive obligation and liability for the payment of all Persons due any proceeds derived by Producer from Producer's Gas (including all constituents and products thereof) delivered under this Agreement, including, without limitation, royalties, overriding royalties, and similar interests, in accordance with the provisions of the leases or agreements creating those rights to such proceeds.

Section 14.2 Producer's Taxes. Producer shall pay and be responsible for all gross production and severance Taxes levied against or with respect to Producer's Gas delivered under this Agreement, all ad valorem Taxes levied against the property of Producer, all income, excess profits, and other Taxes measured by the income or capital of Producer, and all payroll Taxes related to employees of Producer.

Section 14.3 Gatherer's Taxes. Gatherer shall pay and be responsible for all Taxes levied with respect to the providing of Services under this Agreement, all ad valorem Taxes levied against the property of Gatherer, all income, excess profits, and other Taxes measured by the income or capital of Gatherer, and all payroll Taxes related to employees of Gatherer.

ARTICLE 15
NOTICE AND PAYMENT INSTRUCTIONS

Except as specifically provided elsewhere in this Agreement, any notice or other communication provided for in this Agreement shall be in writing and shall be given (i) by depositing in the United States mail, postage paid and certified with return receipt requested, (ii) by depositing with a reputable overnight courier, (iii) by delivering to the recipient in person by courier, or (iv) by facsimile or email transmission, in each of the foregoing cases addressed to the applicable Party as set forth on Exhibit C, and payments required under this Agreement shall be made to the applicable Party according to the payment instructions set forth on such exhibit. A Party may at any time designate a different address or payment instructions by giving written notice to the other Party. Notices, invoices, allocation statements, claims, or other communications shall be deemed received when delivered to the addressee in person, or by courier, or transmitted by facsimile transmission or email during normal business hours, or upon actual receipt by the addressee after such notice has either been delivered to an overnight courier or deposited in the United States mail, as the case may be.

ARTICLE 16
DISPUTE RESOLUTION

Section 16.1 Negotiation. Prior to submitting any dispute for resolution by a court, a Party shall provide written notice of such dispute to the other Party. If the Parties fail to resolve the dispute within fifteen (15) Business Days after such notice is given, the Parties shall seek to resolve the dispute by negotiation between senior management personnel of each Party. Such personnel shall endeavor to meet and attempt to amicably resolve the dispute. If the Parties are unable to resolve the dispute for any reason within thirty (30) Business Days after the original notice of dispute was given, then

either Party shall be entitled to pursue any available remedies; *provided, however*, this Section 16.1 shall not limit a Party's right to initiate litigation prior to the expiration of the time periods set forth in this Section 16.1 if application of such limitations would prevent a Party from filing a Claim within the applicable period for filing lawsuits (*e.g.* statutes of limitation, prescription, etc.) or would otherwise prejudice or harm a Party.

Section 16.2 Jurisdiction and Venue.

(a) Each Party agrees that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in Houston, Texas, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

(b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection (including, without limitation, the defense of inconvenient forum) 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 the transactions contemplated hereby in any court referred to in paragraph (a) above.

ARTICLE 17
TERM

Section 17.1 Term. This Agreement is effective on the Effective Date and shall continue in full force and effect until March 31, 2032 (the "**Primary Term**"); provided that Producer shall have two (2) successive options to extend the Primary Term by five (5) Years each. Each five (5)-Year Primary Term extension shall occur automatically unless Producer gives Gatherer at least nine (9) Months' prior written notice that it does not wish to extend the Primary Term. Unless terminated at the end of the Primary Term by either Party giving at least six (6) Months' prior written notice, this Agreement shall continue after the Primary Term on a Year-to-Year basis unless terminated at the end of any Yearly extension period by either Party giving at least six (6) Months' prior written notice. Notwithstanding anything to the contrary in this Section 17.1, Producer shall have the right to terminate this Agreement upon the termination or expiration of that certain Gas Processing Agreement between Producer and Alpine High Processing LP dated July 1, 2018. For purposes of this Agreement, the period during which this Agreement continues in full force and effect prior to any termination is referred to herein as the "**Term**".

Section 17.2 Obligations Upon Termination. Upon termination of this Agreement, unless the Parties agree to the terms of a new gathering arrangement, the Parties shall reasonably cooperate with each other in (i) disconnecting their respective facilities from each other's facilities and (ii) to

the extent that one Party has facilities located on the other Party's property, allowing such Party to remove its facilities from such other Party's property.

ARTICLE 18
MISCELLANEOUS

Section 18.1 Confidentiality. Producer's 2-Year Forecast delivered to Gatherer pursuant to Section 2.1 and all other information received by Gatherer pursuant to the terms of this Agreement which involves or in any way relates to Producer's production estimates, development plans and/or other similar information, and information related to Producer's actual production at any individual Receipt Point, including, without limitation, information relating to production rates, volumes, composition, heating value, or other similar or dissimilar information, shall be kept strictly confidential by Gatherer, and Gatherer shall not disclose any such information to any third Person or use any such information for any purpose other than performing under this Agreement, provided, however, Gatherer may disclose such information to those of its legal counsel, accountants and other representatives with a specific need to know such information for purposes of Gatherer's performance under this Agreement or enforcement of this Agreement or as required by applicable Law, provided such third Persons have likewise agreed in writing to the confidentiality and non-use restrictions set forth herein. In the event Gatherer is required by Law to disclose any such information, Gatherer shall first notify Producer in writing as soon as practicable of any proceeding of which it is aware that may result in disclosure and shall use all reasonable efforts to prevent or limit such disclosure. Producer's confidential information shall not include information that Gatherer can satisfactorily demonstrate was: (a) rightfully in the possession of Gatherer prior to Producer's disclosure hereunder; (b) in the public domain prior to Producer's disclosure hereunder; (c) made public by any Governmental Authority; (d) supplied to Gatherer without restriction by a Third Party who is under no obligation to Producer to maintain such confidential information in confidence; or (e) independently developed by Gatherer. The confidentiality requirements and non-use restrictions set forth herein shall survive termination or expiration of this Agreement for two (2) Years after such termination or expiration. Notwithstanding anything else in this Agreement, the Parties agree that there is not an adequate remedy at law for any breach of these confidentiality and non-use restrictions and, therefore, Producer shall be entitled (without the posting of any bond) to specific performance and injunctive relief restraining any breach hereof, in addition to any other rights and remedies which it may have or be entitled.

Section 18.2 Independent Contractor. Notwithstanding anything else in this Agreement, Gatherer undertakes its obligations under this Agreement as an independent contractor, at its sole risk, and all Persons carrying out any of Gatherer's obligations set forth herein for or on behalf of Gatherer are or shall be deemed employees, contractors, subcontractors, agents, and/or representatives of Gatherer, subject to the direction and control of Gatherer. Gatherer is to determine the manner, means, and methods in which such Persons shall carry out their work to attain the results contemplated by this Agreement, consistent with the general coordinative efforts and suggestions of Producer with respect to the work. Nothing in this Agreement or inferred from any action of either Party shall be taken to establish the relationship of master and servant or principal and agent between Producer and Gatherer.

Section 18.3 Rights; Waivers. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided.

Section 18.4 Applicable Laws. This Agreement is subject to all valid present and future Laws of any Governmental Authority(ies) now or hereafter having jurisdiction over the Parties, this Agreement, or the Services performed or the facilities utilized under this Agreement.

Section 18.5 Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Texas, without regard to any choice of law principles that would require the application of the Laws of any other jurisdiction, ***PROVIDED, HOWEVER*****, THAT NO LAW, THEORY, OR PUBLIC POLICY SHALL BE GIVEN EFFECT WHICH WOULD UNDERMINE, DIMINISH, OR REDUCE THE EFFECTIVENESS OF EACH PARTY'S WAIVER OF SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, AND EXEMPLARY DAMAGES SET FORTH IN SECTION 18.9 OR WAIVER OF THE RIGHT TO CERTAIN REMEDIES SET FORTH IN SECTION 18.10, IT BEING THE EXPRESS INTENT, UNDERSTANDING, AND AGREEMENT OF THE PARTIES THAT SUCH WAIVERS ARE TO BE GIVEN THE FULLEST EFFECT, NOTWITHSTANDING ANY PRE-EXISTING CONDITION OR THE NEGLIGENCE (WHETHER SOLE, JOINT, OR CONCURRENT), GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY PARTY HERETO, OR OTHERWISE.**

Section 18.6 Assignments. This Agreement, including any and all renewals, extensions, and amendments hereto, and all rights, title, and interests contained herein, shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns, the assigns of all or any part of Gatherer's right, title, or interest in the Gathering System, and the assigns of all or any part of Producer's Interests in the Dedicated Area, and each Party's respective obligations hereunder shall be covenants running with the lands underlying or included in any such assets. Neither Party shall Transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed, or conditioned; *provided*,

however, that either Party may Transfer any of its rights or obligations under this Agreement to any Affiliate of such Party without the prior written consent of the other Party and that, in connection with a Transfer of all or any portion of the Dedicated Area, Producer shall Transfer its corresponding rights and obligations under this Agreement without the need for the prior written consent of Gatherer; *provided, further,* that if Producer Transfers a portion but not all of the Dedicated Area, instead of acquiring this Agreement, the transferee of such Interests shall execute an agreement in the form attached hereto as Exhibit F (the "**Transferee Agreement**"), Gatherer shall likewise execute such Transferee Agreement, and such Transferred portion of the Dedicated Area shall be removed from dedication under this Agreement. Any Transfer of this Agreement shall expressly require that the assignee assume and agree to discharge the duties and obligations of its assignor under this Agreement, and the assignor shall be released from the duties and obligations arising under this Agreement which accrue after the effective date of such Transfer. Gatherer shall not Transfer its rights and interests in the Gathering System, in whole or in part, unless the transferee of such interests agrees in writing to be bound by the terms and conditions of this Agreement. No Transfer of this Agreement or of any interest of either Party shall be binding on the other Party until such other Party has been notified in writing of such Transfer and furnished with reasonable evidence of same. No such Transfer of this Agreement or of any interests of either Party shall operate in any way to enlarge, alter, or modify any obligation of the other Party hereto. Any Person that succeeds by purchase, merger, or consolidation with a Party hereto shall be subject to the duties and obligations of its predecessor in interests under this Agreement or a Transferee Agreement, as applicable.

Section 18.7 Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes all prior understandings, agreements, representations, and/or warranties by or among the Parties, written or oral, with respect to the subject matter hereof. No other representations, warranties, understandings, or agreements shall have any effect on this Agreement.

Section 18.8 Amendments. This Agreement may not be amended or modified in any manner except by a written document signed by both Parties that expressly amends this Agreement.

Section 18.9 LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES (COLLECTIVELY, "CONSEQUENTIAL DAMAGES") RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT OR WARRANTY, OR OTHERWISE. IN FURTHERANCE OF THE FOREGOING, EACH PARTY RELEASES THE OTHER PARTY AND WAIVES ANY RIGHT OF RECOVERY FOR CONSEQUENTIAL DAMAGES SUFFERED BY SUCH PARTY, REGARDLESS OF WHETHER ANY SUCH DAMAGES ARE CAUSED BY THE OTHER PARTY'S NEGLIGENCE (AND REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR GROSS), FAULT, OR LIABILITY WITHOUT FAULT. GATHERER UNDERSTANDS THAT PRODUCER IS RELYING ON GATHERER'S PERFORMANCE UNDER THIS

AGREEMENT TO ENABLE PRODUCER TO MEET ITS DEDICATION OBLIGATIONS UNDER DOWNSTREAM CONTRACTS, AND GATHERER EXPRESSLY AGREES THAT ANY DAMAGES SUFFERED BY PRODUCER UNDER ANY SUCH DOWNSTREAM CONTRACT AS A RESULT OF GATHERER'S UNEXCUSED FAILURE TO PERFORM UNDER THIS AGREEMENT SHALL BE CONSIDERED DIRECT DAMAGES.

Section 18.10 **RIGHTS AND REMEDIES. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT THAT MAY BE CONSTRUED TO THE CONTRARY, A PARTY'S SOLE REMEDY AGAINST THE OTHER PARTY FOR NON-PERFORMANCE OR BREACH OF THIS AGREEMENT OR ANY OTHER CLAIM OF WHATSOEVER NATURE ARISING OUT OF THIS AGREEMENT OR OUT OF ANY ACTION OR INACTION BY A PARTY IN RELATION HERETO SHALL BE IN CONTRACT AND EACH PARTY EXPRESSLY WAIVES ANY OTHER REMEDY IT MAY HAVE IN LAW OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY REMEDY IN TORT.**

Section 18.11 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary, or partnership duty, obligation, or liability on or with regard to either Party.

Section 18.12 Rules of Construction. In construing this Agreement, the following principles shall be followed:

(a) no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement;

(b) the headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and/or conditions hereof;

(c) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;

(d) the word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions; and

(e) the plural shall be deemed to include the singular and vice versa, as applicable.

Section 18.13 No Third Party Beneficiaries. Except for Persons expressly indemnified hereunder, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and shall not inure to the benefit of any other Person, it being the intention of the Parties that no Third Party shall be deemed a third-party beneficiary of this Agreement.

Section 18.14 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 18.15 No Inducements. No director, employee, or agent of any Party shall give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement.

Section 18.16 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 18.17 Survival. The terms of this Agreement which by their nature should reasonably be expected to survive termination or expiration of this Agreement shall survive, including, without limitation, Article 7 (Audit Rights), Article 12 (Indemnification), Article 16 (Dispute Resolution), Section 18.1 (Confidentiality), Section 18.5 (Governing Law), Section 18.9 (Limitation of Liability), Section 18.10 (Rights and Remedies), this Section 18.17 (Survival), and the obligations of either Party under any provision of this Agreement to make payment hereunder.

Section 18.18 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein by this reference:

Exhibit A - Dedicated Area
Exhibit B - Receipt Points; Delivery Points
Exhibit C - Addresses for Notices, Statements, and Payments
Exhibit D - Form of Memorandum of Agreement
Exhibit E - Form of Memorandum of Release
Exhibit F - Form of Transferee Agreement
Exhibit G - Form of Joinder Agreement

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

GATHERER:

ALPINE HIGH GATHERING LP

By: Alpine High Subsidiary GP LLC, its general partner

By: /s/ Brian W. Freed
Name: Brian W. Freed
Title: Senior Vice President

PRODUCER:

APACHE CORPORATION

By: /s/ Stephen J. Riney
Name: Stephen J. Riney
Title: Chief Financial Officer and Executive Vice President

EXHIBIT A
DEDICATED AREA

This Exhibit A is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **Apache Corporation** ("**Producer**") dated July 1, 2018, and is for all purposes made a part of said Agreement.

"***Dedicated Area***" shall mean the following lands as further described in the map (the area within the red border) and table below, as the same may be updated annually pursuant to Section 2.1(b). In the event of a conflict between the map and the table, the map shall control.

[***]

Section	Block	Survey	County	State	Dedicated Interest as of the Effective Date

[***] [22 PAGES OF TABLE OMITTED] [***]

EXHIBIT B
RECEIPT POINTS; DELIVERY POINTS

This Exhibit B is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **Apache Corporation** ("**Producer**") dated July 1, 2018, and is for all purposes made a part of said Agreement.

LOW PRESSURE RECEIPT POINTS

Receipt Point Name	Meter Number	Gathering Subsystem	MAOP	Required Pressure
[***]				

LOW PRESSURE DELIVERY POINTS

Delivery Point Name	Location	Required Pressure
[***]		

HIGH PRESSURE RECEIPT POINTS

Receipt Point Name	Meter Number	MAOP
[***]		

HIGH PRESSURE DELIVERY POINTS

Receipt Point Name	Meter Number	MAOP
[***]		

EXHIBIT C
ADDRESSES FOR NOTICES, STATEMENTS, AND PAYMENTS

Additional Delivery Point Outline

This Exhibit C is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **Apache Corporation** ("**Producer**") dated July 1, 2018, and is for all purposes made a part of said Agreement.

<table>
<tr><th colspan="3">Gatherer</th></tr>
<tr><td colspan="2">Notices:
Alpine High Gathering LP
Attn: Commercial Operations
17802 IH-10 West
Suite 300
San Antonio, TX 78257
Telephone: 210-447-5629
Email: CommercialOperations@Apachecorp.com</td><td>Payments by Check:
c/o Apache Corporation
PO Box 840133
Dallas, TX 75284-0133</td></tr>
<tr><td colspan="2">Scheduling and Nominations:

Attn: Commercial Operations
Telephone: 210-447-5629
Email: CommercialOperations@Apachecorp.com</td><td>Payments by Wire Transfer:
c/o [***]
Bank: [***]
ABA No.: [***]
Account: [***]
Account No.: [***]</td></tr>
<tr><th colspan="4">Producer</th></tr>
<tr><td>Notices:
Apache Corporation
Attn: Marketing Contract Administration
2000 Post Oak Blvd., Suite 100
Houston, TX 77056-4400
Telephone: (713) 296-6000
Fax: 713-296-6473
Email: contract.administration@
apachecorp.com</td><td>Invoices/Statements:
Apache Corporation
Attn: Gas Accounting
2000 Post Oak Blvd, Suite 100
Houston, TX 77056-4400
Telephone: (713) 296-6000
Fax: 713-296-6564
Email: gas.accounting@
apachecorp.com</td><td>Scheduling and Nominations:
Attn: Gas Control
Telephone: (713) 296-6000
Fax: (713) 296-7130
Email: midcon.scheduling@
apachecorp.com</td></tr>
<tr><td colspan="2">Payments by Wire Transfer:
Bank: [***]
ABA No.: [***]
Account: [***]
Account No.: [***]</td><td colspan="2">Payments by Check:
Apache Corporation
PO Box 840133
Dallas, TX 75284-0133</td></tr>
</table>

EXHIBIT D
FORM OF MEMORANDUM OF AGREEMENT

This Exhibit D is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **Apache Corporation** ("**Producer**") dated July 1, 2018, and is for all purposes made a part of said Agreement.

State of Texas §

§

County of [____] §

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Gathering LP**, a Delaware limited partnership ("**Gatherer**") and **Apache Corporation**, a Delaware corporation ("**Producer**").

RECITALS

WHEREAS, Gatherer and Producer have entered into a certain Gas Gathering Agreement dated July 1, 2018 (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for gathering by Gatherer; and

WHEREAS, the Parties wish to file this Memorandum of Agreement to put third parties on notice as to the existence of the Agreement.

1. Dedication.

Producer's interests in the acreage and/or well(s) set forth on Exhibit A hereto ("**Dedicated Area**") are dedicated to Gatherer for gathering. The Agreement is for an initial term ending on March 31, 2032, but subject to extension, renewal, and/or termination as more particularly provided therein.

2. Incorporation of Agreement and Effect of Memorandum.

The sole purpose of this Memorandum of Agreement is to give notice to third parties of the existence of the Agreement and the rights of Gatherer in and to Producer's Gas from the Dedicated Area. This Memorandum shall not modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Agreement as if set out fully herein. In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

3. Defined Terms.

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Agreement is executed by Gatherer and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

GATHERER

ALPINE HIGH GATHERING LP

By: Alpine High Subsidiary GP LLC, its general partner

By:

Name:

Title:

PRODUCER

APACHE CORPORATION

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Gathering LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of Apache Corporation on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF AGREEMENT

DEPICTION OF DEDICATED AREA

EXHIBIT E
FORM OF MEMORANDUM OF RELEASE

This Exhibit E is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **Apache Corporation** ("**Producer**") dated July 1, 2018, and is for all purposes made a part of said Agreement.

State of Texas §

§

County of [____] §

MEMORANDUM OF RELEASE

This Memorandum of Release is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Gathering LP**, a Delaware limited partnership ("**Gatherer**") and **Apache Corporation**, a Delaware corporation ("**Producer**").

RECITALS

WHEREAS, Gatherer and Producer have previously entered into a certain Gas Gathering Agreement dated July 1, 2018 (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for gathering by Gatherer; and

WHEREAS, a Memorandum of Agreement dated [___], 2018 was executed by Gatherer and Producer to give notice to third parties of the existence of the Agreement and the respective rights and obligations of Gatherer and Producer with respect thereto and with respect to the dedication as set forth therein; and

WHEREAS, such Memorandum of Agreement was filed of record in Book ____, Page_____ of the real property records of [___] County, Texas; and

WHEREAS, the Parties wish to file this Memorandum of Release to put third parties on notice as to the release of certain Interests from the dedication.

4. Release from Dedication.

The following Interests in the following acreage and/or well(s) ("**Released Interests**") are hereby released from the dedication, as further set forth on **Exhibit A** hereto:

[Description of Released Interests]

5. Incorporation of Agreement and Effect of Memorandum.

The sole purpose of this Memorandum of Release is to give notice to third parties of the existence of the Agreement, the rights of Gatherer in and to Producer's Gas from the Dedicated Area, and the release of the Released Interests from the dedication. This Memorandum shall not modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Release as if set out fully herein.

In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

6. Defined Terms.

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Release is executed by Gatherer and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

GATHERER

ALPINE HIGH GATHERING LP

By: Alpine High Subsidiary GP LLC

By:

Name:

Title:

PRODUCER

APACHE CORPORATION

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Gathering LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of Apache Corporation on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF RELEASE

DEPICTION OF RELEASED INTERESTS

EXHIBIT F
FORM OF TRANSFEREE AGREEMENT

This Exhibit F is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **Apache Corporation** ("**Producer**") dated July 1, 2018, and is for all purposes made a part of said Agreement.

[attached]

EXHIBIT G
FORM OF JOINDER AGREEMENT

This Exhibit G is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **Apache Corporation** ("**Producer**") dated July 1, 2018, and is for all purposes made a part of said Agreement.

JOINDER AGREEMENT

This Joinder Agreement is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Gathering LP**, a Delaware limited partnership ("**Gatherer**") and **_____**, a _____ _____ ("**Producer**").

WHEREAS, Gatherer and Apache Corporation have entered into a certain Gas Gathering Agreement dated July 1, 2018, as such agreement may be amended, modified or supplemented from time to time (the "**Agreement**"), pursuant to which Producer dedicated gas produced from a certain geographic area as defined in the Agreement (the "**Dedicated Area**") for gathering by Gatherer;

WHEREAS, Gatherer and Producer agree that all capitalized terms used in this Joinder Agreement and not defined herein shall have the meanings set forth in the Agreement;

WHEREAS, Producer, an affiliate of Apache Corporation, has acquired certain oil and gas interests, which are described in greater detail on Exhibit A hereto, within the Dedicated Area (the "**Affiliate Interests**"); and

WHEREAS, in accordance with Section 2.1(g) of the Agreement, Producer is entering into this Joinder Agreement in order that the Affiliate Interests will become subject to the terms of the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Gatherer and Producer hereby agree as follows:

Producer hereby absolutely, unconditionally and irrevocably agrees to be bound by the terms and provisions of the Agreement, including, for the avoidance of doubt, Section 2.1(a) (Dedication) and Section 2.1(b) (Covenant Running with the Land), with the same force and effect as if it were originally a party thereto, and to assume all of its rights and obligations under the Agreement, including to perform, satisfy and timely discharge all of its obligations, duties and covenants that are required to be performed, satisfied or discharged after the Effective Date in accordance with the terms thereof.

Producer acknowledges that it has been provided and has reviewed a full and complete copy of the Agreement.

This Joinder Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Texas, without regard to any choice of law principles that would require the application of the Laws of any other jurisdiction.

This Joinder Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument. A signature delivered by facsimile or other electronic transmission of a .pdf (including e-mail) will be considered an original signature.

IN WITNESS WHEREOF, this Joinder Agreement is executed by Gatherer and Producer as of the date of their signatures, but is effective for all purposes as of the Effective Date stated above.

GATHERER

ALPINE HIGH GATHERING LP

By: Alpine High Subsidiary GP LLC

By:

Name:

Title:

PRODUCER

[_____]

By: _____

Name: _____

Title: _____

Exhibit A
Affiliate Interests

EXHIBIT F

CERTAIN CONFIDENTIAL INFORMATION HAS BEEN OMITTED FROM THIS AGREEMENT. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED INFORMATION, WHICH HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE OMITTED INFORMATION IS MARKED WITH "[***]".

FORM OF

GAS GATHERING AGREEMENT

by and between

[_____]

and

ALPINE HIGH GATHERING LP

dated

[_____, 20__]

GAS GATHERING AGREEMENT

EXHIBITS:

GAS GATHERING AGREEMENT

This Gas Gathering Agreement ("***Agreement***") is entered into to be effective [_____] ("***Effective Date***") by and between **[_____]**, a [_____] (together with its successors and permitted assigns, "***Producer***"), and **ALPINE HIGH GATHERING LP**, a Delaware limited partnership (together with its successors and permitted assigns, "***Gatherer***"). Producer and Gatherer may be referred to herein individually as "***Party***," or collectively as the "***Parties***."

RECITALS

A. Gatherer owns and operates the high pressure and low pressure Gathering System (as defined in Article 1 below).

B. Producer owns or controls Gas production in the vicinity of the Gathering System.

C. Subject to the terms and conditions of this Agreement, Producer desires to deliver to Gatherer, and Gatherer desires to receive from Producer, Gas owned and/or controlled by Producer at the Receipt Points for Gathering on the Gathering System. In accordance with the terms and conditions of this Agreement, Gatherer shall provide the Services with respect to Producer's Gas delivered to Gatherer hereunder.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Capitalized terms used in this Agreement shall have the following meanings:

"**2-Year Forecast**" As defined in Section 2.1.

"**Additional Receipt Point**" As defined in Section 3.7.

"**Affiliate**" With respect to a Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such specified Person through one or more intermediaries or otherwise. For purposes of this definition, with respect to a Person: (a) "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of Voting Securities or interests, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings, and (b) "Voting Securities" means securities of any class of such Person entitling the holders thereof to vote in the election of, or to appoint, members of the board of directors or other similar governing body of the Person; provided that if such Person is a limited partnership, Voting Securities of such Person shall be the general partner interest in such Person.

"**Audit**" As defined in Section 7.1.

"**Btu**" or "**British Thermal Unit**" The amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees Fahrenheit (59ºF) to sixty degrees Fahrenheit (60ºF) at a constant pressure of fourteen and sixty-five hundredths (14.65) psia.

"**Business Day**" Any calendar day, other than a Saturday or Sunday, on which commercial banks in Houston, Texas are open for business.

"**Calendar Year**" The period from January 1st through December 31st of the same calendar year.

"**Central Clock Time**" Central Standard time throughout the year, as may be adjusted semi-annually for Central Daylight Savings time.

"**Claim**" Any lawsuit, claim, proceeding, investigation, or other similar action.

"**Condensate**" Hydrocarbons that have condensed from Gas downstream of a Receipt Point and are collected as a liquid in the Gathering System, including all liquid hydrocarbons accumulating in drips, separators and/or pipelines downstream of a Receipt Point.

"**Consequential Damages**" As defined in Section 18.9.

"**Cubic Foot of Gas**" The volume of Gas occupying one (1) cubic foot of space when such Gas is at a base pressure of fourteen and sixty-five hundredths (14.65) psia and at a base temperature of sixty degrees Fahrenheit (60ºF). Whenever the conditions of pressure and temperature differ from the foregoing standard, conversion from the foregoing standard conditions shall be made in accordance with the Ideal Gas Laws.

"**Day**" or "**Daily**" A period of time commencing at 9:00 A.M., Central Clock Time, on a calendar day and ending at 9:00 A.M., Central Clock Time, on the next succeeding calendar day.

"**Dedicated Area**" The lands located in [Reeves, Pecos, Jeff Davis, and Culberson Counties], Texas, more particularly described in Exhibit A. [Insert all applicable counties in which any of the properties listed on Exhibit A are located.]

"**Delivery Point**" The outlet flange of Gatherer's facilities at the point of interconnection between the low pressure Gathering System and other facilities where Gas is delivered out of the low pressure Gathering System or the outlet flange of Gatherer's facilities at the point of interconnection between the high pressure Gathering System and other facilities where Gas is delivered out of the Gathering System. The Delivery Points existing on the Effective Date, including the Gathering Subsystem to which such points belong, are reflected on Exhibit B. Gatherer shall update Exhibit B on January 1, April 1, July 1, and October 1 of each Year to include Additional Delivery Points that have been placed into service and, if necessary, to update the Gathering Subsystem of existing points; provided that Gatherer may not change the Gathering Subsystem to which an existing Delivery Point is connected without Producer's consent.

"**Delivery Point Gas Quality Specifications**" The Gas quality requirements of downstream pipelines or other facility operators at the Delivery Points, as such requirements are in effect from time to time.

"**Effective Date**" As defined in the preamble of this Agreement.

"**Firm**" The provision of Services hereunder shall not be subject to interruption, except as absolutely necessary as a result of Force Majeure or, after reasonable prior notice, during periods of Maintenance, and in the event of any such interruption or in the event of excess Gas deliveries to the Gathering System (from Producer or a Third Party) over and above the System Gas Capacity, Producer's Gas shall have first priority rights and shall be the last curtailed, unless Producer otherwise provides consent.

"**Force Majeure**" As defined in Section 11.2.

"**Gas**" Any mixture of hydrocarbons or of hydrocarbons and non-combustible gases in a gaseous state.

"**Gather**" or "**Gathering**" The receipt of Gas by Gatherer at the Receipt Points for the transportation and delivery of Gas to the Delivery Point(s).

"**Gatherer Indemnified Parties**" As defined in Section 12.1.

"**Gathering Fees**" As defined in Section 4.1.

"**Gathering System**" The natural gas low pressure and high pressure gathering system owned by Gatherer and located in Reeves and Pecos Counties, Texas, and the Receipt Points and Delivery Points listed on Exhibit B to the extent the facilities are owned/leased and operated by Gatherer at such points, as such system may be expanded or modified from time to time. The Gathering System shall be divided into a subsystem for all Processable Gas and a subsystem for Non-Processable Gas (each a "Gathering Subsystem") that do not commingle.

"**Governmental Authority**" Any federal, state, municipal, local or similar governmental authority, regulatory or administrative agency or court with jurisdiction over the Parties or either Party, this Agreement, any of the transactions contemplated hereby, or the Gathering System or any other facilities utilized by a Party for the performance of this Agreement.

"**High Pressure Gathering Fee**" As defined in Section 4.1.

"**Ideal Gas Laws**" The thermodynamic laws applying to perfect gases.

"**Interests**" Any right, title, or interest in lands which gives Producer the right to produce and market oil and/or Gas therefrom, whether arising from fee ownership, working interest ownership, mineral ownership, leasehold ownership, farmout, or other contractual arrangement or arising from any pooling, unitization, or communitization of any of the foregoing rights within the Dedicated Area, and any and all replacements, renewals, and extensions or amendments of any of the same.

"**Law**" or "**Laws**" Any of the following: laws, rules, regulations, decrees, judgments or orders of, or licenses or permits issued by, any Governmental Authority, including, without limitation, any U.S. Bureau of Land Management requirement that is applicable to any federal lease included in the Dedicated Area.

"**Loss**" Any loss, cost, expense, liability, damage, sanction, judgment, lien, fine, or penalty, including reasonable attorney's fees, incurred, suffered or paid by the applicable indemnified Persons on account of: (i) injuries (including death) to any Person or damage to or destruction of any property, sustained or alleged to have been sustained in connection with or arising out of the matters for which the indemnifying Party has agreed to indemnify the applicable indemnified Persons, or (ii) the breach of any covenant or agreement made or to be performed by the indemnifying Party pursuant to this Agreement.

"**Low Pressure Gathering Fee**" As defined in Section 4.1.

"**Maintenance**" As defined in Section 8.1.

"**MAOP**" The maximum allowable operating pressure.

"**Material Measurement Error**" As defined in Section 10.4.

"**Mcf**" One thousand (1,000) Cubic Feet of Gas.

"**Mcf Volume**" Gas as measured on an Mcf basis.

"**Measurement Meter**" The meter used to measure the Mcf Volume of Producer's Gas delivered to the Gathering System at a Receipt Point.

"**MMBtu**" One million (1,000,000) Btus.

"**MMBtu Volume**" Gas as measured on an MMBtu basis.

"**MMcf**" One million (1,000,000) Cubic Feet of Gas.

"**Month**" or "**Monthly**" A period commencing at 9:00 A.M., Central Clock Time, on the first Day of a calendar month and extending until 9:00 A.M., Central Clock Time, on the first Day of the next succeeding calendar month.

"**Monthly Invoice**" As defined in Section 6.1.

"**Non-Op Gas**" As defined in Section 2.1.

"**Non-Processable Gas**" Producer's Gas that Producer elects or has elected to not be bound for a downstream processing facility.

"**Off-Spec Gas**" As defined in Section 9.2.

"**Person**" An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**Primary Term**" As defined in Section 17.1.

"**Processable Gas**" Producer's Gas that Producer elects or has elected to be bound for a downstream processing facility.

"**Producer Indemnified Parties**" As defined in Section 12.1.

"**Producer's Gas**" All Gas now or hereafter owned or controlled by Producer and delivered to the Gathering System pursuant to the terms of this Agreement.

"**psia**" Pressure expressed in pounds per square inch absolute.

"**psig**" Pressure expressed in pounds per square inch gauge.

"**Receipt Point**" The inlet flange of Gatherer's facilities at the point of interconnection between the low pressure Gathering System and Producer's facilities or the inlet flange of Gatherer's facilities at the point of interconnection between the high pressure Gathering System and other facilities where Gas is received into the high pressure Gathering System. The Receipt Points existing on the Effective Date, including the Gathering Subsystem to which such points belong, are listed on Exhibit B. Gatherer shall update Exhibit B on January 1, April 1, July 1, and October 1 of each Year to include Additional Receipt Points that have been placed into service and, if necessary, to update the Gathering Subsystem of existing points; provided that Gatherer may not change the Gathering Subsystem to which an existing Receipt Point is connected without Producer's consent.

"**Receipt Point Mcf Volume**" The actual Mcf Volume of Gas delivered by Producer and received by Gatherer at such Receipt Point during a Month, as measured at the applicable Measurement Meter, net of buyback gas redelivered to Producer pursuant to Section 3.8.

"**Receipt Point Gas Quality Specifications**" For each Receipt Point, the applicable downstream Delivery Point Gas Quality Specifications.

"**Required Pressure**" For each Receipt Point, the pressure listed on Exhibit B for such Receipt Point; provided that for Additional Receipt Points on the low pressure portion of the Gathering System, the Required Pressure shall not be higher than [_____] psig. For Additional Receipt Points on the high pressure portion of the Gathering System the Required Pressure shall not exceed MAOP, as such MAOP may exist from time to time. [Insert applicable number, to be agreed by Producer and its transferee, which reflects an appropriate psig amount based on the pressure of the gas production from the transferred properties and the operating pressure of the applicable portions of the System at the time of such transfer.]

"**Resolution Period**" As defined in Section 2.1 or Section 3.6, as applicable.

"**Services**" As defined in Section 2.2.

"**Shipper**" Any Person for whom Gatherer provides Services on the Gathering System.

"**Similarly Situated Shipper**" Any assignee of Producer's interests hereunder (whether total or partial) pursuant to Section 18.6 or any Third Party Shipper who has an equal level of service priority on the Gathering System.

"**System Gas Capacity**" As of any determination time, the Gathering System throughput capacity as it exists as of such time.

"**Tax**" or "**Taxes**" Any federal, state or local taxes, fees, levies or other assessments, including all sales and use, goods and services, ad valorem, transfer, gains, profits, excise, franchise,

real and personal property, gross receipt, value added, capital stock, production, business and occupation, disability, employment, payroll, license, unemployment, social security, Medicare, or withholding taxes or charges imposed by any Governmental Authority, and including any interest and penalties (civil or criminal) on any of the foregoing.

"**Term**" As defined in Section 17.1.

"**Third Party**" Any Person that, as of any applicable determination date, is not a Party to this Agreement.

"**Third Party Gas**" Gas other than Producer's Gas.

"**Transfer**" Any direct or indirect transfer, conveyance, assignment, grant or other disposition of any rights, interests or obligations.

"**Year**" A period of three hundred sixty-five (365) consecutive Days; provided, however, any year that contains the date of February 29 shall consist of three hundred sixty-six (366) consecutive Days.

ARTICLE 2
DEDICATION AND SERVICES

Section 2.1 Dedication; Producer Reservations; Release Rights.

(a) Dedication. Subject to the terms and conditions of this Agreement, and solely for the performance of this Agreement, Producer hereby dedicates for Gathering and the other Services to be provided by Gatherer under this Agreement and shall deliver or cause to be delivered at the Receipt Point(s) on the Gathering System the following:

(i) all Gas produced and saved from wells now or hereafter located within the Dedicated Area or on lands pooled or unitized therewith, to the extent such Gas is attributable to Interests within the Dedicated Area and not delivered or used as permitted pursuant to this Agreement; and

(ii) with respect to wells now or hereafter located within the Dedicated Area or on lands pooled or unitized therewith for which Producer is the operator, Gas from such wells that is owned by other working interest owners and royalty owners ("**Non-Op Gas**") but only to the extent and for the period that Producer has the right or obligation to market such Non-Op Gas.

(b) Covenant Running with the Land. It is the mutual intention of the Parties that, so long as the dedication in Section 2.1(a) is in effect, this Agreement and the dedication under Section 2.1(a) and all of the terms and provisions of this Agreement collectively shall (i) be a covenant running with the Interests within the Dedicated Area and (ii) be binding on and enforceable by Gatherer and its successors and assigns against Producer and its successors and assigns of the Interests within the Dedicated Area. Each Party agrees to execute,

acknowledge, and deliver to the other Party from time to time such additional agreements and instruments as may be reasonably requested by such other Party to more fully effectuate the intention of the Parties set forth in the immediately preceding sentence, including a memorandum of this Agreement in the form set forth on Exhibit D, and in the event of a permanent release or partial assignment of the Interests dedicated hereunder, a memorandum of release in the form set forth on Exhibit E. Producer shall cause any conveyance by it of all or any of the Interests within the Dedicated Area to be made expressly subject to the terms of this Agreement. By January 31 of each year, Producer and Gatherer shall update Exhibit A to reflect any Interests within the Dedicated Area (1) permanently released by Gatherer or (2) partially assigned by Producer during the immediately preceding year. Contemporaneously with any such update and supplement to this Agreement, Producer shall execute, acknowledge, and deliver to Gatherer a supplement to each of the applicable memoranda of this Agreement previously filed for recording in the real property records of each county in which any portion of such new Interests is located.

(c) Forecasts. Subject to Gatherer's compliance with the confidentiality and restricted use requirements set forth in Section 18.1, on or before October 1st of each Year during the Term of this Agreement, Producer shall deliver to Gatherer a 2-Year Forecast with respect to Producer's Gas. "**2-Year Forecast**" shall mean Producer's good faith estimate (expressed in Mcf per Day) and associated gas analysis of Producer's Gas to be produced from the Dedicated Area, including the general geographic location and anticipated Gathering Subsystem, for each Month for the next two (2) years of the Term of the Agreement, which forecast shall be based on Producer's most recent engineering and planning data. At Gatherer's request, but no more than once per quarter, Producer and Gatherer will meet to discuss changes in the forecast to ensure that Gatherer will have adequate capacity in place to meet Producer's requirements. For the sake of clarity, Gatherer acknowledges that Producer shall not at any time be required to deliver any of Producer's internal budget information to Gatherer. Producer shall use all commercially reasonable efforts and information available to it to create the 2-Year Forecasts, but, given the inherent nature of the estimates involved in creating such Forecasts, Producer cannot guarantee the accuracy of any 2-Year Forecast.

(d) Producer's Reservations.

(i) Gas for Lessors or Royalty Owners. Producer shall have the right to utilize Gas as may be required to be delivered to lessors or royalty owners under the terms of leases or other agreements or as required for Producer's operations within the Dedicated Area or lands pooled or unitized therewith, as determined by Producer in its sole discretion.

(ii) Pooling or Units. Producer may form, dissolve, and/or participate in pooling agreements or units encompassing all or any portions of the Dedicated Area, as determined by Producer in its sole discretion.

(iii) Operational Control of Wells. Producer reserves the right to operate its leases and wells in any manner that it desires, as determined by Producer in its sole discretion and free of any control by Gatherer, including without limitation, (i) shutting-in, cleaning out, reworking, modifying, deepening, or abandoning any such wells, (ii) using any efficient, modern, or improved method for the production of its wells, (iii) flaring, burning, or venting Gas (with no fees to be associated with such Gas), and (iv) surrendering, releasing, or terminating its leases or Interests or allowing such leases or Interests to expire at any time; provided that before any well is taken out of service for any reason, Producer shall first shut-off the well's connection to the applicable Receipt Point.

(iv) Well Development and Operations. Producer reserves the right to use Gas (including its components) above ground or below, to develop and operate its leases and wells, including, without limitation, for Gas lift, fuel, pressure maintenance, or other re-injection purposes, secondary and tertiary recovery, drilling or cycling, operation of Producer's facilities, and/or any other legitimate use in connection with the development and/or operation of its leases and wells that are now or hereafter become subject to the terms of this Agreement. Additionally, for Gas used for fuel, Producer has the right to remove liquid hydrocarbons from such Gas by means it deems necessary, including via low temperature separation.

(v) No Obligation to Develop. Notwithstanding anything else in this Agreement that may be construed to the contrary, Producer reserves the right to develop and operate its leases and wells as it sees fit, in its sole discretion, and Producer shall have no obligation to Gatherer under this Agreement to develop or otherwise produce Gas or other hydrocarbons from any properties owned by it, including any properties now or hereafter located within the Dedicated Area or the lands pooled or unitized therewith.

(e) Release from Dedication.

(i) Immediate Temporary Release. If for any reason, including Force Majeure (but not including a pressure problem, which is addressed in Section 3.6), Gatherer does not Gather all or any portion of Producer's Gas delivered or otherwise available for delivery at a Receipt Point, Producer shall be entitled to an immediate temporary release from dedication of such volume of Gas not Gathered, and may dispose of such Gas in any manner it sees fit, subject to Gatherer's right to resume receipts at a subsequent time when Gatherer is able to receive all of Producer's Gas available for delivery at the Receipt Point in accordance with the terms of this Agreement, *provided, however*, if during such temporary release period Producer secures a different temporary market, Gatherer may resume receipts only upon thirty (30) Days' advance written notice and only as of the beginning of a Month, unless otherwise agreed.

(ii) Permanent Release. In addition to Section 2.1(e)(i), above, if Gatherer does not Gather or ceases Gathering all or any portion of Producer's Gas for delivery at a Receipt Point for any reason (but not including a pressure problem, which is addressed in Section 3.6, or a failure to meet quality requirements, for which no permanent release shall be available) for a cumulative thirty (30) Days in any ninety (90) Day period, unless such failure is caused by Force Majeure, in which case a cumulative 180 Days in any 365-Day period, then upon Producer's written notice to Gatherer, Gatherer shall have fifteen (15) Days from receipt of such notice to propose a feasible plan to Producer that shall resolve such issue, at Gatherer's sole cost and expense, within sixty (60) Days after proposing such plan (the "**Resolution Period**"). If (A) Gatherer fails to propose a resolution within the stated fifteen (15) Days, (B) the issue is not resolved after completion of Gatherer's resolution, or (C) Gatherer does not complete such resolution within the Resolution Period for any reason (but if Gatherer's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days), Producer may elect, by giving written notice to Gatherer, to receive a permanent release from dedication as to the affected Receipt Point and the portion(s) of the Dedicated Area associated with such Receipt Point (and such released portion(s) shall be stated in terms of acreage); provided, however, Producer shall not be entitled to a permanent release to the extent that Producer's good-faith estimate of the affected volumes exceeds the last 2-Year Forecast Producer delivered to Gatherer in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Gatherer (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive.

(iii) Release by Downstream Processor. Gatherer is providing Services in order to deliver Producer's Gas to downstream facilities in satisfaction of Producer's dedication to such downstream facilities. To the extent that Producer's dedication under such downstream contracts is released, Producer shall receive a corresponding release from dedication under this Agreement.

(f) No Election of Remedies. Producer's exercise of any right to a release from dedication under Section 2.1(e) or Section 3.6 shall not be deemed an election of remedies for any unexcused failure of Gatherer to perform any obligation under this Agreement, and Producer shall be entitled to any and all other remedies, including specific performance and injunctive relief (without the need to post any bond).

Section 2.2 Gathering and Related Services. Subject to the terms and conditions of this Agreement, each Month during the Term Gatherer shall provide, or cause to be provided, the following services, each on a Firm basis (collectively, the "***Services***"):

(a) receive, or cause to be received, Producer's Gas at the low pressure Receipt Points;

(b) gather Producer's Gas on the low pressure Gathering System;

(c) deliver for Producer's account all Producer's Gas, less any Producer's Gas required under Section 3.8, and Condensate at the low pressure Delivery Point(s),

(d) receive, or cause to be received, Producer's Gas at the high pressure Receipt Points;

(e) gather Producer's Gas on the high pressure Gathering System;

(f) deliver for Producer's account Producer's Gas and Condensate at the high pressure Delivery Point(s); and

(g) perform such other obligations and actions as are described under this Agreement.

Gatherer shall perform all Services and operate the Gathering System consistent with industry standard and in a prudent, workmanlike manner.

Notwithstanding anything in this Agreement to the contrary, Producer shall not be entitled to Services on a Firm basis on any facilities that have been built by Gatherer exclusively to service Gas volumes delivered by any Third Party customer.

Section 2.3 Modification of System Capacity. Other than during periods of emergency and/or required Maintenance, Gatherer shall not take, without Producer's prior written consent, any action that could cause the System Gas Capacity to be reduced in a manner that negatively affects Producer's ability to deliver Gas to any Receipt Point.

Section 2.4 Priority of Gas Services; Curtailment. Gatherer covenants that it shall not oversubscribe the Gathering System (or any Gathering Subsystem) or take additional production into the Gathering System (or any Gathering Subsystem) if, as a result, Gatherer is unable to perform its Service obligations under this Agreement. Gatherer agrees to not provide services of any kind for any Third Party Gas on the Gathering System (or any Gathering Subsystem) on a basis that has a priority higher than that to which Producer is entitled under this Agreement without Producer's prior written consent; provided, however, that in the case of (ii), such consent shall not be unreasonably withheld if the Third Party agreement shall not be reasonably expected to impact Gatherer's ability to perform its obligations to Producer under this Agreement. If for any reason, including, without limitation, Force Majeure, Maintenance, or constraints at Delivery Point(s),

Gatherer needs to curtail receipt, Gathering or delivery of Gas on any part of a Gathering Subsystem, the following procedures shall be followed:

(a) First, Gas deliveries from all Persons other than Producer and Similarly Situated Shippers shall be curtailed prior to any curtailment or interruption of Producer's Gas or Gas from Similarly Situated Shippers; and

(b) Second, if additional curtailments are required beyond Section 2.4(a) above, Gatherer shall notify Producer and Similarly Situated Shippers of such curtailment and require good faith estimates of expected gas volumes from Producer and Similarly Situated Shippers. Gatherer shall then allocate the capacity of the applicable Gathering Subsystem at the affected Receipt Point on a pro rata basis based upon Producer's and each Similarly Situated Shipper's respective good faith estimates for the affected point.

Notwithstanding anything to the contrary contained in this Agreement, to the extent Gas deliveries from Persons other than Producer or Similarly Situated Shippers cause or would reasonably be expected to cause Producer or a Similarly Situated Shipper to reduce or curtail its Gas production, Gatherer shall curtail receipts of Gas deliveries from such Persons into the Gathering System.

Section 2.5 Third Party Gas. Gatherer agrees that it shall not accept Third Party Gas into the Gathering System if such Third Party Gas shall cause Producer's Gas to not meet the Delivery Point Gas Quality Specifications.

Section 2.6 Operation and Maintenance of Gathering System. Gatherer shall (i) be entitled to complete operational control of the Gathering System, and (ii) construct, install, own, operate and maintain, at its sole cost, risk and expense, the Gathering System in accordance with all applicable Laws, as a reasonably prudent natural gas gathering system operator and, to the extent reasonably possible, in a cost-efficient and effective manner for Producer.

Section 2.7 Commingling. Although Producer shall retain title to Producer's Gas (except as otherwise provided in this Agreement), the Parties agree that Producer's Gas may constitute part of the supply of Gas from multiple sources in the Gathering System and Gatherer shall have the right, subject to Gatherer's obligations under this Agreement, to commingle Producer's Gas with other Gas, to deliver molecules different from those received at the Receipt Points, and to handle the molecules delivered at the Receipt Points in any manner.

ARTICLE 3
RECEIPT POINTS, DELIVERY POINTS, AND PRESSURES

Section 3.1 Receipt Points. Producer shall deliver Producer's Gas to Gatherer at the Receipt Points.

Section 3.2 Delivery Points. Gatherer shall deliver Producer's Gas and Condensate to the Delivery Points.

Section 3.3 Uniform Deliveries. Producer shall deliver Producer's Gas to Gatherer, and Gatherer shall receive and redeliver Producer's Gas, as nearly as practicable at uniform hourly and daily rates of flow.

Section 3.4 Pressure at Receipt Points. Producer shall cause Producer's Gas to be delivered to the Receipt Points at a pressure sufficient to enter the Gathering System, provided that Gatherer maintains the operating pressure at low pressure Receipt Points at no greater than the applicable Required Pressure. Producer shall not deliver Gas at any Receipt Point at a pressure in excess of the MAOP at the Receipt Point, as such MAOP may exist from time to time. As of the Effective Date, the MAOP at each Receipt Point shall be listed on Exhibit B, and Gatherer shall give written notice to Producer at any time thereafter that the MAOP for any Receipt Point changes and for each Additional Receipt Point when it is added.

Section 3.5 Pressure at Delivery Points. Gatherer shall deliver Gas to each Delivery Point at a pressure sufficient to enter the receiving facilities at such Delivery Point, but shall not deliver such Gas at a pressure in excess of the MAOP of such receiving facilities, as such MAOP may exist from time to time**.**

Section 3.6 Release Rights. At any time the operating pressure at a Receipt Point or on any Gathering Subsystem is not in compliance with the Required Pressure or in excess of the MAOP for any reason, including Force Majeure, Producer shall be entitled to an immediate temporary release from dedication and may immediately dispose of and/or deliver to any third Person any of Producer's Gas available for delivery at Receipt Point(s) delivering to such Gathering Subsystem. In the event the operating pressure at a Receipt Point or on a Gathering Subsystem is not in compliance with the Required Pressure for a cumulative thirty (30) Days in any ninety (90) Day period for reasons other than Force Majeure, then upon Producer's written notice to Gatherer, Gatherer shall have fifteen (15) Days from receipt of such notice to propose a feasible plan that shall, at Gatherer's sole cost and expense, resolve the pressure issue within sixty (60) Days after proposing such plan (the "**Resolution Period**") so that the pressure shall be maintained in compliance with the Required Pressure (including when all available Gas is delivered to the Receipt Point(s), i.e., including all of Producer's Gas that may have been temporarily released). If (a) Gatherer fails to propose a resolution within the stated fifteen (15) Days, (b) the issue is not resolved after completion of Gatherer's resolution, or (c) Gatherer does not complete its proposed resolution within the Resolution Period for any reason (but if Gatherer's completion is delayed or prevented by reason of Force Majeure, the Resolution Period shall be extended by an additional 120 Days),

then Producer may elect, by giving written notice to Gatherer, to receive a permanent release from dedication as to any Receipt Point(s) and the portion(s) of the Dedicated Area associated with such Receipt Point(s) (and such released portion(s) shall be stated in terms of acreage); provided, however, Producer shall not be entitled to a permanent release to the extent that Producer's good-faith estimate of affected volumes exceeds the last 2-Year Forecast Producer delivered to Gatherer in accordance with Section 2.1(c). If Producer elects a permanent release, the portion(s) of the Dedicated Area to be released shall be designated by Producer, acting reasonably and in good faith, *provided that* Producer shall provide to Gatherer (subject to the confidentiality and non-use restrictions set forth in this Agreement) reasonable evidence to support Producer's determination of the portion(s) of the Dedicated Area to be released, and as long as Producer's determination of the areas to be released is reasonably supported, such determination shall be deemed conclusive.

Section 3.7 Additional Receipt Points.

(a) Producer shall have the continuing right, at its option, at any time after the Effective Date, to designate additional Receipt Point(s) (each, an "**Additional Receipt Point**") pursuant to the terms of this Section 3.7. In each such case, Producer shall, at its sole cost, install, own, and operate all necessary facilities upstream of the Additional Receipt Point. Gatherer shall own and operate all necessary facilities downstream of such Additional Receipt Point.

(b) Producer shall be allowed, in its sole discretion, to designate (1) the location for the Additional Receipt Point as long as the location is within the Dedicated Area and (2) the Gathering Subsystem to which the Additional Receipt Point shall be connected, and Gatherer will connect the Additional Receipt Point in accordance with Producer's notice in Section 3.7(c). If Producer requires a change in Gathering Subsystem after the initial connection by Gatherer, Producer may request an Additional Receipt Point as provided for in Section 3.7(c) below; however, Producer shall reimburse Gatherer for its actual and reasonable costs incurred to connect Additional Receipt Point to its facilities.

(c) When Producer desires to install an Additional Receipt Point, Producer shall provide written notice to Gatherer, including a plat of the location of the proposed Additional Receipt Point and notice of whether the Additional Receipt Point shall be connected to the Gathering Subsystem for Processable Gas or the Gathering Subsystem for Non-Processable Gas. Subject to Section 3.7(b) above, within [***] ([***]) Days of Gatherer's receipt of Producer's notice which included Producer's proposed location for the Additional Receipt Point, each Party shall install and place in service its respective facilities as required under Section 3.7(a) above. Thereafter, Producer may deliver Gas to such Additional Receipt Point, and Gatherer shall receive and Gather such Gas from such point.

(d) If the Additional Receipt Point is not completed within [***] ([***]) Days after Gatherer's receipt of Producer's notice as provided in Section 3.7(c) for any reason other than Force Majeure, or within [***] ([***]) Days if Gatherer has encountered an event

of Force Majeure, Producer may elect, by giving written notice to Gatherer, to receive a permanent release from dedication as to such Additional Receipt Point (and the associated Dedicated Area).

Section 3.8 Buyback Gas. Producer shall have the right to request installation of a buyback gas meter downstream of a Receipt Point for Producer's use as described in Section 2.1(d), subpart (iv), provided that Producer shall not withdraw volumes that exceed what Producer delivers to the applicable Receipt Point. Producer shall pay Gatherer the actual and reasonable costs incurred to install such meter. When Producer desires to have such meter installed, Producer shall provide written notice to the Gatherer of the applicable Receipt Point and the date on which Producer desires to begin receiving buyback gas, which date shall not be sooner than thirty (30) Days after the date of Producer's notice, and Gatherer shall construct and install facilities necessary within thirty (30) Days of Producer's notice.

ARTICLE 4
FEES

Section 4.1 Gathering Fee. For each Month during the Term, and for each low pressure Receipt Point, Producer shall pay to Gatherer an amount equal to: (i) the Monthly low pressure Receipt Point Mcf Volume, *multiplied by* (ii) [insert then effective Low Pressure Gathering Fee under Alpine High/Apache Anchor Shipper form] per Mcf (the "**Low Pressure Gathering Fee**"). For each high pressure Receipt Point, Producer shall pay to Gatherer an amount equal to: (i) the Monthly high pressure Receipt Point Mcf Volume for each Month, multiplied by (ii) [insert then effective Low Pressure Gathering Fee under Alpine High/Apache Anchor Shipper form] per Mcf (the "**High Pressure Gathering Fee**"). Collectively, the Low Pressure Gathering Fee and the High Pressure Gathering Fee are the "**Gathering Fees**", as such Gathering Fees are annually adjusted pursuant to Section 4.2.

Section 4.2 Fee Escalation. On July 1st of each year, the Gathering Fees shall each be automatically adjusted upward or downward by the percentage change in the Chained Consumer Price Index for All Urban Consumers, all items less food and energy, as and when published and considered final by the U.S. Department of Labor Bureau of Labor Statistics calculated for the twelve (12) Months immediately preceding the date of escalation; *provided*, *however*, the Gathering Fees shall never be adjusted below their original amount as of the Effective Date; and, *provided*, *further*, that the amount of adjustment for each year shall not exceed [***] percent ([***]%) per annum.

ARTICLE 5
FUEL AND LOST & UNACCOUNTED FOR GAS

Section 5.1 There is deemed to be no fuel or lost & unaccounted for Gas on the Gathering System.

ARTICLE 6
PAYMENTS

Section 6.1 Payments and Invoices. Gatherer shall provide Producer with a detailed statement and supporting documentation for the net amount of all consideration due from Producer to Gatherer under the terms of this Agreement (net of any amounts due from Gatherer to Producer under this Agreement), not later than the last Day of the Month immediately following the Month for which the consideration is due (such statement, the "**Monthly Invoice**"). Not later than thirty (30) Days following Producer's receipt of a Monthly Invoice, Producer shall pay to Gatherer all amounts due and owing from Producer to Gatherer under the Monthly Invoice. Producer shall pay to Gatherer the undisputed portions of each Monthly Invoice in accordance with the terms of this Agreement, and as to any disputed portions that Producer does not pay, Producer shall provide Gatherer a written notice of dispute setting forth, in reasonable detail, the grounds for such dispute. Any amounts owing by Gatherer to Producer shall be deducted from amounts otherwise due Gatherer in the next ensuing Monthly Invoice, or Producer may request payment for same, and Gatherer shall pay to Producer such amounts within thirty (30) Days of Producer's written request for same, subject to Gatherer's good faith dispute of any such amounts, in which case Gatherer shall pay the undisputed portions in accordance with the terms of this Agreement. Payments to either Party shall be according to the applicable payment instructions set forth in Article 15. If any payment due date falls on a non-Business Day, the payment shall be due on the first Business Day thereafter.

Section 6.2 Netting, Offset of Amounts Due. Either Party shall have the right to offset any undisputed amounts due by it under this Agreement against any undisputed amounts due to it under this Agreement and pay the net amount due to the other Party.

Section 6.3 Interest on Late Payments. In the event either Party fails to make timely payment of any amount when due under this Agreement (including any disputed amount which is later found to have been correct when payment was first requested), interest shall accrue, from the date payment was due until the date payment is made, at an annual rate equal to the lower of: (a) the prime rate as published in the "Money Rates" section of *The Wall Street Journal*, plus two percent (2%), or (b) the maximum rate of interest allowed under applicable Laws.

Section 6.4 Financial Assurance. If Gatherer has reasonable grounds for insecurity regarding payment, performance, enforceability of any obligation under this Agreement (whether or not then due) by Producer or Producer's guarantor, if any, including, without limitation, the occurrence of a material adverse change in the creditworthiness of Producer, Gatherer may demand Adequate Assurance of Performance. A demand by Gatherer seeking Adequate Assurance of Performance shall be in writing and shall include an explanation in reasonable detail of the

calculation of the Adequate Assurance of Performance demand. "**Adequate Assurance of Performance**" shall mean sufficient security in the form, amount, and for a term, and from an issuer, all reasonably acceptable to Gatherer seeking assurance, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset, or guaranty.

ARTICLE 7
AUDIT RIGHTS

Section 7.1 Audit Rights.

(a) Each Party shall have the right, at its own expense, upon thirty (30) Days written notice and during reasonable working hours to perform an audit of the other Party's books and records ("**Audit**"). The Audit provides the Parties the right to obtain access to and copies of the relevant portion of the books and records which includes, but is not limited to, financial information, reports, charts, calculations, measurement data, allocation support, third-party support, telephone recordings, and electronic communications of the other Party to the extent reasonably necessary to verify performance under the terms and conditions of this Agreement including the accuracy of any statement, allocation, charge, payment calculation, or determination made pursuant to the provisions contained herein for any Calendar Year within the twenty-four (24) Month period next following the end of such Calendar Year. The Party subject to the Audit shall respond to all exceptions and claims of discrepancies within ninety (90) Days of receipt thereof.

(b) Either Party has the right to Audit any agents of the other Party, or any third Person performing services related to this Agreement. Either Party shall have the right to make and retain copies of the books and records to the extent necessary to support the audit work papers and claims resulting from the audit. Additionally, the Parties reserve the right to perform site inspections or carry out field visits of the assets and related measurement being audited.

(c) The accuracy of any statement, allocation, charge, payment calculation, or determination made pursuant to the provisions of the Agreement shall be conclusively presumed to be correct after the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared, if not challenged (claimed) in writing prior thereto. For the avoidance of doubt, all claims shall be deemed waived unless they are made in writing within the twenty-four (24) Month period next following the end of the Calendar Year in which the statement, allocation, charge, payment calculation, or determination was generated or prepared.

ARTICLE 8
MAINTENANCE

Section 8.1 Maintenance. Gatherer shall be entitled to interrupt Services hereunder to perform necessary or desirable inspections, pigging, maintenance, testing, connections, repairs, or replacements to the Gathering System ("***Maintenance***"), *provided, however*, that Gatherer shall use all commercially reasonable efforts to minimize the amount of time that Services are interrupted and to cooperate with Producer to minimize any production shut-in or interruption of lease operations. On or before December 1st of each Calendar Year, Gatherer shall provide Producer with written notice of the types of anticipated Maintenance, with anticipated dates of performance, to be performed during the next Calendar Year. No prior written notice shall be required for emergency Maintenance requirements, *provided, however*, in the event of any such emergency, Gatherer shall provide notice to Producer as soon as practicable, including reasonable details as to the nature of the emergency and the anticipated date that the related Service interruption shall cease.

Section 8.2 Maintenance Schedules.

(a) If Maintenance is scheduled for any Month, Gatherer shall send notice to Producer setting forth the Maintenance that is to be performed during such Month in accordance with the notice requirements of Article 15, even if Gatherer does not think that such Maintenance shall cause a Service interruption.

(b) No later than five working days prior to the beginning of the start of a Maintenance project, a volume curtailment allocation shall be sent to Producer if capacity allocations are determined to be necessary by Gatherer.

Section 8.3 Access to Facilities. Subject to its safety rules, regulations and procedures, Gatherer shall provide reasonable access to the Gathering System and related facilities to Producer for the purposes set forth in Section 7.1, provided that Producer shall not unreasonably interfere with the operations of the Gathering System or any related facility.

ARTICLE 9
GAS QUALITY

Section 9.1 Receipt Point Gas Quality Specifications. Producer's Gas delivered to the Receipt Points shall meet the applicable Receipt Point Gas Quality Specifications.

Section 9.2 Non-Conforming Gas. If at any time Gatherer becomes aware that Producer's Gas at a Receipt Point fails to conform to the applicable Receipt Point Gas Quality Specifications ("**Off-Spec Gas**"), then Gatherer shall promptly give Producer written notice of the deficiency, and Producer shall take commercially reasonable steps to remedy the deficiency. Gatherer shall use all commercially reasonable efforts to accept such Off-Spec Gas as long as (i) Gatherer is able to accept such Off-Spec Gas without unreasonable risk of harm to the Gathering System or to Gatherer's personnel, (ii) the acceptance of such Off-Spec Gas does not render the Gathering System unable

to meet the Delivery Point Gas Quality Specifications, and (iii) Gatherer's receipt of the Off-Spec Gas shall not be construed as a change of requirements for future volumes delivered to the Gathering System. Gatherer may immediately cease taking any Off-Spec Gas that Gatherer deems would be harmful to the Gathering System or Gatherer's personnel.

Section 9.3 Reimbursement for Costs and Expenses. Producer shall reimburse Gatherer for all actual, reasonable costs and expenses directly resulting from damage to the Gathering System, or to other Shippers' Gas therein, to the extent such damage is directly caused by the delivery to the Gathering System of Producer's Gas that is Off-Spec Gas, *except* when Gatherer knowingly accepts such Off-Spec Gas into the Gathering System. ***Notwithstanding the above or anything else in this Agreement, Producer's responsibility under this Section 9.3 shall be for actual, direct damages only, and in no event shall this Section 9.3 require Producer to pay or in any way be responsible for the special, indirect, consequential, punitive or exemplary damages of any Person***.

ARTICLE 10
MEASUREMENT

Section 10.1 Equipment and Specifications. Producer's Gas delivered into the Gathering System shall be measured by the Measurement Meter(s) at the Receipt Point(s), the Delivery Point(s), and any point(s) redelivering buyback gas to Producer. The Measurement Meter and appurtenant facilities shall be installed, operated, and maintained by Gatherer in accurate working order and condition, and in accordance with the requirements set forth in this Article 10, with good and workmanlike standards generally practiced by reasonably prudent gas pipeline operators, and in accordance with all Laws.

Section 10.2 Gas Meter Standards. Orifice meters installed in such measuring stations for Gas shall be constructed and operated in accordance with ANSI/API 2530 API 14.3, AGA Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids (including as it may be revised from time to time) and shall include the use of flange connections and, where necessary, straightening vanes, flow conditioners, and/or pulsation dampening equipment. Ultrasonic meters or Coriolis meters installed in such measuring stations shall be constructed and operated in accordance with AGA Report No. 9, Measurement of Gas by Ultrasonic Meters, First Edition, and AGA Report No. 11, Measurement of Natural Gas by Coriolis Meter, respectively; and any subsequent modification and amendment thereof generally accepted within the Gas industry. Electronic flow computers shall be used and the Gas shall have its volume, mass, and/or heat content computed in accordance with the applicable AGA standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7, 8 and API 21.1 "Flow Measurement Using Electronic Metering Systems" and any subsequent modifications and amendments thereof generally accepted within the Gas industry. When Gas chromatographs are used they shall be installed, operated, maintained, and verified according to industry standards (GPA 2261, GPA 2145, GPA 2172, and GPA 2177).

Section 10.3 Notice of Measurement Equipment Inspection and Calibration. Each Party shall give at least seventy-two (72) hours' notice to the other Party in order that the other Party may, at its option, have representatives present to observe any reading, inspecting, testing, calibrating,

or adjusting of measuring equipment used in measuring or checking the measurement of receipts or deliveries of Gas under this Agreement. The official electronic data from such measuring equipment shall remain the property of the measuring equipment owner, but copies of such records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 10.4 Measurement Accuracy Verification. Each Party shall verify the accuracy of all transmitters, flow computers, and other equipment used in the measurement of the Gas hereunder at intervals not to exceed one hundred eighty (180) Days and cause such equipment to be adjusted or calibrated as necessary. Testing frequency shall be based upon each Receipt Point flow rate (Mcf/Day). Any flow rate at a Receipt Point that is: (x) greater than 1,000 Mcf/Day shall be tested Monthly, (y) between 101 and 1000 Mcf/Day shall be tested quarterly, and (z) less than 100 Mcf/Day shall be tested semi-annually. Neither Party shall be required to cause adjustment or calibration of such equipment more frequently than once every Month, unless a special test is requested pursuant to Section 10.5 of this Agreement. If, upon testing, (i) no adjustment or calibration error is found that results in an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) or (ii) any quantity error is not greater than two hundred fifty (250) Mcf per Month, then any previous recordings of such equipment shall be considered accurate in computing deliveries but such equipment shall be adjusted or calibrated at once. If, during any test of the measuring equipment, an adjustment or calibration error is found that results in (i) an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator) and (ii) a quantity error greater than two hundred fifty (250) Mcf per Month ("**Material Measurement Error**"), then any previous recordings of such equipment shall be corrected to zero error for any period during which the error existed (and which is either known definitely or agreed to by the Parties) and the total flow for such period shall be determined in accordance with the provisions of Section 10.6. If the period of error condition cannot be determined or agreed upon between the Parties, such correction shall be for a period extending over the last one half (1/2) of the time elapsed since the date of the last test.

Section 10.5 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 10.4) of any measuring equipment, seventy-two (72) hours' advance notice shall be given to the other Party and, after providing such notice, such test shall be promptly performed. If no Material Measurement Error is found, the Party requesting the test shall pay the costs of such special test including any labor and transportation costs pertaining thereto. If a Material Measurement Error is determined to exist, the Party responsible for such measurement shall pay such costs and perform any corrections required under Section 10.4.

Section 10.6 Metered Flow Rates in Error. If, for any reason, any measurement equipment is (i) out of adjustment, (ii) out of service, or (iii) out of repair, and, in each case, a Material

Measurement Error exists as a result thereof, the total quantity of Gas delivered shall be determined in accordance with the first of the following methods which is feasible:

(a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 10.4);

(b) where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering; or

(c) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Section 10.7 Record Retention. Gatherer shall retain and preserve all test data, charts, and similar records for any Calendar Year for a period of at least sixty (60) Months following such Calendar Year, unless any applicable Law requires a longer time period or Gatherer has received written notification of a dispute involving such records, in which case all records shall be retained until the related issue is resolved.

Section 10.8 Correction Factors for Volume Measurement. The computations of the volumes of Gas measured shall be made as follows:

(a) The hourly orifice coefficient for each meter shall be calculated at the base pressure of fourteen and sixty-five hundredths (14.65) psia and the base temperature of sixty (60) degrees Fahrenheit. All Gas volume measurements shall be based on a local atmospheric pressure assumed to be thirteen and seven-tenths (13.7) psia.

(b) The flowing temperature of the Gas shall be continuously measured. In the case of electronic metering, such temperature measurement shall be used as continuous input to the flow computer for calculation of Gas volume, mass, and/or energy content in accordance with the applicable AGA or API 21.1 standards including, but not limited to, AGA Report Nos. 3, 5, 6, 7, and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(c) Measurements of inside diameters of pipe runs and orifices shall be obtained by means of a micrometer to the nearest one-thousandth of an inch, and such measurements shall be used in computations of coefficients.

(d) In determining the volume of Gas, when electronic transducers and flow computers are used, the Gas shall have its volume, mass, and/or energy content continuously integrated in accordance with the applicable AGA standards including, but not limited to, AGA report Nos. 3, 5, 6, 7, and 8 and any subsequent modification and amendments thereof generally accepted within the Gas industry.

(e) In calculating the volume of Gas, deviation from Boyle's Law at the pressure, specific gravity, and temperature for each measurement shall be determined by use of AGA Report No. 8, Compressibility Factors for Natural Gas and Other Related Hydrocarbon Gases, published by the AGA in conjunction with Gas Measurement Committee Report No. 3 and amendments thereto generally accepted within the Gas industry.

(f) Whenever the conditions of pressure and temperature differ from the standards described herein, conversion of the volume from these conditions to the standard conditions shall be made in accordance with the Ideal Gas Laws, corrected for deviation by the methods set forth in the AGA Gas Measurement Committee Report No. 3, as said report may be amended from time to time.

Section 10.9 Exception to Gas Measurement Basis. If at any time the basis of measurement set out in this Agreement should conflict with any Law, then the basis of measurement provided for in such Law shall govern measurements hereunder.

Section 10.10 Gas Sampling. Receipt Point meters downstream of new wells or wells that have been changed due to a workover or other well bore alteration that could alter the Gas composition shall be sampled Monthly until the analyses demonstrate reasonable consistency. After such time, said meters shall then be sampled at the stated calibration frequency. Gatherer shall install and maintain a Gas composite sampler at each Receipt Point.

(a) Receipt Points. The composition, specific gravity, and Gross Heating Value of Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through either an on-line Gas chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(b) Delivery Points. The composition, specific gravity, and Gross Heating Value of Gas shall be determined by the measuring party taking a sample at the same frequency as the meter calibration test. The sample shall be acquired through either an on-line Gas chromatograph or a composite sampler. The analytical results shall be applied at the beginning of the Month the sample is taken until a subsequent representative sample is applied.

(c) The specific gravity of Gas at all applicable measurement points shall be determined by a Gas chromatographic component analysis to the nearest one thousandth (0.001) of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

(d) The Gross Heating Value shall be measured by Gas chromatographic analysis or component analysis of the samples of the Gas taken for test purposes as provided above, or by such other method as shall be mutually agreed upon.

Section 10.11 Modifications to Measurement Procedures. In the event the measurement procedures herein cease to be reflective of actual operations or become inequitable in any respect, such measurement procedures shall be modified to reflect actual operations and to remove such inequities, as long as such modified measurement procedures are consistently applied to Producer and all other Shippers utilizing the Gathering System.

ARTICLE 11
FORCE MAJEURE

Section 11.1 Suspension of Obligations. In the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than the obligation to indemnify and/or to make payments due hereunder, and such Party gives notice and reasonably full particulars of such Force Majeure in writing to the other Party promptly after the occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as and to the extent affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch by the Party claiming Force Majeure. A Force Majeure event affecting the performance of a Party shall not relieve it of liability in the event of its gross negligence, where such gross negligence was the cause of, or a contributing factor in causing, the Force Majeure event, or in the event of its failure to use commercially reasonable efforts to remedy the situation and remove the cause with all reasonable dispatch. Additionally, it is specifically understood that a Force Majeure shall in no way terminate each Party's obligation to balance those volumes of Gas received and delivered hereunder.

Section 11.2 Definition of Force Majeure. "**Force Majeure**" shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including, without limitation, any of the following that meets the foregoing criteria: acts of God, acts and/or delays in action of any Governmental Authority, strikes, lockouts, work stoppages or other industrial disturbances, acts of a public enemy, sabotage, wars, blockades, insurrections, riots, acts of terror, epidemics, landslides, lightning, earthquakes, fires, storms, storm warnings, floods, washouts, extreme cold or freezing weather, arrests and restraints of governments and people, civil or criminal disturbances, explosions, mechanical failures, breakage or accident to equipment installations, machinery, compressors, or lines of pipe and associated repairs, freezing of wells or lines of pipe, partial or entire failure of wells, pipes, facilities, or equipment, electric power unavailability or shortages, failure of Third Party pipelines, gatherers, or processors to deliver, receive, or transport Gas, and, in those instances where a Party is required to secure permits from any Governmental Authority to enable such Party to fulfill its obligations under this Agreement, the inability of such Party, at reasonable costs and after the exercise of all reasonable diligence, to acquire such permits; provided, however, that a Governmental Authority requiring Gatherer to provide gathering services to Third Parties shall not constitute Force Majeure. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that a Force Majeure be remedied with all reasonable dispatch shall not require

the settlement of strikes or lockouts by acceding to the demands of Persons striking when such course is inadvisable in the sole discretion of the Party having the difficulty.

ARTICLE 12
INDEMNIFICATION

Section 12.1 Definitions. The following terms are defined as follows.

(a) "**Gatherer Indemnified Parties**" Gatherer and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors, and agents.

(b) "**Producer Indemnified Parties**" Producer and its Affiliates, and its and their respective shareholders, stockholders, members, partners, officers, directors, employees, contractors, subcontractors, and agents.

Section 12.2 PRODUCER'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND GATHERER UNDER THIS AGREEMENT, PRODUCER SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS BEFORE SUCH GAS IS DELIVERED TO GATHERER AT THE RECEIPT POINT, AND (II) PRODUCER'S GAS AND CONDENSATE AFTER SUCH GAS AND CONDENSATE HAVE BEEN DELIVERED TO OR FOR PRODUCER'S ACCOUNT AT THE DELIVERY POINT. WHEN PRODUCER'S GAS AND/OR CONDENSATE ARE IN THE CONTROL AND POSSESSION OF PRODUCER AS DESCRIBED HEREIN, PRODUCER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS GATHERER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ACTUAL PHYSICAL LOSS OR DAMAGE OR ACTUAL INJURY CAUSED BY PRODUCER'S GAS WHILE IN A PRODUCER INDEMNIFIED PARTY'S CONTROL AND POSSESSION, *EXCEPT* TO THE EXTENT SUCH LOSS, DAMAGE, OR INJURY IS CAUSED BY A BREACH OF THIS AGREEMENT BY GATHERER OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER FAULT OF ANY OF THE GATHERER INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 12.4. PRODUCER'S INDEMNIFICATION, DEFENSE, AND HOLD HARMLESS OBLIGATIONS UNDER THIS SECTION SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES SET FORTH IN ARTICLE 18 AND THE WAIVER OF CERTAIN REMEDIES IN ARTICLE 18.

Section 12.3 GATHERER'S CONTROL AND LIABILITY. AS BETWEEN PRODUCER AND GATHERER UNDER THIS AGREEMENT, GATHERER SHALL BE DEEMED IN CONTROL AND POSSESSION OF: (I) PRODUCER'S GAS AFTER SUCH GAS IS DELIVERED TO GATHERER AT THE RECEIPT POINT AND (II) PRODUCER'S GAS AND CONDENSATE BEFORE SUCH GAS AND CONDENSATE HAVE BEEN DELIVERED TO OR FOR PRODUCER'S ACCOUNT AT THE DELIVERY POINT. WHEN PRODUCER'S GAS AND/OR THE CONDENSATE ARE IN THE CONTROL AND POSSESSION OF GATHERER AS DESCRIBED HEREIN, GATHERER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS PRODUCER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ACTUAL PHYSICAL LOSS OR DAMAGE OR ACTUAL INJURY CAUSED BY SUCH GAS AND/OR CONDENSATE WHILE IN A GATHERER INDEMNIFIED PARTY'S CONTROL AND POSSESSION, *EXCEPT* TO THE EXTENT SUCH LOSS, DAMAGE, OR INJURY IS CAUSED BY A BREACH OF THIS AGREEMENT BY PRODUCER OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER FAULT OF ANY OF THE PRODUCER INDEMNIFIED PARTIES OR *EXCEPT* TO THE EXTENT COVERED BY SECTION 12.4. GATHERER'S INDEMNIFICATION, DEFENSE, AND HOLD HARMLESS OBLIGATIONS UNDER THIS SECTION SHALL BE SUBJECT TO THE LIMITATION OF DAMAGES SET FORTH IN ARTICLE 18 AND THE WAIVER OF CERTAIN REMEDIES IN ARTICLE 18.

Section 12.4 Personal Injury Claims of Producer Indemnified Parties and Gatherer Indemnified Parties. PRODUCER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS GATHERER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE PRODUCER INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY GATHERER INDEMNIFIED PARTIES. GATHERER SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS PRODUCER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS OR LOSSES (AS DEFINED IN ARTICLE 1) FOR OR RESULTING FROM ANY BODILY INJURY, DEATH, OR ILLNESS SUFFERED BY ANY OF THE GATHERER INDEMNIFIED PARTIES ARISING OUT OF OR RELATING TO THE PARTIES' ACTIVITIES UNDER THIS AGREEMENT, *EXCEPT* TO THE EXTENT SUCH INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PRODUCER INDEMNIFIED PARTIES.

Section 12.5 Insurance. In support of the liability and indemnity obligations assumed by the Parties in this Agreement, each Party agrees to obtain and maintain, at its own expense, insurance coverages in the types and amounts which are comparable with its peers and that is generally carried by companies performing the same or similar activities as the Parties in this Agreement. In addition, each Party shall comply with all statutory insurance requirements determined by governmental laws and regulations, as applicable. To the extent of the Parties' indemnity obligations or liabilities assumed under this Agreement, (i) each Party's insurance coverage shall be primary to and shall receive no contribution from any insurance maintained by the Indemnified Parties, and (ii) any insurance of each Party shall waive rights of subrogation against the Indemnified Parties and include the Indemnified Parties as additional insured under any applicable coverages. Failure to obtain adequate insurance coverage shall in no way relieve or limit any indemnity or liability of either Party under this Agreement.

ARTICLE 13
TITLE

Section 13.1 Producer's Warranty. Producer warrants that it owns, or has the right to deliver, Producer's Gas to the Receipt Points for the purposes of this Agreement, free and clear of all liens, encumbrances, and adverse claims. If the title to Producer's Gas delivered hereunder is disputed or is involved in any legal action in any material respect, Gatherer shall have the right to cease receiving such Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until title is freed from the dispute or until Producer furnishes, or causes to be furnished, indemnification to save Gatherer harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Gatherer. Subject to Sections 18.9 and 18.10, Producer agrees to indemnify the Gatherer Indemnified Parties from and against all

Claims or Losses suffered by the Gatherer Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 13.2 Gatherer's Warranty. Gatherer warrants that it has the right to accept Gas at the Receipt Points and to deliver Gas to the Delivery Points free and clear of all liens, encumbrances, and adverse claims. If the Gathering System is involved in any legal action in any material respect, Producer shall have the right to withhold payment (without interest), or cease delivering Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until Gatherer furnishes, or causes to be furnished, indemnification to save Producer harmless from all Claims or Losses arising out of the dispute or action, with surety reasonably acceptable to Producer. Subject to Sections 18.9 and 18.10, Gatherer agrees to indemnify the Producer Indemnified Parties from and against all Claims or Losses suffered by the Producer Indemnified Parties, to the extent such Claims or Losses arise out of a breach of the foregoing warranty.

Section 13.3 Title. Title to Producer's Gas delivered under this Agreement, including all constituents thereof, shall remain with and in Producer or its designee at all times.

ARTICLE 14
ROYALTY AND TAXES

Section 14.1 Proceeds of Production. Producer shall have the sole and exclusive obligation and liability for the payment of all Persons due any proceeds derived by Producer from Producer's Gas (including all constituents and products thereof) delivered under this Agreement, including, without limitation, royalties, overriding royalties, and similar interests, in accordance with the provisions of the leases or agreements creating those rights to such proceeds.

Section 14.2 Producer's Taxes. Producer shall pay and be responsible for all gross production and severance Taxes levied against or with respect to Producer's Gas delivered under this Agreement, all ad valorem Taxes levied against the property of Producer, all income, excess profits, and other Taxes measured by the income or capital of Producer, and all payroll Taxes related to employees of Producer.

Section 14.3 Gatherer's Taxes. Gatherer shall pay and be responsible for all Taxes levied with respect to the providing of Services under this Agreement, all ad valorem Taxes levied against the property of Gatherer, all income, excess profits, and other Taxes measured by the income or capital of Gatherer, and all payroll Taxes related to employees of Gatherer.

ARTICLE 15
NOTICE AND PAYMENT INSTRUCTIONS

Except as specifically provided elsewhere in this Agreement, any notice or other communication provided for in this Agreement shall be in writing and shall be given (i) by depositing in the United States mail, postage paid and certified with return receipt requested, (ii) by depositing with a reputable overnight courier, (iii) by delivering to the recipient in person by courier, or (iv) by

facsimile or email transmission, in each of the foregoing cases addressed to the applicable Party as set forth on Exhibit C, and payments required under this Agreement shall be made to the applicable Party according to the payment instructions set forth on such exhibit. A Party may at any time designate a different address or payment instructions by giving written notice to the other Party. Notices, invoices, allocation statements, claims, or other communications shall be deemed received when delivered to the addressee in person, or by courier, or transmitted by facsimile transmission or email during normal business hours, or upon actual receipt by the addressee after such notice has either been delivered to an overnight courier or deposited in the United States mail, as the case may be.

ARTICLE 16
DISPUTE RESOLUTION

Section 16.1 Negotiation. Prior to submitting any dispute for resolution by a court, a Party shall provide written notice of such dispute to the other Party. If the Parties fail to resolve the dispute within fifteen (15) Business Days after such notice is given, the Parties shall seek to resolve the dispute by negotiation between senior management personnel of each Party. Such personnel shall endeavor to meet and attempt to amicably resolve the dispute. If the Parties are unable to resolve the dispute for any reason within thirty (30) Business Days after the original notice of dispute was given, then either Party shall be entitled to pursue any available remedies; *provided*, *however*, this Section 16.1 shall not limit a Party's right to initiate litigation prior to the expiration of the time periods set forth in this Section 16.1 if application of such limitations would prevent a Party from filing a Claim within the applicable period for filing lawsuits (*e.g.* statutes of limitation, prescription, etc.) or would otherwise prejudice or harm a Party.

Section 16.2 Jurisdiction and Venue.

(a) Each Party agrees that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in Houston, Texas, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

(b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection (including, without limitation, the defense of inconvenient forum) 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 the transactions contemplated hereby in any court referred to in paragraph (a) above.

ARTICLE 17
TERM

Section 17.1 Term. This Agreement is effective on the Effective Date and shall continue in full force and effect until March 31, 2032 (the "**Primary Term**"); provided that Producer shall have two (2) successive options to extend the Primary Term by five (5) Years each. Each five (5)-Year Primary Term extension shall occur automatically unless Producer gives Gatherer at least nine (9) Months' prior written notice that it does not wish to extend the Primary Term. Unless terminated at the end of the Primary Term by either Party giving at least six (6) Months' prior written notice, this Agreement shall continue after the Primary Term on a Year-to-Year basis unless terminated at the end of any Yearly extension period by either Party giving at least six (6) Months' prior written notice. Notwithstanding anything to the contrary in this Section 17.1, Producer shall have the right to terminate this Agreement upon the termination or expiration of that certain Gas Processing Agreement between Producer and Alpine High Processing LP dated [_____]. For purposes of this Agreement, the period during which this Agreement continues in full force and effect prior to any termination is referred to herein as the "**Term**".

Section 17.2 Obligations Upon Termination. Upon termination of this Agreement, unless the Parties agree to the terms of a new gathering arrangement, the Parties shall reasonably cooperate with each other in (i) disconnecting their respective facilities from each other's facilities and (ii) to the extent that one Party has facilities located on the other Party's property, allowing such Party to remove its facilities from such other Party's property.

ARTICLE 18
MISCELLANEOUS

Section 18.1 Confidentiality. Producer's 2-Year Forecast delivered to Gatherer pursuant to Section 2.1 and all other information received by Gatherer pursuant to the terms of this Agreement which involves or in any way relates to Producer's production estimates, development plans and/or other similar information shall be kept strictly confidential by Gatherer, and Gatherer shall not disclose any such information to any third Person or use any such information for any purpose other than performing under this Agreement, provided, however, Gatherer may disclose such information to those of its legal counsel, accountants and other representatives with a specific need to know such information for purposes of Gatherer's performance under this Agreement or enforcement of this Agreement or as required by applicable Law, provided such third Persons have likewise agreed in writing to the confidentiality and non-use restrictions set forth herein. In the event Gatherer is required by Law to disclose any such information, Gatherer shall first notify Producer in writing as soon as practicable of any proceeding of which it is aware that may result in disclosure and shall use all reasonable efforts to prevent or limit such disclosure. Producer's confidential information shall not include information that Gatherer can satisfactorily demonstrate was: (a) rightfully in the possession of Gatherer prior to Producer's disclosure hereunder; (b) in the public domain prior to Producer's disclosure hereunder; (c) made public by any Governmental Authority; (d) supplied to Gatherer without restriction by a Third Party who is under no obligation to Producer to maintain such confidential information in confidence; or (e) independently developed by Gatherer. The confidentiality requirements and non-use restrictions set forth herein shall survive termination or expiration of this Agreement for two (2) Years after such termination or expiration. Notwithstanding anything else in this Agreement, the Parties agree that there is not an adequate remedy at law for any breach of these confidentiality and non-use restrictions and, therefore, Producer shall be entitled (without the posting of any bond) to specific performance and injunctive relief restraining any breach hereof, in addition to any other rights and remedies which it may have or be entitled.

Section 18.2 Independent Contractor. Notwithstanding anything else in this Agreement, Gatherer undertakes its obligations under this Agreement as an independent contractor, at its sole risk, and all Persons carrying out any of Gatherer's obligations set forth herein for or on behalf of Gatherer are or shall be deemed employees, contractors, subcontractors, agents, and/or representatives of Gatherer, subject to the direction and control of Gatherer. Gatherer is to determine the manner, means, and methods in which such Persons shall carry out their work to attain the results contemplated by this Agreement, consistent with the general coordinative efforts and suggestions of Producer with respect to the work. Nothing in this Agreement or inferred from any action of either Party shall be taken to establish the relationship of master and servant or principal and agent between Producer and Gatherer.

Section 18.3 Rights; Waivers. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided.

Section 18.4 Applicable Laws. This Agreement is subject to all valid present and future Laws of any Governmental Authority(ies) now or hereafter having jurisdiction over the Parties, this Agreement, or the Services performed or the facilities utilized under this Agreement.

Section 18.5 Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the Laws of the State of Texas, without regard to any choice of law principles that would require the application of the Laws of any other jurisdiction, ***PROVIDED, HOWEVER,*** **THAT NO LAW, THEORY, OR PUBLIC POLICY SHALL BE GIVEN EFFECT WHICH WOULD UNDERMINE, DIMINISH, OR REDUCE THE EFFECTIVENESS OF EACH PARTY'S WAIVER OF SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, AND EXEMPLARY DAMAGES SET FORTH IN SECTION 18.9 OR WAIVER OF THE RIGHT TO CERTAIN REMEDIES SET FORTH IN SECTION 18.10, IT BEING THE EXPRESS INTENT, UNDERSTANDING, AND AGREEMENT OF THE PARTIES THAT SUCH WAIVERS ARE TO BE GIVEN THE FULLEST EFFECT, NOTWITHSTANDING ANY PRE-EXISTING CONDITION OR THE NEGLIGENCE (WHETHER SOLE, JOINT, OR CONCURRENT), GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY PARTY HERETO, OR OTHERWISE.**

Section 18.6 Assignments. This Agreement, including any and all renewals, extensions, and amendments hereto, and all rights, title, and interests contained herein, shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns, the assigns of all or any part of Gatherer's right, title, or interest in the Gathering System, and the assigns of all or any part of Producer's Interests in the Dedicated Area, and each Party's respective obligations hereunder shall be covenants running with the lands underlying or included in any such assets. Neither Party shall Transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed, or

conditioned; *provided, however*, that either Party may Transfer any of its rights or obligations under this Agreement to any Affiliate of such Party without the prior written consent of the other Party and that, in connection with a Transfer of all or any portion of the Dedicated Area, Producer shall Transfer its corresponding rights and obligations under this Agreement without the need for the prior written consent of Gatherer. Any Transfer of this Agreement shall expressly require that the assignee assume and agree to discharge the duties and obligations of its assignor under this Agreement, and the assignor shall be released from the duties and obligations arising under this Agreement which accrue after the effective date of such Transfer. Gatherer shall not Transfer its rights and interests in the Gathering System, in whole or in part, unless the transferee of such interests agrees in writing to be bound by the terms and conditions of this Agreement. No Transfer of this Agreement or of any interest of either Party shall be binding on the other Party until such other Party has been notified in writing of such Transfer and furnished with reasonable evidence of same. No such Transfer of this Agreement or of any interests of either Party shall operate in any way to enlarge, alter, or modify any obligation of the other Party hereto. Any Person that succeeds by purchase, merger, or consolidation with a Party hereto shall be subject to the duties and obligations of its predecessor in interests under this Agreement.

Section 18.7 Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes all prior understandings, agreements, representations, and/or warranties by or among the Parties, written or oral, with respect to the subject matter hereof. No other representations, warranties, understandings, or agreements shall have any effect on this Agreement.

Section 18.8 Amendments. This Agreement may not be amended or modified in any manner except by a written document signed by both Parties that expressly amends this Agreement.

Section 18.9 LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES (COLLECTIVELY, "CONSEQUENTIAL DAMAGES") RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT OR WARRANTY, OR OTHERWISE. IN FURTHERANCE OF THE FOREGOING, EACH PARTY RELEASES THE OTHER PARTY AND WAIVES ANY RIGHT OF RECOVERY FOR CONSEQUENTIAL DAMAGES SUFFERED BY SUCH PARTY, REGARDLESS OF WHETHER ANY SUCH DAMAGES ARE CAUSED BY THE OTHER PARTY'S NEGLIGENCE (AND REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR GROSS), FAULT, OR LIABILITY WITHOUT FAULT. GATHERER UNDERSTANDS THAT PRODUCER IS RELYING ON GATHERER'S PERFORMANCE UNDER THIS AGREEMENT TO ENABLE PRODUCER TO MEET ITS DEDICATION OBLIGATIONS UNDER DOWNSTREAM CONTRACTS, AND GATHERER EXPRESSLY AGREES THAT ANY DAMAGES SUFFERED BY PRODUCER UNDER ANY SUCH DOWNSTREAM CONTRACT AS A RESULT OF

GATHERER'S UNEXCUSED FAILURE TO PERFORM UNDER THIS AGREEMENT SHALL BE CONSIDERED DIRECT DAMAGES.

Section 18.10 **RIGHTS AND REMEDIES. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT THAT MAY BE CONSTRUED TO THE CONTRARY, A PARTY'S SOLE REMEDY AGAINST THE OTHER PARTY FOR NON-PERFORMANCE OR BREACH OF THIS AGREEMENT OR ANY OTHER CLAIM OF WHATSOEVER NATURE ARISING OUT OF THIS AGREEMENT OR OUT OF ANY ACTION OR INACTION BY A PARTY IN RELATION HERETO SHALL BE IN CONTRACT AND EACH PARTY EXPRESSLY WAIVES ANY OTHER REMEDY IT MAY HAVE IN LAW OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY REMEDY IN TORT.**

Section 18.11 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary, or partnership duty, obligation, or liability on or with regard to either Party.

Section 18.12 Rules of Construction. In construing this Agreement, the following principles shall be followed:

(a) no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement;

(b) the headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and/or conditions hereof;

(c) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;

(d) the word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions; and

(e) the plural shall be deemed to include the singular and vice versa, as applicable.

Section 18.13 No Third Party Beneficiaries. Except for Persons expressly indemnified hereunder, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and shall not inure to the benefit of any other Person, it being the intention of the Parties that no Third Party shall be deemed a third-party beneficiary of this Agreement.

Section 18.14 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 18.15 No Inducements. No director, employee, or agent of any Party shall give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement.

Section 18.16 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 18.17 Survival. The terms of this Agreement which by their nature should reasonably be expected to survive termination or expiration of this Agreement shall survive, including, without limitation, Article 7 (Audit Rights), Article 12 (Indemnification), Article 16 (Dispute Resolution), Section 18.1 (Confidentiality), Section 18.5 (Governing Law), Section 18.9 (Limitation of Liability), Section 18.10 (Rights and Remedies), this Section 18.17 (Survival), and the obligations of either Party under any provision of this Agreement to make payment hereunder.

Section 18.18 Changes in Laws. If following the date of this Agreement there is a change in any Law or legal requirement affecting the Services provided by Gatherer which, in the reasonable judgment of Gatherer, materially adversely affects the economics for Gatherer of the Services provided under this Agreement, then, upon notice by Gatherer to Producer, the Parties will as promptly as practicable meet to negotiate in good faith such changes to the terms of this Agreement as may be necessary or appropriate to preserve and continue for the Parties the rights and benefits originally contemplated for the Parties by this Agreement, with such amendment to this Agreement to be effective no later than the effective date of such new or amended applicable Law. If the Parties cannot agree on replacement terms, then either party may terminate this Agreement by giving the other party written notice of termination. Such termination will be effective no earlier than sixty (60) Days after the date of the notice.

Section 18.19 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein by this reference:

Exhibit A - Dedicated Area
Exhibit B - Receipt Points; Delivery Points
Exhibit C - Addresses for Notices, Statements, and Payments
Exhibit D - Form of Memorandum of Agreement
Exhibit E - Form of Memorandum of Release

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

GATHERER:

ALPINE HIGH GATHERING LP

By: Alpine High Subsidiary GP LLC, its general partner

By:_____

Printed Name:_____

Title: _____

PRODUCER:

[_____]

By:_____

Printed Name:_____

Title: _____

EXHIBIT A
DEDICATED AREA

This Exhibit A is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **[_____]** ("**Producer**") dated [_____], and is for all purposes made a part of said Agreement.

"***Dedicated Area***" shall mean the following lands as further described in the map (the area within the red border) and table below, as the same may be updated annually pursuant to Section 2.1(b). In the event of a conflict between the map and the table, the map shall control.

[Insert map with boundaries around each block containing any property assigned to transferee producer]

[Insert description of property assigned to transferee producer]

Section	Block	Survey	County	WI%

EXHIBIT B
RECEIPT POINTS; DELIVERY POINTS

This Exhibit B is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **[_____]** ("**Producer**") dated [_____], and is for all purposes made a part of said Agreement.

LOW PRESSURE RECEIPT POINTS

Receipt Point Name	Meter Number	Gathering Subsystem	MAOP	Required Pressure

LOW PRESSURE DELIVERY POINTS

Delivery Point Name	Location	Required Pressure

HIGH PRESSURE RECEIPT POINTS

Receipt Point Name	Meter Number	MAOP

HIGH PRESSURE DELIVERY POINTS

Receipt Point Name	Meter Number	MAOP

EXHIBIT C
ADDRESSES FOR NOTICES, STATEMENTS, AND PAYMENTS

Additional Delivery Point Outline

This Exhibit C is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and **[_____]** ("**Producer**") dated [_____], and is for all purposes made a part of said Agreement.

Gatherer	
Notices: Alpine High Gathering LP Attn: Commercial Operations 17802 IH-10 West Suite 300 San Antonio, TX 78257 Telephone: 210-447-5629 Email: CommercialOperations@Apachecorp.com	**Payments by Check:** c/o Apache Corporation PO Box 840133 Dallas, TX 75284-0133
Scheduling and Nominations: Attn: Commercial Operations Telephone: 210-447-5629 Email: CommercialOperations@Apachecorp.com	**Payments by Wire Transfer:** c/o [***] Bank: [***] ABA No.: [***] Account: [***] Account No.: [***]

Producer		
Notices:	**Invoices/Statements:**	**Scheduling and Nominations:**
Payments by Wire Transfer:	**Payments by Check:**	

EXHIBIT D
FORM OF MEMORANDUM OF AGREEMENT

This Exhibit D is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and [_____] ("**Producer**") dated [_____], and is for all purposes made a part of said Agreement.

State of Texas §

§

County of [____] §

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Gathering LP**, a Delaware limited partnership ("**Gatherer**") and [_____], a [_____] ("**Producer**").

RECITALS

WHEREAS, Gatherer and Producer have entered into a certain Gas Gathering Agreement dated [_____] (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for gathering by Gatherer; and

WHEREAS, the Parties wish to file this Memorandum of Agreement to put third parties on notice as to the existence of the Agreement.

1. Dedication.

Producer's interests in the acreage and/or well(s) set forth on Exhibit A hereto ("**Dedicated Area**") are dedicated to Gatherer for gathering. The Agreement is for an initial term ending on March 31, 2032, but subject to extension, renewal, and/or termination as more particularly provided therein.

2. Incorporation of Agreement and Effect of Memorandum.

The sole purpose of this Memorandum of Agreement is to give notice to third parties of the existence of the Agreement and the rights of Gatherer in and to Producer's Gas from the Dedicated Area. This Memorandum shall not modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Agreement as if set out fully herein. In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

3. Defined Terms.

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Agreement is executed by Gatherer and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

GATHERER

ALPINE HIGH GATHERING LP

By: Alpine High Subsidiary GP LLC, its general partner

By:

Name:

Title:

PRODUCER

[_____]

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Gathering LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of [_____] on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF AGREEMENT

DEPICTION OF DEDICATED AREA

EXHIBIT E
FORM OF MEMORANDUM OF RELEASE

This Exhibit E is to the Gas Gathering Agreement between **Alpine High Gathering LP** ("**Gatherer**") and [_____] ("**Producer**") dated [_____], and is for all purposes made a part of said Agreement.

State of Texas §

§

County of [____] §

MEMORANDUM OF RELEASE

This Memorandum of Release is entered into this __ day of _____, 20__ (the "**Effective Date**") between **Alpine High Gathering LP**, a Delaware limited partnership ("**Gatherer**") and [_____], a [_____] ("**Producer**").

RECITALS

WHEREAS, Gatherer and Producer have previously entered into a certain Gas Gathering Agreement dated [_____] (the "**Agreement**"), pursuant to which Producer dedicated Gas produced from the Dedicated Area for gathering by Gatherer; and

WHEREAS, a Memorandum of Agreement dated [___], was executed by Gatherer and Producer to give notice to third parties of the existence of the Agreement and the respective rights and obligations of Gatherer and Producer with respect thereto and with respect to the dedication as set forth therein; and

WHEREAS, such Memorandum of Agreement was filed of record in Book ____, Page_____ of the real property records of [___] County, Texas; and

WHEREAS, the Parties wish to file this Memorandum of Release to put third parties on notice as to the release of certain Interests from the dedication.

4. Release from Dedication.

The following Interests in the following acreage and/or well(s) ("**Released Interests**") are hereby released from the dedication, as further set forth on **Exhibit A** hereto:

[Description of Released Interests]

5. Incorporation of Agreement and Effect of Memorandum.

The sole purpose of this Memorandum of Release is to give notice to third parties of the existence of the Agreement, the rights of Gatherer in and to Producer's Gas from the Dedicated Area, and the release of the Released Interests from the dedication. This Memorandum shall not modify in any manner any of the terms and conditions of the Agreement, and nothing in this Memorandum is intended to and shall not be used to interpret the Agreement. The provisions of the Agreement are hereby incorporated into this Memorandum of Release as if set out fully herein.

In the event of any irreconcilable conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall govern and control for all purposes.

6. Defined Terms.

All capitalized terms not defined herein shall have the same meaning assigned such terms in the Agreement.

IN WITNESS WHEREOF, this Memorandum of Release is executed by Gatherer and Producer as of the date of acknowledgement of their signatures, but is effective for all purposes as of the Effective Date stated above.

GATHERER

ALPINE HIGH GATHERING LP

By: Alpine High Subsidiary GP LLC

By:

Name:

Title:

PRODUCER

[_____]

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of____, 20__ by [_____], the [_____] of Alpine High Subsidiary GP LLC, the general partner of Alpine High Gathering LP, on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

STATE OF TEXAS §
§
COUNTY OF [_____] §

This instrument was acknowledged before me this day of_____, 20__ by [_____], the [_____] of [_____] on behalf of such entity.

In witness whereof I hereunto set my hand and official seal.

NOTARIAL SEAL: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____
Commission No.:

EXHIBIT A
TO
MEMORANDUM OF RELEASE

DEPICTION OF RELEASED INTERESTS

Gas Gathering Agreement dated [_____]
Between Alpine High Gathering LP (Gatherer) and [_____] (Producer)

CERTAIN CONFIDENTIAL INFORMATION HAS BEEN OMITTED FROM THIS AGREEMENT. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED INFORMATION, WHICH HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE OMITTED INFORMATION IS MARKED WITH "[***]".

Execution Version

TRANSPORTATION SERVICES AGREEMENT

July 1, 2018

ALPINE HIGH NGL PIPELINE LP

"Carrier"

and

APACHE CORPORATION

"Shipper"

TABLE OF CONTENTS Page

TABLE OF CONTENTS

(continued) Page

EXHIBITS

SCHEDULES

TRANSPORTATION SERVICES AGREEMENT

This Transportation Services Agreement (this "***Agreement***") is made and entered into, effective as of this first day of July, 2018 (the "***Effective Date***"), by and between Alpine High NGL Pipeline LP, a Delaware limited partnership ("***Carrier***"), and Apache Corporation, a Delaware corporation ("***Shipper***"). Shipper and Carrier may be referred to individually as a "***Party***," or collectively as the "***Parties***."

WITNESSETH:

WHEREAS, Shipper has title to or the right to transport and/or sell Shipper Raw Make and desires for Carrier to transport Shipper Raw Make on the Pipeline System; and

WHEREAS, Carrier desires to transport Shipper Raw Make on the Pipeline System; and

WHEREAS, Carrier and Shipper have engaged in good faith, arm's length negotiations and are entering into this Agreement as independent parties; and

WHEREAS, The Parties originally entered into that certain Transportation Services Agreement dated as of May 1, 2018 (the "***Original TSA***"). This Agreement hereby amends, restates, supersedes, and replaces the Original TSA in its entirety.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the Parties hereby covenant and agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

Unless otherwise required by the content, the terms defined in this Article I shall have, for all purposes of this Agreement, the respective meanings set forth in this Article I:

"***Actual Shipments***" shall mean, for any period of time, the volumes of Shipper Raw Make that Shipper delivers to Carrier hereunder at the Origin Points and that are ultimately delivered by Carrier to Shipper (or Shipper's designee) hereunder at the Destination Points.

"***Additional Destination Point***" shall have the meaning given to such term in Section 3.8 of this Agreement.

"***Adjustment Date***" shall mean the first anniversary of the Effective Date and each subsequent anniversary of the Effective Date.

"***Affiliate***" shall mean any Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another Person. The term "control" (including its derivatives and similar terms) shall mean possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. A Person is deemed to be an Affiliate of another specified Person if such Person owns 50% or more of the voting securities of the specified Person, or if the specified Person

owns 50% or more of the voting securities of such Person, or if 50% or more of the voting securities of the specified Person and such Person are under common control.

"***Agreement***" shall have the meaning given to such term in the preamble of this Agreement.

"***Applicable Law***" shall mean all applicable laws, statutes, directives, codes, ordinances, rules, regulations, municipal by-laws, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings or awards, consent orders, consent decrees and policies of any Governmental Authority.

"***Barrel***" or "***bbl***" shall mean forty-two (42) United States gallons of 231 cubic inches at sixty degrees Fahrenheit (60° F) and equilibrium vapor pressure.

"***BPD***" shall mean Barrels per Day.

"***Business Day***" shall mean any day that is not a Saturday, Sunday, or a day on which federally chartered banks are required or permitted to close in Houston, Texas.

"***Carrier***" shall have the meaning given to such term in the preamble of this Agreement.

"***Carrier Default***" shall have the meaning given to such term in Section 6.3 of this Agreement.

"***Carrier Default Notice***" shall have the meaning given to such term in Section 6.4 of this Agreement.

"***Carrier Standard of Performance***" shall mean Carrier's obligation hereunder (i) to exercise its rights or powers under this Agreement, in each case, in a reasonable manner and with the degree of skill and judgment normally exercised by a reasonably prudent operator consistent with industry practices in the midstream oil and gas industry and in material compliance with this Agreement, and (ii) to operate in a manner such that Shipper is not curtailed for reasons other than Force Majeure, planned or scheduled maintenance, and/or shipper default, for an aggregate period exceeding six (6) Days within any Year.

"***Central Clock Time***" or "***CCT***" shall mean Central Standard Time, as adjusted for Central Daylight Time.

"***Claims***" shall mean any and all claims, demands and causes of action of any kind and all losses, damages, liabilities, costs and expenses of whatever nature (including court costs and reasonable attorneys' fees).

"***CPPI***" shall mean, with respect to each Adjustment Date, the PPI for the Month which is four (4) Months prior to such Adjustment Date.

"***Day***" or "***Daily***" shall mean a period commencing at 7:00 a.m., CCT, on a calendar day and ending at 7:00 a.m., CCT, on the next calendar day.

"***Dedicated Area***" shall mean lands and/or properties described on Exhibit B.

"***Dedicated Raw Make***" shall have the meaning given to such term in Section 4.1 of this Agreement.

"***Dedication***" shall have the meaning given to such term in Section 4.1 of this Agreement.

"***Deemed Volume Commitment"*** shall have the meaning given to such term in the Tariff.

"***Destination Points***" shall mean the destination points listed on Schedule A (attached hereto).

"***Effective Date***" shall have the meaning given to such term in the preamble to this Agreement.

"***Evergreen Extension***" shall have the meaning given to such term in Article II of this Agreement.

"***Extended Carrier Force Majeure***" shall have the meaning given to such term in Section 4.6(b) of this Agreement.

"***Extension***" shall mean the First Extension, the Second Extension, or an Evergreen Extension, as applicable.

"***Fee Adjustment Multiplier***" shall mean, with respect to any Adjustment Date, the percentage equal to the percentage of change between (a) the PPPI applicable to such Adjustment Date and (b) the CPPI applicable to such Adjustment Date.

"***First Extension***" shall have the meaning given to such term in Article II of this Agreement.

"***Force Majeure***" shall have the meaning given to such term in Section 9.2 of this Agreement.

"***Gas***" shall mean any mixture of gaseous hydrocarbons, consisting essentially of methane and heavier hydrocarbons and inert and noncombustible gases that are extracted from the subsurface of the earth.

"***Governmental Authority***" shall mean (i) the United States of America, (ii) any state, county, parish, municipality or other governmental subdivision within the United States of America, and (iii) any court or any governmental department, commission, board, bureau, agency or other instrumentality of the United States of America or of any state, county, municipality or other governmental subdivision within the United States of America.

"***Interests***" shall mean any right, title, or interest in lands, wells or leases and the right to produce Gas therefrom whether arising from fee ownership, working interest ownership, mineral ownership, leasehold ownership, farm-out, contractual ownership or arising from any pooling, unitization or communitization of any of the foregoing rights.

"***Losses***" shall mean any actual loss, cost, expense, liability, damage, demand, suit, sanction, claim, judgment, lien, fine or penalty, including attorneys' fees, asserted by a third party not Affiliated with the Party incurring such, and which are incurred by the applicable indemnified Persons on account of injuries (including death) to any person or damage to or destruction of any property, sustained or

alleged to have been sustained in connection with or arising out of the matters for which the indemnifying party has indemnified the applicable indemnified Persons.

"***Month***" shall mean a period commencing at 7:00 a.m., CCT, on the first day of a calendar month and ending at 7:00 a.m., CCT, on the first day of the next calendar month.

"***Nomination***" (including "***Nominates***" and the syntactical variants thereof) shall mean the written or electronic communication from Shipper to Carrier, pursuant to and in accordance with the terms of this Agreement, including the Tariff, requesting that Carrier transport for Shipper in a given Month a stated volume of Raw Make.

"***Origin Point***" shall mean any of the origin points listed on Schedule A (attached hereto) where Carrier accepts Raw Make for transport on the Pipeline System.

"***Parties***" shall have the meaning given to such term in the preamble of this Agreement.

"***Party***" shall have the meaning given to such term in the preamble of this Agreement.

"***Person***" shall mean any individual, firm, corporation, trust, partnership, limited liability company, association, joint venture, other business enterprise or Governmental Authority.

"***Pipeline Capacity***" shall mean the Pipeline System capacity expressed in BPD on a Pipeline Segment, as it exists from time to time.

"***Pipeline Design Capacity***" shall mean 250,000 BPD on the Pipeline System.

"***Pipeline Segment***" shall mean any portion of the Pipeline System that runs from any given Origin Point to any given Destination Point, or from one Destination Point to another Destination Point.

"***Pipeline System***" shall mean the Raw Make pipeline system to be constructed, owned and operated by Carrier that will transport Raw Make from the Origin Points to the Destination Points.

"***PPI***" shall mean the Producer Price Index by Commodity for Final Demand: Finished Goods, Seasonally Adjusted (Series Id: WPSFD49207).

"***PPPI***" shall mean, with respect to each Adjustment Date, the PPI for the Month which is sixteen (16) Months prior to such Adjustment Date.

"***Prior Dedications***" shall mean (i) as to the Interests owned by Shipper and/or its Affiliates within the Dedicated Area as of the Effective Date, all dedications or commitments for gathering or transportation services burdening such Interests as of the Effective Date and (ii) as to any Interests acquired by Shipper and/or its Affiliates within the Dedicated Area after the Effective Date, all dedications or commitments for gathering or transportation services burdening such Interests which are existing as of the time of any such acquisition.

"***Priority Rate***" shall be the rate set forth in Schedule A, as it may be adjusted in the future per the terms of this Agreement.

"***Priority Shipper***" shall have the meaning given to such term in the Tariff.

"***Proration Month***" shall have the meaning given to such term in the Tariff.

"***Raw Make***" shall mean, until August 31, 2019, demethanized raw make mix with no minimum ethane by liquid volume percentage, and thereafter demethanized raw make mix that contains an ethane component content equal to or greater than 10% ethane and less than or equal to 65% ethane by liquid volume percentage. For the avoidance of doubt, Raw Make shall not include condensate or other liquid hydrocarbons attributable to the Subject Gas that is not produced from processing of the Subject Gas.

"***Raw Make Quality Specifications***" shall mean the Raw Make specifications set forth in Exhibit C (attached hereto) as and made a part hereof for all purposes.

"***Release Notice***" has the meaning given to such term in Section 4.6(c) of this Agreement.

"***Release Notice Date***" has the meaning given to such term in Section 4.6(c) of this Agreement.

"***RRC***" shall mean the Railroad Commission of Texas and any lawful successor agency having jurisdiction over the intrastate transportation of Raw Make in Texas.

"***Second Extension***" shall have the meaning given to such term in Article II of this Agreement.

"***Services***" shall mean receipt and transportation on the Pipeline System of Raw Make for Shipper's account from the Origin Point(s) and delivery, on a ratable basis, to the Destination Point(s) specified in Shipper's Nomination.

"***Shipper***" shall have the meaning given to such term in the preamble of this Agreement.

"***Shipper Raw Make***" shall mean Raw Make owned or controlled by Shipper.

"***Shipper Default***" shall have the meaning given to such term in Section 6.1 of this Agreement.

"***Shipper Default Notice***" shall have the meaning given to such term in Section 6.2 of this Agreement.

"***Shipper's Priority Rate***" shall have the meaning given to such term in Section 5.1 of this Agreement.

"***Significant Investment***" shall mean, with respect to any Person, the ownership of equity interests in such Person that (a) entitle the holder thereof to at least 19% of the profits and losses of, or distributions of assets from, such Person and (b) either (i) constitute at least 19% of the voting securities of such Person or (ii) entitle the holder thereof to appoint or designate at least one member of the board of directors, board of managers, or similar governing body of (A) such Person or (B) such Person's general partner, managing member, or similar Person having the ultimate authority to manage the business and affairs of such Person.

"***Subject Gas***" shall mean Gas produced from the Dedicated Area.

"***Subject Interests***" shall mean Interests covering lands located within the Dedicated Area.

"***Subsequently Acquired Subject Interests***" has the meaning given to such term in Section 4.4 of this Agreement.

"***Tariff***" shall mean Carrier's rate, rules and regulations tariff for the Pipeline System on file and in effect with the RRC, as such tariff may be amended or supplemented by Carrier from time to time, provided that any such amendment or supplement shall not be inconsistent with this Agreement and Shipper's rights and Carrier's obligations under this Agreement, a pro forma copy of such Tariff, materially in the form expected to be filed by Carrier with the RRC, as applicable, is attached hereto as Exhibit A.

"***Taxes***" shall mean any or all current or future taxes, fees, levies, charges, assessments and/or other impositions levied, charged, imposed, assessed or collected by any Governmental Authority having jurisdiction.

"***Term***" shall have the meaning given to such term in Article II of this Agreement.

"***Third Party Shipper***" shall mean any customer on the Pipeline System other than Shipper.

"***Transferee Agreement***" shall mean an agreement in the form as attached hereto as Exhibit F, which is to be signed by Carrier and a third party to which Shipper assigns its Interests in the Dedicated Area.

"***Year***" shall mean a period of three hundred sixty-five (365) consecutive Days, except for any Year that involves a leap year, which will consist of three hundred sixty-six (366) consecutive Days.

ARTICLE II
TERM

2.1. Term. This Agreement is effective as of the Effective Date and shall continue through March 31, 2032 (the "***Term***"). The Term shall automatically extend by five (5) Years (the "***First Extension***") on March 31, 2032, unless Shipper, by the delivery of written notice to Carrier no later than March 31, 2031, makes an irrevocable election not to extend the Term by five (5) Years. The Term shall automatically extend by an additional five (5) Years (the "***Second Extension***") from March 31, 2037, unless Shipper, by the delivery of written notice to Carrier no later than March 31, 2036, makes an irrevocable election not to extend the Term by an additional five (5) Years. Following the end of the Second Extension or the end of any subsequent Evergreen Extension (as defined below), the Agreement shall continue in effect for successive extension one (1) Year terms commencing on March 31st of every Year (each such extension, an "***Evergreen Extension***"), unless Shipper provides written notice of termination to Carrier no later than July 31, 2041 in the case of the Second Extension, and July 31st of any subsequent Year subject to an Evergreen Extension, as applicable, in which case this Agreement shall terminate at the end of the Second Extension or the relevant Evergreen Extension, as applicable.

ARTICLE III
CARRIER OBLIGATIONS

3.1 Provision of Services. Subject to the terms and conditions of this Agreement, Carrier shall, commencing on the Effective Date and continuing through the remainder of the Term of this Agreement, provide Services for Shipper Raw Make in accordance with this Agreement, including the Tariff, which are incorporated herein by reference and constitutes part of this Agreement, expressly including provisions in the Tariff relating to the charges and rules and regulations applicable to Shipper as a party to this Agreement, provided that in the event of a conflict between the terms of this Agreement and the Tariff, the terms of this Agreement shall prevail.

3.2 Priority Service. Shipper qualifies as a Priority Shipper and as such, Carrier agrees to have available Pipeline Capacity to receive and transport one hundred percent (100%) of Shipper's Deemed Volume Commitment. Carrier shall enter into no other transportation arrangements with Third Party Shippers that would prevent Carrier from transporting Shipper's Deemed Volume Commitment. Without the consent of Shipper, Carrier agrees that it shall not enter into transportation service agreements such that the total of Deemed Volume Commitments from Priority Shippers exceeds ninety percent (90%) of the Pipeline Capacity; provided, however, that such consent shall not be unreasonably withheld if the Third Party agreement shall not be reasonably expected to impact Carrier's ability to perform its obligations to Shipper under this Agreement. In the event that Carrier provides transportation services to any Third Party Shipper and Carrier receives more Nominations in a Month for transportation of Raw Make on Carrier's Pipeline System than Carrier is able to transport, then consistent with the Tariff, Carrier shall allocate to Shipper the lesser of Shipper's Nomination for the Proration Month or its Deemed Volume Commitment.

3.3 Maintenance of Pipeline Capacity. Other than during periods of emergency and/or required maintenance, Carrier shall not take, without Shipper's prior written consent, any action to reduce the Pipeline Design Capacity, reduce the Pipeline Capacity below the Pipeline Design Capacity, or reduce Shipper's ability to deliver Raw Make to any Origin Point.

3.4 Most Favored Nations. If, any time during the Term of this Agreement, Carrier agrees to provide any Third Party Shipper rates on the Pipeline System or any expansion of the Pipeline System, and such rates are less than the Priority Rate, then Carrier will (i) immediately notify Shipper in writing of such agreement and (ii) offer Shipper the same lower rates as of the date that Carrier begins providing the lower rates to the Third Party Shipper. This most favored nations provision shall apply regardless of: (i) whether the rates offered to the other Third Party Shipper are for intrastate or interstate service; (ii) the classification of the Third Party Shipper offered the lower rates (e.g., Priority Shipper or otherwise); (iii) the duration of the term for the Third Party Shipper; or (iv) the maximum delivery quantity to which the Third Party Shipper has agreed or the acreage that the Third Party Shipper has dedicated. The rates hereunder shall automatically be revised to match the lower rates offered to the Third Party Shipper (without regard to, and without altering, Carrier's obligation to receive and transport one hundred percent (100%) of Shipper's Deemed Volume Commitment), and the Parties will enter into an amendment to this Agreement at the lower rates unless Shipper notifies Carrier within ten (10) Business Days of Shipper's receipt of such offer that Shipper does not wish to amend its rates.

3.5 Pressure Commitments. Carrier shall operate the Pipeline System at an operating pressure sufficient to deliver to the Destination Points at the prevailing pressure, up to 1,350 psig.

3.6 Measurement. Carrier, at its sole cost and expense, will measure or cause to be measured the Raw Make tendered at each Origin Point and Destination Point, in each case as provided pursuant to measurement procedures set forth in Exhibit E (attached hereto).

3.7 Standard of Performance. All Services and other obligations of Carrier under this Agreement will be performed in a manner consistent with the Carrier Standard of Performance.

3.8 Additional Destination Points.

(a) Carrier shall install additional Destination Point(s) requested by the Shipper pursuant to the terms of this Section 3.8. Shipper shall have the continuing right, at its option and its sole cost, to designate additional Destination Point(s) at any time after the Effective Date (each, an "***Additional Destination Point***").

(b) Shipper shall be allowed, in its sole discretion, to designate the location for the Additional Destination Point as long as the facility at such Destination Point services the Subject Gas from the Dedicated Area.

(c) When Shipper desires to install an Additional Destination Point, Shipper shall provide written notice to Carrier, including a plat of the location of the Additional Destination Point. Subject to Section 3.8(b) above, within [***] ([***]) Days of Carrier's receipt of Shipper's notice, Carrier shall have installed the facilities as required under Section 3.8. Thereafter, Carrier may deliver Raw Make to such Additional Destination Point, and Shipper shall have Raw Make received for its account from such point.

ARTICLE IV
DEDICATION AND SHIPPER'S DELIVERY OBLIGATIONS

4.1. Dedication. Subject to other terms and conditions of this Agreement, during the Term (including any Extension), Shipper hereby dedicates to Carrier (and to the performance of this Agreement) and agrees to deliver, or cause to be delivered, to Carrier, at the Origin Point all (i) Raw Make recovered or extracted from all Gas produced from, or otherwise attributable to, all Subject Interests, other than Raw Make and/or Gas that is subject to a Prior Dedication as set forth in Section 4.2 below, and (ii) with respect to wells now or hereafter located within the Dedicated Area for which Shipper and/or any of its Affiliates is the operator, Raw Make recovered or extracted from Gas produced from such wells which is attributable to the Interests owned by working interest, royalty and/or overriding royalty owners (other than Shipper and Affiliates of Shipper) that is not taken "in-kind" by such owners and for which Shipper or its Affiliates has the right and/or obligation to market such Raw Make, but for only so long as such Gas and/or Raw Make is not taken "in-kind", in the case of (i) and (ii), up to Shipper's Deemed Volume Commitment (collectively, the "***Dedication***", with the Raw Make that is the subject of the Dedication being herein referred to as the "***Dedicated Raw Make***"). Additionally, Shipper shall have the right, but not the obligation, to tender at the Origin Points all Raw Make owned and/or controlled, from time to time, by Shipper or its Affiliates or their

respective successors and assigns that is not recovered or extracted from Gas produced from, or otherwise attributable to, the Subject Interests, up to Shipper's Deemed Volume Commitment.

4.2. Prior Dedications. Except as set forth on Exhibit D, Shipper represents and warrants to Carrier that, as of the Effective Date, none of the Dedicated Area owned by Shipper or its Affiliates as of the Effective Date, and no portion of the Dedicated Raw Make attributable to such Dedicated Area, is subject to a Prior Dedication that conflicts with or infringes upon the Dedication under this Agreement. With respect to any Dedicated Raw Make that is subject to a Prior Dedication (including Raw Make attributable to Subsequently Acquired Subject Interests), Shipper shall have the right, subject to the additional terms and conditions of this Section 4.2 and Section 4.4, to comply with such Prior Dedication. Except as otherwise provided in this Section 4.2 or Section 4.4, unless the Term is expiring in less than eight (8) Months, Shipper shall not (and shall cause any applicable Affiliates not to), with respect to any Dedicated Raw Make that is the subject of a Prior Dedication (including Raw Make from Subsequently Acquired Subject Interests), (i) affirmatively extend or increase any such Prior Dedication by its active election, beyond the term of such Prior Dedication or (ii) allow any such Prior Dedication to extend beyond its primary or initial term pursuant to the operation of an "evergreen" or other similar provision. With respect to any Dedicated Raw Make that is the subject of a Prior Dedication, unless the Term is expiring within eight (8) Months of the last date of such Prior Dedication, in the event that at any time in the future Shipper or any of its Affiliates determine that it can terminate any such Prior Dedication, then Shipper shall promptly terminate, or cause its Affiliate to terminate, such Prior Dedication, and upon such termination, the Raw Make subject to such Prior Dedication shall, to the extent not already subject to the Dedication and within the Dedicated Area, automatically be subject to the Dedication for all purposes under this Agreement without any further actions by the Parties. Nothing herein shall obligate Shipper to terminate any Prior Dedication to the extent that such termination would require Shipper to file suit, bring any arbitral or mediation proceeding, or pay any termination fee or penalty; provided, however, that Shipper shall provide Carrier with reasonable notice of any option to terminate a Prior Dedication upon payment of a termination fee or penalty and Carrier may, at its sole option, require Shipper to terminate such Prior Dedication, provided that, Carrier shall reimburse Shipper for any fee or penalty (consistent with Shipper's prior notice to Carrier regarding the amount of such fee or penalty) actually incurred by Shipper in connection with such termination, as evidenced by reasonable supporting documentation.

4.3. Contemporaneous Dedications. The Dedicated Raw Make and Dedicated Area may be subject to contemporaneous dedications by Shipper or its Affiliates to downstream and/or upstream service providers, which contemporaneous dedications do not conflict with or infringe upon the Dedications hereunder.

4.4. Subsequently Acquired Subject Interests. In the event that after the Effective Date, Shipper and/or any of its Affiliates acquire, directly or indirectly (including through the acquisition of control of another Person), additional Interests in the Dedicated Area ("***Subsequently Acquired Subject Interests***"), then the Raw Make recovered or extracted from all Gas produced from, or otherwise attributable to, such Subject Interests shall automatically be included within the Dedication, and Shipper shall notify Carrier of such Subsequently Acquired Subject Interest; provided, however, if any of such Raw Make is subject to a Prior Dedication that conflicts with or infringes upon the Dedication under this Agreement, then such Raw Make shall be excluded from the Dedication, to the extent and only to the extent of such Prior Dedication, until such Prior Dedication expires or terminates. In the event that any such Prior Dedication expires or terminates, then the Raw Make subject to such Prior Dedication shall, to the extent not already subject to the Dedication and within the Dedicated Area, automatically be included within the Dedication and be subject to this Agreement without any further actions by the Parties. In the event that at any time in the future Shipper or any of its Affiliates determines that it can terminate any such Prior Dedication, then, unless the Term is expiring in less than eight (8) Months, Shipper shall promptly terminate, or cause its Affiliate to terminate, such Prior Dedication, and upon such termination, the Raw Make subject to such Prior Dedication shall, to the extent not already subject to the Dedication, automatically be subject to the Dedication for all purposes under this Agreement without any further actions by the Parties. Nothing herein shall obligate Shipper to terminate any Prior Dedication to the extent that such termination would require Shipper to file suit, bring any arbitral or mediation proceeding, or pay any termination fee or penalty; provided, however, that Shipper shall provide Carrier with reasonable notice of any option to terminate a Prior Dedication upon payment of a termination fee or penalty and Carrier may, at its sole option, require Shipper to terminate such Prior Dedication, provided that, Carrier shall reimburse Shipper for any fee or penalty (consistent with Shipper's prior notice to Carrier regarding the amount of such fee or penalty) actually incurred by Shipper in connection with such termination, as evidenced by reasonable supporting documentation.

4.5. Covenant Running with the Land. It is the mutual intention of the Parties that, so long as the Dedication is in effect, this Agreement and the Dedication shall (i) be a covenant running with the Dedicated Area now owned by Shipper, its Affiliates and their respective successors and assigns and (ii) be binding on and enforceable by Carrier and its successors and assigns against Shippers, its Affiliates and their respective successors and assigns of Shipper's Interests in the Dedicated Area. Each Party agrees to execute, acknowledge and deliver to the other Party from time to time such additional agreements and instruments as may be reasonably requested by such other Party to more fully effectuate the intention of the Parties set forth in the immediately preceding sentence. Shipper shall cause any conveyance by it of all or any of Shipper's Interests in the Dedicated Area to be made expressly subject to the terms of this Agreement, but any such conveyance by Shipper of all or any of its Interests in the Dedicated Area shall not relieve Shipper of any of its liabilities, obligations or duties hereunder, including, for the avoidance of doubt, the obligation to cause Dedicated Raw Make attributable to such conveyed Interests in the Dedicated Area to be delivered to Carrier in accordance with the terms and conditions of this Agreement. Shipper shall cause any successor or assign of such Interests in the Dedicated Area to agree that it takes such Interests in the Dedicated Area subject to the terms and conditions of this Agreement, and that it will cause any subsequent purchasers or assignees to do the same.

4.6. Releases from Dedication.

(a) If for any reason Carrier cannot receive at the Origin Point the entire volume of Dedicated Raw Make that Shipper is ready, willing and able to deliver hereunder, including without limitation as a result of prorationing or scheduled maintenance on the Pipeline System or any relevant upstream or downstream facilities, Force Majeure, operating pressure at the Destination Point exceeding 1,350 psig, or if such Raw Make fails to meet the applicable Raw Make Quality Specifications, then that portion of such Dedicated Raw Make that Carrier cannot so receive shall be temporarily released from the Dedication during the period of time, and only to the extent, that Carrier cannot for any reason receive such Dedicated Raw Make, and Shipper shall be free to sell such temporarily released Raw Make to third parties or to transport such temporarily released Raw Make via modes of transportation other than Carrier. Notwithstanding the foregoing sentence, there shall be no such temporary release if Carrier fails or is unable to receive the entire volume of Dedicated Raw Make as a result of a breach by Shipper or failure by Shipper or Shipper's Affiliate to use good faith efforts to cause Raw Make processed at a processing plant operated by Shipper or Shipper's Affiliate to meet the applicable Raw Make Quality Specifications. Carrier shall promptly provide written notice of any event that could reasonably be expected to materially affect the Services under this Agreement, including without limitation any notices regarding scheduled maintenance, matters that affect available capacity and Carrier's ability to take the Dedicated Raw Make, and with respect to construction or development work on such facilities as the necessity for making repairs, alterations, enlargements or connections to, or performing maintenance on, machinery or facilities of production, manufacture, transportation, distribution, processing or consumption. With respect to any notices received by Carrier regarding the anticipated unavailability of capacity, facilities or Services upstream or downstream of the Pipeline System, the Parties shall coordinate in good faith in an effort to mitigate any disruptions, delays or other effects of such facility actions or events on the Services contemplated by this Agreement.

(b) If a Force Majeure event renders Carrier unable to receive Dedicated Raw Make at the Origin Point for three (3) consecutive Days or longer (an "***Extended Carrier Force Majeure***"), then (A) upon Carrier's receipt of written notice from Shipper, that portion of such Dedicated Raw Make that Carrier cannot either receive at the Origin Point because of such Extended Carrier Force Majeure shall be temporarily released from the Dedication only to the extent that Carrier is unable to so receive such Dedicated Raw Make because of such Extended Carrier Force Majeure, and (B) Shipper shall resume deliveries of Dedicated Raw Make temporarily released pursuant to the immediately preceding clause (A) no later than the first Day of the Month following thirty (30) Days after Carrier provides Shipper written notice it is capable of receiving such Dedicated Raw Make.

(c) Notwithstanding Section 4.6(a) and Section 4.6(b) above, other than in instances in which Shipper is in breach or Raw Make fails to meet the applicable Raw Make Quality Specifications, if, for any one hundred eighty (180) consecutive Days or for any cumulative one hundred eighty (180) Days in any three hundred sixty-five (365) Day period, Carrier does not receive or ceases receiving any volume of Dedicated Raw Make delivered or otherwise made available for delivery to the Origin Point by Shipper (or that would be made available at the Origin Point, but was not because of Carrier's continuing failure to receive Shipper's Dedicated Raw Make for any reason), then upon Shipper's written notice to Carrier ("***Release Notice***", and the date of delivery to Carrier, "***Release Notice Date***"), which shall be given within ninety (90) Days after the applicable one hundred

eighty (180) consecutive Days or one hundred eightieth (180th) cumulative Day, Shipper shall be entitled to a permanent release from the Dedication for the average volume of Dedicated Raw Make that Carrier was not able to take at the Origin Point during the subject period, and for a percentage of the Dedicated Area proportionate to the average volume of Dedicated Raw Make that Carrier was not able to take compared to Shipper's Deemed Volume Commitment, with such permanent release to be effective on the thirtieth (30th) Day following the Release Notice Date; provided, however, if during the thirty (30) Day period following the Release Notice Date, Carrier delivers to Shipper a written plan, to be implemented at Carrier's sole cost and expense, that Carrier reasonably and in good faith believes will enable it to receive all Dedicated Raw Make available for delivery at the Origin Point on or before the ninetieth (90th) Day following the Release Notice Date, then Shipper's right to the release shall be suspended during such ninety (90) Day period, or, if Carrier's failure to receive Dedicated Raw Make is a result of Force Majeure, Carrier shall have one hundred eighty (180) Days to complete such plan and Shipper's release right shall be suspended during such one hundred eighty (180) Day period; provided, further, that if, by the ninety-first (91st) Day or one hundred eighty-first (181st) Day (as applicable) following the Release Notice Date, Carrier for any reason does not receive all Dedicated Raw Make available for delivery at the Origin Point, then Shipper's permanent release shall be effective on such ninety-first (91st) Day or one hundred eighty-first (181st) Day (as applicable).

4.7. Processing Obligations and Reservations from Dedication. Shipper shall cause all Subject Gas to be Processed for the recovery of Raw Make subject to the Dedication so that the Raw Make recovered from such processing meets the applicable Raw Make Quality Specifications, subject, however, to the following reservations from the Dedication:

(a) Subject Gas and Raw Make may be used for the operation of Shipper's production facilities or as required to deliver Raw Make to Carrier.

(b) Subject Gas and Raw Make may be used, above ground or below, for any purpose in connection with the development and/or operation of Shipper's leases and wells.

(c) Subject Gas and Raw Make may be delivered as may be required to lessors or royalty owners under the terms of leases or other agreements or as required for Shipper's operations within the Dedicated Area or lands pooled or unitized therewith, as determined by Shipper in its sole discretion.

(d) Notwithstanding anything else in this Agreement that may be construed to the contrary, Shipper shall have no obligation to Carrier under this Agreement to develop or otherwise produce Subject Gas or other hydrocarbons from any properties owned by it or any of its Affiliates, including any properties now or hereafter located within the Dedicated Area or the lands pooled or unitized therewith. Shipper reserves the right to develop and operate its leases and wells in any manner that it desires, as determined by Shipper as it sees fit, in its sole discretion and free of any control by Carrier, including, without limitation, (i) shutting-in, cleaning out, reworking, modifying, deepening, or abandoning any such wells, (ii) using any efficient, modern, or improved method for the production of its wells, (iii) surrendering, releasing, or terminating its leases or Interests at any time, (iv) forming, dissolving, and/or participating in pooling

agreements or units; or (v) using any hydrocarbons other than Raw Make or Subject Gas, including for the avoidance of doubt any condensate or liquids associated with Subject Gas, for any purpose or transporting and marketing the same.

(e) Nothing herein shall require Shipper to Process Gas from central tank batteries measuring less than 1100 Btu/cf, and no such Gas shall be deemed Subject Gas for any purposes hereunder.

Notwithstanding Shipper's obligation set forth in the first sentence of this Section 4.7, Carrier shall use commercially reasonable efforts to accept Dedicated Raw Make delivered hereunder that fails to meet the applicable Raw Make Quality Specifications and either blend and/or treat and commingle such non-conforming Raw Make such that the commingled stream of Raw Make in the Pipeline System meets the applicable Raw Make Quality Specifications, so long as such blending and/or treating can be done in an operationally safe manner without harm to any persons, facilities, other shippers, or their Raw Make. If there are costs associated with doing the foregoing, Carrier shall notify Shipper, and if Shipper agrees, Carrier shall perform such blending and/or treating and commingling contemplated by the foregoing sentence, and Shipper shall reimburse Carrier for its proportionate share (relative to other shippers, if applicable) of its reasonably incurred costs. If Shipper does not agree to bear such costs described in the preceding sentence, Carrier shall have no obligation with respect to such blending, treating and commingling, and such Shipper's non-conforming Raw Make may be entitled to be temporarily released pursuant to the terms of Section 4.6.

4.8. Delivery Commitment. Commencing on the Effective Date and continuing thereafter during the Term, Shipper agrees to tender (or cause to be tendered) at the Origin Points for Shipper set forth on Schedule A, Dedicated Raw Make to Carrier for transportation on the Pipeline System, in accordance with the nomination and tender procedures set forth in the Tariff.

4.9. Unused Capacity. Shipper agrees, to the extent Shipper does not Nominate or tender up to Shipper's Deemed Volume Commitment on a Pipeline Segment in any Month, Carrier shall be free to utilize such unused capacity on such Pipeline Segment for the provision of transportation services to other shippers in such Month, without impacting the payment obligations of Shipper, including Shipper's obligations pursuant to this Article IV or otherwise crediting or paying Shipper in any manner, provided that other shippers using such capacity shall not build history or otherwise acquire or accrue entitlements for future use of such capacity and any such use by Carrier or other shippers of unused capacity shall in no way limit or degrade Shipper's rights to capacity under this Agreement.

4.10. Linefill. Shipper shall provide 25,459 Barrels of Raw Make as its share of linefill. Carrier shall not be required to provide the Services hereunder until Shipper provides its portion of linefill. Raw Make provided by Shipper for linefill may be withdrawn thirty (30) Days after (i) this Agreement terminates or expires; (ii) shipments have ceased, and the Shipper has notified Carrier in writing to discontinue shipments on the Pipeline System; and (iii) Shipper's balances have been reconciled between any other shippers and Carrier. Notwithstanding the foregoing, to the extent Shipper's Deemed Volume Commitment is reduced pursuant to this Agreement, Shipper may withdraw a percentage of the Raw Make it has tendered as linefill equal to the percentage that Shipper's

Deemed Volume Commitment has been reduced. Carrier reserves the right to charge a transport fee for Shipper's linefill upon withdrawal, which shall not exceed Shipper's Priority Rate.

ARTICLE V
FEES

5.1. Shipper's Priority Rate. For Actual Shipments on the Pipeline Segment selected on Schedule A each Day during a Month, Shipper shall pay to Carrier a per Barrel rate ("***Shipper's Priority Rate***") equal to the applicable base Priority Rate for such Pipeline Segment corresponding to Shipper's average Daily Actual Shipments during such Month on such Pipeline Segment, which shall be, as of the Effective Date, the applicable base Priority Rate for such Pipeline Segment set forth in Schedule A (attached hereto), and which may be increased by Carrier per Section 6.2.

5.2. Index Adjustment. On each anniversary of the Effective Date, Carrier shall adjust the Priority Rate by the Fee Adjustment Multiplier in effect as of such date.

5.3. Pipeline Loss Allowance. Quantities of Raw Make tendered by Carrier to Shipper at the Destinations Points shall not be adjusted to account for shrinkage, evaporation, measurement, interface losses and other physical losses, and Shipper shall not otherwise be responsible for any such losses.

5.4. Third Party Rates. Without the prior written consent of Shipper, Carrier shall not provide interstate or intrastate transportation service to any shipper on any Pipeline Segment or on the Pipeline System at rates less than the Shipper's Priority Rate for any level of service on the same Pipeline Segment or on the Pipeline System as provided to Shipper hereunder.

ARTICLE VI
DEFAULTS AND REMEDIES

6.1. Shipper Default. Subject to Section 9.1, the following events shall be a "***Shipper Default***": the occurrence and continuation of (i) a breach or default by Shipper of any of its payment obligations under this Agreement or the Tariff, or (ii) a material breach or default by Shipper of any of its obligations under this Agreement or the Tariff, unless such breach or default, or material breach or default, as applicable, occurs as a result of a breach or default by Carrier of its obligations under this Agreement or the Tariff. For the avoidance of doubt, Shipper's delivery of Raw Make that complies with the Raw Make Quality Specifications shall not constitute a Shipper Default notwithstanding any claim by Third Party Shippers or downstream recipients of Raw Make that the Raw Make stream tendered by Carrier fails to meet the quality specifications of the downstream recipient of Raw Make due to an ethane composition lower than the minimum ethane percentage required by such downstream recipient of Raw Make and Shipper shall bear no liability to Carrier or any third party for any Claims or Losses due to the Raw Make stream tendered by Carrier to any downstream recipient having an ethane composition percentage lower than the minimum ethane composition percentage in such downstream recipients' quality specifications.

6.2. Remedies on Shipper Default. Upon the occurrence of a Shipper Default, Carrier may provide written notice to Shipper, describing the Shipper Default in reasonable detail and requiring Shipper to cure the Shipper Default (the "***Shipper Default Notice***"). If (a) a Shipper Default

comprising Shipper's failure to make any payment due hereunder has not been cured within ten (10) Business Days following receipt by Shipper of a Shipper Default Notice or (b) a Shipper Default comprising Shipper's failure to comply with any obligation under this Agreement or the Tariff, other than a payment obligation, has not been cured within thirty (30) Days after receipt by Shipper of a Shipper Default Notice, or, if such failure is not reasonably capable of being cured within a thirty (30) Day period, but Shipper expeditiously commences to cure the same following its receipt of a Shipper Default Notice and diligently proceeds with such cure, within such longer period of time as shall be reasonably necessary to cure such failure, then in any such case, Carrier may not terminate this Agreement on account of such Shipper Default, but Carrier may, by written notice to Shipper, inform Shipper of its intention to suspend Services hereunder if such Shipper Default is not cured within a further thirty (30) Day period, and if any such Shipper Default has not been cured within such further period of thirty (30) Days, Carrier may, by written notice to Shipper, suspend Services hereunder, any such suspension to be effective upon receipt of such notice by Shipper, effective until the applicable Shipper Default is cured.

The rights and remedies under this Section 6.2 shall be in addition to all of Carrier's other rights and remedies under this Agreement or the Tariff or which Carrier may otherwise have at law, in equity or by statute or regulation, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise by Carrier of other rights or remedies, provided that Carrier may not terminate this Agreement on account of a Shipper Default.

6.3. Carrier Default. Subject to Section 9.1 hereof, the following events shall be a "***Carrier Default***": the occurrence and continuation of (i) a breach or default by Carrier of any of its payment obligations under this Agreement or the Tariff, (ii) a material breach or default by Carrier of any of its obligations under this Agreement or the Tariff, unless such breach or default, or material breach or default, as applicable, occurs as a result of a breach or default by Shipper of its obligations under this Agreement or the Tariff, or (iii) a failure by Carrier to meet the Carrier Standard of Performance.

6.4. Remedies on Carrier Default. Upon the occurrence of a Carrier Default, Shipper may provide written notice to Carrier, describing the Carrier Default in reasonable detail and requiring Carrier to cure the Carrier Default (the "***Carrier Default Notice***"). If (a) a Carrier Default comprising Carrier's failure to make any payment due hereunder has not been cured within ten (10) Business Days following receipt by Carrier of a Carrier Default Notice, or (b) a Carrier Default comprising Carrier's failure to comply with any obligation under this Agreement or the Tariff, other than a payment obligation, has not been cured within thirty (30) Days after receipt by Carrier of a Carrier Default Notice, or, if such failure is not reasonably capable of being cured within a thirty (30) Day period, but Carrier expeditiously commences to cure the same following its receipt of a Carrier Default Notice and diligently proceeds with such cure, within such longer period of time as shall be reasonably necessary to cure such failure, but such longer period of time not to exceed sixty (60) Days, then in any such case, Shipper may not terminate this Agreement on account of such Carrier Default, but Shipper may, by written notice to Carrier, inform Carrier of its intention to suspend this Agreement if such Carrier Default is not cured within a further thirty (30) Day period, and if any such Carrier Default has not been cured within such further period of thirty (30) Days, Shipper may, by written notice to Carrier, suspend this Agreement, any such suspension to be effective upon receipt of such notice by Carrier, effective until the applicable Carrier Default is cured.

The rights and remedies under this Section 6.4 shall be in addition to all of Shipper's other rights and remedies under this Agreement (including, but not limited to, the rights and remedies described in Section 4.6) or the Tariff or which Shipper may otherwise have at law, in equity or by statute or regulation, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise by Shipper of other rights or remedies, provided that Shipper may not terminate this Agreement on account of a Carrier Default.

ARTICLE VII
WARRANTY OF TITLE; ROYALTIES

7.1. Shipper's Warranty. Shipper represents and warrants to Carrier that Shipper has title to and/or the right to transport all Raw Make delivered hereunder, and that except for Prior Dedications, said Raw Make is free from all liens, Claims and encumbrances, including liens to secure payment of production taxes, severance taxes, and other taxes. Shipper agrees to indemnify and hold Carrier harmless from any and all Claims and Losses incurred in connection with, or in any manner whatsoever relating to any breach of the representations and warranties made by Shipper pursuant to this Section 7.1.

7.2. Carrier's Warranty. Carrier represents and warrants to Shipper that Carrier has the right to receive all Raw Make delivered hereunder and to deliver Shipper's Raw Make to the Destination Points, free from all liens, Claims and encumbrances, including liens to secure payment of production taxes, severance taxes, and other taxes. Carrier agrees to indemnify and hold Shipper harmless from any and all Claims and Losses incurred in connection with, or in any manner whatsoever relating to any breach of the representations and warranties made by Carrier pursuant to this Section 7.2.

7.3. Proceeds of Production. Shipper agrees to make payment of all royalties, overriding royalties, production payments, and all other payments for interest attributable to Raw Make delivered hereunder due to any Person under any leases or other documents in accordance with the terms thereof.

7.4. Title. Title to Shipper's Raw Make delivered to the Pipeline System, including all constituents thereof, shall remain with and in Shipper or its designee at all times.

ARTICLE VIII
WAIVER OF CERTAIN DAMAGES

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF THIS AGREEMENT FOR ANY CONSEQUENTIAL, MULTIPLE, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, OR LOSS OF PROFITS OR REVENUES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY BREACH HEREOF; PROVIDED, HOWEVER, THE FOREGOING SHALL NOT BE CONSTRUED AS LIMITING (I) AN OBLIGATION OF A PARTY HEREUNDER TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER PARTY AGAINST CLAIMS ASSERTED BY UNAFFILIATED THIRD PARTIES, INCLUDING, BUT NOT LIMITED TO, THIRD PARTY CLAIMS FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR

EXEMPLARY DAMAGES, OR (II) DAMAGES TO CARRIER'S PIPELINE SYSTEM OR OTHER FACILITIES CAUSED BY SHIPPER'S DELIVERY OF RAW MAKE THAT FAILS TO SATISFY THE QUALITY SPECIFICATIONS SET FORTH IN THE TARIFF; PROVIDED FURTHER, HOWEVER, THAT SHIPPER SHALL HAVE NO LIABILITY TO ANY THIRD PARTY NOR SHALL SHIPPER HAVE ANY DUTY TO INDEMNIFY CARRIER FOR CLAIMS OR LOSSES, INCLUDING PENALTIES OR OTHER CHARGES IMPOSED BY DOWNSTREAM RECIPIENTS OF RAW MAKE, BY ANY THIRD PARTY, INCLUDING OTHER SHIPPERS OR DOWNSTREAM RECIPIENTS OF RAW MAKE TENDERED BY CARRIER, WITH RESPECT TO RAW MAKE THAT SATISFIES THE RAW MAKE QUALITY SPECIFICATIONS HEREUNDER NOTWITHSTANDING A FAILURE OF THE RAW MAKE TENDERED BY CARRIER TO SATISFY THE RAW MAKE QUALITY SPECIFICATIONS OF A DOWNSTREAM RECIPIENT OF RAW MAKE FROM CARRIER, INCLUDING WITH RESPECT TO THE MINIMUM ETHANE PERCENTAGE IN THE RAW MAKE AND CARRIER SHALL INDEMNIFY SHIPPER, AND ITS AFFILIATES, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF THIS AGREEMENT FROM ANY SUCH CLAIMS OR LOSSES. THIS ARTICLE VIII SHALL APPLY NOTWITHSTANDING THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, FAULT OR RESPONSIBILITY OF THE PARTY WHOSE LIABILITY IS WAIVED BY THIS PROVISION, OR ANY OTHER EVENT OR CONDITION, WHETHER ANTICIPATED OR UNANTICIPATED, AND REGARDLESS OF WHETHER EXISTING PRIOR TO THE DATE OF THIS AGREEMENT.

ARTICLE IX
FORCE MAJEURE

9.1. Suspension of Obligations. Subject to the limitations set forth in Section 9.4, if either Carrier or Shipper is unable to perform any obligations, due to an event of Force Majeure, as defined in Section 9.2, such failure shall not be a Carrier Default or a Shipper Default under this Agreement, insofar as such obligations are affected by such event of Force Majeure, for the duration of such event of Force Majeure, and any additional period when Carrier or Shipper remains unable to perform such obligations as a result of such event of Force Majeure.

9.2. Definition of Force Majeure. The term "***Force Majeure***" shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including, without limitation by enumeration, acts of God, acts of Governmental Authorities, compliance with rules, regulations or orders of any Governmental Authority, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of terrorism, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme cold, storms, hurricanes, floods, or other adverse weather conditions, washouts, arrests and restraint of rulers and people, civil disturbances, explosions, breakage or accident to machinery, equipment or pipelines, freezing of wells, pipelines or equipment, requisitions, directives, diversions, embargoes, priorities or expropriations of government or Governmental Authorities, legal or de facto, whether purporting to act under some constitution, decree, law or otherwise, failure of pipelines or other carriers to transport or furnish facilities for transportation, failures, disruptions, or breakdowns of machinery or of facilities for production, manufacture, transportation, distribution, processing or consumption (including, but not by way of limitation, the

Pipeline System), failure of gathering or processing facilities, machinery or equipment, allocation or curtailment by third parties of upstream or downstream capacity, the necessity for making repairs, alterations, enlargements or connections to, or performing maintenance on, machinery or facilities of production, manufacture, transportation, distribution, processing or consumption (including, but not by way of limitation, the Pipeline System), inability to secure or delays in securing rights-of-way and permits, transportation embargoes or failures or delays in transportation or poor road conditions, partial or entire failure of Raw Make supply and downstream pipeline market constraints.

9.3. Notification. When seeking to rely on the provisions of this Article IX, a Party failing to perform due to an event of Force Majeure shall:

(a) upon obtaining knowledge of the actual occurrence, or the reasonably likely future occurrence, of the event of Force Majeure giving rise to the right to rely on Section 9.1, promptly give written notice to the other Party of such event of Force Majeure and of the obligations expected to be affected thereby;

(b) commence and diligently pursue the taking of commercially reasonable steps to cause the discontinuance of, and to minimize the effect of, the event of Force Majeure; and

(c) upon the occurrence of any significant development in the process of attempting to discontinue and minimize the effect of the event of Force Majeure, notify the other Party thereof and provide documentation of such developments.

9.4. Limitations. Notwithstanding anything contained in this Article IX, lack of finances shall not be considered an event of Force Majeure. The provisions of this Article IX shall not apply so as to suspend the performance of any obligation to make payment of any amount payable under or in respect of this Agreement and shall not give rise to any extension of the Term. The suspension of any obligations shall be of no greater scope and of no longer duration than is reasonably required due to the Force Majeure event, and the affected Party shall use commercially reasonable efforts to overcome or mitigate the effects of such Force Majeure event.

ARTICLE X
ASSIGNMENT

10.1. Assignments Not Requiring Consent. Either Party may, without the consent of the other Party, assign this Agreement in whole or in part to (i) any of its Affiliates, (ii) a non-Affiliate in which the assigning Party has a Significant Investment, or (iii) with respect to Shipper, a purchaser of Shipper's Interests in the Dedicated Area (subject to Section 10.3), but any such assignment shall not relieve the assigning Party of any of its liabilities, obligations or duties hereunder, provided, however, in the case of an assignment of any of Shipper's rights and obligations, Shipper shall have no further responsibility for the obligations so assigned (subject to Section 10.3), nor shall the assignee have any responsibility for the responsibilities of Shipper that were not so assigned. Further, in the event of a partial assignment pursuant to this Section 10.1, Shipper may, in its sole discretion, decide that portion of the Deemed Volume Commitment (and corresponding linefill obligation) to be assigned, provided that the assignee has reasonable capability to tender the Deemed Volume Commitment assigned to it and this Agreement shall apply to Shipper and its assignee(s) severally; provided that in the event of a partial assignment in connection with an assignment of Shipper's Interests in the

Dedicated Area to a non-Affiliate in which Shipper does not have a Significant Investment, Carrier and the assignee shall execute a Transferee Agreement rather than partially assigning this Agreement..

10.2. Assignment Requiring Consent. Except as provided in Section 10.1, neither Party may assign this Agreement or a Party's respective rights and obligations in whole or part under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned.

10.3. Conveyance of Interests. Shipper shall cause any conveyance by it of all or any of Shipper's Interests in the Dedicated Area to be made expressly subject to the terms of this Agreement or a Transferee Agreement, as applicable. Shipper shall cause any successor or assign of such Interests in the Dedicated Area to agree that it takes such Interests in the Dedicated Area subject to the terms and conditions of this Agreement, and that it will cause any subsequent purchasers or assignees to do the same.

10.4. Compliance. Any purported assignment of this Agreement that does not comply with the requirements of this Article X shall be null and void.

10.5. Successors and Assigns. Subject to the preceding subsections of this Article X, this Agreement shall extend to and inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

ARTICLE XI
TAXES

Carrier shall not be responsible for, and Shipper hereby agrees to be responsible for, pay and indemnify, defend and hold harmless Carrier for, any and all Taxes, if any, levied on (i) Shipper Raw Make tendered under this Agreement, including property Taxes on such Raw Make in the Pipeline System, (ii) the transportation of Shipper Raw Make, or (iii) the provision of Services hereunder; provided, however, that Shipper shall not be liable hereunder for (x) Taxes (including ad valorem taxes) assessed against Carrier based on Carrier's income, revenues, gross receipts, net worth or ownership of the Pipeline System, and (y) state franchise, license and similar Taxes required for the maintenance of Carrier's corporate existence. In the event Carrier is required to pay any Tax described in the first sentence of this Article XI for Shipper, Shipper shall reimburse Carrier for the same upon receipt of invoice and supporting documentation provided by Carrier. The payment, indemnity, defense and hold harmless obligations set forth in this Article XI shall survive the termination of this Agreement.

ARTICLE XII
NOTICE AND STATEMENTS

12.1. Notice. Any notice, statement, payment, Claim or other communication required or permitted hereunder shall be in writing and shall be sent by: (i) facsimile transmission; (ii) delivered by hand; (iii) sent by United States mail with all postage fully prepaid; or (iv) by courier with charges paid in accordance with the customary arrangements established by such courier. All notices and communications hereunder shall also be copied by email to the relevant Party at the address set forth below for such Party, in each of the foregoing cases addressed to the Party at the following addresses:

Carrier

NOTICES AND CORRESPONDENCE:

Alpine High NGL Pipeline LP
Attn: Commercial Operations
17802 IH-10 West, Suite 300
San Antonio, Texas 78257

Electronic Mail: CommercialOperations@apachecorp.com

PAYMENT INSTRUCTIONS:

Alpine High NGL Pipeline LP
c/o [***]
Bank: [***]
Account Name: [***]
ABA: [***]
Account Number: [***]

Shipper

NOTICES AND CORRESPONDENCE:

Apache Corporation
Attn: Marketing Contract Administration
2000 Post Oak, Suite 100
Houston, Texas 77056-4400
Fax: 713-296-6473
Electronic Mail: contract.administration@apachecorp.com

Such notices, statements, payments, Claims or other communications shall be deemed received as follows: (i) if delivered personally, upon delivery; (ii) if sent by United States mail, whether by express mail, registered mail, certified mail or regular mail, the day receipt is refused or is confirmed orally or in writing by the receiving Party; (iii) if sent by a courier service, upon delivery; or (iv) if sent by facsimile, upon completion of the transmission thereof, except that if such transmission is on any day other than a Business Day, or on or after 4:00 p.m., Central Clock Time, such notice shall be deemed to be received on the next Business Day.

12.2. Change of Address. Notices of change of address of either of the Parties shall be given in writing to the other Party in the manner aforesaid and shall be observed in the giving of all future notices, statements, payments, Claims or other communications required or permitted to be given hereunder.

ARTICLE XIII

MISCELLANEOUS

13.1. Entire Agreement; Amendments. This Agreement and the Exhibits and Schedules hereto constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and thereof, supersede all prior agreements and understandings with respect thereto, and may be amended, restated or supplemented only by written agreement of the Parties. Notwithstanding the foregoing, the Tariff are subject to amendment by Carrier from time to time subject to Applicable Law and subject the terms and conditions of this Agreement, provided, however, that the Tariff shall not be amended to degrade or adversely affect Shipper's rights under this Agreement or the Tariff.

13.2. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas without giving effect to the conflict of law rules thereof, PROVIDED, HOWEVER, THAT NO LAW, THEORY OR PUBLIC POLICY SHALL BE GIVEN EFFECT WHICH WOULD UNDERMINE, DIMINISH OR REDUCE THE EFFECTIVENESS OF EACH PARTY'S WAIVER OF CONSEQUENTIAL, MULTIPLE, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, OR LOSS OF PROFITS OR REVENUES, SET FORTH IN ARTICLE VIII, IT BEING THE EXPRESS INTENT, UNDERSTANDING, AND AGREEMENT OF THE PARTIES THAT SUCH WAIVERS ARE TO BE GIVEN THE FULLEST EFFECT, NOTWITHSTANDING ANY PRE-EXISTING CONDITION OR THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY PARTY HERETO, OR OTHERWISE.

13.3. Jurisdiction and Venue. The Parties hereby irrevocably consent to the exclusive jurisdiction of the state or federal courts located in Harris County, Texas and irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection which they 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 the transactions contemplated hereby in any federal or state court located in Harris County, Texas.

13.4. No Drafting Presumption. No presumption will operate in favor of or against any Party as a result of any responsibility that any Party may have had for drafting this Agreement. Shipper and Carrier acknowledge and mutually agree that this Agreement and all contents herein were jointly prepared by the Parties.

13.5. Waiver. No waiver of any term, provision or condition of this Agreement shall be effective unless in writing signed by the Parties, and no such waiver shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of the Agreement, unless specifically so stated in such written waiver.

13.6. No Third Party Beneficiaries. Except for Persons indemnified hereunder, and only to that extent, this Agreement is not for the benefit of any third party and nothing herein, expressed or implied, confers any right or remedy upon any Person not a party hereto.

13.7. No Partnership. It is not the intention of the Parties to create, nor is there created hereby, a partnership, trust, joint venture or association. The status of each Party hereunder is solely that of an independent contractor.

13.8. Survival. Notwithstanding the termination of this Agreement for any reason, (a) Article V, VI, VII, VIII, XI, XII and XIII shall survive the termination of this Agreement, and (b) each Party to this Agreement will be liable for all of its accrued obligations hereunder up to and including the date on which the termination becomes effective.

13.9. Headings. The headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and provisions hereof.

13.10. Rules of Construction. In construing this Agreement, the following principles shall be followed:

(a) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;

(b) the word “includes” and its syntactical variants mean “includes, but is not limited to” and corresponding syntactical variant expressions;

(c) the plural shall be deemed to include the singular and vice versa, as applicable;

(d) all references in this Agreement to an “Article,” “Section,” “subsection,” or “Exhibit” shall be to an Article, Section, subsection, or Exhibit of this Agreement, unless the context requires otherwise;

(e) unless the context otherwise requires, the words “this Agreement,” “hereof,” “hereunder,” “herein,” “hereby,” or words of similar import shall refer to this Agreement as a whole and not to a particular Article, Section, subsection, clause or other subdivision hereof; and

(f) each Exhibit and Schedule to this Agreement is attached hereto and incorporated herein as a part of this Agreement, but if there is any conflict or inconsistency between the main body of this Agreement and any Exhibit or Schedule, the provisions of the main body of this Agreement shall prevail, including as to any conflicts with the Tariff such that as between the main body of this Agreement and the Tariff, the provisions of the main body of this Agreement shall prevail.

13.11. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, (i) the validity, legality and/or enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby and (ii) in lieu of such invalid, illegal or unenforceable provision, there shall be automatically added to this Agreement a provision as similar to such invalid, illegal or unenforceable provision as may be possible and be legal, valid and enforceable.

13.12. Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

13.13. No Inducements. No director, employee, or agent of any Party shall give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement.

13.14. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument. Neither Party shall be bound until both Parties have executed a counterpart. Facsimile or other electronic copies of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof.

13.15. Confidentiality.

(a) Standard of Care. Each Party agrees that it shall maintain all terms and conditions of this Agreement in confidence, and that it shall not cause or permit disclosure thereof without the express written consent of the other Party, which consent shall not be reasonably withheld, delayed, or conditioned. In addition, Carrier agrees that information relating to Raw Make delivered to Shipper at any Destination Point, or Additional Destination Point, including, without limitation, information relating to volumes, pressures, composition, rates, and Shipper's use of such Raw Make, shall be confidential, and Carrier agrees to not cause or permit disclosure of such information without the express written consent of Shipper. The standard of care to be employed by each Party with respect to the other Party's confidential information shall be the standard of care employed by a reasonable person in protecting confidential information.

(b) Permitted Disclosures. Notwithstanding Section 13.15(a) of this Agreement, disclosures of any terms and provisions of this Agreement otherwise prohibited may be made by a Party (i) to the extent necessary for such Party to enforce its rights hereunder against the other Party; (ii) to the extent to which a Party is required to disclose all or part of this Agreement by a statute or by the order or rule of a court, agency, or other governmental body exercising jurisdiction over the subject matter hereof, by order, by regulations, or by other compulsory process (including, but not limited to, deposition, subpoena, interrogatory, or request for production of documents); (iii) to the extent required by the applicable regulations of a securities or commodities exchange; (iv) to a third Person in connection with a proposed sale or other transfer of a Party's interest in this Agreement or to a potential investor, provided such third Person agrees in writing to be bound by confidentiality terms no less restrictive than those set forth in this Section 13.15; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to a co-working interest owner or royalty owner of Shipper Raw Make delivered hereunder, provided such co-working interest owner or royalty owner agrees in writing to be bound by the terms of this Section 13.15; (viii) to the extent any such terms or provisions become public information through no fault of any Party; or (ix) to a bank or other financial institution, and their agents and representatives, in connection with a Party arranging for funding.

(c) Notification. If a Party is or becomes aware of a fact, obligation, or circumstance that has resulted or may result in a disclosure of any of the terms and conditions of this

Agreement authorized by Section 13.15(b)(ii) above, it shall so notify in writing the other Party promptly and shall provide documentation or an explanation of such disclosure as soon as it is available.

(d) Party Responsibility. Each Party shall be deemed solely responsible and liable for the actions of its directors, officers, employees, agents, representatives and Affiliates for maintaining the confidentiality commitments of this Section 13.15.

(e) Public Announcements. The Parties agree that prior to making any public announcement or statement with respect to this Agreement or the transaction represented herein, the Party desiring to make such public announcement or statement shall provide the other Party with a copy of the proposed announcement or statement prior to the intended release date of such announcement. The other Party shall thereafter consult with the Party desiring to make the release, and the Parties shall exercise their reasonable best efforts to (i) agree upon the text of a joint public announcement or statement to be made by both such Parties or (ii) in the case of a statement to be made solely by one Party, obtain approval of the other Party to the text of a public announcement or statement, which approval shall not be unreasonably withheld, delayed or conditioned. Nothing contained in this Section 13.15 shall be construed to require any Party to obtain approval of any other Party to disclose information with respect to this Agreement or the transaction represented herein to any Governmental Authority to the extent required by Applicable Law or necessary to comply with disclosure requirements of the Securities and Exchange Commission, New York Stock Exchange, or any other regulated stock exchange.

13.16. Compliance with Laws. Both Parties shall, in carrying out the terms and provisions of this Agreement, abide by all present and future laws of any Governmental Authorities.

13.17. Arm's Length Negotiations. Each of the Parties acknowledges and agrees that this Agreement is the result of good faith, arm's length negotiations which have resulted in an agreement that is fair and equitable to Carrier and Shipper.

13.18. Audit Rights. Each Party, on not less than thirty (30) Days' prior written notice to the other Party, will have the right at all reasonable times during the Term of this Agreement, and for twenty-four (24) Months thereafter, to audit the books and records of the other Party, including the ability to make and retain copies of the same, to the extent reasonably necessary to verify performance under the terms and conditions of this Agreement, including, without limitation, the accuracy of any statement, allocation, measurement, computation, charge, or payment made under or pursuant to this Agreement, provided that the auditing Party will protect the confidentiality of the books and records made available by the other Party. Additionally, each Party shall have the right to perform site inspections and carry out field visits of the assets and related measurement equipment being audited, upon request to and in compliance with the safety and other reasonable requirements of the Party whose assets and related measurement equipment are being audited. Each Party's right to audit pursuant to this Section 13.18 may not be exercised more than twice a Year. The Parties shall agree in good faith on a mutually-acceptable time and location to commence any audit initiated hereunder, and such audit shall be performed in reasonable accommodations at the relevant offices or other work locations of the Party to be audited. To the extent that the Parties are unable to reach agreement as to an acceptable time and location to commence such audit, the Parties shall meet at Shipper's corporate

offices in Houston, Texas, during normal business hours, on the third Monday that follows the notice provided by the Party who requested the audit. The Party subject to the audit shall respond to all exceptions and claims of discrepancies within one hundred eighty (180) Days of receipt thereof. Notwithstanding anything to the contrary in this Agreement, the audit rights set forth herein shall survive termination or expiration of this Agreement for a period of twenty-four (24) Months following termination or expiration.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

CARRIER:

ALPINE HIGH NGL PIPELINE LP
By: Alpine High Subsidiary GP LLC, its general partner

By: /s/ Brian W. Freed
Name: Brian W. Freed
Title: Senior Vice President

SHIPPER:

APACHE CORPORATION

By: /s/ Stephen J. Riney
Name: Stephen J. Riney
Title: Chief Financial Officer and Executive Vice President

EXHIBIT A

TARIFF

(See Attached)

EXHIBIT B

DEDICATED AREA

The Dedicated Area is depicted in the map below within the red border.

[***]

EXHIBIT C

RAW MAKE QUALITY SPECIFICATIONS

COMPONENT	TEST METHOD	SPECIFICATION
Total Methane (See note 5)	GPA 2186	0.5 Liq. Vol.% max.
Methane % of Ethane (See note 5)	GPA 2186	1.5 Liq. Vol.% max.
Aromatics	GPA 2186	10.0 Liq. Vol.% max. (of C5+)
Olefins	GPA 2186	1.0 Liq. Vol.% max.(See note 1)
Vapor Pressure at 100 deg. F	ASTM D2598	600 psig max.
Copper Strip Corrosion	ASTM D1838	No. 1 (See notes 2 & 3)
Volatile Sulfur	ASTM D2784 or ASTM D5623	150 ppm wt. max.
Carbon Dioxide	GPA 2186	0.35 Liq. Vol. % max. (of C2)
Hydrogen Sulfide	ASTM D2420 or ASTM D5623	Pass
Carbonyl Sulfide	ASTM D5623	15 ppm wt. max. (of C3)
Distillation End Point	ASTM D-86	375 deg. F. max. (See note 4)
Saybolt Color Number	ASTM D156 or ASTM D6045	+27 min. (See note 4)
Water Content	VISUAL	No Free Water @ 34 deg.F
Prod. Temp. (>65 mole% Ethane)	Thermometer	90 deg. F. max.
Prod. Temp. (<65 mole% Ethane)	Thermometer	110 deg. F. max.
Halides (including Fluorides)	ASTM D7359	1 ppm wt. max.(in nC4)
Methanol (see note 6)	ASTM D7423	200 ppm wt. max

ON TEST METHODS: Method numbers listed above, beginning with the letter “D”, are American Society for Testing and Materials (ASTM), Standard Test Procedures. The most recent year’s revision for the procedures will be used.

CONTAMINANTS: The specification defines only the basic purity for this product. The product is to be free of any contamination that might render the product unusable for its commonly used applications. Specific contaminants include (but are not limited to) dirt, rust, scale, and all other types of solid contaminants, caustic, amines, chlorides, heavy metals, oxygenates, inerts and any component added to the product to enhance the ability to meet the specifications.

1. Propylene limited to 5.0 Liq. Vol. % max. of contained Propane, Butylene limited to 0.35 Liq. Vol. % max. of contained Butanes, and Butadiene limited to 0.01 Liq. Vol. % max. of contained Butanes.

2. Caution – Use a corrosion cylinder rated at a minimum of 1500 psig.
3. The use of corrosion masking agents is strictly prohibited.
4. Distillation and Color to be run on that portion of the mixture having a boiling point of 70 ° F and greater at atmospheric pressure.
5. Includes Nitrogen and Oxygen.
6. This is a component specification for product received from injectors to the Alpine High Plants.

EXHIBIT D

PRIOR DEDICATIONS

[***]

EXHIBIT E

MEASUREMENT PROCEDURES

ARTICLE I
DEFINITIONS

Acronyms and capitalized terms used in this Exhibit, but not otherwise defined in the Agreement, have the following meanings:

"**API**" means the American Petroleum Institute.

"**ASTM**" means ASTM International.

"**Base-Line Meter Factor**" means the meter proving factor established after meter installation or maintenance that meets API guidelines for uncertainty and is the reference prove from which subsequent meter proves are compared.

"**Component**" has the meaning given to such term in the Tariff.

"**DCF**" means the dimensionless number obtained by dividing the density as determined by the use of the Pycnometer (or such similar device) by the density as measured by the densitometer.

"**EVP**" means the equilibrium vapor pressure.

"**Flowing Day**" means a Day during which the stream to be measured actually flows.

"**g/cc**" means grams per cubic centimeter.

"**GPA**" means GPA Midstream.

"**Inferred Mass Combined Factor Shift**" means the absolute value of the sum of the Meter Factor shift and the DCF factor shift when used in inferred mass systems.

"**Meter Factor**" means a dimensionless term obtained by dividing the gross standard volume or mass of liquid passed through the meter (as measured by a prover during proving) by the corresponding meter indicated volume at standard conditions. For subsequent metering operations, the throughput or gross measured volume or mass is determined by multiplying the indicated volume or mass registered by the meter times the Meter Factor.

"**MPMS**" means the Manual of Petroleum Measurement Standards as published by the API.

"**psig**" means pounds per square inch gauge.

"**Pycnometer**" means a double-walled, high-pressure vessel used to prove a densitometer.

"**Requesting Party**" means the Party requesting the applicable data.

"**Sending Party**" means the Party providing the applicable data.

ARTICLE II
DESIGN AND INSTALLATION

Section 2.1 General

A. Carrier's methods, standards, and measurement procedures shall at a minimum meet relevant industry standards.

B. Carrier's intent is to design, operate, and maintain its custody transfer measurement facilities in a manner to meet or exceed the criteria set out in the MPMS and to meet or exceed all pertinent governmental regulations.

C. Natural gas liquids, including non-refrigerated ethane, demethanized mix (y-grade), propane, ethane-propane mixes, propylene, butanes, isomers of butene, and natural gasoline, delivered to or received by Carrier shall be measured by either volumetric or mass measurement procedures, as determined solely by Carrier, using a flow meter described in MPMS Chapter 5.

D. The measuring facility shall be operated at a pressure greater than the EVP of the fluid at flowing conditions to ensure the stream is in a liquid state and contains no vapor, as determined by the appropriate chapter of the MPMS.

E. All equipment employed in metering and sampling, and all equipment upstream and downstream of the measurement station, which might affect quantity and quality determinations, must be approved by Carrier as to the type, materials of construction, method of installation, and maintenance. Due consideration shall be given to the operating pressure, temperature, and characteristics of the Raw Make being measured.

F. References to any API, GPA, ASTM, or similar publications encompass the latest edition, revision, or amendment thereof. From time to time, these chapters and sections are subject to change by their respective publishers, and such changes will supersede the specific references contained herein.

Section 2.2 Measurement Equipment and Systems

A. Flow Meters. Flow meters shall be installed in accordance with MPMS Chapter 5.

B. Densitometers and Density Determination.

1. Where required, densitometers, including Coriolis meters used for determining flowing density, shall be installed and calibrated in accordance with MPMS, Chapter 14. The output shall be connected directly into a flow computer capable of internally converting the densitometer's output signal to corrected flowing density in g/cc. Proving is to be by entrapping a sample of the flowing stream at system conditions in a Pycnometer. The connections

for the Pycnometer shall be installed in such manner as to ensure the same representative sample introduced to the densitometer is captured by the Pycnometer. The accuracy of the densitometer shall be verified at the time of the meter proving or when accuracy is in question. The accuracy of the densitometer must be within +/- 0.001 g/cc over the required range and repeatable to +/- 0.0005 g/cc.

2. Thermowells shall be installed to allow monitoring of the inlet and outlet temperature of the Pycnometer during calibration.

3. During a densitometer calibration, the difference between all outlet temperatures and pressures must be within +/-0.2 °F and +/- 5.0 psi of each other during the proof test.

4. For polymer grade propylene measurement, a density calculated using MPMS Chapter 11.3.3.2 may be used for density determination.

5. For chemical grade propylene measurement, a density calculated using MPMS Chapter 11.3.3.2 may be used for density determination. When this calculated density is used, the Meter Factor shall be adjusted by a factor of 0.9987[1] to account for the composition changes.

6. For High Purity Isobutylene measured by a mass meter producing a mass pulse output, and mass proved, the meter does not need a densitometer.

7. Under no circumstances will a density measurement be utilized for transaction calculations without a proving or verification of the function during the ticket period.

8. Verification and calibration data will be supplied to Shipper within ten (10) Days of the procedure.

9. The proving intervals, tolerances, repairs, and methods of correction are the same as those provided elsewhere in this Exhibit, and the average of two (2) successive Pycnometer provings will establish Raw Make flowing density, provided: (i) the two (2) successive provings agree within 0.0005, and (ii) the average of the two (2) tests is within 0.0015 of the previously accepted calibration factor.

C. Temperature Transmitters. Temperature transmitters shall be verified at the time of the meter proving using a certified thermometer or precision electronic temperature device. Temperature transmitters must exhibit a discrimination of at most 0.1° F, or better, and a variation from a certified electronic or mercury liquid-in-glass thermometer no greater than 0.5° F.

[1] Based on the work of J.E. Gallagher, Shell Pipeline Corporation, “Chemical-Grade Propylene Density Measurement,” July, 1983.

D. Pressure Transmitters. Pressure transmitters shall be verified at the time of meter proving using a reference gauge to ensure current readings exhibit pressure discrimination of not more than 1.0 psig, and the variation from a certified test gauge does not exceed 2.0 psig.

E. Flow Computers. Flow computers shall be capable of accepting pulses from the flow meter transmitter and signals from the pressure, temperature, and density transmitters. The flow computer shall convert, as required, and totalize these signals into flowing density, corrected flowing density, indicated volume, gross volume, mass, specific gravity at 60^{o} F, and net volume. The flow computer and its operation shall comply with MPMS Chapter 21. For net volume determinations (for most Components), the flow computer shall utilize the latest ASTM, API, and GPA standards for temperature and pressure corrections that are applicable to the Component being measured. The weight of water shall be as provided in the latest version of GPA 2145.

F. Composite Sampling Systems. Composite sampling is required for Raw Make transacted on a Component Barrel basis and for quality verification of any Raw Make. The composite sampling system shall be installed and operated in accordance with GPA Standard 2174. The composite sampler shall be operated to collect flow-proportional samples, based on indicated volume. These samples shall be accumulated in and removed from floating-piston cylinders with mixing capability.

ARTICLE III
ACCOUNTING

Section 3.1 Custody Transfer Tickets. Unless otherwise provided for by separate agreement, Carrier shall furnish Shipper with a batch custody transfer ticket, where batch may denote either quantity or time. Further, the batch shall be closed out at the start of Day on the first Day of the Month or such other period as Carrier, in its sole discretion, may deem appropriate. When provided, Daily custody transfer tickets are for the period of one Day. For the purposes of determining whether Raw Make meets the applicable Raw Make Quality Specifications, the composition shall be determined no more often than weekly.

Section 3.2 Volume-Basis Streams. Unless otherwise provided for by separate agreement, for streams transacted on a volume basis the ticket shall identify the Raw Make and state the net volume in Barrels of Raw Make measured, and all factors associated with its production.

Section 3.3 Mass-Basis Streams. Unless otherwise provided for by separate agreement, for streams that are transacted on a mass basis the ticket shall identify the Raw Make, state the total mass measured in pounds, show Raw Make analysis, and show total Component Barrels (if required). Where required, total pounds mass shall be converted to pounds of each Component based on its weight fraction as determined by analysis. If required, the Component pounds shall then be converted to equivalent Barrels of each Component utilizing the calculation procedure outlined in MPMS Chapter 14. The Component density in a vacuum shall be in accordance to GPA Standard 2145. If required, the ticket shall identify the Raw Make and state the total mass, Raw Make analysis, and total Component Barrels.

ARTICLE IV
MAINTENANCE AND OPERATIONS

Section 4.1 Measurement Basis

A. Mass Measurement

1. Inferred Mass: Inferred mass measurement is accomplished utilizing a flow-proportional composite sampler (if required), volumetric flow meter, densitometer, and flow computer to convert gross volumetrically measured Barrels using density in g/cc at flowing conditions, and corrected for instrument error, to total pounds mass according to the following formula:

   Total Pounds = Indicated Barrels x Meter Factor x Flowing Density (g/cc) x 350.5069 x DCF

   Where:

   350.5069 is a conversion factor for converting g/cc to pounds/Barrel.

2. Direct Mass: Coriolis measurement is accomplished by utilizing a Coriolis meter and a flow computer to accumulate mass pulses from the flow meter transmitter and report in pounds. Measured pounds mass is calculated according to MPMS Chapter 5.6.

B. Volumetric Measurement. Volumetric measurement may be accomplished utilizing a flow computer, a flow meter outputting volume pulses, and temperature and pressure transmitters. Where applicable, a densitometer shall be installed. In the case of purity products, Carrier reserves the right to use a fixed specific gravity at 60^{o} F and 14.696 psia in lieu of a densitometer for flow calculations. The proper API, ASTM, and GPA standards shall be used to calculate and totalize net Barrels.

Section 4.2 Provings and Tolerances

A. General

1. Meter provings, calibration of instruments, and maintenance of measurement equipment will normally be performed by Carrier personnel, but these functions may be delegated to responsible third-party contractors under the direction of an Carrier representative.

2. All provings shall be by the applicable MPMS standard.

3. For meters outputting a mass pulse:

a. The prover shall be equipped with a densitometer installed and proved in accordance with MPMS Chapter 14. However, for polymer and chemical grade propylene, MPMS Chapter 11.3.3.2 may be used to determine flowing density.

b. The Coriolis meter shall be proved as an inferred mass proving in accordance with MPMS Chapter 5.6.

4. For meters outputting a volume pulse:

a. A live flowing density signal shall be used in the proving calculations.

b. The density measurement, if present, shall be verified using standard practices as outlined in MPMS Chapters 14.

5. Unless otherwise impractical, and unless at least seventy-two (72) hours' notice is first provided to Shipper to allow a Shipper representative to be present, no work shall be performed on the measuring element of a meter without first proving the meter.

B. Proving Intervals

1. Each meter shall be proven when initially placed into service and immediately prior to and after maintenance.

2. Subsequent provings shall be made at least every thirty-one (31) Flowing Days, not to exceed forty-five (45) Flowing Days. However, if operational issues, weather, or unavailability of a prover or prover contractor prevent the proving within thirty-one (31) Flowing Days, then the proving interval may be extended to forty-five (45) Flowing Days.

3. If the consistency of the Meter Factor allows, and both Parties agree, the proving interval between provings may be extended to up to six (6) Months.

4. If a Party requests an unscheduled prove, then such Party shall pay for all costs of the unscheduled prove unless the prove determines the instrumentation is outside of the applicable tolerances. Each Party shall allow the other Party to witness all provings made to measurement facilities. Proving will be conducted Monthly or more frequently as the Parties may elect.

C. Meter Factor

1. When a meter is proved after initially being placed in service, a Base-Line Meter Factor shall be established.

2. If any maintenance is performed on a meter or a meter is replaced, a new Base-Line Meter Factor shall be established.

3. The new Meter Factor shall be used after each successful proving if it meets the proving criteria herein.

D. Ticket Corrections. If the new Meter Factor deviates from the previous Meter Factor under like operating conditions by more than plus or minus 0.0025, then 1/2 of the volume measured since the previous proving shall be corrected using the new Meter Factor. If the time of malfunction can be determined by historical data, then the volume measured since that point in time shall be corrected using the new Meter Factor. The new Meter Factor may not be used to correct volumes measured more than thirty-one (31) Flowing Days prior to the new proving, unless the Flowing Days between proves exceeds thirty-one (31) Flowing Days, in which case the correction shall be for the Flowing Days between proves. If a correction is required, then a correction ticket shall be issued for the quantity corrected.

E. Inferred Mass Combined Factor Shift: The mass measurement objective for inferred mass meters is 0.25% accuracy. In the inferred mass equation, both the Meter Factor and DCF are weighted equally. Therefore, a corrected meter ticket will only be written when the absolute value of the sum of the Meter Factor shift and DCF shift is greater than 0.0025. The following are examples:

1. Example 1: A meter exhibiting a shift in Meter Factor of 0.0024 combined with a densitometer exhibiting a DCF shift of -0.0018, would not require a meter ticket correction, as the sum of these two shifts results in a total factor shift of 0.0006.

2. Example 2: A meter exhibiting a shift in Meter Factor of -0.0024 combined with a densitometer exhibiting a DCF shift of -0.0018, would require a meter ticket correction, as the sum of these two shifts results in a total shift of 0.0042.

F. Corrective Actions

1. If, as a result of a meter proof, a new Meter Factor deviates more than 0.0025 from the previous Meter Factor but less than 0.0050 from the Base-Line Meter Factor, then Carrier’s field representative shall determine the corrective action, if any, to be taken.

2. If, as a result of a meter proof, the new Meter Factor deviates 0.0050 or more from the Base-Line Meter Factor, then the Carrier field representative shall determine the corrective action, if any, to be taken, including removal, inspection, cleaning of the internals, repairing, zero verification, and replacing. If there is build-up on the internals, then the element or meter shall be cleaned and the meter re-proved. If physical repairs are made (e.g., replacement of a turbine rotor), then the meter shall be re-proved to establish

a new Base-Line Meter Factor, provided that at least seventy-two (72) hours' notice is first provided to Shipper to allow a Shipper representative to be present.

3. For mechanical flow meters requiring a wear-in period, after a twenty-four (24) hour wear-in period, the meter shall be re-proved and if the Meter Factor changes more than plus or minus 0.0025 from the new Base-Line Meter Factor, then half (1/2) of the volume measured shall be corrected using the latest Meter Factor.

4. For Coriolis meters, if the zero changes or the meter is cleaned, repaired, or replaced, then the meter shall be re-proved to establish a new Base-Line Meter Factor. The meter shall be zero verified and, if necessary, re-proved. If the Meter Factor changes more than plus or minus 0.0025 from the new Base-Line Meter Factor, then 1/2 of the volume measured shall be corrected using the latest Meter Factor.

G. Carrier or its designee shall record all required corrections to measured volumes and shall describe the findings, method of repair, and calculations used in making the correction on the meter proving report. A correction to the ticketed amount shall be issued.

H. If Shipper's representative is not present during the proving, then Carrier shall, if requested by Shipper, within two (2) Business Days: (i) notify Shipper of the findings; (ii) provide Shipper with a meter proving report stating the findings, method of repair, and calculations used in making the correction; and (iii) provide Shipper with a correction ticket for the amount corrected.

Section 4.3 Custody Measurement Station Failure. If a failure occurs on a custody measurement station or the station is out of service while Raw Make is being delivered, then the volume shall be determined or estimated by one of the following methods in the order stated, unless the Parties otherwise agree:

A. by using data recorded by any accurately registering check measuring equipment; or

B. by correcting the error if the percentage error can be ascertained by calibrations, tests, or mathematical calculations.

Section 4.4 Sampling Procedures. For all sampling procedures and activities detailed below, at least seventy-two (72) hours' prior notice shall first be provided to Shipper to allow a Shipper representative to be present for any such procedures.

A. Flow proportional composite samples shall be removed from the composite sampler at the same time the meter is read and a custody ticket issued.

B. Samples shall be analyzed pursuant to the appropriate test method specified by the applicable Raw Make Quality Specifications.

C. Three samples shall be taken from the composite sampler. One sample shall be retained by Carrier for analysis, the second sample shall be retained by Shipper for analysis, and the third shall be held as a referee. If Carrier has taken custody, then its sample shall be analyzed and the analysis used to account for transfer. If Shipper has taken custody, then its sample shall be analyzed using the Carrier-specified test method and the analysis used to account for transfer.

D. If requested, the referee samples shall be held for a period as agreed upon by the connecting Party or a minimum of thirty (30) Days from the date of sampling.

E. If a malfunction of the sampling occurs resulting in no sample being taken or in an unrepresentative sample being obtained, then the following procedure shall be utilized in the order stated:

1. the sample collected by any on-stream, back-up sampling device that has extracted a sample in proportion to the volume delivered shall be used;

2. an average of the composite samples taken over the previous three (3) Months of properly sampled deliveries shall be used, unless the Parties otherwise agree;

3. Daily grab samples shall to be used for the time in question; or

4. such other method as the Parties may agree upon shall be used.

F. Quality Testing. Where multiple sampling methods are allowed, Carrier, in its sole discretion, will determine the preferred method.

G. Cost of Referee Sample Analysis. If, as a result of the third-party laboratory analyzing the referee sample, the Carrier analysis is used, then Shipper is responsible for the applicable third-party laboratory costs. If, as a result of the third-party laboratory analyzing the referee sample, Shipper analysis is used, then Carrier is responsible for the applicable third-party laboratory costs.

ARTICLE V
MEASUREMENT DISPUTE RESOLUTION

Section 5.1 Mass and Volume Metering. If both the Carrier metering facility and the Shipper metering facility are installed, operated, and maintained according to their respective measurement standards, both of which shall meet or exceed API standards, and the difference in measurement of mass or volume is less than or equal to 0.25%, then Carrier’s measurement of mass or volume, whichever the case may be, will be deemed correct. If the difference is more than 0.25%, then Carrier and Shipper shall resolve the dispute by working together, using the best available information.

Section 5.2 Analytical. Analytical disputes must be based upon laboratory analysis, using the Carrier-specified test method, of both the Carrier sample and the Shipper sample from the custody sampler (as described above). After analyzing their respective samples according to the Carrier-specified test method, if Shipper and Carrier are in disagreement, then they shall each send the other a copy of their respective sample results, and if the sample results differ by more than the GPA 2186/2177 reproducibility limits for one or more components, then the referee sample shall be taken to Coastal Flow Measurement, which shall analyze the sample in accordance with the Carrier-specified test method. If the third-party laboratory and Carrier analyses disagree by more than the GPA 2186/2177 reproducibility limits for one or more Components, then the third-party lab results shall be accepted by Shipper and Carrier as final and conclusive for the composition of the stream. If the third-party laboratory and Carrier analyses agree within the reproducibility limits of GPA 2186/2177, then the Carrier analysis shall be accepted by Shipper and Carrier as final and conclusive for the composition of the stream.

ARTICLE VI
WITNESSING

Section 6.1 Provings. Carrier and Shipper are each responsible for proving its respective measurement facilities. Each Party shall allow the other Party to witness all provings. For scheduled measurement facilities provings, a Party shall give the other Party at least seventy-two (72) hours' advance written notice of the date and time of the scheduled prove.

Section 6.2 Use of out-of-tolerance equipment. A Shipper's witness signature does not constitute the approval of the use of out-of-tolerance equipment, but said signature does attest to the validity of the proving report.

ARTICLE VII
DATA ACCESS

Section 7.1 Data Access. Requesting Party may access Sending Party's electronic measurement equipment to acquire certain data as further described below. Requesting Party will only have access to such electronic measurement data in a format established by Sending Party, which will not interfere with the operation of Sending Party's facilities. Requesting Party recognizes that the data acquired from any electronic equipment is "raw" data, subject to further refinement, correction, and/or interpretation. Sending Party has no obligation to provide data to Requesting Party during times of maintenance, repair, or other activities by Carrier that interrupt operations and/or due to events of Force Majeure. Sending Party has no obligation to advise Requesting Party of any such interruptions, or otherwise to verify the integrity of such data at any time. Sending Party shall make necessary connections to its electronic measurement equipment to provide Requesting Party with the following categories of data:

A. pressure;

B. temperature;

C. instantaneous flow;

D. total flow today; and

E. such other data as the Parties may agree to in writing.

Section 7.2 Data Transfer. Data transfer will occur via a serial data link between Carrier and Shipper. Shipper is responsible for the data and communications beyond this connection.

Section 7.3 SCADA. Flow and metering data gathered and sent via SCADA monitoring equipment will not be used to determine Raw Make quality and quantity for custody transfer calculations.

ARTICLE VIII
RIGHT TO CHANGE

Carrier reserves the right, from time to time, to make: (1) non-substantive changes to this Exhibit; and (2) changes to this Exhibit driven by industry practice, governmental regulations, or Carrier's reasonable operational requirements. Such changes will be made on a non-discriminatory basis to similarly situated shippers, and such changes will become effective thirty (30) Days after written notice of the changes is sent to Shipper.

SCHEDULE A

ORIGIN POINTS, DESTINATION POINTS, DEEMED VOLUME COMMITMENT AND RATES

Note: The Priority Rate shall be subject to adjustment as set forth in Section 5.2 of this Agreement.

Pipeline Segment					
Origin Point	**Destination Point** *(place an X in the column for the desired Destination Point)*			**Shipper's Deemed Volume Commitment (BPD)**	**Priority Rate ($ per Barrel)**
	[***]	**[***]**	**[***]**		

[***]

EXHIBIT F

FORM OF TRANSFEREE AGREEMENT

[ATTACHED]

CERTAIN CONFIDENTIAL INFORMATION HAS BEEN OMITTED FROM THIS AGREEMENT. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED INFORMATION, WHICH HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE OMITTED INFORMATION IS MARKED WITH "[***]".

EXHIBIT F

TRANSPORTATION SERVICES AGREEMENT

dated [ ]

ALPINE HIGH NGL PIPELINE LP

"Carrier"

and

[ ]

"Shipper"

TABLE OF CONTENTS Page

TABLE OF CONTENTS

(continued) Page

EXHIBITS

SCHEDULES

TRANSPORTATION SERVICES AGREEMENT

This Transportation Services Agreement (this "***Agreement***") is made and entered into, effective as of this [ ] day of[ ], 20[ ] (the "***Effective Date***"), by and between Alpine High NGL Pipeline, LP, a Delaware limited partnership ("***Carrier***"), and[ ], a [ ] ("***Shipper***"). Shipper and Carrier may be referred to individually as a "***Party***," or collectively as the "***Parties***."

WITNESSETH:

WHEREAS, Shipper has title to or the right to transport and/or sell Shipper Raw Make and desires for Carrier to transport Shipper Raw Make on the Pipeline System; and

WHEREAS, Carrier desires to transport Shipper Raw Make on the Pipeline System; and

WHEREAS, Carrier and Shipper have engaged in good faith, arm's length negotiations and are entering into this Agreement as independent parties.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the Parties hereby covenant and agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

Unless otherwise required by the content, the terms defined in this Article I shall have, for all purposes of this Agreement, the respective meanings set forth in this Article I:

"***Actual Shipments***" shall mean, for any period of time, the volumes of Shipper Raw Make that Shipper delivers to Carrier hereunder at the Origin Points and that are ultimately delivered by Carrier to Shipper (or Shipper's designee) hereunder at the Destination Points.

"***Additional Destination Point***" shall have the meaning given to such term in Section 3.8 of this Agreement.

"***Adjustment Date***" shall mean the first anniversary of the Effective Date and each subsequent anniversary of the Effective Date.

"***Affiliate***" shall mean any Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another Person. The term "control" (including its derivatives and similar terms) shall mean possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. A Person is deemed to be an Affiliate of another specified Person if such Person owns 50% or more of the voting securities of the specified Person, or if the specified Person owns 50% or more of the voting securities of such Person, or if 50% or more of the voting securities of the specified Person and such Person are under common control.

"***Agreement***" shall have the meaning given to such term in the preamble of this Agreement.

"***Applicable Law***" shall mean all applicable laws, statutes, directives, codes, ordinances, rules, regulations, municipal by-laws, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings or awards, consent orders, consent decrees and policies of any Governmental Authority.

"***Barrel***" or "***bbl***" shall mean forty-two (42) United States gallons of 231 cubic inches at sixty degrees Fahrenheit (60° F) and equilibrium vapor pressure.

"***BPD***" shall mean Barrels per Day.

"***Business Day***" shall mean any day that is not a Saturday, Sunday, or a day on which federally chartered banks are required or permitted to close in Houston, Texas.

"***Carrier***" shall have the meaning given to such term in the preamble of this Agreement.

"***Carrier Default***" shall have the meaning given to such term in Section 6.3 of this Agreement.

"***Carrier Default Notice***" shall have the meaning given to such term in Section 6.4 of this Agreement.

"***Carrier Standard of Performance***" shall mean Carrier's obligation hereunder (i) to exercise its rights or powers under this Agreement, in each case, in a reasonable manner and with the degree of skill and judgment normally exercised by a reasonably prudent operator consistent with industry practices in the midstream oil and gas industry and in material compliance with this Agreement, and (ii) to operate in a manner such that Shipper is not curtailed for reasons other than Force Majeure, planned or scheduled maintenance, and/or shipper default, for an aggregate period exceeding six (6) Days within any Year.

"***Central Clock Time***" or "***CCT***" shall mean Central Standard Time, as adjusted for Central Daylight Time.

"***Claims***" shall mean any and all claims, demands and causes of action of any kind and all losses, damages, liabilities, costs and expenses of whatever nature (including court costs and reasonable attorneys' fees).

"***CPPI***" shall mean, with respect to each Adjustment Date, the PPI for the Month which is four (4) Months prior to such Adjustment Date.

"***Day***" or "***Daily***" shall mean a period commencing at 7:00 a.m., CCT, on a calendar day and ending at 7:00 a.m., CCT, on the next calendar day.

"***Dedicated Area***" shall mean lands and/or properties described on Exhibit B.

"***Dedicated Raw Make***" shall have the meaning given to such term in Section 4.1 of this Agreement.

"***Dedication***" shall have the meaning given to such term in Section 4.1 of this Agreement.

"***Deemed Volume Commitment"*** shall have the meaning given to such term in the Tariff.

"***Destination Points***" shall mean the destination points listed on Schedule A (attached hereto).

"***Effective Date***" shall have the meaning given to such term in the preamble to this Agreement.

"***Evergreen Extension***" shall have the meaning given to such term in Article II of this Agreement.

"***Extended Carrier Force Majeure***" shall have the meaning given to such term in Section 4.6(b) of this Agreement.

"***Extension***" shall mean the First Extension, the Second Extension, or an Evergreen Extension, as applicable.

"***Fee Adjustment Multiplier***" shall mean, with respect to any Adjustment Date, the percentage equal to the percentage of change between (a) the PPPI applicable to such Adjustment Date and (b) the CPPI applicable to such Adjustment Date.

"***First Extension***" shall have the meaning given to such term in Article II of this Agreement.

"***Force Majeure***" shall have the meaning given to such term in Section 9.2 of this Agreement.

"***Gas***" shall mean any mixture of gaseous hydrocarbons, consisting essentially of methane and heavier hydrocarbons and inert and noncombustible gases that are extracted from the subsurface of the earth.

"***Governmental Authority***" shall mean (i) the United States of America, (ii) any state, county, parish, municipality or other governmental subdivision within the United States of America, and (iii) any court or any governmental department, commission, board, bureau, agency or other instrumentality of the United States of America or of any state, county, municipality or other governmental subdivision within the United States of America.

"***Interests***" shall mean any right, title, or interest in lands, wells or leases and the right to produce Gas therefrom whether arising from fee ownership, working interest ownership, mineral ownership, leasehold ownership, farm-out, contractual ownership or arising from any pooling, unitization or communitization of any of the foregoing rights.

"***Losses***" shall mean any actual loss, cost, expense, liability, damage, demand, suit, sanction, claim, judgment, lien, fine or penalty, including attorneys' fees, asserted by a third party not Affiliated with the Party incurring such, and which are incurred by the applicable indemnified Persons on account of injuries (including death) to any person or damage to or destruction of any property, sustained or alleged to have been sustained in connection with or arising out of the matters for which the indemnifying party has indemnified the applicable indemnified Persons.

"***Month***" shall mean a period commencing at 7:00 a.m., CCT, on the first day of a calendar month and ending at 7:00 a.m., CCT, on the first day of the next calendar month.

"***Nomination***" (including "***Nominates***" and the syntactical variants thereof) shall mean the written or electronic communication from Shipper to Carrier, pursuant to and in accordance with the terms of this Agreement, including the Tariff, requesting that Carrier transport for Shipper in a given Month a stated volume of Raw Make.

"***Origin Point***" shall mean any of the origin points listed on Schedule A (attached hereto) where Carrier accepts Raw Make for transport on the Pipeline System.

"***Parties***" shall have the meaning given to such term in the preamble of this Agreement.

"***Party***" shall have the meaning given to such term in the preamble of this Agreement.

"***Person***" shall mean any individual, firm, corporation, trust, partnership, limited liability company, association, joint venture, other business enterprise or Governmental Authority.

"***Pipeline Capacity***" shall mean the Pipeline System capacity expressed in BPD on a Pipeline Segment, as it exists from time to time.

"***Pipeline Design Capacity***" shall mean 250,000 BPD on the Pipeline System.

"***Pipeline Segment***" shall mean any portion of the Pipeline System that runs from any given Origin Point to any given Destination Point, or from one Destination Point to another Destination Point.

"***Pipeline System***" shall mean the Raw Make pipeline system to be constructed, owned and operated by Carrier that will transport Raw Make from the Origin Points to the Destination Points.

"***PPI***" shall mean the Producer Price Index by Commodity for Final Demand: Finished Goods, Seasonally Adjusted (Series Id: WPSFD49207).

"***PPPI***" shall mean, with respect to each Adjustment Date, the PPI for the Month which is sixteen (16) Months prior to such Adjustment Date.

"***Prior Dedications***" shall mean (i) as to the Interests owned by Shipper and/or its Affiliates within the Dedicated Area as of the Effective Date, all dedications or commitments for gathering or transportation services burdening such Interests as of the Effective Date and (ii) as to any Interests acquired by Shipper and/or its Affiliates within the Dedicated Area after the Effective Date, all dedications or commitments for gathering or transportation services burdening such Interests which are existing as of the time of any such acquisition.

"***Priority Rate***" shall be the rate set forth in Schedule A, as it may be adjusted in the future per the terms of this Agreement.

"***Priority Shipper***" shall have the meaning given to such term in the Tariff.

"***Proration Month***" shall have the meaning given to such term in the Tariff.

"***Raw Make***" shall mean[, until August 31, 2019, demethanized raw make mix with no minimum ethane by liquid volume percentage, and thereafter] demethanized raw make mix that contains an ethane component content equal to or greater than 10% ethane and less than or equal to 65% ethane by liquid volume percentage. For the avoidance of doubt, Raw Make shall not include condensate or other liquid hydrocarbons attributable to the Subject Gas that is not produced from processing of the Subject Gas.

"***Raw Make Quality Specifications***" shall mean the Raw Make specifications set forth in Exhibit C (attached hereto) as and made a part hereof for all purposes.

"***Release Notice***" has the meaning given to such term in Section 4.6(c) of this Agreement.

"***Release Notice Date***" has the meaning given to such term in Section 4.6(c) of this Agreement.

"***RRC***" shall mean the Railroad Commission of Texas and any lawful successor agency having jurisdiction over the intrastate transportation of Raw Make in Texas.

"***Second Extension***" shall have the meaning given to such term in Article II of this Agreement.

"***Services***" shall mean receipt and transportation on the Pipeline System of Raw Make for Shipper's account from the Origin Point(s) and delivery, on a ratable basis, to the Destination Point(s) specified in Shipper's Nomination.

"***Shipper***" shall have the meaning given to such term in the preamble of this Agreement.

"***Shipper Raw Make***" shall mean Raw Make owned or controlled by Shipper.

"***Shipper Default***" shall have the meaning given to such term in Section 6.1 of this Agreement.

"***Shipper Default Notice***" shall have the meaning given to such term in Section 6.2 of this Agreement.

"***Shipper's Priority Rate***" shall have the meaning given to such term in Section 5.1 of this Agreement.

"***Subject Gas***" shall mean Gas produced from the Dedicated Area.

"***Subject Interests***" shall mean Interests covering lands located within the Dedicated Area.

"***Tariff***" shall mean Carrier's rate, rules and regulations tariff for the Pipeline System on file and in effect with the RRC, as such tariff may be amended or supplemented by Carrier from time to time, provided that any such amendment or supplement shall not be inconsistent with this Agreement and Shipper's rights and Carrier's obligations under this Agreement, a pro forma copy of such Tariff, materially in the form expected to be filed by Carrier with the RRC, as applicable, is attached hereto as Exhibit A.

"***Taxes***" shall mean any or all current or future taxes, fees, levies, charges, assessments and/or other impositions levied, charged, imposed, assessed or collected by any Governmental Authority having jurisdiction.

"***Term***" shall have the meaning given to such term in Article II of this Agreement.

"***Third Party Shipper***" shall mean any customer on the Pipeline System other than Shipper.

"***Year***" shall mean a period of three hundred sixty-five (365) consecutive Days, except for any Year that involves a leap year, which will consist of three hundred sixty-six (366) consecutive Days.

ARTICLE II
TERM

2.1. Term. This Agreement is effective as of the Effective Date and shall continue through March 31, 2032 (the "***Term***"). The Term shall automatically extend by five (5) Years (the "***First Extension***") on March 31, 2032, unless Shipper, by the delivery of written notice to Carrier no later than March 31, 2031, makes an irrevocable election not to extend the Term by five (5) Years. The Term shall automatically extend by an additional five (5) Years (the "***Second Extension***") from March 31, 2037, unless Shipper, by the delivery of written notice to Carrier no later than March 31, 2036, makes an irrevocable election not to extend the Term by an additional five (5) Years. Following the end of the Second Extension or the end of any subsequent Evergreen Extension (as defined below), the Agreement shall continue in effect for successive extension one (1) Year terms commencing on March 31st of every Year (each such extension, an "***Evergreen Extension***"), unless Shipper provides written notice of termination to Carrier no later than July 31, 2041 in the case of the Second Extension, and July 31st of any subsequent Year subject to an Evergreen Extension, as applicable, in which case this Agreement shall terminate at the end of the Second Extension or the relevant Evergreen Extension, as applicable.

ARTICLE III
CARRIER OBLIGATIONS

3.1 Provision of Services. Subject to the terms and conditions of this Agreement, Carrier shall, commencing on the Effective Date and continuing through the remainder of the Term of this Agreement, provide Services for Shipper Raw Make in accordance with this Agreement, including the Tariff, which are incorporated herein by reference and constitutes part of this Agreement, expressly including provisions in the Tariff relating to the charges and rules and regulations applicable to Shipper as a party to this Agreement, provided that in the event of a conflict between the terms of this Agreement and the Tariff, the terms of this Agreement shall prevail.

3.2 Priority Service. Shipper qualifies as a Priority Shipper and as such, Carrier agrees to have available Pipeline Capacity to receive and transport one hundred percent (100%) of Shipper's Deemed Volume Commitment. Carrier shall enter into no other transportation arrangements with Third Party Shippers that would prevent Carrier from transporting Shipper's Deemed Volume Commitment. In the event that Carrier provides transportation services to any Third Party Shipper and Carrier receives more Nominations in a Month for transportation of Raw Make on Carrier's Pipeline System than Carrier is able to transport, then consistent with the Tariff, Carrier shall allocate

to Shipper the lesser of Shipper's Nomination for the Proration Month or its Deemed Volume Commitment.

3.3 Maintenance of Pipeline Capacity. Other than during periods of emergency and/or required maintenance, Carrier shall not take, without Shipper's prior written consent, any action to reduce the Pipeline Design Capacity, reduce the Pipeline Capacity below the Pipeline Design Capacity, or reduce Shipper's ability to deliver Raw Make to any Origin Point.

3.4 Pressure Commitments. Carrier shall operate the Pipeline System at an operating pressure sufficient to deliver to the Destination Points at the prevailing pressure, up to 1350 psig.

3.5 Measurement. Carrier, at its sole cost and expense, will measure or cause to be measured the Raw Make tendered at each Origin Point and Destination Point, in each case as provided pursuant to measurement procedures set forth in Exhibit E (attached hereto).

3.6 Standard of Performance. All Services and other obligations of Carrier under this Agreement will be performed in a manner consistent with the Carrier Standard of Performance.

ARTICLE IV
DEDICATION AND SHIPPER'S DELIVERY OBLIGATIONS

4.1. Dedication. Subject to other terms and conditions of this Agreement, during the Term (including any Extension), Shipper hereby dedicates to Carrier (and to the performance of this Agreement) and agrees to deliver, or cause to be delivered, to Carrier, at the Origin Point all (i) Raw Make recovered or extracted from all Gas produced from, or otherwise attributable to, all Subject Interests, other than Raw Make and/or Gas that is subject to a Prior Dedication as set forth in Section 4.2 below, and (ii) with respect to wells now or hereafter located within the Dedicated Area for which Shipper and/or any of its Affiliates is the operator, Raw Make recovered or extracted from Gas produced from such wells which is attributable to the Interests owned by working interest, royalty and/or overriding royalty owners (other than Shipper and Affiliates of Shipper) that is not taken "in-kind" by such owners and for which Shipper or its Affiliates has the right and/or obligation to market such Raw Make, but for only so long as such Gas and/or Raw Make is not taken "in-kind", in the case of (i) and (ii), up to Shipper's Deemed Volume Commitment (collectively, the "***Dedication***", with the Raw Make that is the subject of the Dedication being herein referred to as the "***Dedicated Raw Make***").

4.2. Prior Dedications. Except as set forth on Exhibit D, Shipper represents and warrants to Carrier that, as of the Effective Date, none of the Dedicated Area owned by Shipper or its Affiliates as of the Effective Date, and no portion of the Dedicated Raw Make attributable to such Dedicated Area, is subject to a Prior Dedication that conflicts with or infringes upon the Dedication under this Agreement. With respect to any Dedicated Raw Make that is subject to a Prior Dedication, Shipper shall have the right, subject to the additional terms and conditions of this Section 4.2 and Section 4.4, to comply with such Prior Dedication. Except as otherwise provided in this Section 4.2 or Section 4.4, unless the Term is expiring in less than eight (8) Months, Shipper shall not (and shall cause any applicable Affiliates not to), with respect to any Dedicated Raw Make that is the subject of a Prior Dedication, (i) affirmatively extend or increase any such Prior Dedication by its active election, beyond the term of such Prior Dedication or (ii) allow any such Prior Dedication to extend beyond

its primary or initial term pursuant to the operation of an "evergreen" or other similar provision. With respect to any Dedicated Raw Make that is the subject of a Prior Dedication, unless the Term is expiring within eight (8) Months of the last date of such Prior Dedication, in the event that at any time in the future Shipper or any of its Affiliates determine that it can terminate any such Prior Dedication, then Shipper shall promptly terminate, or cause its Affiliate to terminate, such Prior Dedication, and upon such termination, the Raw Make subject to such Prior Dedication shall, to the extent not already subject to the Dedication and within the Dedicated Area, automatically be subject to the Dedication for all purposes under this Agreement without any further actions by the Parties. Nothing herein shall obligate Shipper to terminate any Prior Dedication to the extent that such termination would require Shipper to file suit, bring any arbitral or mediation proceeding, or pay any termination fee or penalty; provided, however, that Shipper shall provide Carrier with reasonable notice of any option to terminate a Prior Dedication upon payment of a termination fee or penalty and Carrier may, at its sole option, require Shipper to terminate such Prior Dedication, provided that, Carrier shall reimburse Shipper for any fee or penalty (consistent with Shipper's prior notice to Carrier regarding the amount of such fee or penalty) actually incurred by Shipper in connection with such termination, as evidenced by reasonable supporting documentation.

4.3. Contemporaneous Dedications. The Dedicated Raw Make and Dedicated Area may be subject to contemporaneous dedications by Shipper or its Affiliates to downstream and/or upstream service providers, which contemporaneous dedications do not conflict with or infringe upon the Dedications hereunder.

4.4. Covenant Running with the Land. It is the mutual intention of the Parties that, so long as the Dedication is in effect, this Agreement and the Dedication shall (i) be a covenant running with the Dedicated Area now owned by Shipper, its Affiliates and their respective successors and assigns and (ii) be binding on and enforceable by Carrier and its successors and assigns against Shippers, its Affiliates and their respective successors and assigns of Shipper's Interests in the Dedicated Area. Each Party agrees to execute, acknowledge and deliver to the other Party from time to time such additional agreements and instruments as may be reasonably requested by such other Party to more fully effectuate the intention of the Parties set forth in the immediately preceding sentence. Shipper shall cause any conveyance by it of all or any of Shipper's Interests in the Dedicated Area to be made expressly subject to the terms of this Agreement, but any such conveyance by Shipper of all or any of its Interests in the Dedicated Area shall not relieve Shipper of any of its liabilities, obligations or duties hereunder, including, for the avoidance of doubt, the obligation to cause Dedicated Raw Make attributable to such conveyed Interests in the Dedicated Area to be delivered to Carrier in accordance with the terms and conditions of this Agreement. Shipper shall cause any successor or assign of such Interests in the Dedicated Area to agree that it takes such Interests in the Dedicated Area subject to the terms and conditions of this Agreement, and that it will cause any subsequent purchasers or assignees to do the same.

4.5. Releases from Dedication.

(a) If for any reason Carrier cannot receive at the Origin Point the entire volume of Dedicated Raw Make that Shipper is ready, willing and able to deliver hereunder, including without limitation as a result of prorationing or scheduled maintenance on the Pipeline System or any relevant upstream or downstream facilities, Force Majeure, operating pressure at the Destination Point

exceeding 1,350 psig, or if such Raw Make fails to meet the applicable Raw Make Quality Specifications, then that portion of such Dedicated Raw Make that Carrier cannot so receive shall be temporarily released from the Dedication during the period of time, and only to the extent, that Carrier cannot for any reason receive such Dedicated Raw Make, and Shipper shall be free to sell such temporarily released Raw Make to third parties or to transport such temporarily released Raw Make via modes of transportation other than Carrier. Notwithstanding the foregoing sentence, there shall be no such temporary release if Carrier fails or is unable to receive the entire volume of Dedicated Raw Make as a result of a breach by Shipper or failure by Shipper or Shipper's Affiliate to use good faith efforts to cause Raw Make processed at a processing plant operated by Shipper or Shipper's Affiliate to meet the applicable Raw Make Quality Specifications. Carrier shall promptly provide written notice of any event that could reasonably be expected to materially affect the Services under this Agreement, including without limitation any notices regarding scheduled maintenance, matters that affect available capacity and Carrier's ability to take the Dedicated Raw Make, and with respect to construction or development work on such facilities as the necessity for making repairs, alterations, enlargements or connections to, or performing maintenance on, machinery or facilities of production, manufacture, transportation, distribution, processing or consumption. With respect to any notices received by Carrier regarding the anticipated unavailability of capacity, facilities or Services upstream or downstream of the Pipeline System, the Parties shall coordinate in good faith in an effort to mitigate any disruptions, delays or other effects of such facility actions or events on the Services contemplated by this Agreement.

(b) If a Force Majeure event renders Carrier unable to receive Dedicated Raw Make at the Origin Point for three (3) consecutive Days or longer (an "***Extended Carrier Force Majeure***"), then (A) upon Carrier's receipt of written notice from Shipper, that portion of such Dedicated Raw Make that Carrier cannot either receive at the Origin Point because of such Extended Carrier Force Majeure shall be temporarily released from the Dedication only to the extent that Carrier is unable to so receive such Dedicated Raw Make because of such Extended Carrier Force Majeure, and (B) Shipper shall resume deliveries of Dedicated Raw Make temporarily released pursuant to the immediately preceding clause (A) no later than the first Day of the Month following thirty (30) Days after Carrier provides Shipper written notice it is capable of receiving such Dedicated Raw Make.

(c) Notwithstanding Section 4.6(a) and Section 4.6(b) above, other than in instances in which Shipper is in breach or Raw Make fails to meet the applicable Raw Make Quality Specifications, if, for any one hundred eighty (180) consecutive Days or for any cumulative one hundred eighty (180) Days in any three hundred sixty-five (365) Day period, Carrier does not receive or ceases receiving any volume of Dedicated Raw Make delivered or otherwise made available for delivery to the Origin Point by Shipper (or that would be made available at the Origin Point, but was not because of Carrier's continuing failure to receive Shipper's Dedicated Raw Make for any reason), then upon Shipper's written notice to Carrier ("***Release Notice***", and the date of delivery to Carrier, "***Release Notice Date***"), which shall be given within ninety (90) Days after the applicable one hundred eighty (180) consecutive Days or one hundred eightieth (180th) cumulative Day, Shipper shall be entitled to a permanent release from the Dedication for the average volume of Dedicated Raw Make that Carrier was not able to take at the Origin Point during the subject period, and for a percentage of the Dedicated Area proportionate to the average volume of Dedicated Raw Make that Carrier was not able to take compared to Shipper's Deemed Volume Commitment, with such permanent release to be effective on the thirtieth (30th) Day following the Release Notice Date; provided, however, if

during the thirty (30) Day period following the Release Notice Date, Carrier delivers to Shipper a written plan, to be implemented at Carrier's sole cost and expense, that Carrier reasonably and in good faith believes will enable it to receive all Dedicated Raw Make available for delivery at the Origin Point on or before the ninetieth (90th) Day following the Release Notice Date, then Shipper's right to the release shall be suspended during such ninety (90) Day period, or, if Carrier's failure to receive Dedicated Raw Make is a result of Force Majeure, Carrier shall have one hundred eighty (180) Days to complete such plan and Shipper's release right shall be suspended during such one hundred eighty (180) Day period; provided, further, that if, by the ninety-first (91st) Day or one hundred eighty-first (181st) Day (as applicable) following the Release Notice Date, Carrier for any reason does not receive all Dedicated Raw Make available for delivery at the Origin Point, then Shipper's permanent release shall be effective on such ninety-first (91st) Day or one hundred eighty-first (181st) Day (as applicable).

4.6. Processing Obligations and Reservations from Dedication. Shipper shall cause all Subject Gas to be Processed for the recovery of Raw Make subject to the Dedication so that the Raw Make recovered from such processing meets the applicable Raw Make Quality Specifications, subject, however, to the following reservations from the Dedication:

(a) Subject Gas and Raw Make may be used for the operation of Shipper's production facilities or as required to deliver Raw Make to Carrier.

(b) Subject Gas and Raw Make may be used, above ground or below, for any purpose in connection with the development and/or operation of Shipper's leases and wells.

(c) Subject Gas and Raw Make may be delivered as may be required to lessors or royalty owners under the terms of leases or other agreements or as required for Shipper's operations within the Dedicated Area or lands pooled or unitized therewith, as determined by Shipper in its sole discretion.

(d) Notwithstanding anything else in this Agreement that may be construed to the contrary, Shipper shall have no obligation to Carrier under this Agreement to develop or otherwise produce Subject Gas or other hydrocarbons from any properties owned by it or any of its Affiliates, including any properties now or hereafter located within the Dedicated Area or the lands pooled or unitized therewith. Shipper reserves the right to develop and operate its leases and wells in any manner that it desires, as determined by Shipper as it sees fit, in its sole discretion and free of any control by Carrier, including, without limitation, (i) shutting-in, cleaning out, reworking, modifying, deepening, or abandoning any such wells, (ii) using any efficient, modern, or improved method for the production of its wells, (iii) surrendering, releasing, or terminating its leases or Interests at any time, (iv) forming, dissolving, and/or participating in pooling agreements or units; or (v) using any hydrocarbons other than Raw Make or Subject Gas, including for the avoidance of doubt any condensate or liquids associated with Subject Gas, for any purpose or transporting and marketing the same.

(e)Nothing herein shall require Shipper to Process Gas from central tank batteries measuring less than 1100 Btu/cf, and no such Gas shall be deemed Subject Gas for any purposes hereunder.

Notwithstanding Shipper's obligation set forth in the first sentence of this Section 4.7, Carrier shall use commercially reasonable efforts to accept Dedicated Raw Make delivered hereunder that fails to meet the applicable Raw Make Quality Specifications and either blend and/or treat and commingle such non-conforming Raw Make such that the commingled stream of Raw Make in the Pipeline System meets the applicable Raw Make Quality Specifications, so long as such blending and/or treating can be done in an operationally safe manner without harm to any persons, facilities, other shippers, or their Raw Make. If there are costs associated with doing the foregoing, Carrier shall notify Shipper, and if Shipper agrees, Carrier shall perform such blending and/or treating and commingling contemplated by the foregoing sentence, and Shipper shall reimburse Carrier for its proportionate share (relative to other shippers, if applicable) of its reasonably incurred costs. If Shipper does not agree to bear such costs described in the preceding sentence, Carrier shall have no obligation with respect to such blending, treating and commingling, and such Shipper's non-conforming Raw Make may be entitled to be temporarily released pursuant to the terms of Section 4.6.

4.7. Delivery Commitment. Commencing on the Effective Date and continuing thereafter during the Term, Shipper agrees to tender (or cause to be tendered) at the Origin Points for Shipper set forth on Schedule A, Dedicated Raw Make to Carrier for transportation on the Pipeline System, in accordance with the nomination and tender procedures set forth in the Tariff.

4.8. Unused Capacity. Shipper agrees, to the extent Shipper does not Nominate or tender up to Shipper's Deemed Volume Commitment on a Pipeline Segment in any Month, Carrier shall be free to utilize such unused capacity on such Pipeline Segment for the provision of transportation services to other shippers in such Month, without impacting the payment obligations of Shipper, including Shipper's obligations pursuant to this Article IV or otherwise crediting or paying Shipper in any manner, provided that other shippers using such capacity shall not build history or otherwise acquire or accrue entitlements for future use of such capacity and any such use by Carrier or other shippers of unused capacity shall in no way limit or degrade Shipper's rights to capacity under this Agreement.

4.9. Linefill. Shipper shall provide [insert 10% of transferee's Deemed Volume Commitment] Barrels of Raw Make as its share of linefill. Carrier shall not be required to provide the Services hereunder until Shipper provides its portion of linefill. Raw Make provided by Shipper for linefill may be withdrawn thirty (30) Days after (i) this Agreement terminates or expires; (ii) shipments have ceased, and the Shipper has notified Carrier in writing to discontinue shipments on the Pipeline System; and (iii) Shipper's balances have been reconciled between any other shippers and Carrier. Notwithstanding the foregoing, to the extent Shipper's Deemed Volume Commitment is reduced pursuant to this Agreement, Shipper may withdraw a percentage of the Raw Make it has tendered as linefill equal to the percentage that Shipper's Deemed Volume Commitment has been reduced. Carrier reserves the right to charge a transport fee for Shipper's linefill upon withdrawal, which shall not exceed Shipper's Priority Rate.

ARTICLE V
FEES

5.1. Shipper's Priority Rate. For Actual Shipments on the Pipeline Segment selected on Schedule A each Day during a Month, Shipper shall pay to Carrier a per Barrel rate ("***Shipper's Priority Rate***") equal to the applicable base Priority Rate for such Pipeline Segment corresponding to Shipper's average Daily Actual Shipments during such Month on such Pipeline Segment, which shall be, as of the Effective Date, the applicable base Priority Rate for such Pipeline Segment set forth in Schedule A (attached hereto), and which may be increased by Carrier per Section 6.2.

5.2. Index Adjustment. On July 1st of each year during the Term, Carrier shall adjust the Priority Rate by the Fee Adjustment Multiplier in effect as of such date.

5.3. Pipeline Loss Allowance. Quantities of Raw Make tendered by Carrier to Shipper at the Destinations Points shall not be adjusted to account for shrinkage, evaporation, measurement, interface losses and other physical losses, and Shipper shall not otherwise be responsible for any such losses.

ARTICLE VI
DEFAULTS AND REMEDIES

6.1. Shipper Default. Subject to Section 9.1, the following events shall be a "***Shipper Default***": the occurrence and continuation of (i) a breach or default by Shipper of any of its payment obligations under this Agreement or the Tariff, or (ii) a material breach or default by Shipper of any of its obligations under this Agreement or the Tariff, unless such breach or default, or material breach or default, as applicable, occurs as a result of a breach or default by Carrier of its obligations under this Agreement or the Tariff. For the avoidance of doubt, Shipper's delivery of Raw Make that complies with the Raw Make Quality Specifications shall not constitute a Shipper Default notwithstanding any claim by Third Party Shippers or downstream recipients of Raw Make that the Raw Make stream tendered by Carrier fails to meet the quality specifications of the downstream recipient of Raw Make due to an ethane composition lower than the minimum ethane percentage required by such downstream recipient of Raw Make and Shipper shall bear no liability to Carrier or any third party for any Claims or Losses due to the Raw Make stream tendered by Carrier to any downstream recipient having an ethane composition percentage lower than the minimum ethane composition percentage in such downstream recipients' quality specifications.

6.2. Remedies on Shipper Default. Upon the occurrence of a Shipper Default, Carrier may provide written notice to Shipper, describing the Shipper Default in reasonable detail and requiring Shipper to cure the Shipper Default (the "***Shipper Default Notice***"). If (a) a Shipper Default comprising Shipper's failure to make any payment due hereunder has not been cured within ten (10) Business Days following receipt by Shipper of a Shipper Default Notice or (b) a Shipper Default comprising Shipper's failure to comply with any obligation under this Agreement or the Tariff, other than a payment obligation, has not been cured within thirty (30) Days after receipt by Shipper of a Shipper Default Notice, or, if such failure is not reasonably capable of being cured within a thirty (30) Day period, but Shipper expeditiously commences to cure the same following its receipt of a Shipper Default Notice and diligently proceeds with such cure, within such longer period of time as

shall be reasonably necessary to cure such failure, then in any such case, Carrier may not terminate this Agreement on account of such Shipper Default, but Carrier may, by written notice to Shipper, inform Shipper of its intention to suspend Services hereunder if such Shipper Default is not cured within a further thirty (30) Day period, and if any such Shipper Default has not been cured within such further period of thirty (30) Days, Carrier may, by written notice to Shipper, suspend Services hereunder, any such suspension to be effective upon receipt of such notice by Shipper, effective until the applicable Shipper Default is cured.

The rights and remedies under this Section 6.2 shall be in addition to all of Carrier's other rights and remedies under this Agreement or the Tariff or which Carrier may otherwise have at law, in equity or by statute or regulation, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise by Carrier of other rights or remedies, provided that Carrier may not terminate this Agreement on account of a Shipper Default.

6.3. Carrier Default. Subject to Section 9.1 hereof, the following events shall be a "***Carrier Default***": the occurrence and continuation of (i) a breach or default by Carrier of any of its payment obligations under this Agreement or the Tariff, (ii) a material breach or default by Carrier of any of its obligations under this Agreement or the Tariff, unless such breach or default, or material breach or default, as applicable, occurs as a result of a breach or default by Shipper of its obligations under this Agreement or the Tariff, or (iii) a failure by Carrier to meet the Carrier Standard of Performance.

6.4. Remedies on Carrier Default. Upon the occurrence of a Carrier Default, Shipper may provide written notice to Carrier, describing the Carrier Default in reasonable detail and requiring Carrier to cure the Carrier Default (the "***Carrier Default Notice***"). If (a) a Carrier Default comprising Carrier's failure to make any payment due hereunder has not been cured within ten (10) Business Days following receipt by Carrier of a Carrier Default Notice, or (b) a Carrier Default comprising Carrier's failure to comply with any obligation under this Agreement or the Tariff, other than a payment obligation, has not been cured within thirty (30) Days after receipt by Carrier of a Carrier Default Notice, or, if such failure is not reasonably capable of being cured within a thirty (30) Day period, but Carrier expeditiously commences to cure the same following its receipt of a Carrier Default Notice and diligently proceeds with such cure, within such longer period of time as shall be reasonably necessary to cure such failure, but such longer period of time not to exceed sixty (60) Days, then in any such case, Shipper may not terminate this Agreement on account of such Carrier Default, but Shipper may, by written notice to Carrier, inform Carrier of its intention to suspend this Agreement if such Carrier Default is not cured within a further thirty (30) Day period, and if any such Carrier Default has not been cured within such further period of thirty (30) Days, Shipper may, by written notice to Carrier, suspend this Agreement, any such suspension to be effective upon receipt of such notice by Carrier, effective until the applicable Carrier Default is cured.

The rights and remedies under this Section 6.4 shall be in addition to all of Shipper's other rights and remedies under this Agreement (including, but not limited to, the rights and remedies described in Section 4.6) or the Tariff or which Shipper may otherwise have at law, in equity or by statute or regulation, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise by Shipper of other rights or remedies, provided that Shipper may not terminate this Agreement on account of a Carrier Default.

ARTICLE VII
WARRANTY OF TITLE; ROYALTIES

7.1. Shipper's Warranty. Shipper represents and warrants to Carrier that Shipper has title to and/or the right to transport all Raw Make delivered hereunder, and that except for Prior Dedications, said Raw Make is free from all liens, Claims and encumbrances, including liens to secure payment of production taxes, severance taxes, and other taxes. Shipper agrees to indemnify and hold Carrier harmless from any and all Claims and Losses incurred in connection with, or in any manner whatsoever relating to any breach of the representations and warranties made by Shipper pursuant to this Section 7.1.

7.2. Carrier's Warranty. Carrier represents and warrants to Shipper that Carrier has the right to receive all Raw Make delivered hereunder and to deliver Shipper's Raw Make to the Destination Points, free from all liens, Claims and encumbrances, including liens to secure payment of production taxes, severance taxes, and other taxes. Carrier agrees to indemnify and hold Shipper harmless from any and all Claims and Losses incurred in connection with, or in any manner whatsoever relating to any breach of the representations and warranties made by Carrier pursuant to this Section 7.2.

7.3. Proceeds of Production. Shipper agrees to make payment of all royalties, overriding royalties, production payments, and all other payments for interest attributable to Raw Make delivered hereunder due to any Person under any leases or other documents in accordance with the terms thereof.

7.4. Title. Title to Shipper's Raw Make delivered to the Pipeline System, including all constituents thereof, shall remain with and in Shipper or its designee at all times.

ARTICLE VIII
WAIVER OF CERTAIN DAMAGES

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF THIS AGREEMENT FOR ANY CONSEQUENTIAL, MULTIPLE, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, OR LOSS OF PROFITS OR REVENUES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY BREACH HEREOF; PROVIDED, HOWEVER, THE FOREGOING SHALL NOT BE CONSTRUED AS LIMITING (I) AN OBLIGATION OF A PARTY HEREUNDER TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER PARTY AGAINST CLAIMS ASSERTED BY UNAFFILIATED THIRD PARTIES, INCLUDING, BUT NOT LIMITED TO, THIRD PARTY CLAIMS FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, OR (II) DAMAGES TO CARRIER'S PIPELINE SYSTEM OR OTHER FACILITIES CAUSED BY SHIPPER'S DELIVERY OF RAW MAKE THAT FAILS TO SATISFY THE QUALITY SPECIFICATIONS SET FORTH IN THE TARIFF; PROVIDED FURTHER, HOWEVER, THAT SHIPPER SHALL HAVE NO LIABILITY TO ANY THIRD PARTY NOR SHALL SHIPPER HAVE ANY DUTY TO INDEMNIFY CARRIER FOR CLAIMS OR LOSSES, INCLUDING PENALTIES OR OTHER CHARGES IMPOSED

BY DOWNSTREAM RECIPIENTS OF RAW MAKE, BY ANY THIRD PARTY, INCLUDING OTHER SHIPPERS OR DOWNSTREAM RECIPIENTS OF RAW MAKE TENDERED BY CARRIER, WITH RESPECT TO RAW MAKE THAT SATISFIES THE RAW MAKE QUALITY SPECIFICATIONS HEREUNDER NOTWITHSTANDING A FAILURE OF THE RAW MAKE TENDERED BY CARRIER TO SATISFY THE RAW MAKE QUALITY SPECIFICATIONS OF A DOWNSTREAM RECIPIENT OF RAW MAKE FROM CARRIER, INCLUDING WITH RESPECT TO THE MINIMUM ETHANE PERCENTAGE IN THE RAW MAKE AND CARRIER SHALL INDEMNIFY SHIPPER, AND ITS AFFILIATES, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF THIS AGREEMENT FROM ANY SUCH CLAIMS OR LOSSES. THIS ARTICLE VIII SHALL APPLY NOTWITHSTANDING THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, FAULT OR RESPONSIBILITY OF THE PARTY WHOSE LIABILITY IS WAIVED BY THIS PROVISION, OR ANY OTHER EVENT OR CONDITION, WHETHER ANTICIPATED OR UNANTICIPATED, AND REGARDLESS OF WHETHER EXISTING PRIOR TO THE DATE OF THIS AGREEMENT.

ARTICLE IX
FORCE MAJEURE

9.1. Suspension of Obligations. Subject to the limitations set forth in Section 9.4, if either Carrier or Shipper is unable to perform any obligations, due to an event of Force Majeure, as defined in Section 9.2, such failure shall not be a Carrier Default or a Shipper Default under this Agreement, insofar as such obligations are affected by such event of Force Majeure, for the duration of such event of Force Majeure, and any additional period when Carrier or Shipper remains unable to perform such obligations as a result of such event of Force Majeure.

9.2. Definition of Force Majeure. The term "***Force Majeure***" shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including, without limitation by enumeration, acts of God, acts of Governmental Authorities, compliance with rules, regulations or orders of any Governmental Authority, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of terrorism, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme cold, storms, hurricanes, floods, or other adverse weather conditions, washouts, arrests and restraint of rulers and people, civil disturbances, explosions, breakage or accident to machinery, equipment or pipelines, freezing of wells, pipelines or equipment, requisitions, directives, diversions, embargoes, priorities or expropriations of government or Governmental Authorities, legal or de facto, whether purporting to act under some constitution, decree, law or otherwise, failure of pipelines or other carriers to transport or furnish facilities for transportation, failures, disruptions, or breakdowns of machinery or of facilities for production, manufacture, transportation, distribution, processing or consumption (including, but not by way of limitation, the Pipeline System), failure of gathering or processing facilities, machinery or equipment, allocation or curtailment by third parties of upstream or downstream capacity, the necessity for making repairs, alterations, enlargements or connections to, or performing maintenance on, machinery or facilities of production, manufacture, transportation, distribution, processing or consumption (including, but not by way of limitation, the Pipeline System), inability to secure or delays in securing rights-of-way

and permits, transportation embargoes or failures or delays in transportation or poor road conditions, partial or entire failure of Raw Make supply and downstream pipeline market constraints.

9.3. Notification. When seeking to rely on the provisions of this Article IX, a Party failing to perform due to an event of Force Majeure shall:

(a) upon obtaining knowledge of the actual occurrence, or the reasonably likely future occurrence, of the event of Force Majeure giving rise to the right to rely on Section 9.1, promptly give written notice to the other Party of such event of Force Majeure and of the obligations expected to be affected thereby;

(b) commence and diligently pursue the taking of commercially reasonable steps to cause the discontinuance of, and to minimize the effect of, the event of Force Majeure; and

(c) upon the occurrence of any significant development in the process of attempting to discontinue and minimize the effect of the event of Force Majeure, notify the other Party thereof and provide documentation of such developments.

9.4. Limitations. Notwithstanding anything contained in this Article IX, lack of finances shall not be considered an event of Force Majeure. The provisions of this Article IX shall not apply so as to suspend the performance of any obligation to make payment of any amount payable under or in respect of this Agreement and shall not give rise to any extension of the Term. The suspension of any obligations shall be of no greater scope and of no longer duration than is reasonably required due to the Force Majeure event, and the affected Party shall use commercially reasonable efforts to overcome or mitigate the effects of such Force Majeure event.

ARTICLE X
ASSIGNMENT

10.1. Assignments Not Requiring Consent. Either Party may assign this Agreement to any of its Affiliates or, with respect to Shipper, a purchaser of Shipper's Interests in the Dedicated Area (subject to Section 10.3), without the consent of the other Party, in whole or in part, but any such assignment shall not relieve the assigning Party of any of its liabilities, obligations or duties hereunder, provided, however, in the case of a partial assignment of any of Shipper's rights and obligations to an Affiliate, Shipper shall have no further responsibility for the obligations so assigned (subject to Section 10.3), nor shall the assignee have any responsibility for the responsibilities of Shipper that were not so assigned. Further, in the event of a partial assignment pursuant to this Section 10.1, Shipper may, in its sole discretion, decide that portion of the Deemed Volume Commitment to be assigned, provided that the assignee has reasonable capability to tender the Deemed Volume Commitment assigned to it and this Agreement shall apply to Shipper and its assignee(s) severally.

10.2. Assignment Requiring Consent. Except as provided in Section 10.1, neither Party may assign this Agreement or a Party's respective rights and obligations in whole or part under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned.

10.3. Conveyance of Interests. Shipper shall cause any conveyance by it of all or any of Shipper's Interests in the Dedicated Area to be made expressly subject to the terms of this Agreement, but any such conveyance by Shipper of all or any of its Interests in the Dedicated Area shall not relieve Shipper of any of its liabilities, obligations or duties hereunder, including, for the avoidance of doubt, the obligation to cause Dedicated Raw Make attributable to such conveyed Interests in the Dedicated Area to be delivered to Carrier in accordance with the terms and conditions of this Agreement. Shipper shall cause any successor or assign of such Interests in the Dedicated Area to agree that it takes such Interests in the Dedicated Area subject to the terms and conditions of this Agreement, and that it will cause any subsequent purchasers or assignees to do the same.

10.4. Compliance. Any purported assignment of this Agreement that does not comply with the requirements of this Article X shall be null and void.

10.5. Successors and Assigns. Subject to the preceding subsections of this Article X, this Agreement shall extend to and inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

ARTICLE XI
TAXES

Carrier shall not be responsible for, and Shipper hereby agrees to be responsible for, pay and indemnify, defend and hold harmless Carrier for, any and all Taxes, if any, levied on (i) Shipper Raw Make tendered under this Agreement, including property Taxes on such Raw Make in the Pipeline System, (ii) the transportation of Shipper Raw Make, or (iii) the provision of Services hereunder; provided, however, that Shipper shall not be liable hereunder for (x) Taxes (including ad valorem taxes) assessed against Carrier based on Carrier's income, revenues, gross receipts, net worth or ownership of the Pipeline System, and (y) state franchise, license and similar Taxes required for the maintenance of Carrier's corporate existence. In the event Carrier is required to pay any Tax described in the first sentence of this Article XI for Shipper, Shipper shall reimburse Carrier for the same upon receipt of invoice and supporting documentation provided by Carrier. The payment, indemnity, defense and hold harmless obligations set forth in this Article XI shall survive the termination of this Agreement.

ARTICLE XII
NOTICE AND STATEMENTS

12.1. Notice. Any notice, statement, payment, Claim or other communication required or permitted hereunder shall be in writing and shall be sent by: (i) facsimile transmission; (ii) delivered by hand; (iii) sent by United States mail with all postage fully prepaid; or (iv) by courier with charges paid in accordance with the customary arrangements established by such courier. All notices and communications hereunder shall also be copied by email to the relevant Party at the address set forth below for such Party, in each of the foregoing cases addressed to the Party at the following addresses:

Carrier

NOTICES AND CORRESPONDENCE:

Alpine High NGL Pipeline LP
Attn: Commercial Operations
17802 IH-10 West, Suite 300
San Antonio, Texas 78257

Electronic Mail: CommercialOperations@apachecorp.com

PAYMENT INSTRUCTIONS:

Alpine High NGL Pipeline LP
c/o [***]
Bank: [***]
Account Name: [***]
ABA: [***]
Account Number: [***]

Shipper

NOTICES AND CORRESPONDENCE:

Such notices, statements, payments, Claims or other communications shall be deemed received as follows: (i) if delivered personally, upon delivery; (ii) if sent by United States mail, whether by express mail, registered mail, certified mail or regular mail, the day receipt is refused or is confirmed orally or in writing by the receiving Party; (iii) if sent by a courier service, upon delivery; or (iv) if sent by facsimile, upon completion of the transmission thereof, except that if such transmission is on any day other than a Business Day, or on or after 4:00 p.m., Central Clock Time, such notice shall be deemed to be received on the next Business Day.

12.2. Change of Address. Notices of change of address of either of the Parties shall be given in writing to the other Party in the manner aforesaid and shall be observed in the giving of all future notices, statements, payments, Claims or other communications required or permitted to be given hereunder.

ARTICLE XIII
MISCELLANEOUS

13.1. Entire Agreement; Amendments. This Agreement and the Exhibits and Schedules hereto constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and thereof, supersede all prior agreements and understandings with respect thereto, and may be amended, restated or supplemented only by written agreement of the Parties. Notwithstanding the foregoing, the Tariff are subject to amendment by Carrier from time to time subject to Applicable Law and subject the terms and conditions of this Agreement, provided, however, that the Tariff shall not be amended to degrade or adversely affect Shipper's rights under this Agreement or the Tariff.

13.2. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas without giving effect to the conflict of law rules thereof, PROVIDED, HOWEVER, THAT NO LAW, THEORY OR PUBLIC POLICY SHALL BE GIVEN EFFECT WHICH WOULD UNDERMINE, DIMINISH OR REDUCE THE EFFECTIVENESS OF EACH PARTY'S WAIVER OF CONSEQUENTIAL, MULTIPLE, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, OR LOSS OF PROFITS OR REVENUES, SET FORTH IN ARTICLE VIII, IT BEING THE EXPRESS INTENT, UNDERSTANDING, AND AGREEMENT OF THE PARTIES THAT SUCH WAIVERS ARE TO BE GIVEN THE FULLEST EFFECT, NOTWITHSTANDING ANY PRE-EXISTING CONDITION OR THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY PARTY HERETO, OR OTHERWISE.

13.3. Jurisdiction and Venue. The Parties hereby irrevocably consent to the exclusive jurisdiction of the state or federal courts located in Harris County, Texas and irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection which they 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 the transactions contemplated hereby in any federal or state court located in Harris County, Texas.

13.4. No Drafting Presumption. No presumption will operate in favor of or against any Party as a result of any responsibility that any Party may have had for drafting this Agreement. Shipper and Carrier acknowledge and mutually agree that this Agreement and all contents herein were jointly prepared by the Parties.

13.5. Waiver. No waiver of any term, provision or condition of this Agreement shall be effective unless in writing signed by the Parties, and no such waiver shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of the Agreement, unless specifically so stated in such written waiver.

13.6. No Third Party Beneficiaries. Except for Persons indemnified hereunder, and only to that extent, this Agreement is not for the benefit of any third party and nothing herein, expressed or implied, confers any right or remedy upon any Person not a party hereto.

13.7. No Partnership. It is not the intention of the Parties to create, nor is there created hereby, a partnership, trust, joint venture or association. The status of each Party hereunder is solely that of an independent contractor.

13.8. Survival. Notwithstanding the termination of this Agreement for any reason, (a) Article V, VI, VII, VIII, XI, XII and XIII shall survive the termination of this Agreement, and (b) each Party to this Agreement will be liable for all of its accrued obligations hereunder up to and including the date on which the termination becomes effective.

13.9. Headings. The headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and provisions hereof.

13.10. Rules of Construction. In construing this Agreement, the following principles shall be followed:

(a) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;

(b) the word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions;

(c) the plural shall be deemed to include the singular and vice versa, as applicable;

(d) all references in this Agreement to an "Article," "Section," "subsection," or "Exhibit" shall be to an Article, Section, subsection, or Exhibit of this Agreement, unless the context requires otherwise;

(e) unless the context otherwise requires, the words "this Agreement," "hereof," "hereunder," "herein," "hereby," or words of similar import shall refer to this Agreement as a whole and not to a particular Article, Section, subsection, clause or other subdivision hereof; and

(f) each Exhibit and Schedule to this Agreement is attached hereto and incorporated herein as a part of this Agreement, but if there is any conflict or inconsistency between the main body of this Agreement and any Exhibit or Schedule, the provisions of the main body of this Agreement shall prevail, including as to any conflicts with the Tariff such that as between the main body of this Agreement and the Tariff, the provisions of the main body of this Agreement shall prevail.

13.11. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, (i) the validity, legality and/or enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby and (ii) in lieu of such invalid, illegal or unenforceable provision, there shall be automatically added to this Agreement a provision as similar to such invalid, illegal or unenforceable provision as may be possible and be legal, valid and enforceable.

13.12. Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

13.13. No Inducements. No director, employee, or agent of any Party shall give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement.

13.14. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument. Neither Party shall be bound until both Parties have executed a counterpart. Facsimile or other electronic copies of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof.

13.15. Confidentiality.

(a) Standard of Care. Each Party agrees that it shall maintain all terms and conditions of this Agreement in confidence, and that it shall not cause or permit disclosure thereof without the express written consent of the other Party, which consent shall not be reasonably withheld, delayed, or conditioned. The standard of care to be employed by each Party with respect to the other Party's confidential information shall be the standard of care employed by a reasonable person in protecting confidential information.

(b) Permitted Disclosures. Notwithstanding Section 13.15(a) of this Agreement, disclosures of any terms and provisions of this Agreement otherwise prohibited may be made by a Party (i) to the extent necessary for such Party to enforce its rights hereunder against the other Party; (ii) to the extent to which a Party is required to disclose all or part of this Agreement by a statute or by the order or rule of a court, agency, or other governmental body exercising jurisdiction over the subject matter hereof, by order, by regulations, or by other compulsory process (including, but not limited to, deposition, subpoena, interrogatory, or request for production of documents); (iii) to the extent required by the applicable regulations of a securities or commodities exchange; (iv) to a third Person in connection with a proposed sale or other transfer of a Party's interest in this Agreement or to a potential investor, provided such third Person agrees in writing to be bound by confidentiality terms no less restrictive than those set forth in this Section 13.15; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to a co-working interest owner or royalty owner of Shipper Raw Make delivered hereunder, provided such co-working interest owner or royalty owner agrees in writing to be bound by the terms of this Section 13.15; (viii) to the extent any such terms or provisions become public information through no fault of any Party; or (ix) to a bank or other financial institution, and their agents and representatives, in connection with a Party arranging for funding.

(c) Notification. If a Party is or becomes aware of a fact, obligation, or circumstance that has resulted or may result in a disclosure of any of the terms and conditions of this Agreement authorized by Section 13.15(b)(ii) above, it shall so notify in writing the other Party promptly and shall provide documentation or an explanation of such disclosure as soon as it is available.

(d) Party Responsibility. Each Party shall be deemed solely responsible and liable for the actions of its directors, officers, employees, agents, representatives and Affiliates for maintaining the confidentiality commitments of this Section 13.15.

(e) Public Announcements. The Parties agree that prior to making any public announcement or statement with respect to this Agreement or the transaction represented herein, the Party desiring to make such public announcement or statement shall provide the other Party with a

copy of the proposed announcement or statement prior to the intended release date of such announcement. The other Party shall thereafter consult with the Party desiring to make the release, and the Parties shall exercise their reasonable best efforts to (i) agree upon the text of a joint public announcement or statement to be made by both such Parties or (ii) in the case of a statement to be made solely by one Party, obtain approval of the other Party to the text of a public announcement or statement, which approval shall not be unreasonably withheld, delayed or conditioned. Nothing contained in this Section 13.15 shall be construed to require any Party to obtain approval of any other Party to disclose information with respect to this Agreement or the transaction represented herein to any Governmental Authority to the extent required by Applicable Law or necessary to comply with disclosure requirements of the Securities and Exchange Commission, New York Stock Exchange, or any other regulated stock exchange.

13.16. Compliance with Laws. Both Parties shall, in carrying out the terms and provisions of this Agreement, abide by all present and future laws of any Governmental Authorities.

13.17. Arm's Length Negotiations. Each of the Parties acknowledges and agrees that this Agreement is the result of good faith, arm's length negotiations which have resulted in an agreement that is fair and equitable to Carrier and Shipper.

13.18. Audit Rights. Each Party, on not less than thirty (30) Days' prior written notice to the other Party, will have the right at all reasonable times during the Term of this Agreement, and for twenty-four (24) Months thereafter, to audit the books and records of the other Party, including the ability to make and retain copies of the same, to the extent reasonably necessary to verify performance under the terms and conditions of this Agreement, including, without limitation, the accuracy of any statement, allocation, measurement, computation, charge, or payment made under or pursuant to this Agreement, provided that the auditing Party will protect the confidentiality of the books and records made available by the other Party. Additionally, each Party shall have the right to perform site inspections and carry out field visits of the assets and related measurement equipment being audited, upon request to and in compliance with the safety and other reasonable requirements of the Party whose assets and related measurement equipment are being audited. Each Party's right to audit pursuant to this Section 13.18 may not be exercised more than twice a Year. The Parties shall agree in good faith on a mutually-acceptable time and location to commence any audit initiated hereunder, and such audit shall be performed in reasonable accommodations at the relevant offices or other work locations of the Party to be audited. To the extent that the Parties are unable to reach agreement as to an acceptable time and location to commence such audit, the Parties shall meet at Shipper's corporate offices in Houston, Texas, during normal business hours, on the third Monday that follows the notice provided by the Party who requested the audit. The Party subject to the audit shall respond to all exceptions and claims of discrepancies within one hundred eighty (180) Days of receipt thereof. Notwithstanding anything to the contrary in this Agreement, the audit rights set forth herein shall survive termination or expiration of this Agreement for a period of twenty-four (24) Months following termination or expiration.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

CARRIER:

ALPINE HIGH NGL PIPELINE LLC

By:_____

Name:_____

Title:_____

Date: _____

SHIPPER:

[ ]

By:_____

Name:_____

Title:_____

Date: _____

EXHIBIT A

TARIFF

(See Attached)

EXHIBIT B

DEDICATED AREA

The Dedicated Area shall mean

[Insert description of property assigned to transferee producer]

Section	Block	Survey	County	WI%

EXHIBIT C

RAW MAKE QUALITY SPECIFICATIONS

COMPONENT	TEST METHOD	SPECIFICATION
Total Methane (See note 5)	GPA 2186	0.5 Liq. Vol.% max.
Methane % of Ethane (See note 5)	GPA 2186	1.5 Liq. Vol.% max.
Aromatics	GPA 2186	10.0 Liq. Vol.% max. (of C5+)
Olefins	GPA 2186	1.0 Liq. Vol.% max.(See note 1)
Vapor Pressure at 100 deg. F	ASTM D2598	600 psig max.
Copper Strip Corrosion	ASTM D1838	No. 1 (See notes 2 & 3)
Volatile Sulfur	ASTM D2784 or ASTM D5623	150 ppm wt. max.
Carbon Dioxide	GPA 2186	0.35 Liq. Vol. % max. (of C2)
Hydrogen Sulfide	ASTM D2420 or ASTM D5623	Pass
Carbonyl Sulfide	ASTM D5623	15 ppm wt. max. (of C3)
Distillation End Point	ASTM D-86	375 deg. F. max. (See note 4)
Saybolt Color Number	ASTM D156 or ASTM D6045	+27 min. (See note 4)
Water Content	VISUAL	No Free Water @ 34 deg.F
Prod. Temp. (>65 mole% Ethane)	Thermometer	90 deg. F. max.
Prod. Temp. (<65 mole% Ethane)	Thermometer	110 deg. F. max.
Halides (including Fluorides)	ASTM D7359	1 ppm wt. max.(in nC4)
Methanol (see note 6)	ASTM D7423	200 ppm wt. max

ON TEST METHODS: Method numbers listed above, beginning with the letter “D”, are American Society for Testing and Materials (ASTM), Standard Test Procedures. The most recent year’s revision for the procedures will be used.

CONTAMINANTS: The specification defines only the basic purity for this product. The product is to be free of any contamination that might render the product unusable for its commonly used applications. Specific contaminants include (but are not limited to) dirt, rust, scale, and all other types of solid contaminants, caustic, amines, chlorides, heavy metals, oxygenates, inerts and any component added to the product to enhance the ability to meet the specifications.

1. Propylene limited to 5.0 Liq. Vol. % max. of contained Propane, Butylene limited to 0.35 Liq. Vol. % max. of contained Butanes, and Butadiene limited to 0.01 Liq. Vol. % max. of contained Butanes.

2. Caution – Use a corrosion cylinder rated at a minimum of 1500 psig.
3. The use of corrosion masking agents is strictly prohibited.
4. Distillation and Color to be run on that portion of the mixture having a boiling point of 70 ° F and greater at atmospheric pressure.
5. Includes Nitrogen and Oxygen.
6. This is a component specification for product received from injectors to the Alpine High Plants.

EXHIBIT D

PRIOR DEDICATIONS

EXHIBIT E

MEASUREMENT PROCEDURES

ARTICLE I
DEFINITIONS

Acronyms and capitalized terms used in this Exhibit, but not otherwise defined in the Agreement, have the following meanings:

"**API**" means the American Petroleum Institute.

"**ASTM**" means ASTM International.

"**Base-Line Meter Factor**" means the meter proving factor established after meter installation or maintenance that meets API guidelines for uncertainty and is the reference prove from which subsequent meter proves are compared.

"**Component**" has the meaning given to such term in the Tariff.

"**DCF**" means the dimensionless number obtained by dividing the density as determined by the use of the Pycnometer (or such similar device) by the density as measured by the densitometer.

"**EVP**" means the equilibrium vapor pressure.

"**Flowing Day**" means a Day during which the stream to be measured actually flows.

"**g/cc**" means grams per cubic centimeter.

"**GPA**" means GPA Midstream.

"**Inferred Mass Combined Factor Shift**" means the absolute value of the sum of the Meter Factor shift and the DCF factor shift when used in inferred mass systems.

"**Meter Factor**" means a dimensionless term obtained by dividing the gross standard volume or mass of liquid passed through the meter (as measured by a prover during proving) by the corresponding meter indicated volume at standard conditions. For subsequent metering operations, the throughput or gross measured volume or mass is determined by multiplying the indicated volume or mass registered by the meter times the Meter Factor.

"**MPMS**" means the Manual of Petroleum Measurement Standards as published by the API.

"**psig**" means pounds per square inch gauge.

"**Pycnometer**" means a double-walled, high-pressure vessel used to prove a densitometer.

"**Requesting Party**" means the Party requesting the applicable data.

"**Sending Party**" means the Party providing the applicable data.

ARTICLE II
DESIGN AND INSTALLATION

Section 2.1 General

A. Carrier's methods, standards, and measurement procedures shall at a minimum meet relevant industry standards.

B. Carrier's intent is to design, operate, and maintain its custody transfer measurement facilities in a manner to meet or exceed the criteria set out in the MPMS and to meet or exceed all pertinent governmental regulations.

C. Natural gas liquids, including non-refrigerated ethane, demethanized mix (y-grade), propane, ethane-propane mixes, propylene, butanes, isomers of butene, and natural gasoline, delivered to or received by Carrier shall be measured by either volumetric or mass measurement procedures, as determined solely by Carrier, using a flow meter described in MPMS Chapter 5.

D. The measuring facility shall be operated at a pressure greater than the EVP of the fluid at flowing conditions to ensure the stream is in a liquid state and contains no vapor, as determined by the appropriate chapter of the MPMS.

E. All equipment employed in metering and sampling, and all equipment upstream and downstream of the measurement station, which might affect quantity and quality determinations, must be approved by Carrier as to the type, materials of construction, method of installation, and maintenance. Due consideration shall be given to the operating pressure, temperature, and characteristics of the Raw Make being measured.

F. References to any API, GPA, ASTM, or similar publications encompass the latest edition, revision, or amendment thereof. From time to time, these chapters and sections are subject to change by their respective publishers, and such changes will supersede the specific references contained herein.

Section 2.2 Measurement Equipment and Systems

A. Flow Meters. Flow meters shall be installed in accordance with MPMS Chapter 5.

B. Densitometers and Density Determination.

1. Where required, densitometers, including Coriolis meters used for determining flowing density, shall be installed and calibrated in accordance with MPMS, Chapter 14. The output shall be connected directly into a flow computer capable of internally converting the densitometer's output signal to corrected flowing density in g/cc. Proving is to be by entrapping a sample of the flowing stream at system conditions in a Pycnometer. The connections

for the Pycnometer shall be installed in such manner as to ensure the same representative sample introduced to the densitometer is captured by the Pycnometer. The accuracy of the densitometer shall be verified at the time of the meter proving or when accuracy is in question. The accuracy of the densitometer must be within +/- 0.001 g/cc over the required range and repeatable to +/- 0.0005 g/cc.

2. Thermowells shall be installed to allow monitoring of the inlet and outlet temperature of the Pycnometer during calibration.

3. During a densitometer calibration, the difference between all outlet temperatures and pressures must be within +/-0.2 °F and +/- 5.0 psi of each other during the proof test.

4. For polymer grade propylene measurement, a density calculated using MPMS Chapter 11.3.3.2 may be used for density determination.

5. For chemical grade propylene measurement, a density calculated using MPMS Chapter 11.3.3.2 may be used for density determination. When this calculated density is used, the Meter Factor shall be adjusted by a factor of 0.9987[1] to account for the composition changes.

6. For High Purity Isobutylene measured by a mass meter producing a mass pulse output, and mass proved, the meter does not need a densitometer.

7. Under no circumstances will a density measurement be utilized for transaction calculations without a proving or verification of the function during the ticket period.

8. Verification and calibration data will be supplied to Shipper within ten (10) Days of the procedure.

9. The proving intervals, tolerances, repairs, and methods of correction are the same as those provided elsewhere in this Exhibit, and the average of two (2) successive Pycnometer provings will establish Raw Make flowing density, provided: (i) the two (2) successive provings agree within 0.0005, and (ii) the average of the two (2) tests is within 0.0015 of the previously accepted calibration factor.

C. Temperature Transmitters. Temperature transmitters shall be verified at the time of the meter proving using a certified thermometer or precision electronic temperature device. Temperature transmitters must exhibit a discrimination of at most 0.1° F, or better, and a variation from a certified electronic or mercury liquid-in-glass thermometer no greater than 0.5° F.

[1] Based on the work of J.E. Gallagher, Shell Pipeline Corporation, “Chemical-Grade Propylene Density Measurement,” July, 1983.

D. Pressure Transmitters. Pressure transmitters shall be verified at the time of meter proving using a reference gauge to ensure current readings exhibit pressure discrimination of not more than 1.0 psig, and the variation from a certified test gauge does not exceed 2.0 psig.

E. Flow Computers. Flow computers shall be capable of accepting pulses from the flow meter transmitter and signals from the pressure, temperature, and density transmitters. The flow computer shall convert, as required, and totalize these signals into flowing density, corrected flowing density, indicated volume, gross volume, mass, specific gravity at 60^{o} F, and net volume. The flow computer and its operation shall comply with MPMS Chapter 21. For net volume determinations (for most Components), the flow computer shall utilize the latest ASTM, API, and GPA standards for temperature and pressure corrections that are applicable to the Component being measured. The weight of water shall be as provided in the latest version of GPA 2145.

F. Composite Sampling Systems. Composite sampling is required for Raw Make transacted on a Component Barrel basis and for quality verification of any Raw Make. The composite sampling system shall be installed and operated in accordance with GPA Standard 2174. The composite sampler shall be operated to collect flow-proportional samples, based on indicated volume. These samples shall be accumulated in and removed from floating-piston cylinders with mixing capability.

ARTICLE III
ACCOUNTING

Section 3.1 Custody Transfer Tickets. Unless otherwise provided for by separate agreement, Carrier shall furnish Shipper with a batch custody transfer ticket, where batch may denote either quantity or time. Further, the batch shall be closed out at the start of Day on the first Day of the Month or such other period as Carrier, in its sole discretion, may deem appropriate. When provided, Daily custody transfer tickets are for the period of one Day. For the purposes of determining whether Raw Make meets the applicable Raw Make Quality Specifications, the composition shall be determined no more often than weekly.

Section 3.2 Volume-Basis Streams. Unless otherwise provided for by separate agreement, for streams transacted on a volume basis the ticket shall identify the Raw Make and state the net volume in Barrels of Raw Make measured, and all factors associated with its production.

Section 3.3 Mass-Basis Streams. Unless otherwise provided for by separate agreement, for streams that are transacted on a mass basis the ticket shall identify the Raw Make, state the total mass measured in pounds, show Raw Make analysis, and show total Component Barrels (if required). Where required, total pounds mass shall be converted to pounds of each Component based on its weight fraction as determined by analysis. If required, the Component pounds shall then be converted to equivalent Barrels of each Component utilizing the calculation procedure outlined in MPMS Chapter 14. The Component density in a vacuum shall be in accordance to GPA Standard

2145. If required, the ticket shall identify the Raw Make and state the total mass, Raw Make analysis, and total Component Barrels.

ARTICLE IV
MAINTENANCE AND OPERATIONS

Section 4.1 Measurement Basis

A. Mass Measurement

1. Inferred Mass: Inferred mass measurement is accomplished utilizing a flow-proportional composite sampler (if required), volumetric flow meter, densitometer, and flow computer to convert gross volumetrically measured Barrels using density in g/cc at flowing conditions, and corrected for instrument error, to total pounds mass according to the following formula:

   Total Pounds = Indicated Barrels x Meter Factor x Flowing Density (g/cc) x 350.5069 x DCF

   Where:

   350.5069 is a conversion factor for converting g/cc to pounds/Barrel.

2. Direct Mass: Coriolis measurement is accomplished by utilizing a Coriolis meter and a flow computer to accumulate mass pulses from the flow meter transmitter and report in pounds. Measured pounds mass is calculated according to MPMS Chapter 5.6.

B. Volumetric Measurement. Volumetric measurement may be accomplished utilizing a flow computer, a flow meter outputting volume pulses, and temperature and pressure transmitters. Where applicable, a densitometer shall be installed. In the case of purity products, Carrier reserves the right to use a fixed specific gravity at 60º F and 14.696 psia in lieu of a densitometer for flow calculations. The proper API, ASTM, and GPA standards shall be used to calculate and totalize net Barrels.

Section 4.2 Provings and Tolerances

A. General

1. Meter provings, calibration of instruments, and maintenance of measurement equipment will normally be performed by Carrier personnel, but these functions may be delegated to responsible third-party contractors under the direction of an Carrier representative.

2. All provings shall be by the applicable MPMS standard.

3. For meters outputting a mass pulse:

   a. The prover shall be equipped with a densitometer installed and proved in accordance with MPMS Chapter 14. However, for polymer and chemical grade propylene, MPMS Chapter 11.3.3.2 may be used to determine flowing density.

   b. The Coriolis meter shall be proved as an inferred mass proving in accordance with MPMS Chapter 5.6.

4. For meters outputting a volume pulse:

   a. A live flowing density signal shall be used in the proving calculations.

   b. The density measurement, if present, shall be verified using standard practices as outlined in MPMS Chapters 14.

5. Unless otherwise impractical, and unless at least seventy-two (72) hours' notice is first provided to Shipper to allow a Shipper representative to be present, no work shall be performed on the measuring element of a meter without first proving the meter.

B. Proving Intervals

1. Each meter shall be proven when initially placed into service and immediately prior to and after maintenance.

2. Subsequent provings shall be made at least every thirty-one (31) Flowing Days, not to exceed forty-five (45) Flowing Days. However, if operational issues, weather, or unavailability of a prover or prover contractor prevent the proving within thirty-one (31) Flowing Days, then the proving interval may be extended to forty-five (45) Flowing Days.

3. If the consistency of the Meter Factor allows, and both Parties agree, the proving interval between provings may be extended to up to six (6) Months.

4. If a Party requests an unscheduled prove, then such Party shall pay for all costs of the unscheduled prove unless the prove determines the instrumentation is outside of the applicable tolerances. Each Party shall allow the other Party to witness all provings made to measurement facilities. Proving will be conducted Monthly or more frequently as the Parties may elect.

C. Meter Factor

1. When a meter is proved after initially being placed in service, a Base-Line Meter Factor shall be established.

2. If any maintenance is performed on a meter or a meter is replaced, a new Base-Line Meter Factor shall be established.

3. The new Meter Factor shall be used after each successful proving if it meets the proving criteria herein.

D. Ticket Corrections. If the new Meter Factor deviates from the previous Meter Factor under like operating conditions by more than plus or minus 0.0025, then 1/2 of the volume measured since the previous proving shall be corrected using the new Meter Factor. If the time of malfunction can be determined by historical data, then the volume measured since that point in time shall be corrected using the new Meter Factor. The new Meter Factor may not be used to correct volumes measured more than thirty-one (31) Flowing Days prior to the new proving, unless the Flowing Days between proves exceeds thirty-one (31) Flowing Days, in which case the correction shall be for the Flowing Days between proves. If a correction is required, then a correction ticket shall be issued for the quantity corrected.

E. Inferred Mass Combined Factor Shift: The mass measurement objective for inferred mass meters is 0.25% accuracy. In the inferred mass equation, both the Meter Factor and DCF are weighted equally. Therefore, a corrected meter ticket will only be written when the absolute value of the sum of the Meter Factor shift and DCF shift is greater than 0.0025. The following are examples:

1. Example 1: A meter exhibiting a shift in Meter Factor of 0.0024 combined with a densitometer exhibiting a DCF shift of -0.0018, would not require a meter ticket correction, as the sum of these two shifts results in a total factor shift of 0.0006.

2. Example 2: A meter exhibiting a shift in Meter Factor of -0.0024 combined with a densitometer exhibiting a DCF shift of -0.0018, would require a meter ticket correction, as the sum of these two shifts results in a total shift of 0.0042.

F. Corrective Actions

1. If, as a result of a meter proof, a new Meter Factor deviates more than 0.0025 from the previous Meter Factor but less than 0.0050 from the Base-Line Meter Factor, then Carrier’s field representative shall determine the corrective action, if any, to be taken.

2. If, as a result of a meter proof, the new Meter Factor deviates 0.0050 or more from the Base-Line Meter Factor, then the Carrier field representative shall determine the corrective action, if any, to be taken, including removal, inspection, cleaning of the internals, repairing, zero verification, and replacing. If there is build-up on the internals, then the element or meter shall be cleaned and the meter re-proved. If physical repairs are made (e.g., replacement of a turbine rotor), then the meter shall be re-proved to establish

a new Base-Line Meter Factor, provided that at least seventy-two (72) hours' notice is first provided to Shipper to allow a Shipper representative to be present.

3. For mechanical flow meters requiring a wear-in period, after a twenty-four (24) hour wear-in period, the meter shall be re-proved and if the Meter Factor changes more than plus or minus 0.0025 from the new Base-Line Meter Factor, then half (1/2) of the volume measured shall be corrected using the latest Meter Factor.

4. For Coriolis meters, if the zero changes or the meter is cleaned, repaired, or replaced, then the meter shall be re-proved to establish a new Base-Line Meter Factor. The meter shall be zero verified and, if necessary, re-proved. If the Meter Factor changes more than plus or minus 0.0025 from the new Base-Line Meter Factor, then 1/2 of the volume measured shall be corrected using the latest Meter Factor.

G. Carrier or its designee shall record all required corrections to measured volumes and shall describe the findings, method of repair, and calculations used in making the correction on the meter proving report. A correction to the ticketed amount shall be issued.

H. If Shipper's representative is not present during the proving, then Carrier shall, if requested by Shipper, within two (2) Business Days: (i) notify Shipper of the findings; (ii) provide Shipper with a meter proving report stating the findings, method of repair, and calculations used in making the correction; and (iii) provide Shipper with a correction ticket for the amount corrected.

Section 4.3 Custody Measurement Station Failure. If a failure occurs on a custody measurement station or the station is out of service while Raw Make is being delivered, then the volume shall be determined or estimated by one of the following methods in the order stated, unless the Parties otherwise agree:

A. by using data recorded by any accurately registering check measuring equipment; or

B. by correcting the error if the percentage error can be ascertained by calibrations, tests, or mathematical calculations.

Section 4.4 Sampling Procedures. For all sampling procedures and activities detailed below, at least seventy-two (72) hours' prior notice shall first be provided to Shipper to allow a Shipper representative to be present for any such procedures.

A. Flow proportional composite samples shall be removed from the composite sampler at the same time the meter is read and a custody ticket issued.

B. Samples shall be analyzed pursuant to the appropriate test method specified by the applicable Raw Make Quality Specifications.

C. Three samples shall be taken from the composite sampler. One sample shall be retained by Carrier for analysis, the second sample shall be retained by Shipper for analysis, and the third shall be held as a referee. If Carrier has taken custody, then its sample shall be analyzed and the analysis used to account for transfer. If Shipper has taken custody, then its sample shall be analyzed using the Carrier-specified test method and the analysis used to account for transfer.

D. If requested, the referee samples shall be held for a period as agreed upon by the connecting Party or a minimum of thirty (30) Days from the date of sampling.

E. If a malfunction of the sampling occurs resulting in no sample being taken or in an unrepresentative sample being obtained, then the following procedure shall be utilized in the order stated:

1. the sample collected by any on-stream, back-up sampling device that has extracted a sample in proportion to the volume delivered shall be used;

2. an average of the composite samples taken over the previous three (3) Months of properly sampled deliveries shall be used, unless the Parties otherwise agree;

3. Daily grab samples shall to be used for the time in question; or

4. such other method as the Parties may agree upon shall be used.

F. Quality Testing. Where multiple sampling methods are allowed, Carrier, in its sole discretion, will determine the preferred method.

G. Cost of Referee Sample Analysis. If, as a result of the third-party laboratory analyzing the referee sample, the Carrier analysis is used, then Shipper is responsible for the applicable third-party laboratory costs. If, as a result of the third-party laboratory analyzing the referee sample, Shipper analysis is used, then Carrier is responsible for the applicable third-party laboratory costs.

ARTICLE V
MEASUREMENT DISPUTE RESOLUTION

Section 5.1 Mass and Volume Metering. If both the Carrier metering facility and the Shipper metering facility are installed, operated, and maintained according to their respective measurement standards, both of which shall meet or exceed API standards, and the difference in measurement of mass or volume is less than or equal to 0.25%, then Carrier’s measurement of mass or volume, whichever the case may be, will be deemed correct. If the difference is more than 0.25%, then

Carrier and Shipper shall resolve the dispute by working together, using the best available information.

Section 5.2 Analytical. Analytical disputes must be based upon laboratory analysis, using the Carrier-specified test method, of both the Carrier sample and the Shipper sample from the custody sampler (as described above). After analyzing their respective samples according to the Carrier-specified test method, if Shipper and Carrier are in disagreement, then they shall each send the other a copy of their respective sample results, and if the sample results differ by more than the GPA 2186/2177 reproducibility limits for one or more components, then the referee sample shall be taken to Coastal Flow Measurement, which shall analyze the sample in accordance with the Carrier-specified test method. If the third-party laboratory and Carrier analyses disagree by more than the GPA 2186/2177 reproducibility limits for one or more Components, then the third-party lab results shall be accepted by Shipper and Carrier as final and conclusive for the composition of the stream. If the third-party laboratory and Carrier analyses agree within the reproducibility limits of GPA 2186/2177, then the Carrier analysis shall be accepted by Shipper and Carrier as final and conclusive for the composition of the stream.

ARTICLE VI
WITNESSING

Section 6.1 Provings. Carrier and Shipper are each responsible for proving its respective measurement facilities. Each Party shall allow the other Party to witness all provings. For scheduled measurement facilities provings, a Party shall give the other Party at least seventy-two (72) hours' advance written notice of the date and time of the scheduled prove.

Section 6.2 Use of out-of-tolerance equipment. A Shipper's witness signature does not constitute the approval of the use of out-of-tolerance equipment, but said signature does attest to the validity of the proving report.

ARTICLE VII
DATA ACCESS

Section 7.1 Data Access. Requesting Party may access Sending Party's electronic measurement equipment to acquire certain data as further described below. Requesting Party will only have access to such electronic measurement data in a format established by Sending Party, which will not interfere with the operation of Sending Party's facilities. Requesting Party recognizes that the data acquired from any electronic equipment is "raw" data, subject to further refinement, correction, and/or interpretation. Sending Party has no obligation to provide data to Requesting Party during times of maintenance, repair, or other activities by Carrier that interrupt operations and/or due to events of Force Majeure. Sending Party has no obligation to advise Requesting Party of any such interruptions, or otherwise to verify the integrity of such data at any time. Sending Party shall make necessary connections to its electronic measurement equipment to provide Requesting Party with the following categories of data:

A. pressure;

B. temperature;

C. instantaneous flow;

D. total flow today; and

E. such other data as the Parties may agree to in writing.

Section 7.2 Data Transfer. Data transfer will occur via a serial data link between Carrier and Shipper. Shipper is responsible for the data and communications beyond this connection.

Section 7.3 SCADA. Flow and metering data gathered and sent via SCADA monitoring equipment will not be used to determine Raw Make quality and quantity for custody transfer calculations.

ARTICLE VIII
RIGHT TO CHANGE

Carrier reserves the right, from time to time, to make: (1) non-substantive changes to this Exhibit; and (2) changes to this Exhibit driven by industry practice, governmental regulations, or Carrier's reasonable operational requirements. Such changes will be made on a non-discriminatory basis to similarly situated shippers, and such changes will become effective thirty (30) Days after written notice of the changes is sent to Shipper.

SCHEDULE A

ORIGIN POINTS, DESTINATION POINTS, DEEMED VOLUME COMMITMENT AND RATES

Note: The Priority Rate shall be subject to adjustment as set forth in Section 5.2 of this Agreement.

Pipeline Segment					
Origin Point	**Destination Point** *(place an X in the column for the desired Destination Point)*			**Shipper's Deemed Volume Commitment (BPD)**	**Priority Rate ($ per Barrel)**
	[***]				
[ ]	X			[ ]	[$[***] (insert then-effective rate under Apache anchor shipper contract)]
[***]	X			[ ]	[$[***] (insert then-effective rate under Apache anchor shipper contract)]

ALTUS MIDSTREAM COMPANY

RESTRICTED
STOCK UNITS PLAN

Section 1. **Establishment, Purpose and Effective Date of the Plan.**

(a) *Establishment.* Altus Midstream Company, a Delaware corporation (hereinafter referred to, together with its Affiliates (as defined below) as the "Company" except where the context otherwise requires), hereby establishes the Altus Midstream Company Restricted Stock Units Plan (the "Plan").

(b) *Purpose*. The purpose of the Plan is to provide Eligible Persons (as defined below) designated by the Committee (as defined below) for participation in the Plan with equity-based incentives to: (i) encourage such individuals to continue in the long-term service of the Company and its Affiliates, (ii) create in such individuals a more direct interest in the future success of the operations of the Company, (iii) attract outstanding individuals, and (iv) retain and motivate such individuals. The Plan is intended to provide Eligible Persons with the opportunity to acquire cash compensation related to the stock value of the Company and more closely align the compensation of such individuals with the interests of the Company's stockholders.

(c) *Effective Date*. The Effective Date of the Plan (the "Effective Date") is _____.

Section 2. **Definitions**. The following terms shall have the meanings set forth below:

(a) *"Affiliate"* means any entity other than the Company that is affiliated with the Company through stock or equity ownership or otherwise and is designated as an Affiliate for purposes of the Plan by the Committee.

(b) *"Award"* means the grant of Restricted Stock Units or Divided Equivalents to a Participant under the Plan.

(c) *"Board"* means the Board of Directors of the Company.

(d) *"Change of Control"* shall mean a "Change of Control" of Apache Corporation and shall have the meaning assigned to such term in Apache Corporation's Income Continuance Plan; provided that, in any event in which compensation payable pursuant to this Plan would be subject to the tax under Section 409A, then "Change of Control" means an event that satisfies both (i) the requirements as stated in Apache Corporation's Income Continuance Plan, and (ii) the requirements of a "change in control event" within the meaning of Treasury Regulations § 1.409A-3(i)(5).

(e) *"Committee"* means the Compensation Committee of the Company.

(f) *"Dividend Equivalent"* means a right, granted to an Eligible Person, to receive cash equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments.

(g) *"Eligible Persons"* mean those employees of the Company or of any Affiliates, members of the Board, and members of the board of directors of any Affiliates who are designated as Eligible Persons by the Committee.

(h) *"Exchange Act"* means the Securities Exchange Act of 1934, as amended.

(i) *"Fair Market Value"* means the fair market value of a share of Stock as determined by the Committee by reasonable application of a reasonable valuation method, consistently applied, as the Committee deems appropriate; provided, however, that if the Committee has not made such determination, such fair market value shall be the per share closing price of the Stock as reported on NASDAQ; provided further, however, that if on the date Fair Market Value is to be determined there are no transactions in the Stock, Fair Market Value shall be determined as of the immediately preceding date on which there were transactions in the Stock. For purposes of the foregoing, a valuation prepared in accordance with any of the methods set forth in Treasury Regulation Section 1.409A-1(b)(5)(iv)(B)(2), consistently used, shall be rebuttably presumed to result in a reasonable valuation. This definition is intended to comply with the definition of "fair market value" contained in Treasury Regulation Section 1.409A-1(b)(5)(iv) and should be interpreted consistently therewith.

(j) *"Internal Revenue Code" or "Code"* means the Internal Revenue Code of 1986, as it may be amended from time to time, and any successor thereto. Any reference to a section of the Internal Revenue Code or Treasury Regulation shall be treated as a reference to any successor section.

(k) *"Involuntary Termination"* means the termination of employment of a Participant by the Company or its successor for any reason; provided, that the termination does not result from an act of the Participant that constitutes common law fraud, a felony, or gross malfeasance of duty.

(l) *"Participant"* means an Eligible Person designated by the Committee, from time to time during the term of the Plan, to receive one or more Awards under the Plan.

(m) *"Restricted Stock Unit"* means a right, granted to an Eligible Person under Section 5 hereof, to receive the Fair Market Value of a share of Stock in cash at the end of a specified vesting period or upon the occurrence of a specified event.

(n) *"Restricted Stock Units Agreement"* means an agreement providing for the Award of Restricted Stock Units.

(o) *"Restriction Period"* has the meaning set forth in subsection 5.2.

(p) *"Section 409A"* shall have the meaning set forth in subsection 5.2.

(q) *"Specified Employee Payment Date"* shall have the meaning set forth in subsection 17.2.

(r) *"Stock"* means the $0.0001 par value Class A common stock of the Company and or any security into which such common stock is converted or exchanged upon merger, consolidation, or any capital restructuring (within the meaning of Section 6) of the Company.

(s) "*Voluntary Termination with Cause*" occurs upon a Participant's separation from service of his own volition and one or more of the following conditions occurs without the Participant's consent:

(i) There is a material diminution in the Participant's base compensation, compared to his/her rate of base compensation on the date of the Change of Control.

(ii) There is a material diminution in the Participant's authority, duties, or responsibilities.

(iii) There is a material change in the geographic location at which the Participant must perform his/her service, including, for example the assignment of the Participant to a regular workplace that is more than 50 miles from his regular workplace on the date of the Change of Control.

The Participant must notify the Company of the existence of one or more adverse conditions specified in clauses (i) through (iii) above within 90 days of the initial existence of the adverse condition. The notice must be provided in writing to Altus Midstream Company's Senior Vice President, Human Resources or his/her delegate. The notice may be provided by personal delivery or it may be sent by email, inter-office mail, regular mail (whether or not certified), fax, or any similar method. The Altus Midstream Company's Senior Vice President, Human Resources or his/her delegate shall acknowledge receipt of the notice within 5 business days; the acknowledgement shall be sent to the Participant by certified mail. Notwithstanding the foregoing provisions of this definition, if the Company remedies the adverse condition within 30 days of being notified of the adverse condition, no Voluntary Termination with Cause shall occur.

(t) *Headings; Gender and Number.* The headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

Section 3. **Administration of the Plan**.

3.1 *Administration by the Committee*. The Plan shall be administered by the Committee. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, adopt rules and regulations for carrying out the purposes of the Plan, including, without limitation, the authority to:

(a) Grant Awards;

(b) Select the Eligible Persons and the time or times at which Awards shall be granted;

(c) Determine the type of Awards and number of Awards to be granted, the number of shares of Stock to which an Award may relate and the terms, conditions, and restrictions relating to any Award;

(d) Determine whether, to what extent, and under what circumstances an Award may be settled, canceled, forfeited, exchanged, or surrendered;

(e) Construe and interpret the Plan and any Award;

(f) Prescribe, amend, and rescind rules and procedures relating to the Plan;

(g) Determine the terms and provisions of Award agreements;

(h) Appoint designees or agents (who need not be members of the Committee or employees of the Company) to assist the Committee with the administration of the Plan;

(i) Communicate the material terms of each Award to its recipient within a relatively short period of time after approval; and

(j) Make all other determinations deemed necessary or advisable for the administration of the Plan.

3.2 *Committee Discretion*. The Committee shall, in its absolute discretion, and without amendment to the Plan, have the power to waive or modify, at any time, any term or condition of an Award that is not mandatory under this Plan.

3.3 *Indemnification*. No member of the Committee shall be liable for any action, omission, or determination made in good faith. The Company shall indemnify (to the extent permitted under Delaware law) and hold harmless each member of the Committee and each other director or employee of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been delegated against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Committee) arising out of any action, omission, or determination relating to the Plan, unless, in either case, such action, omission, or determination was taken or made

by such member, director, or employee in bad faith and without reasonable belief that it was in the best interests of the Company. The determination, interpretations, and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

3.4 *Committee Delegation*. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Committee may appoint an administrative agent, who need not be a member of the Committee or an employee of the Company, to assist the Committee in administration of the Plan and to whom it may delegate such powers as the Committee deems appropriate, except that the Committee shall determine any dispute. The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan, or in any Award agreement entered into hereunder, in the manner and to the extent it shall deem expedient, and it shall be the sole and final judge of such inconsistency.

Section 4. **Participation.**

4.1 *Participant.* Participants in the Plan shall be those Eligible Persons who, in the judgment of the Committee, are performing, or during the term of their incentive arrangement will perform, vital services in the management, operation, and development of the Company or an Affiliate, and significantly contribute, or are expected to significantly contribute, to the achievement of the Company's long-term corporate economic objectives. Participants may be granted from time to time one or more Awards; provided, however, that the grant of each such Award shall be separately approved by the Committee, and receipt of one such Award shall not result in automatic receipt of any other Award. Upon determination that an Award is to be granted to a Participant, as soon as practicable, written notice shall be given to such person, specifying the terms, conditions, rights, and duties related thereto. Each Participant shall, if required by the Committee, enter into an agreement with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying such terms, conditions, rights, and duties. Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement with the Participant. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

Awards granted to members of the Board shall be recommended to the full Board by the Committee and approved by the full Board. In the event the Committee does not consist of at least two "non-employee directors" (as defined in Rule 16b-3 under the Exchange Act), Awards granted to Participants, other than members of the Board, who are subject to the reporting requirements of Section 16 of the Exchange Act shall be recommended to the full Board by the Committee and approved by the full Board.

4.2 *Notification to Participants and Delivery of Documents.* As soon as practicable after such determinations have been made, each Participant shall be notified of (a) his/her designation as a Participant, (b) the date of grant, (c) the number and type of

Awards granted to the Participant, and (d) any other material terms or conditions imposed by the Committee with respect to the Award.

4.3 *Delivery of Award Agreement*. This requirement for delivery of a written Award agreement is satisfied by electronic delivery of such agreement provided that evidence of the Participant's receipt of such electronic delivery is available to the Company and such delivery is not prohibited by applicable laws and regulations.

Section 5. **Restricted Stock Units.**

5.1 *Restricted Stock Unit Award Limits*. In each calendar year, the aggregate number of Restricted Stock Units which may be awarded to a Participant shall not exceed a number of Restricted Stock Units for which the aggregate Fair Market Value of the underlying shares of Stock related to such Restricted Stock Units on the date of the Award is $300,000.00.

5.2 *Restriction Period*. At the time an Award of Restricted Stock Units is made, the Committee shall establish the terms and conditions applicable to such Award, including the period of time (the "*Restriction Period*") during which certain restrictions established by the Committee shall apply to the Award. Each such Award, and designated portions of the same Award, may have a different Restriction Period. Restricted Stock Units may or may not be subject to Section 409A of the Internal Revenue Code ("*Section 409A*"). If they are subject to Section 409A, the grant of Restricted Stock Units must contain the provisions needed to comply with the requirements of Section 409A, including but not limited to (i) the timing of any election to defer receipt of the cash in an amount equal to the Fair Market Value of a specified number of shares of Stock covered by the Restricted Stock Units beyond the date of vesting, (ii) the timing of any payout election, and (iii) the timing of the settlement of a Restricted Stock Unit. Restricted Stock Units that are subject to Section 409A may be adjusted to reflect any Dividend Equivalent paid on the Stock covered by a Restricted Stock Unit between the date of grant and the date the Restricted Stock Unit vests, but only to the extent permitted in IRS guidance of general applicability.

5.3 *Restricted Stock Units.* The Committee is authorized to grant Restricted Stock Units to Participants, which are rights to receive cash in an amount equal to the Fair Market Value of specified number of shares of Stock covered by the Restricted Stock Units at the end of a specified deferral period. Settlement of an Award of Restricted Stock Units shall occur as specified for such Restricted Stock Units by the Committee in the related Restricted Stock Units Agreement. In addition, Restricted Stock Units shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the vesting or deferral period, as the case may be, or at earlier specified times, separately or in combination, in installments or otherwise, as the Committee may determine. Restricted Stock Units shall be satisfied by the delivery of cash in the amount equal to the Fair Market Value of the specified number of shares of Stock covered by the Restricted Stock Units.

5.4 *Deferral of Receipt of Restricted Stock Units.* With the consent of the Committee, a Participant who has been granted a Restricted Stock Unit may, by compliance

with the then applicable procedures under the Plan, irrevocably elect in writing to defer receipt of all or any part of any distribution associated with that Restricted Stock Unit Award in accordance with either the terms and conditions specified under the Restricted Stock Units Agreement and related documents. The terms and conditions of any such deferral, including, but not limited to, the period of time for, and form of, election; the manner of payout; and the use of Dividend Equivalents with respect to any Restricted Stock Units shall be as determined by the Committee. The Committee may, at any time and from time to time, but prospectively only except as hereinafter provided, amend, modify, change, suspend, or cancel any and all of the rights, procedures, mechanics, and timing parameters relating to such deferrals. In addition, the Committee may, in its sole discretion, accelerate the payout of such deferrals (and any earnings thereon), or any portion thereof, either in a lump sum or in a series of payments, but only to the extent that the payment or the change in timing of the payment will not cause a violation of Section 409A.

Section 6. **Reorganization of the Company and Adjustment in Number of Units.**

6.1 *Adjustments for Stock Split, Stock Dividend, Etc.* If the Company shall at any time increase or decrease the number of its outstanding shares of Stock or change in any way the rights and privileges of such shares by means of the payment of a Stock dividend or any other distribution upon such shares payable in Stock or rights to acquire Stock, or through a Stock split, reverse Stock split, subdivision, consolidation, combination, reclassification, or recapitalization involving the Stock (any of the foregoing being herein called a "capital restructuring"), then in relation to the Stock that is affected by one or more of the above events, the Committee, in its sole discretion, may equitably and proportionally adjust the number of Restricted Stock Units, previously awarded to each Participant and the maximum number of Restricted Stock Units which may be awarded under the Plan to appropriately reflect the occurrence of each event. Adjustments, if any, made by the Committee under this subsection 6.1 shall be final and binding on all Participants, provided that no adjustment shall cause any award of Restricted Stock Units to be subject to Section 409A.

6.2 *Other Changes in Stock.* In the event there shall be any change, other than as specified in subsection 6.1 hereof, in the number or kind of outstanding shares of Stock or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged, and if the Committee shall in its discretion determine that such change equitably requires an adjustment in the number or kind of shares subject to outstanding Awards or which have been reserved for issuance pursuant to the Plan but are not then subject to an Award, then such adjustments shall be made by the Committee and shall be effective for all purposes of the Plan and on each outstanding Award that involves the particular type of stock for which a change was effected.

6.3 *Reorganization or Liquidation*. In the event that the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or if all or substantially all of the assets or more than 20 percent of the outstanding voting stock of the Company is acquired by any other corporation, business entity, or person, or in case of a reorganization (other than a reorganization under the United States Bankruptcy Code)

or liquidation of the Company, then the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall, as to the Plan and outstanding Awards make appropriate provision for the adoption and continuation of the Plan by the acquiring or successor corporation and for the protection of any holders of such outstanding Awards by the substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated, or otherwise reorganized corporation which will be issuable with respect to the Stock.

6.4 *Determination by the Committee, Etc*. Adjustments under this Section 6 shall be made by the Committee, whose determinations with regard thereto shall be final and binding upon all parties.

Section 7. **Vesting and Forfeitures.**

7.1 *Change of Control*. In the event of occurrence of a Change of Control and unless otherwise provided in an applicable Restricted Stock Unit Agreement, without further action by the Committee or the Board, all unvested Restricted Stock Units shall fully vest upon the Participant's Involuntary Termination or Voluntary Termination with Cause occurring on or after a Change of Control.

7.2 *Termination of Employment*. Except as provided herein, the treatment of an Award upon a termination of employment or any other service relationship by and between a Participant and the Company or an Affiliate shall be specified in the agreement controlling such Award.

7.3 *Termination for Cause*. If the employment of the Participant by the Company is terminated for cause, as determined by the Committee, all Awards to such Participant shall thereafter be void for all purposes. As used in subsection 7.3 hereof, "cause" shall mean an act of the Participant that constitutes common law fraud, a felony, or gross malfeasance of duty. The effect of this subsection 7.3 shall be limited to determining the consequences of a termination and that nothing in this subsection 7.3 shall restrict or otherwise interfere with the Company's discretion with respect to the termination of any employee.

Section 8. **Prohibition Against Assignment or Encumbrance.** Except as set forth in Section 11 and as otherwise provided in a Restricted Stock Units Agreement, no right, title, interest or benefit under a Restricted Stock Units Agreement shall ever be transferable or liable for or charged with any of the torts or obligations of a Participant or any person claiming under a Participant, or be subject to seizure by any creditor of a Participant or any person claiming under a Participant. No Participant or any person claiming under a Participant shall have the power to anticipate or dispose of any right, title, interest or benefit under a Restricted Stock Units Agreement in any manner until the benefit shall have been actually distributed free and clear of the terms of the Plan.

Section 9. **Nature of the Plan.** The Plan and any Restricted Stock Units Agreement shall constitute an unfunded, unsecured obligation of the Company to make payments in accordance with the provisions of the Plan and any Restricted Stock Units

Agreement. Neither the establishment of the Plan, the awarding and vesting of Restricted Stock Units nor the determination of any amounts to be paid under the Plan or any Restricted Stock Units Agreement shall be deemed to create a trust. No Participant shall have any security or other interest in any assets of the Company, in Stock, or otherwise.

Section 10. **Employment Relationship.** For all purposes of the Plan, a Participant shall be considered to be in the employment of the Company or its Affiliates as long as he or she remains employed on a full-time basis by the Company or its Affiliates. Nothing in the adoption of the Plan or the awarding of Restricted Stock Units shall confer on any Participant the right to continued employment by the Company or its Affiliates or affect in any way the right of the Company or its Affiliates to terminate such employment at any time. Any question as to whether and when there has been a termination of a Participant's employment and the cause of such termination shall be determined by the Committee, and its determination shall be final.

Section 11. **Beneficiary Designation.** Each Participant under the Plan may name, from time to time, any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in the case of the death or disability of the Participant before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during his or her lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to his or her estate.

Section 12. **Amendment and Termination of the Plan.** The Board in its sole discretion may terminate the Plan at any time with respect to any Restricted Stock Units which have not theretofore been awarded to Participants. Notwithstanding the foregoing and except as set forth in the last sentence below, the Plan shall terminate upon the tenth (10^{th}) anniversary of the Effective Date, and no Restricted Stock Units may be awarded under the Plan after such date. Notwithstanding any other provision of the Plan, the Committee shall approve any and all Restricted Stock Units Agreements, any and all alterations or amendments to the Plan and any Restricted Stock Units Agreement, who is to execute a Restricted Stock Units Agreement on behalf of the Company, interpret the Plan and any Restricted Stock Units Agreement and prescribe and rescind rules with respect to the administration of the Plan and any Restricted Stock Units Agreement. The Board shall have the right to alter or amend the Plan or any part thereof from time to time, except that no alteration or amendment shall impair the rights of a Participant with respect to Restricted Stock Units theretofore awarded to that Participant without that Participant's consent. The Plan shall remain in effect until the earlier to occur of (i) the tenth (10^{th}) anniversary of the Effective Date or (ii) all Restricted Stock Units awarded under the Plan have been settled or expired.

Section 13. **Tax Withholding.** The Company is authorized to withhold from any payment related to a Restricted Stock Unit under this Plan, amounts of withholding and other taxes or social security payments due or potentially payable in connection with any transaction involving a Restricted Stock Unit, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of

withholding taxes and other taxes or social security obligations relating to any Restricted Stock Unit. This authority shall include authority to withhold cash payments under a Restricted Stock Units Agreement in satisfaction of a Participant's tax obligations.

Section 14. **Requirements of Law.** The awarding of Restricted Stock Units shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 15. **Governing Law.** The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Texas.

Section 16. **Unfunded Plan.** The Plan shall not be a "funded plan" within the meaning of the Employee Retirement Income Security Act of 1974, as amended. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to assure the payment of any amount hereunder.

Section 17. **Code Section 409A.**

17.1 *General Compliance*. This Plan and any related Restricted Stock Units Agreements are intended to comply with Section 409A, or an exemption thereunder and shall be construed and administered in accordance with Section 409A or such exemption. Notwithstanding any other provision of this Plan and any related Restricted Stock Units Agreement, payments provided under this Plan and any related Restricted Stock Units Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Plan and any related Restricted Stock Units Agreement that may be excluded from Section 409A, either as separation pay due to an involuntary separation from service or as a short-term deferral, shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Plan and any related Restricted Stock Units Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Plan and any related Restricted Stock Units Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by a Participant on account of non-compliance with Section 409A.

17.2 *Specified Employees*. Notwithstanding any other provision of this Plan and any related Restricted Stock Units Agreement, if any payment or benefit provided to a Participant in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Participant is determined to be a "specified employee" as defined under Section 409A, then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the date of the Participant's separation from service or, if earlier, on the Participant's death (the "*Specified Employee Payment Date*"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date

shall be paid to the Participant in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

Section 18. **Other Employee Benefits.** The amount of any income deemed to be received by a Participant as a result of the payment under an Award shall not constitute "earnings" or "compensation" with respect to which any other employee benefits of such Participant are determined, including without limitation benefits under any pension, profit sharing, life insurance, or salary continuation plan.

APPROVED by the Board of Directors of ALTUS MIDSTREAM COMPANY on this 17th day of December, 2018.

ALTUS MIDSTREAM COMPANY

/s/ Dominic J. Ricotta

Print Name: Dominic J. Ricotta
Print Title: Senior Vice President, Human Resources

ALTUS MIDSTREAM COMPANY
Non-Employee Directors' Restricted Stock Units Plan
Restricted Stock Unit Award Agreement

This Agreement is made as of the [date], between Altus Midstream Company, a Delaware corporation (the "Company"), and [Name] (the "Director").

1. Grant of Restricted Stock Units. Pursuant to the Restricted Stock Units Plan (the "Plan"), the Company hereby grants to the Director, as of the date of this Agreement, a Restricted Stock Unit award (an "RSU Award") of Restricted Stock Units ("RSUs") the number of which is calculated by dividing $[_____] by the Fair Market Value (as defined in the Plan) of a share of Stock (as defined below) on the grant date. Each RSU is equivalent in value to one share of the Company's Class A common stock, par value $0.0001 per share (the "Stock"). The number of RSUs may be adjusted pursuant to the terms of the Plan, including, but not limited to the terms set forth in Sections 6.1 through 6.4 of the Plan.

2. Director Bound by Plan. Attached is a copy of the Plan which is incorporated herein by reference and made a part hereof. The Director acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

3. Restrictions. The RSU Award is subject to the following restrictions:

   (a) One hundred percent (100%) of this RSU Award shall vest on the third anniversary of the grant date, whether the Director remains a member of the Board on such date or not.

4. Privileges of a Stockholder and Payment. The Director shall have no voting, dividend, liquidation, and other rights of a stockholder of the Company with respect to any RSU. The RSU Award entitles the Director to receive an amount of cash equal to the Fair Market Value of the number of shares of Stock underlying the RSUs and comprising the RSU Award. Upon vesting, the applicable amount of cash, subject to required tax withholding, shall be paid by the Company to the Director within thirty (30) days of the vesting date set forth in Section 3(a) above. There are three situations that could change this payout schedule. First, if there is a Change of Control, the Director will receive a full payout within thirty (30) days following a Change of Control. Second, if the Director dies, his beneficiary or beneficiaries will be paid out four months after the Director's death (in order to give each beneficiary the opportunity to disclaim). Third, if the Director gets a divorce, some or all of the Director's RSU Award may be paid out to his or her former spouse, if the former spouse obtains an appropriate court order.

6. Amendment, Modification, and Termination. The Board or the Committee may at any time terminate, and from time to time may amend or modify this Agreement; provided however, if stockholder approval is required to enable the Plan or this Agreement to satisfy any applicable statutory or regulatory requirements, or if the Company, on the advice of counsel, determines that stockholder approval is otherwise necessary or desirable, then no amendment or modification may become effective without approval of the amendment or modification by the stockholders of the Company. No amendment, modification, or termination of the Plan shall in any manner materially adversely affect the RSUs granted pursuant to this Agreement without the consent of the Director.

7. Administration. Any action taken or decision made by the Company, the Board, or the Committee or its delegates arising out of or in connection with the construction, interpretation, or effect of the Plan or this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive, and binding on the Director and all persons claiming under or through the Director. By accepting this RSU Award, the Director and all persons claiming under or through the Director shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board, or the Committee or its delegates.

8. Investment Representation. The Director hereby acknowledges that the RSUs issued pursuant to this RSU Award shall be acquired for investment without a view to distribution, within the meaning of the Securities Act of 1933, as amended, and shall not be sold, transferred, assigned, pledged, or hypothecated.

9. No Right to Continue as Director. Nothing contained in the Plan or in this Agreement shall interfere with or limit in any way the right of the stockholders of the Company to remove the Director from the Board pursuant to the bylaws or the certificate of incorporation of the Company, nor confers upon the Director any right to continue in the service of the Company.

10. Notices. Any notice hereunder to the Company shall be addressed to: Altus Midstream Company, One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400, Attention: Corporate Secretary. Any notice to the Director shall be addressed to the Director at the Director's last address on the records of the Company, subject to the right of either party to designate at any time hereafter in writing some other address. Any notice shall be deemed to have been duly given when delivered personally or enclosed in a properly sealed envelope, addressed as set forth above, and deposited (with first class postage prepaid) with the United States Postal Service.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under or through the Director.

12. Governing Law. The validity, construction, interpretation, administration, and effect of the Plan and this Agreement, and of its rules and regulations, and rights relating to the Plan and to this Agreement, shall be governed by the Internal Revenue Code or by the substantive laws, but not the choice of law rules, of the State of Texas.

IN WITNESS WHEREOF, the Company and the Director have executed this Agreement as of the date first set forth above.

ALTUS MIDSTREAM COMPANY

By: _____
Dominic J. Ricotta
Senior Vice President, Human Resources

DIRECTOR

_____
[Director Name

Altus Midstream Company (a Delaware corporation) **Exhibit 21.1**
Listing of Subsidiaries as of December 31, 2018

Exact Name of Subsidiary and Name under which Subsidiary does Business	**Jurisdiction of Incorporation or Organization**
Altus Midstream GP LLC	Delaware
Altus Midstream LP	Delaware
Alpine High Subsidiary GP LLC	Delaware
Alpine High Gathering LP	Delaware
Alpine High Processing LP	Delaware
Alpine High NGL Pipeline LP	Delaware
Alpine High Pipeline LP	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-228467) of Altus Midstream Company and in the related Prospectus of our report dated February 28, 2019, with respect to the consolidated financial statements of Altus Midstream Company, included in this Annual Report (Form 10-K) for the year ended December 31, 2018.

/s/ Ernst & Young LLP

Houston, Texas
February 28, 2019

EXHIBIT 31.1

CERTIFICATIONS

I, Clay Bretches, certify that:

1. I have reviewed this annual report on Form 10-K of Altus Midstream Company;

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 the 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.

/s/ Clay Bretches

Clay Bretches

Chief Executive Officer and President (Principal Executive Officer)

Date: February 28, 2019

EXHIBIT 31.2

CERTIFICATIONS

I, Ben C. Rodgers, certify that:

1. I have reviewed this annual report on Form 10-K of Altus Midstream Company;

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 the 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.

/s/ Ben C. Rodgers

Ben C. Rodgers

Chief Financial Officer and Treasurer
(principal financial officer)

Date: February 28, 2019

EXHIBIT 32.1

ALTUS MIDSTREAM COMPANY

Certification of Principal Executive Officer and Principal Financial Officer

I, Clay Bretches, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the annual report on Form 10-K of Altus Midstream Company for the period ending December 31, 2018, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m or §78o (d)) and that information contained in such report fairly represents, in all material respects, the financial condition and results of operations of Altus Midstream Company.

/s/ Clay Bretches

By:	Clay Bretches
Title:	Chief Executive Officer and President (Principal Executive Officer)

Date: February 28, 2019

EXHIBIT 32.2

ALTUS MIDSTREAM COMPANY

Certification of Principal Executive Officer and Principal Financial Officer

I, Ben C. Rodgers, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the annual report on Form 10-K of Altus Midstream Company for the period ending December 31, 2018, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m or §78o (d)) and that information contained in such report fairly represents, in all material respects, the financial condition and results of operations of Altus Midstream Company.

/s/ Ben C. Rodgers

By:	Ben C. Rodgers
Title:	Chief Financial Officer and Treasurer
	(Principal Financial Officer)

Date: February 28, 2019