

American Midstream Partners, LP
Form PREM14C
April 24, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14C
SCHEDULE 14C INFORMATION
Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934

Check the appropriate box:

Preliminary Information Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

Definitive Information Statement

AMERICAN MIDSTREAM PARTNERS, LP

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

- 1) Title of each class of securities to which transaction applies:

Common Units representing limited partner interests (Common Units)

- 2) Aggregate number of securities to which transaction applies:

39,002,819 Common Units

- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\$5.25 per Common Unit

- 4) Proposed maximum aggregate value of transaction:

\$204,764,799.75

- 5) Total fee paid:

\$24,817.49 determined in accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, by multiplying 0.0001212 by the proposed maximum aggregate value of the transaction of \$204,764,799.75

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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PRELIMINARY COPY SUBJECT TO COMPLETION

Dated _____, 2019

American Midstream Partners, LP

2103 CityWest Blvd.

Building #4, Suite 800

Houston, Texas 77042

NOTICE OF ACTION BY WRITTEN CONSENT

AND INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY AND

YOU ARE REQUESTED NOT TO SEND US A PROXY

Dear Unitholders of American Midstream Partners, LP:

We are sending this notice of action by written consent and the accompanying information statement to holders of common units representing limited partner interests (the **Common Units**) in American Midstream Partners, LP, a Delaware limited partnership (the **Partnership** or **we**). As previously announced, on March 17, 2019, we entered into an Agreement and Plan of Merger (the **Merger Agreement**) with Anchor Midstream Acquisition, LLC, a Delaware limited liability company (**Parent**), Anchor Midstream Merger Sub, LLC, a Delaware limited liability company (**Merger Sub**), High Point Infrastructure Partners, LLC, a Delaware limited liability company (**HPIP**), and American Midstream GP, LLC, a Delaware limited liability company and the general partner of the Partnership (**Partnership GP**), providing for, among other things, the merger of Merger Sub with and into the Partnership (the **Merger**). In the Merger, the separate existence of Merger Sub will cease and the Partnership will survive and continue to exist as a Delaware limited partnership and direct subsidiary of Parent and Partnership GP, each of which is an indirect subsidiary of ArcLight Energy Partners Fund V, L.P. If the Merger is completed, each Common Unit outstanding immediately prior to the effective time of the Merger, other than Common Units held by Parent or any Common Unit designated by Parent as a **Sponsor Unit** with the written consent of the holder of such Common Unit, will be converted into the right to receive \$5.25 in cash (the **Merger Consideration**), to be paid without interest and reduced by any applicable tax withholding. A copy of the Merger Agreement is attached to the accompanying information statement as Annex A.

The conflicts committee (the **Conflicts Committee**) of the board of directors of Partnership GP (the **GP Board**), consisting of three independent directors, has unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are in the best interests of the Partnership and holders of Common Units other than Partnership GP, Parent, Merger Sub, HPIP and their respective affiliates (the **Unaffiliated**

Unitholders), (ii) granted Special Approval as such term is defined in the Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (as amended, the Partnership Agreement) of the Merger Agreement and the transactions contemplated thereby, including the Merger, and (iii) recommended that the GP Board adopt and approve the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger. In determining whether to make its recommendation, the Conflicts Committee considered, among other things, the opinion of Evercore Group, L.L.C. (Evercore), the financial advisor to the Conflicts Committee, to the effect that, as of the date of its opinion, and based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations of the review undertaken in rendering its opinion as set forth therein, the Merger Consideration is fair, from a financial point of view, to the Unaffiliated Unitholders. A copy of the written opinion of Evercore is attached to the accompanying information statement as Annex B.

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The GP Board, acting in part based upon the recommendation of the Conflicts Committee (and after receiving the approval of Partnership GP's Class A members), has unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are in the best interests of the Partnership and Partnership GP, (ii) approved the Merger Agreement, the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, (iii) directed that the Merger Agreement and the transactions contemplated thereby, including the Merger, be submitted to a vote of the limited partners of the Partnership, and (iv) authorized the approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, by the limited partners of the Partnership without a meeting, without a vote and without prior notice, pursuant to and on the conditions set forth in the Partnership Agreement.

Under the applicable provisions of the Partnership Agreement, approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, requires the affirmative vote or consent of the holders of a majority of the outstanding Common Units and preferred units, voting together as a single class on an as-converted basis, and a majority of each series of the outstanding preferred units, voting separately as a class (collectively, a Unit Majority and, such approval, the Partnership Unitholder Approval). As permitted by the Delaware Revised Uniform Limited Partnership Act and the Partnership Agreement, immediately prior to the execution of the Merger Agreement, affiliates of Parent delivered to the Partnership a written consent of limited partners approving the Merger Agreement and the transactions contemplated thereby, including the Merger, by a Unit Majority, which consent constitutes the Partnership Unitholder Approval. **As a result, the Partnership has not solicited and is not soliciting your approval of the Merger Agreement or the transactions contemplated thereby.** Assuming the timely satisfaction or waiver of the conditions set forth in the Merger Agreement, the Partnership currently anticipates that the Merger will be completed in the second quarter of 2019.

The accompanying information statement provides you with detailed information about the Merger Agreement and the transactions contemplated thereby, including the Merger. We encourage you to carefully read the entire information statement and its annexes, including the Merger Agreement. Please read Material U.S. Federal Income Tax Consequences of the Merger for a more complete discussion of the U.S. federal income tax consequences of the Merger. You may also obtain additional information about the Partnership from documents the Partnership has filed with the Securities and Exchange Commission.

We are mailing this notice of action by written consent and the accompanying information statement to our unitholders on or about _____, 2019. The information statement is being provided to you for your information to comply with the requirements of the Securities Exchange Act of 1934, as amended. You are urged to read the information statement carefully in its entirety. However, no action is requested or required on your part in connection with the accompanying information statement and no unitholder meeting will be held in connection with the accompanying information statement. If the Merger is consummated, you will receive instructions regarding the surrender of, and payment for, your Common Units. **We are not asking you for a proxy and you are requested not to send us a proxy.**

We thank you for your continued support.

Very truly yours,

Lynn L. Bourdon III

Chairman of the Board, President and Chief Executive Officer of American Midstream GP, LLC on behalf of American Midstream Partners, LP

The accompanying information statement is dated _____, 2019, and is first being mailed to our unitholders on or about _____, 2019.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE MERGER, PASSED UPON THE MERITS OR FAIRNESS OF THE MERGER OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURES IN THIS INFORMATION STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SUMMARY TERM SHEET

The following summary highlights selected information in this information statement and may not contain all of the information that may be important to you. Accordingly, American Midstream Partners, LP, a Delaware limited partnership (the Partnership), encourages you to read carefully this entire information statement, its annexes and the documents referred to in this information statement.

Parties to the Merger Agreement

American Midstream Partners, LP

2103 CityWest Blvd.

Building #4, Suite 800

Houston, TX 77042

(346) 241-3400

The Partnership is a growth-oriented Delaware limited partnership formed in August 2009 to own, operate, develop and acquire a diversified portfolio of midstream energy assets. The Partnership provides critical midstream infrastructure that links producers of natural gas, crude oil, natural gas liquids (NGLs), condensate and specialty chemicals to numerous intermediate and end-use markets. Through the Partnership's four reportable segments, (i) Gas Gathering and Processing Services, (ii) Liquid Pipelines and Services, (iii) Natural Gas Transportation Services, and (iv) Offshore Pipelines and Services, the Partnership engages in the business of gathering, treating, processing and transporting natural gas; gathering, transporting, storing, treating and fractionating NGLs; and gathering, storing and transporting crude oil and condensates.

The common units representing limited partner interest in the Partnership (Common Units) are listed on the New York Stock Exchange (the NYSE) under the symbol AMID.

American Midstream GP, LLC

2103 CityWest Blvd.

Building #4, Suite 800

Houston, TX 77042

(346) 241-3400

American Midstream GP, LLC, a Delaware limited liability company (Partnership GP), is the general partner of the Partnership. Its board of directors and executive officers manage the Partnership. Partnership GP is approximately 86% owned by High Point Infrastructure Partners, LLC, a Delaware limited liability company (HPIP), and approximately 14% owned by AMID GP Holdings, LLC, a Delaware limited liability company (GP Holdings), both of which are affiliates of ArcLight Capital Partners, LLC (ArcLight Capital). Through HPIP, ArcLight Capital controls Partnership GP. Partnership GP holds assets through a number of subsidiaries.

Anchor Midstream Acquisition, LLC

c/o ArcLight Capital Partners, LLC

200 Clarendon Street, 55th Floor

Boston, MA 02116

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Anchor Midstream Acquisition, LLC, a Delaware limited liability company (*Parent*), is a direct wholly owned subsidiary of Partnership GP that is managed by HPIP. Parent has not carried on any activities or operations to date, except for those activities incidental to its formation on March 11, 2019 and undertaken in connection with the transactions contemplated by the Merger Agreement (as defined below).

Anchor Midstream Merger Sub, LLC

c/o ArcLight Capital Partners, LLC

200 Clarendon Street, 55th Floor

Boston, MA 02116

Anchor Midstream Merger Sub, LLC, a Delaware limited liability company (*Merger Sub*), is a direct wholly owned subsidiary of Parent formed solely for the purpose of facilitating the Merger (as defined below). Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation on March 11, 2019 and undertaken in connection with the transactions contemplated by the Merger Agreement. By operation of the Merger, Merger Sub will be merged with and into the Partnership, with the Partnership surviving the Merger as a direct subsidiary of Parent and Partnership GP.

High Point Infrastructure Partners, LLC

c/o ArcLight Capital Partners, LLC

200 Clarendon Street, 55th Floor

Boston, MA 02116

HPIP, a subsidiary of Magnolia Infrastructure Partners, LLC, a Delaware limited liability company (*Magnolia*), owns an approximate 86% ownership interest in Partnership GP and is the majority Class A member of Partnership GP. The principal business of HPIP is acquiring and developing midstream energy assets.

The Merger (see page 17)

Pursuant to the Agreement and Plan of Merger, dated as of March 17, 2019 (as may be amended from time to time, the *Merger Agreement*), by and among Parent, Merger Sub, HPIP, the Partnership and Partnership GP, Parent, an indirect controlled subsidiary of ArcLight Energy Partners Fund V, L.P. (*ArcLight*), has agreed to acquire all of the publicly held equity (other than Common Units held by Parent or any Common Unit designated by Parent as a *Sponsor Unit* with the written consent of the holder of such Common Unit (collectively, the *Sponsor Units*)) in the Partnership under the terms of the Merger Agreement, as described in this information statement. Under the terms and subject to the conditions of the Merger Agreement, Merger Sub will merge with and into the Partnership, with the Partnership surviving as a wholly owned subsidiary of Parent and Partnership GP (the *Merger*), both of which are indirect controlled subsidiaries of ArcLight. The Merger will become effective upon the filing of a properly executed certificate of merger with the Secretary of State of the State of Delaware or at such later date and time as may be agreed by the parties and set forth in the certificate of merger (the *Effective Time*). Prior to the Effective Time, the Merger Agreement provides that, at Parent's election, Parent, HPIP, Merger Sub, the Partnership and Partnership GP will cause certain internal restructuring transactions to occur prior to the Effective Time as determined by the Sponsor Entities, including the potential conversion of the preferred units into Common Units (the *Pre-Closing Transactions*).

The Merger Agreement is attached as Annex A to this information statement. The Partnership encourages you to read the Merger Agreement because it is the legal document that governs the terms and conditions of the Merger. For more information regarding the terms of the Merger Agreement, see *The Merger Agreement*.

Merger Consideration (see page 80)

The Merger Agreement provides that, at the Effective Time, each Common Unit issued and outstanding as of immediately prior to the Effective Time, other than Sponsor Units, will be converted into the right to receive

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\$5.25 in cash (the Merger Consideration), to be paid without interest and reduced by any applicable tax withholding. As of the Effective Time, all of the Common Units converted into the right to receive the Merger Consideration will no longer be outstanding and will automatically be canceled and cease to exist.

For more information regarding the terms of the Merger Consideration, see *The Merger Agreement Merger Consideration*.

Treatment of Sponsor Units and Series C Warrant (see page 80)

Prior to the Effective Time, the Partnership and Partnership GP will, and Parent will cause its affiliates to, amend the warrant (the Series C Warrant) held by Magnolia Infrastructure Holdings, LLC, a Delaware limited liability company (MIH), such that the Series C Warrant will remain outstanding through the Effective Time and be exercisable into the same number of Common Units after the Effective Time as of the date of the Merger Agreement. The Sponsor Units and the Series C Warrant (as amended in accordance with the Merger Agreement) will be unaffected by the Merger and will remain outstanding, and no consideration will be delivered in respect thereof.

Treatment of Partnership Phantom Units and Partnership Equity Plans (see page 80)

Each phantom unit of the Partnership (Partnership Phantom Unit) issued under the American Midstream Partners, LP Amended and Restated 2014 Long-Term Incentive Plan (as amended from time to time and including any successor or replacement plan or plans, the Partnership Long-Term Incentive Plan) or the Third Amended and Restated American Midstream GP, LLC Long-Term Incentive Plan (as amended from time to time and including any successor or replacement plan or plans, the General Partner Long-Term Incentive Plan and, together with the Partnership Long-Term Incentive Plan, the Partnership Equity Plans) that has not vested or been settled prior to the Effective Time will be converted into the right to receive a cash payment in an amount equal to the Merger Consideration with respect to each such Partnership Phantom Unit, which amount will be payable on the vesting dates set forth in, and in accordance with the terms of, the underlying award agreement.

Treatment of General Partner Interest and Incentive Distribution Rights (see page 81)

The general partner interest in the Partnership issued and outstanding immediately prior to the Effective Time will be unaffected by the Merger, will remain outstanding and no consideration will be delivered in respect thereof.

The Partnership's Incentive Distribution Rights (IDRs) issued and outstanding immediately prior to the Effective Time will be automatically canceled and cease to exist, and no consideration shall be delivered in respect of the cancellation of the IDRs.

Effects of the Merger (see page 17)

If the Merger is completed, (i) the Partnership will become a wholly owned subsidiary of Parent and Partnership GP, and holders of Common Units other than Partnership GP, Parent, Merger Sub, HPIP and their respective affiliates (the Unaffiliated Unitholders) will no longer have an equity interest in the Partnership, (ii) the Common Units will no longer be listed on the NYSE and (iii) the registration of the Common Units with the Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934, as amended (the Exchange Act), will be terminated.

At the Effective Time, (a) all the property, rights, privileges, powers and franchises and all and every other interest of the Partnership shall continue in the Partnership as the surviving entity, (b) all the property, rights,

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privileges, powers and franchises and all and every other interest of Merger Sub shall vest in the Partnership as the surviving entity, (c) all claims, obligations, debts, liabilities and duties of the Partnership shall continue in the Partnership as the surviving entity, (d) all claims, obligations, debts, liabilities and duties of Merger Sub shall become the claims, obligations, debts, liabilities and duties of the Partnership as the surviving entity, (e) by virtue of the Merger, Parent will hold all limited partner interests in the Partnership, (f) Partnership GP shall continue as the sole general partner of the Partnership holding a non-economic general partner interest in the Partnership and (g) the Partnership shall continue without dissolution.

Action Approved by Written Consent of Unitholders Representing a Unit Majority (see page 79)

Under the Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (as amended, the Partnership Agreement), approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, requires the affirmative vote or consent of the holders of a majority of the outstanding Common Units and preferred units, voting together as a single class on an as-converted basis, and a majority of each series of the outstanding preferred units, voting separately as a class (collectively, a Unit Majority and, such approval, the Partnership Unitholder Approval). The Sponsor Entities beneficially own approximately 51% of the outstanding Common Units on an as-converted basis and 100% of the outstanding preferred units, a sufficient number to approve the Merger Agreement and the transactions contemplated thereby, including the Merger.

On March 17, 2019, immediately prior to the execution of the Merger Agreement, affiliates of Parent delivered to the Partnership a written consent of limited partners approving the Merger Agreement and the transactions contemplated thereby, including the Merger, by a Unit Majority, which consent constitutes the Partnership Unitholder Approval. As a result, the Partnership is not soliciting your approval of the Merger Agreement or the transactions contemplated thereby, and the Partnership does not intend to call a meeting of unitholders for purposes of voting on the approval of the Merger Agreement or the transactions contemplated thereby.

The Conflicts Committee and GP Board Recommendations and Approval of the Merger (see pages 31 and 35)

On March 16, 2019, the conflicts committee (the Conflicts Committee) of the board of directors of Partnership GP (the GP Board), consisting of three independent directors, unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are in the best interests of the Partnership and the Unaffiliated Unitholders, (ii) granted Special Approval (as such term is defined in the Partnership Agreement) of the Merger Agreement and the transactions contemplated thereby, including the Merger, and (iii) recommended that the GP Board adopt and approve the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger.

Upon receipt of the recommendation of the Conflicts Committee (and the approval of Partnership GP's Class A members), at a meeting duly called and held on March 16, 2019, the GP Board unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are in the best interests of the Partnership and Partnership GP, (ii) approved the Merger Agreement, the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, (iii) directed that the Merger Agreement and the transactions contemplated thereby, including the Merger, be submitted to a vote of the limited partners of the Partnership, and (iv) authorized the approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, by the limited partners of the Partnership without a meeting, without a vote and without prior notice, pursuant to and on the conditions set forth in the Partnership Agreement.

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The Conflicts Committee retained Evercore Group, L.L.C. (Evercore) as its financial advisor, Thompson & Knight LLP (TK) as its legal counsel and Morris, Nichols, Arsht & Tunnell LLP (Morris Nichols) as its special Delaware counsel. In the course of reaching its decision to approve the Merger Agreement and the transactions contemplated thereby, including the Merger, each of the Conflicts Committee and the GP Board considered a number of factors in their deliberations. For a more complete discussion of these items, see *The Merger Recommendation of the Conflicts Committee and the GP Board; Reasons for Recommending Approval of the Merger*.

Opinion of Financial Advisor to the Conflicts Committee (see page 39)

In connection with the proposed Merger, Evercore delivered a written opinion, dated as of March 16, 2019, to the Conflicts Committee, as to the fairness, from a financial point of view and as of the date of the opinion, of the Merger Consideration to be received by the Unaffiliated Unitholders. **The full text of the written opinion of Evercore, dated as of March 16, 2019, which sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached hereto as Annex B to this information statement. You are urged to read Evercore's opinion carefully and in its entirety. Evercore's opinion was addressed to, and provided for the information and benefit of, the Conflicts Committee in connection with its evaluation of the fairness of the Merger Consideration, from a financial point of view, to the Unaffiliated Unitholders, and did not address any other aspects or implications of the Merger. Evercore's opinion should not be construed as creating any fiduciary duty on Evercore's part to any party and such opinion was not intended to be, and does not constitute, a recommendation to the Conflicts Committee or to any other persons in respect of the Merger, including as to how any unitholder of the Partnership should act in respect of the Merger. The summary of the Evercore opinion set forth herein is qualified in its entirety by reference to the full text of the opinion included as Annex B to this information statement.**

For a description of the opinion that the Conflicts Committee received from Evercore, see *The Merger Opinion of Financial Advisor to the Conflicts Committee*.

Interests of the Directors and Executive Officers of Partnership GP in the Merger (see page 69)

Some of the directors and executive officers of Partnership GP have financial interests in the Merger that may be different from, or in addition to, those of the Unaffiliated Unitholders generally. The Conflicts Committee and the GP Board were aware of these interests and considered them, among other matters, in approving the Merger Agreement and the transactions contemplated thereby, including the Merger.

Certain of the directors and executive officers of Partnership GP hold Common Units and will be entitled to receive the Merger Consideration in connection with the Merger. Additionally, certain of the executive officers of Partnership GP hold Partnership Phantom Units under the Partnership Equity Plans, which will be converted into the right to receive a cash payment in an amount equal to the Merger Consideration with respect to each such Partnership Phantom Unit, which amount will be payable on the vesting dates set forth in, and in accordance with the terms of, the underlying award agreement.

In addition, Mr. Stephen W. Bergstrom, a director of Partnership GP, has elected to exchange his Common Units for equity interests in Partnership GP prior to the Effective Time. As a result of such exchange and the Pre-Closing Transactions, Mr. Bergstrom's Common Units will become Sponsor Units immediately prior to the Effective Time. Certain other directors and named executive officers of Partnership GP could also elect to exchange their Common Units for equity interests in Partnership GP prior to the Effective Time. Pursuant to the Merger Agreement, each Sponsor Unit issued and outstanding immediately prior to the Effective Time will be unaffected by the Merger and

will remain outstanding, and no consideration will be delivered in respect thereof.

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Partnership GP's directors and executive officers are also entitled to continued indemnification and directors' and officers' liability insurance coverage under the Merger Agreement. For a further discussion of the interests of directors and executive officers in the Merger, see *The Merger Agreement Interests of the Directors and Executive Officers of Partnership GP in the Merger*.

Position of the ArcLight Filing Parties as to the Fairness of the Merger (see page 69)

The Sponsor Entities means (i) ArcLight, (ii) Parent, (iii) Merger Sub, (iv) HPIP, (v) MIH, (vi) Magnolia, (vii) JP Energy Development, L.P., a Delaware limited partnership (JP Energy), (viii) Busbar II, LLC, a Delaware limited liability company (Busbar), and (ix) each of their respective entity owners. The ArcLight Filing Parties means the Sponsor Entities and Daniel R. Revers (the Controlling Affiliate). The ArcLight Filing Parties believe that the proposed Merger is substantively and procedurally fair to the Unaffiliated Unitholders. However, none of the ArcLight Filing Parties nor any of their respective affiliates has performed, or engaged a financial advisor to perform, any valuation or other analysis for purposes of assessing the fairness of the Merger to the Partnership and the Unaffiliated Unitholders. The belief of the ArcLight Filing Parties as to the procedural and substantive fairness of the Merger is based on the factors discussed in *The Merger Position of the ArcLight Filing Parties as to the Fairness of the Merger*.

Conditions to Consummation of the Merger (see page 77)

As more fully described in this information statement, each party's obligation to complete the transactions contemplated by the Merger Agreement depends on a number of customary closing conditions being satisfied or, where legally permissible, waived, including the following:

(i) no law, injunction, judgment or ruling (a Restraint) enacted, promulgated, pending, issued, entered, amended or enforced by or before any governmental authority shall be in effect and (ii) no governmental authority shall be seeking a Restraint, in each case, to enjoin, restrain, prevent or prohibit the consummation of the transactions contemplated by the Merger Agreement or make the consummation of such transactions illegal; and

the waiting period applicable to the consummation of the Merger, if any, under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (the HSR Act), must have been terminated or expired and any other required regulatory approvals must have been obtained and must be in full force and effect.

The obligations of Parent and Merger Sub to effect the Merger are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of the Partnership and Partnership GP in the Merger Agreement shall be true and correct both as of the date of the Merger Agreement and as of the date of the closing of the Merger (except to the extent expressly made as of an earlier date, in which case as of such date), subject to certain standards, including materiality and material adverse effect qualifications, as described under *The Merger Agreement Conditions to Consummation of the Merger* ;

the Partnership and Partnership GP shall have performed or complied with, in all material respects, all covenants and obligations required to be performed by them under the Merger Agreement at or prior to the closing date;

there shall not have been a Partnership Material Adverse Effect, as described under and defined in *The Merger Agreement Conditions to Consummation of the Merger* ;

Parent and Merger Sub shall have received an officer's certificate executed by an authorized executive officer of Partnership GP certifying that the three preceding conditions have been satisfied;

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the Partnership shall have received copies of an amendment to the Existing Partnership Credit Facility (as defined in the Merger Agreement) pursuant to which the required lenders thereunder consent to the consummation of the Merger and the other transactions contemplated by the Merger Agreement and a letter agreement relating to certain other actions by the lenders thereunder (collectively, the Existing Partnership Credit Facility Modifications), as described under *The Merger Agreement Conditions to Consummation of the Merger* ; the Partnership received the Existing Partnership Credit Facility Modifications on April 5, 2019, thereby satisfying this closing condition; and

by April 30, 2019, the Partnership shall have delivered to the lenders under the Existing Partnership Credit Facility the audited financial statements required to be delivered to such lenders in accordance with the terms of the Existing Partnership Credit Facility, as described under *The Merger Agreement Conditions to Consummation of the Merger* ; the Partnership delivered such financial statements to the lenders on April 1, 2019, thereby satisfying this closing condition.

The obligations of the Partnership to effect the Merger are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Parent and Merger Sub in the Merger Agreement shall be true and correct both as of the date of the Merger Agreement and as of the closing date (except to the extent expressly made as of an earlier date, in which case as of such date), subject to certain standards, including materiality and material adverse effect qualifications, as described under *The Merger Agreement Conditions to Consummation of the Merger* ;

HPIP, Parent and Merger Sub shall have performed or complied with, in all material respects, all covenants and obligations required to be performed by them under the Merger Agreement; and

the Partnership shall have received an officer's certificate executed by an authorized executive officer of Parent certifying that the two preceding conditions have been satisfied.

Regulatory Approvals Required for the Merger (see page 73)

In connection with the Merger, the Partnership intends to make all required filings under the Exchange Act, as well as any required filings with the NYSE and the Secretary of State of the State of Delaware. None of the Partnership, Partnership GP or the Sponsor Entities is aware of any federal or state regulatory approval required in connection with the Merger, other than compliance with applicable federal securities laws and applicable Delaware law.

No Solicitation by Partnership GP or the Partnership of Alternative Proposals (see page 79)

Under the Merger Agreement, the Partnership and Partnership GP have agreed that they will not, and will exercise their reasonable best efforts to cause their and the Partnership's subsidiaries' respective directors, officers, employees, investment bankers, financial advisors, attorneys, accountants, agents and other representatives (collectively, Representatives) not to, directly or indirectly:

initiate, solicit, knowingly encourage or knowingly facilitate (including by way of furnishing confidential information) or take any other action intended to lead to any inquiries or the making or submission of any proposals that constitute or could reasonably be expected to lead to any inquiry, proposal or offer from or by any person or entity, other than Parent, Merger Sub or their respective affiliates, relating to any:

direct or indirect acquisition (whether in a single transaction or series of related transactions) of (i) more than 15% of the assets of the Partnership and its subsidiaries, taken as a whole, (ii) more than 15% of the outstanding equity securities of the Partnership or (iii) a business or businesses

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that constitute more than 15% of the cash flow, net revenues or net income of the Partnership and its subsidiaries, taken as a whole,

tender offer or exchange offer, as defined under the Exchange Act, that, if consummated, would result in any person or group (as defined in Section 13(d) of the Exchange Act) beneficially owning, directly or indirectly, more than 15% of the outstanding equity securities of the Partnership, or

merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Partnership or any of its subsidiaries, other than the Merger and the Pre-Closing Transactions, which is structured to permit a person or group (as defined in Section 13(d) of the Exchange Act) to acquire beneficial ownership, directly or indirectly, of at least 15% of the Partnership's consolidated assets, net income, net reserves or equity securities (collectively, an Acquisition Proposal);

participate in any discussions or negotiations regarding, or furnish to any person or entity any non-public information with respect to, any Acquisition Proposal; or

enter into any confidentiality agreement, merger agreement, letter of intent, agreement in principle, unit purchase agreement, asset purchase agreement or unit exchange agreement, option agreement or similar agreement relating to an Acquisition Proposal.

The Merger Agreement also requires the Partnership and Partnership GP to immediately cease and cause to be terminated any discussions or negotiations with any person conducted prior to the execution of the Merger Agreement with respect to an Acquisition Proposal, requires the return or destruction of all confidential information previously provided to such parties by or on behalf of the Partnership or its subsidiaries and prohibits any access by any person (other than Parent and its representatives) to any physical or electronic data room relating to a possible Acquisition Proposal.

Change in the GP Board Recommendation (see page 79)

The Merger Agreement provides that the Partnership and Partnership GP will not, and will cause the Partnership's subsidiaries and their respective Representatives not to, directly or indirectly, (i) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in a manner adverse to Parent, the recommendation of the GP Board that the limited partners of the Partnership approve the Merger