

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

FORM 8-K

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

Date of Report (Date of earliest event reported)
September 24, 2009

TARGA RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

333-147066
(Commission
File Number)

74-3117058
(IRS Employer
Identification No.)

1000 Louisiana, Suite 4300
Houston, TX 77002
(Address of principal executive office and Zip Code)

(713) 584-1000
(Registrants' telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry Into a Material Definitive Agreement.

Contribution, Conveyance and Assumption Agreement

Targa Resources, Inc., a Delaware corporation (“Targa”), previously announced that Targa Resources Partners LP, a Delaware limited partnership (the “Partnership”), had entered into a Purchase and Sale Agreement (the “Purchase Agreement”) on July 27, 2009 with Targa GP Inc. and Targa LP Inc. (the “Sellers”), subsidiaries of Targa, pursuant to which the Sellers agreed to sell, assign, transfer and convey to the Partnership (i) 100% of the limited liability company interests in Targa Downstream GP LLC (“Targa Downstream GP”), a Delaware limited liability company, (ii) 100% of the limited liability company interests in Targa LSNG GP LLC (“Targa LSNG GP”), a Delaware limited liability company, (iii) 100% of the limited partner interests in Targa Downstream LP (“Targa Downstream LP”), a Delaware limited partnership, and (iv) 100% of the limited partner interests in Targa LSNG LP (“Targa LSNG LP”), a Delaware limited partnership (such limited liability company interests in Targa Downstream GP and Targa LSNG GP and limited partner interests in Targa Downstream LP and Targa LSNG LP being collectively referred to as the “Purchased Interests”), for aggregate consideration of \$530 million, subject to certain adjustments.

Targa Downstream LP and Targa LSNG LP, collectively, own Targa’s natural gas liquids business (the “Downstream Business”) consisting of (i) the Logistics Assets Segment, which consists of fractionation facilities, storage and terminalling facilities, low sulfur natural gasoline treating facilities, pipeline transportation and distribution assets, propane storage, truck terminals and NGL transport assets, as well as Targa’s approximately 39% equity method investment in Gulf Coast Fractionators, (ii) the NGL Distribution and Marketing Segment, which markets NGL production and purchases mixed or component NGL products from third parties for resale and (iii) the Wholesale Marketing Segment, which provides services for refineries, including NGL balancing, purchasing or marketing propane and providing butane supply, and sells propane to retailers and end users. Each segment is as reported by Targa. The description of the Purchase Agreement contained in Targa’s Form 8-K filed on July 29, 2009 is incorporated herein by reference and the Purchase Agreement, a copy of which is filed as Exhibit 2.1 to this Form 8-K, is incorporated herein by reference.

In accordance with the Purchase Agreement, on September 24, 2009, the Partnership, the Sellers, Targa Resources Operating LP, a Delaware limited partnership and indirectly, wholly-owned subsidiary of the Partnership (“TRO”), and Targa North Texas GP LLC, a Delaware limited liability company and wholly-owned subsidiary of TRO (“TNT”), entered into a Contribution, Conveyance and Assumption Agreement (the “Contribution Agreement”) pursuant to which the Sellers contributed the Purchased Interests to TRO and TNT in exchange for aggregate consideration of \$530 million, subject to certain adjustments. The Partnership used cash, funded through borrowings under the Partnership’s senior secured revolving credit facility, and the issuance to the Sellers of common units representing limited partner interests in the Partnership and general partner units representing general partner interests in the Partnership, to fund the aggregate consideration for the Purchased Interests. The description of the Contribution Agreement is qualified in its entirety by reference to the Contribution Agreement, a copy of which is filed as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

The board of directors of Targa Resources GP LLC, a Delaware limited liability company and the general partner of the Partnership (the “General Partner”), approved the acquisition of the Purchased Interests based on a recommendation from its conflicts committee. The conflicts committee, which is comprised entirely of independent directors, retained independent legal and financial advisers to assist it in evaluating and negotiating the transaction. The board of directors of each of the Sellers approved the sale of the Purchased Interests. Targa retained an independent financial adviser to assist it in evaluating the transaction

Amended and Restated Omnibus Agreement

On September 24, 2009, Targa entered into an amended and restated omnibus agreement (the “Second Amended and Restated Omnibus Agreement”) with the General Partner, the Partnership and Targa Resources LLC, a Delaware limited liability company. The amendments made by the Second Amended and Restated Omnibus Agreement: (i) recognize that the Partnership will reimburse Targa and its affiliates for direct expenses associated with the Downstream Business, (ii) clarify that the cap on general and administrative expenses (“G&A”) does not apply to the Downstream Business, (iii) require Targa to adjust the G&A billed to the Partnership (or make a payment to the Partnership, if needed) to the extent necessary to enable the Partnership to maintain a distribution coverage (calculated for each applicable quarter assuming that

total distributions for such quarter equal an amount in cash sufficient to pay all equity holders including incentive distributions for the period for which distributions are declared a distribution of \$0.5175 per unit) of no less than 1.0x for any fiscal quarter beginning with the fourth quarter of 2009 through the end of 2011, subject to a limitation of \$8 million of such support for any fiscal quarter and (iv) provide for special termination rights for (x) certain provisions of the Omnibus Agreement if the general partner is removed without cause, (y) the Omnibus Agreement in its entirety upon a change of control of the general partner and (z) the G&A support referred to in clause (iii) above if the Partnership transfers or disposes of the Companies, the business conducted by the Companies, all or substantially all of the Company Assets, all or substantially all of the Downstream Business or all or substantially all of the Houston Area Assets to a Person that is not an Affiliate of the Partnership.

This description of the Second Amended and Restated Omnibus Agreement is qualified in its entirety by reference to the Second Amended and Restated Omnibus Agreement, a copy of which is filed as Exhibit 10.2 to this Form 8-K and is incorporated in this Item 1.01 by reference. Capitalized terms used but not defined in this section entitled "Amended and Restated Omnibus Agreement" have the meaning ascribed to them in the Second Amended and Restated Omnibus Agreement.

NGL Product Purchase Agreements

On September 24, 2009, Targa Liquids Marketing and Trade, a Delaware general partnership and indirectly, wholly-owned subsidiary of the Partnership ("Targa Liquids"), entered into product purchase agreements with Targa Midstream Services Limited Partnership, a Delaware limited partnership and indirectly wholly-owned subsidiary of Targa ("TMSLP"), and Targa Permian LP, a Delaware limited partnership and indirectly, wholly-owned subsidiary of Targa ("Targa Permian"), pursuant to which Targa Liquids will purchase all volumes of NGLs that are owned or controlled by TMSLP and Targa Permian and not otherwise committed for sale to a third party, at a price based on the prevailing market price less transportation, fractionation and certain other fees. The product purchase agreements will have an initial term of 15 years and will automatically extend for a term of five years. Furthermore, either party may elect to terminate the agreement if either party ceases to be an affiliate of Targa. Each product purchase agreement is effective as of September 1, 2009.

This description of the product purchase agreements is qualified in its entirety by reference to the product purchase agreements, copies of which are filed as Exhibits 10.3, 10.4, 10.5 and 10.6 to this Form 8-K and are incorporated in this Item 1.01 by reference.

Relationships

Each of the Sellers, the General Partner, the Partnership, TRO, TNT, Targa Liquids, Targa Resources LLC and TLMT are direct or indirect subsidiaries of Targa. As a result, certain individuals, including officers and directors of Targa, serve as officers and/or directors of more than one of such entities. The General Partner, as the general partner of the Partnership, holds a 2% general partner interest and incentive distribution rights in the Partnership.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The descriptions under the headings "Contribution, Conveyance and Assumption Agreement" and "Relationships" under Item 1.01 are incorporated in this Item 2.01 by reference. A copy of the Contribution Agreement is filed as Exhibit 10.1 to this Form 8-K and is incorporated in this Item 2.01 by reference.

The Partnership used cash, funded through borrowings under the Partnership's senior secured revolving credit facility, to fund \$397.5 million of the aggregate consideration for the Purchased Interests. Affiliates of the following lenders under the Partnership's senior secured revolving credit facility have performed from time to time and are performing investment banking, advisory and other services for Targa and for the Partnership: Bank of America, N.A., Wachovia Bank, National Association, Merrill Lynch Capital, Royal Bank of Canada, The Royal Bank of Scotland PLC, BNP Paribas, Citibank, N.A., Compass Bank, U.S. Bank National Association, Comerica Bank, UBS Loan Finance LLC, Credit Suisse, Goldman Sachs Credit Partners L.P., Raymond James Bank, FSB, Deutsche Bank Trust Company Americas, and Barclays Bank PLC.

Item 9.01 Financial Statements and Exhibits.

(a) Not applicable.

(b) Pro forma financial information. The unaudited pro forma condensed consolidated financial information of Targa Resources, Inc. as of June 30, 2009 and for the six months ended June 30, 2009, and for the year ended December 31, 2008 is filed as Exhibit 99.1 to this report and incorporated herein by reference.

(c) Not applicable.

(d) Exhibits

Exhibit Number	Description
Exhibit 2.1*	Purchase and Sale Agreement, dated as of July 27, 2009, by and among Targa Resources Partners LP, Targa GP Inc. and Targa LP Inc. (incorporated by reference to Exhibit 2.1 to Targa Resources, Inc.'s Current Report on Form 8-K filed July 29, 2009 (File No. 333-147066)).
Exhibit 10.1	Contribution, Conveyance and Assumption Agreement, dated September 24, 2009, by and among Targa Resources Partners LP, Targa GP Inc., Targa LP Inc., Targa Resources Operating LP and Targa North Texas GP LLC.
Exhibit 10.2	Second Amended and Restated Omnibus Agreement, dated September 24, 2009, by and among Targa Resources Partners LP, Targa Resources, Inc., Targa Resources LLC and Targa Resources GP LLC.
Exhibit 10.3	Raw Product Purchase Agreement dated September 24, 2009, to be effective September 1, 2009, between Targa Liquids Marketing Trade and Targa Permian LP.
Exhibit 10.4	Specification Product Purchase Agreement dated September 24, 2009, to be effective September 1, 2009, between Targa Liquids Marketing Trade and Targa Midstream Services Limited Partnership (SE La).
Exhibit 10.5	Raw Product Purchase Agreement dated September 24, 2009, to be effective September 1, 2009, between Targa Liquids Marketing Trade and Targa Midstream Services Limited Partnership (Versado).
Exhibit 10.6	Raw Product Purchase Agreement dated September 24, 2009, to be effective September 1, 2009, between Targa Liquids Marketing Trade and Targa Midstream Services Limited Partnership (West La).
Exhibit 99.1	Unaudited pro forma condensed consolidated financial information of Targa Resources, Inc. as of June 30, 2009 and for the six months ended June 30, 2009, and for the year ended December 31, 2008.

* Pursuant to Item 601(b)(2) of Regulation S-K, the registrant agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TARGA RESOURCES, INC.

Dated: September 24, 2009

By: /s/ Jeffrey J. McParland
Jeffrey J. McParland
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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* Pursuant to Item 601(b)(2) of Regulation S-K, the registrant agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

CONTRIBUTION, CONVEYANCE AND ASSUMPTION AGREEMENT

THIS CONTRIBUTION, CONVEYANCE AND ASSUMPTION AGREEMENT (this "Agreement"), dated as of September 24, 2009, is entered into by and among TARGA RESOURCES PARTNERS LP, a Delaware limited partnership (the "Partnership"), TARGA GP INC., a Delaware corporation ("Targa GP"), TARGA LP INC., a Delaware corporation ("Targa LP"), TARGA RESOURCES OPERATING LP ("Targa Operating"), a Delaware limited partnership, and TARGA NORTH TEXAS GP LLC ("Targa North Texas"), a Delaware limited liability company. The parties to this agreement are collectively referred to herein as the "Parties." Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Purchase Agreement (as defined below).

RECITALS

WHEREAS, Targa GP, Targa LP and the Partnership have heretofore entered into that certain Purchase and Sale Agreement dated as of July 27, 2009 (the "Purchase Agreement"), providing for the sale by Targa GP and Targa LP to the Partnership of: (i) 100% of the limited liability company interests (the "Downstream LLC Interests") in Targa Downstream GP LLC ("Targa Downstream GP"), a Delaware limited liability company which holds a general partner interest which constitutes all of the general partner interests of and a 50% ownership interest in Targa Downstream LP ("Targa Downstream"), a Delaware limited partnership, (ii) a limited partner interest (the "Downstream LP Interests") which constitutes all of the limited partner interests of and a 50% ownership interest in Targa Downstream, (iii) 100% of the limited liability company interests (the "LSNG LLC Interests," and together with the Downstream LLC Interests, the "LLC Interests") in Targa LSNG GP LLC ("Targa LSNG GP"), a Delaware limited liability company which holds a general partner interest which constitutes all of the general partner interests of and a 50% ownership interest in Targa LSNG LP ("Targa LSNG"), a Delaware limited partnership, and (iv) a limited partner interest (the "LSNG LP Interests," and together with the Downstream LP Interests, the "LP Interests") which constitutes all of the limited partner interests of and a 50% ownership interest in Targa LSNG;

WHEREAS, pursuant to the terms of the Purchase Agreement, Targa Downstream and Targa LSNG are to collectively own the Downstream Business at the Closing;

WHEREAS, Targa GP and Targa LP directly and indirectly own all of the partnership interests in Targa Downstream and Targa LSNG;

WHEREAS, pursuant to the terms of the Purchase Agreement, Targa GP intends to sell, convey, transfer and assign the LLC Interests to the Partnership or a designated subsidiary of the Partnership;

WHEREAS, pursuant to the terms of the Purchase Agreement, Targa LP intends to sell, convey, transfer and assign the LP Interests to the Partnership or a designated subsidiary of the Partnership;

WHEREAS, pursuant to the terms of the Purchase Agreement, the Partnership desires to (i) assign its rights under the Purchase Agreement to purchase the LLC Interests to Targa North Texas and (ii) assign its rights under the Purchase Agreement to purchase the LP Interests to Targa Operating; and

WHEREAS, at the Closing, (A) Targa North Texas desires to accept the LLC Interests and become the sole owner of all interests in each of Targa Downstream GP and Targa LSNG GP and (B) Targa Operating desires to accept the LP Interests and become the owner of a 50% limited partner interest in each of Targa Downstream and Targa LSNG.

NOW, THEREFORE, in consideration of their mutual undertakings and agreements hereunder, the Parties undertake and agree as follows:

ARTICLE 1 ASSIGNMENT AND ASSUMPTION OF PURCHASE AGREEMENT

Section 1.1 *Assignment of Purchase Agreement to Targa North Texas.* The Partnership hereby assigns to Targa North Texas all of its rights under the Purchase Agreement to purchase the LLC Interests from Targa GP, and Targa North Texas hereby assumes (without any release or novation of the Partnership) all of such obligations of the Partnership under the Purchase Agreement.

Section 1.2 *Assignment of Purchase Agreement to Targa Operating.* The Partnership hereby assigns to Targa Operating all of its rights under the Purchase Agreement to purchase the LP Interests from Targa LP, and Targa Operating hereby assumes (without any release or novation of the Partnership) all of such obligations of the Partnership under the Purchase Agreement.

ARTICLE 2 CONTRIBUTIONS, ACKNOWLEDGMENTS AND DISTRIBUTIONS RELATING TO THE DOWNSTREAM INTERESTS

Section 2.1 *Contribution by Targa GP of the LLC Interests to Targa North Texas.* Targa GP hereby grants, contributes, bargains, conveys, assigns, transfers, sets over and delivers to Targa North Texas, its successors and assigns, for its and their own use forever, all right, title and interest in and to the LLC Interests and Targa North Texas hereby accepts the LLC Interests and agrees to be the sole member of each of Targa Downstream GP and Targa LSNG GP.

Section 2.2 *Contribution by Targa LP of the LP Interests to Targa Operating.* Targa LP hereby grants, contributes, bargains, conveys, assigns, transfers, sets over and delivers to Targa Operating, its successors and assigns, for its and their own use forever, all right, title and interest in and to the LP Interests and Targa Operating hereby accepts the LP Interests and agrees to be the limited partner of each of Targa Downstream and Targa LSNG.

ARTICLE 3 FURTHER ASSURANCES

Section 3.1 From time to time after the date first above written, and without any further consideration, the Parties agree to execute, acknowledge and deliver all such additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances and other documents, and will do all

such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, or (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended so to be and to more fully and effectively carry out the purposes and intent of this Agreement.

ARTICLE 4 MISCELLANEOUS

Section 4.1 *Headings; References; Interpretation.* All Article and Section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles and Sections shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. The use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, “but not limited to”, or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 4.2 *Successors and Assigns.* The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 4.3 *No Third Party Rights.* The provisions of this Agreement are intended to bind the Parties as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 4.4 *Counterparts.* This Agreement may be executed in any number of counterparts, all of which together shall constitute one agreement binding on the parties hereto.

Section 4.5 *Governing Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts made and to be performed wholly within such state without giving effect to conflict of law principles thereof.

Section 4.6 *Severability.* If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any political body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid and an equitable adjustment shall be made and necessary provision added so as to give effect to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

Section 4.7 *Amendment or Modification.* This Agreement may be amended or modified from time to time only by the written agreement of all the Parties. Each such instrument shall be reduced to writing.

Section 4.8 *Conflicts.* Nothing in this Agreement shall be construed as an agreement to assign any asset, or any interest therein, that is subject to any agreement that, by its terms or pursuant to applicable law, is not capable of being sold, assigned, transferred, conveyed or delivered without the consent or waiver of a third party or a governmental authority unless and until such consent or waiver shall be given.

Section 4.9 *Integration.* This Agreement and the instruments referenced herein supersede all previous understandings or agreements among the Parties, whether oral or written, with respect to their subject matter. This document and such instruments contain the entire understanding of the Parties with respect to the subject matter hereof and thereof. No understanding, representation, promise or agreement, whether oral or written, is intended to be or shall be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the parties hereto after the date of this Agreement.

Section 4.10 *Deed; Bill of Sale; Assignment.* To the extent required and permitted by applicable law, this Agreement shall also constitute a “deed,” “bill of sale” or “assignment” of the assets and interests referenced herein.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

TARGA RESOURCES PARTNERS LP

By: Targa Resources GP LLC,
its general partner

By: /s/ Rene R. Joyce
Rene R. Joyce
Chief Executive Officer

TARGA GP INC.

By: /s/ Rene R. Joyce
Rene R. Joyce
Chief Executive Officer

TARGA LP INC.

By: /s/ Rene R. Joyce
Rene R. Joyce
Chief Executive Officer

TARGA RESOURCES OPERATING LP

By: Targa Resources Operating GP LLC,
its general partner

By: /s/ Rene R. Joyce
Rene R. Joyce
Chief Executive Officer

TARGA NORTH TEXAS GP LLC

By: /s/ Rene R. Joyce
Rene R. Joyce
Chief Executive Officer

SECOND AMENDED AND RESTATED
 OMNIBUS AGREEMENT
 among
 TARGA RESOURCES, INC.
 TARGA RESOURCES GP LLC
 and
 TARGA RESOURCES PARTNERS LP

SECOND AMENDED AND RESTATED

OMNIBUS AGREEMENT

THIS SECOND AMENDED AND RESTATED OMNIBUS AGREEMENT ("*Agreement*") is entered into on, and effective as of, September 24, 2009, and is by and among Targa Resources, Inc., a Delaware corporation ("*Targa*"), Targa Resources LLC, a Delaware limited liability company, Targa Resources GP LLC, a Delaware limited liability company (the "*General Partner*") and Targa Resources Partners LP, a Delaware limited partnership (the "*Partnership*"). The above-named entities are sometimes referred to in this Agreement each as a "*Party*" and collectively as the "*Parties*."

R E C I T A L S:

1. The Parties entered into that certain Omnibus Agreement, dated and effective as of the Closing Date (as defined herein) (the "*Original Agreement*"), to (i) evidence their agreement with respect to the amount to be paid by the Partnership for certain general and administrative services to be performed by Targa and its Affiliates as well as direct expenses, including operating expenses, incurred by Targa and its Affiliates for and on behalf of the Partnership Group (as defined herein) and (ii) evidence their agreement with respect to certain indemnification obligations of the Parties.

2. The Parties entered into that certain Amended and Restated Omnibus Agreement dated and effective as of October 24, 2007 (the "*Current Agreement*") in order to amend and restate the Original Agreement.

3. The Parties desire to amend and restate the Current Agreement to, among other things, reflect the purchase of the Downstream Business (as defined herein) by the Partnership from certain Affiliates of Targa.

In consideration of the agreements contained herein, and for other good and valuable consideration, the Parties hereby amend and restate the Current Agreement as follows:

ARTICLE I

Definitions

1.1 Definitions.

As used in this Agreement, the following terms shall have the respective meanings set forth below:

"*Affiliate*" is defined in the Partnership Agreement.

"*Change of Control*" means, with respect to any Person (the "*Applicable Person*"), any of the following events: (i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the Applicable Person's assets to any other Person, unless immediately following such sale, lease, exchange or other transfer such assets are owned, directly or indirectly, by the Applicable Person; (ii) the dissolution or liquidation of the Applicable Person; (iii) the consolidation or merger of the Applicable Person with or into another Person pursuant to a transaction in which the outstanding Voting Securities of the Applicable Person are changed into or exchanged for cash, securities or other property, other than any such transaction where (a) the outstanding Voting Securities of the Applicable Person are changed into or exchanged for Voting Securities of the surviving Person or its parent and (b) the holders of the Voting Securities of the Applicable Person immediately prior to such transaction own, directly or indirectly, not less than a majority of the outstanding Voting Securities of the surviving Person or its parent immediately after such transaction; and (iv) a "person" or "group" (within the meaning of Sections 13(d) or 14(d)(2) of the Securities Exchange Act of 1934, as amended), other than Warburg Pincus LLC or its Affiliates, being or becoming the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended) of more than 50% of all of the then outstanding Voting Securities of the Applicable Person, except in a merger or consolidation which would not constitute a Change of Control under clause (iii) above.

“Closing Date” means the date of the closing of the Partnership’s initial public offering of Common Units.

“Common Units” is defined in the Partnership Agreement.

“Conflicts Committee” is defined in the Partnership Agreement.

“Covered Environmental Losses” means all environmental losses, damages, liabilities, claims, demands, causes of action, judgments, settlements, fines, penalties, costs and expenses (including, without limitation, costs and expenses of any Environmental Activity, court costs and reasonable attorney’s and experts’ fees) of any and every kind or character, by reason of or arising out of:

(i) any violation or correction of violation of Environmental Laws, including without limitation performance of any Environmental Activity; or

(ii) any event, omission or condition associated with ownership or operation of the North Texas Assets relating to Environmental Activities (including, without limitation, the exposure to or presence of Hazardous Substances on, under, about or migrating to or from the North Texas Assets or the exposure to or release of Hazardous Substances arising out of operation of the North Texas Assets) including, without limitation, (A) the cost and expense of any Environmental Activities, (B) the cost or expense of the preparation and implementation of any closure, remedial or corrective action or other plans required or necessary under Environmental Laws and (C) the cost and expense for any environmental or toxic tort pre-trial, trial or appellate legal or litigation support work; *provided*, in the case of clauses (A) and (B), such cost and expense shall not include the costs associated with project management and soil and ground water monitoring.

“CPI Index” is defined in Section 2.1(c) of this Agreement.

“Distribution Coverage” means the ratio determined by dividing Distributable Cash Flow of the Partnership for the quarter by Total Distributions of the Partnership for the quarter. In such calculation, (i) “Distributable Cash Flow” is net income plus depreciation and amortization, other non cash items and deferred taxes, adjusted for non-cash losses/(gains) on mark-to-market derivative contracts and early extinguishment of debt, less maintenance capital expenditures; and (ii) “Total Distributions” equal all cash distributions paid to all equity holders including incentive distributions for the period for which the distributions are declared. By way of example, if Distributable Cash Flow for a quarter (i.e. Q1) equaled X and Total Distributions for the quarter equaled Y, Distribution Coverage for the quarter would be X/Y. The Total Distributions of Y would not be paid until the following quarter (i.e. Q2).

“Downstream Business” means the business and operations currently conducted by Targa and its affiliates described in the Targa Resources, Inc. Annual Report on Form 10-K for the year ended December 31, 2008, as the NGL Logistics and Marketing Division, consisting of three segments: Logistics Assets, NGL Distribution and Marketing and Wholesale Marketing.

“Environmental Activities” shall mean any investigation, study, assessment, evaluation, sampling, testing, monitoring, containment, removal, disposal, closure, corrective action, remediation (regardless of whether active or passive), natural attenuation, restoration, bioremediation, response, repair, corrective measure, cleanup or abatement that is required or necessary under any applicable Environmental Law, including, but not limited to, institutional or engineering controls or participation in a governmental voluntary cleanup program to conduct voluntary investigatory and remedial actions for the clean-up, removal or remediation of Hazardous Substances that exceed actionable levels established pursuant to Environmental Laws, or participation in a supplemental environmental project in partial or whole mitigation of a fine or penalty.

“Environmental Laws” means all federal, state, and local laws, statutes, rules, regulations, orders, judgments, ordinances, codes, injunctions, decrees, Environmental Permits and other legally enforceable requirements and rules of common law relating to (a) pollution or protection of the environment or natural resources including, without limitation, the federal Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Oil Pollution Act of 1990, the Hazardous Materials Transportation Act, the Marine Mammal Protection Act, the Endangered Species Act, the National Environmental Policy Act and other environmental conservation and protection laws, each as amended through the Closing Date, (b) any release or threatened release of, or any exposure of any Person or property to, any Hazardous Substances and (c) the generation, manufacture, processing, distribution, use, treatment, storage, transport or handling of any Hazardous Substances.

“Environmental Permit” means any permit, approval, identification number, license, registration, consent, exemption, variance or other authorization required under or issued pursuant to any applicable Environmental Law.

“Excess Amount” means the difference between the Support Amount and the Subsequent Payment Amount.

“G&A Expenses Limit” is defined in Section 2.1(c) of this Agreement.

“General Partner” is defined in the introduction to this Agreement.

“Hazardous Substance” means (a) any substance that is designated, defined or classified as a hazardous waste, solid waste, hazardous material, pollutant, contaminant or toxic or hazardous substance, or terms of similar meaning, or that is otherwise regulated under any Environmental Law, including, without limitation, any hazardous substance as defined under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, (b) oil as defined in the Oil Pollution Act of 1990, as amended, including oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel and other refined petroleum hydrocarbons and petroleum products and (c) radioactive materials, asbestos containing materials or polychlorinated biphenyls.

“Indemnified Party” means each Partnership Group Member and Targa in their capacities as parties entitled to indemnification in accordance with Article III.

“Indemnifying Party” means each of Targa and the Partnership Group, as the case may be, in their capacity as the parties from whom indemnification may be required in accordance with Article III.

“*Limited Partner*” is defined in the Partnership Agreement.

“*Losses*” means all losses, damages, liabilities, claims, demands, causes of action, judgments, settlements, fines, penalties, costs and expenses (including, without limitation, court costs and reasonable attorney’s and experts’ fees) of any and every kind or character.

“*Minimum Coverage Threshold*” shall mean a distribution coverage of 1.0x.

“*North Texas Assets*” means the gathering and processing assets contributed to the Partnership in connection with its initial public offering and as more completely described in the Registration Statement and includes the pipelines, processing plants or related equipment or assets, or portions thereof, conveyed, contributed or otherwise transferred or intended to be conveyed, contributed or otherwise transferred to any member of the Partnership Group, or owned by or necessary for the operation of the business, properties or assets of any member of the Partnership Group, prior to or as of the Closing Date.

“*Partnership*” is defined in the introduction to this Agreement.

“*Partnership Agreement*” means the First Amended and Restated Agreement of Limited Partnership of Targa Resources Partners LP, dated as of February 14, 2007, as amended by Amendment No. 1 thereto, dated May 13, 2008, as such agreement is in effect on the date hereof, to which reference is hereby made for all purposes of this

Agreement. No amendment or modification to the Partnership Agreement subsequent to the date hereof shall be given effect for the purposes of this Agreement unless such amendment receives the approval required pursuant to Section 4.6 hereof.

“*Partnership Entities*” means the General Partner and each member of the Partnership Group.

“*Partnership Group*” means the Partnership and its Subsidiaries treated as a single consolidated entity.

“*Partnership Group Member*” means any member of the Partnership Group.

“*Partnership Indemnitee*” shall mean any Person who is an Indemnitee (as defined in the Partnership Agreement); provided that the term “Partnership Indemnitee” shall exclude Targa and any Affiliate of Targa which is not a member of the Partnership Group.

“*Party*” and “*Parties*” are defined in the introduction to this Agreement.

“*Person*” means an individual or a corporation, limited liability company, partnership, joint venture, trust, business trust, employee benefit plan, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“*PSA*” means the Purchase and Sale Agreement, dated July 27, 2009, by and between Targa GP Inc., Targa LP Inc and the Partnership

“*Registration Statement*” means the Registration Statement on Form S-1 (Registration No. 333-138747), as amended, filed with the Securities and Exchange Commission with respect to the proposed initial public offering of Common Units by the Partnership.

“*SAOU/LOU Business*” means the business conducted by Targa Texas Field Services LP and Targa Louisiana Field Services, LLC.

“*Subsidiary*” means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

“*Targa*” is defined in the introduction to this Agreement.

“*Term of Support*” means the fourth quarter of 2009 through and including the fourth quarter of 2011.

“*Voting Securities*” means securities of any class of 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.

ARTICLE II

Reimbursement Obligations

2.1 Reimbursement for Allocated General and Administrative Expenses; Limitations on Reimbursement.

(a) Targa hereby agrees to continue to provide the Partnership Group with certain general and administrative services, such as legal, accounting, treasury, insurance, risk management, health, safety and environmental, information technology, human resources, credit, payroll, internal audit, taxes, engineering and marketing. These general and administrative services shall be substantially identical in nature and quality to the services of such type previously provided by Targa in connection with their management and operation of the North Texas Assets prior to their acquisition by the Partnership. In the event that the Partnership Group makes any acquisitions of assets or businesses from Targa or its Affiliates during the first three years following the Closing Date, Targa will similarly provide general and administrative services that are substantially identical in nature and quality to the services of such type previously provided by Targa in connection with their management and operation of such assets or businesses prior to their acquisition by the Partnership.

(b) Subject to the provisions of Section 2.1(c) and 2.1(d) below, the Partnership Group hereby agrees to reimburse Targa for all expenses and expenditures Targa or its Affiliates incur or payments they make on behalf of the Partnership Group for these general and administrative services.

(c) The amount for which Targa shall be entitled to reimbursement from the Partnership Group pursuant to Section 2.1(b) for general and administrative expenses shall not exceed \$5.0 million annually for a period of three (3) years following the Closing Date (the “G&A Expenses Limit”). Following the first anniversary of the Closing Date, the G&A Expenses Limit shall be increased annually over the next two years by the percentage increase in the *Consumer Price Index – All Urban Consumers, U.S. City Average, Not Seasonally Adjusted* (the “CPI Index”) for the applicable year. In making such adjustment, the G&A Expenses Limit shall be increased on the first anniversary of the Closing Date by the CPI Index for the prior year period based on the most recent information available from the U.S. Department of Labor and similarly increased on the second anniversary of the Closing Date by the CPI Index for the prior year period. In the event that the Partnership Group makes any acquisitions of assets or businesses or the business of the Partnership Group otherwise expands during the first three years following the Closing Date, then the G&A Expenses Limit shall be appropriately increased in order to account for adjustments in the nature and extent of the general and administrative services by Targa to the Partnership Group, with any such increase in the G&A Expenses Limit subject to the approval of the Conflicts Committee. From and after October 24, 2007, the G&A Expenses Limit is increased by the actual amount of general and administrative expenses allocated by Targa for the services provided to the SAOU/LOU Business, according to the allocation methodology utilized by Targa. From and after the date hereof, the G&A Expenses Limit is increased by the actual amount of general and administrative expenses allocated by Targa for the services provided to the Downstream Business, according to the allocation methodology utilized by Targa. After the third anniversary of the Closing Date, the G&A Expenses Limit will no longer apply and the General Partner will determine the amount of general and administrative expenses that will be properly allocated to the Partnership in accordance with the terms of the Partnership Agreement. The G&A Expenses Limit shall not apply to reimbursement for direct expenses of the Partnership as provided in Section 2.2.

(d) Notwithstanding the obligations of the Partnership Group set forth in Sections 2.1(b) and 2.1(c) above and subject to Section 4.1(c), for any fiscal quarter during the Term of Support for which the Partnership’s Distribution Coverage for such quarter is less than the Minimum Coverage Threshold (before giving effect to any reduction in the reimbursement of general and administrative expenses contemplated in this clause (d) for such quarter), the general and administrative expenses for such quarter relating to the matters for which Targa would otherwise be entitled to reimbursement will be reduced by the amount (the “Support Amount”) required for the Partnership to meet the Minimum Coverage Threshold for such quarter; *provided, however*, that in no event will the Support Amount exceed \$8 million for any quarter. During the Term of Support, the Distribution Coverage for each applicable quarter is to be calculated assuming that Total Distributions for such quarter equal an amount in cash sufficient to pay all equity holders including incentive distributions for the period for which distributions are declared a distribution of \$0.5175 per unit. The Support Amount (i) is to be calculated by the Partnership in conjunction with closing the financial statements for the applicable quarter; (ii) will be accrued for the applicable quarter and reflected in distributable cash flow for such quarter; and (iii) will be settled by the Partnership in conjunction with the next regularly scheduled monthly payment (the “Subsequent Payment”) for allocated expenses to be settled by the Partnership pursuant to this Agreement (the amount of the Subsequent Payment before giving effect to any Support Amount is the “Subsequent Payment Amount”). The Subsequent Payment will be settled as follows: (i) if the Support Amount is less than the Subsequent Payment Amount, then the Partnership will pay to Targa the Excess Amount; (ii) if the Support Amount is greater than the Subsequent Payment Amount, then Targa will pay to the Partnership the Excess Amount; and (iii) if the Support Amount is equal to the Subsequent Payment Amount, then no payment will be made by either the Partnership or Targa.

2.2 Reimbursement for Direct Expenses.

(a) The Partnership Group hereby agrees to reimburse Targa and its Affiliates for all direct expenses and expenditures they incur or payments they make on behalf of the Partnership Group, including, but not limited to, (i) salaries of operational personnel performing services on the Partnership Group’s behalf, the cost of employee benefits for such personnel and general and administrative expense associated with such personnel, (ii) capital expenditures, (iii) maintenance and repair costs, (iv) taxes and (v) direct expenses, including operating expenses and certain allocated operating expenses, associated with the ownership and operation of the North Texas Assets, the SAOU/LOU Business and the Downstream Business.

(b) The Partnership Group hereby agrees to reimburse Targa and its Affiliates for all expenses and expenditures they incur or payments they make as a result of the Partnership becoming a publicly traded entity, including costs associated with annual and quarterly reports, tax return and Schedule K-1 preparation and distribution, independent auditor fees, registrar and transfer agent fees, legal fees and independent director compensation.

(c) The obligation of the Partnership Group to reimburse Targa and its Subsidiaries pursuant to this Section 2.2 shall not be subject to any monetary limitation, including the G&A Expenses Limit contained in Section 2.1.

ARTICLE III

Indemnification

3.1 Environmental Indemnification.

(a) Subject to the provisions of Section 3.3, Targa shall indemnify, defend and hold harmless the Partnership Group and the Partnership Indemnitees from and against any Covered Environmental Losses suffered or incurred by the Partnership Group or any Partnership Indemnitee relating to the North Texas Assets for a period of three (3) years from the Closing Date but only to the extent such violations, corrections, events or conditions occurred on or before the Closing Date; *provided, however*, that such indemnity shall not apply to any Covered Environmental Losses reserved on the books of the Partnership Group as of the Closing Date.

(b) The Partnership Group shall indemnify, defend and hold harmless Targa and its Affiliates, other than any Partnership Group Member, from and against any Covered Environmental Losses suffered or incurred by Targa and its Affiliates, other than any Partnership Group Member, relating to the North Texas Assets occurring after the Closing Date except to the extent that the Partnership Group is indemnified with respect to any of such Covered Environmental Losses under Section 3.1(a).

(c) The aggregate liability of Targa under Section 3.1(a) shall not exceed \$10.0 million.

(d) No claims may be made against Targa for indemnification pursuant to Section 3.1(a) unless the aggregate dollar amount of the Losses suffered or incurred by the Partnership Group or Partnership Indemnitees exceed \$250,000, after such time Targa shall be liable for the full amount of such claims, subject to the limitations of Section 3.1(c).

(e) Notwithstanding anything herein to the contrary, in no event shall Targa have any indemnification obligations under this Agreement for claims made as a result of additions to or modifications of Environmental Laws promulgated after the Closing Date.

3.2 Additional Indemnification

(a) Subject to the provisions of Section 3.3, Targa shall indemnify, defend and hold harmless the Partnership Group and the Partnership Indemnitees from and against any Losses suffered or incurred by the Partnership Group or any Partnership Indemnitee by reason of or arising out of:

(i) the failure of the Partnership Group to be the owner of valid and indefeasible easement rights, leasehold and/or fee ownership interests in and to the lands on which are located any North Texas Assets, and such failure renders the Partnership Group liable or unable to use or operate the North Texas Assets in substantially the same manner that the North Texas Assets were used and operated by Targa and its Affiliates immediately prior to the Closing Date as described in the Registration Statement;

(ii) the failure of the Partnership Group to have on the Closing Date any consent or governmental permit necessary to allow (i) the transfer of any of the North Texas Assets to the Partnership Group on the Closing Date or (ii) any such North Texas Assets to cross the roads, waterways, railroads and other areas upon which any such North Texas Assets are located as of the Closing Date, and any such failure specified in such clause (ii) renders the Partnership Group unable to use or operate the North Texas Assets in substantially the same manner that the North Texas Assets were owned and operated by Targa and its Affiliates immediately prior to the Closing Date as described in the Registration Statement;

(iii) all federal, state and local income tax liabilities attributable to the ownership or operation of the North Texas Assets prior to the Closing Date, including any such income tax liabilities of Targa and its Affiliates that may result from the consummation of the formation transactions for the Partnership Group occurring on or prior to the Closing Date; and

(iv) all pending legal actions as of the Closing Date against one or more Partnership Group Members involving or otherwise relating to the North Texas Assets;

provided, however, that, in the case of clauses (i), (ii) and (iv) above, such indemnification obligations shall survive for three (3) years from the Closing Date; and that in the case of clause (iii) above, such indemnification obligations shall survive after the expiration of any applicable statute of limitations;

provided, further, that in the case of clauses (i), (ii), (iii) and (iv) above, such indemnification shall not include indemnity for Losses reserved on the books of the Partnership Group as of the Closing Date;

provided, further, no claims may be made against Targa for indemnification pursuant to Section 3.2 unless the aggregate dollar amount of the Losses suffered or incurred by the Partnership Group or Partnership Indemnitees exceed \$250,000, after such time Targa shall be liable for the full amount of such claims.

(b) In addition to and not in limitation of the indemnification provided under this Article III, the Partnership Group shall indemnify, defend, and hold harmless Targa and its Affiliates, other than any Partnership Group Member, from and against any Losses suffered or incurred by Targa and its Affiliates, other than any Partnership Group Member, by reason of or arising out of events and conditions associated with the operation of the North Texas Assets that occurs on or after the Closing Date except to the extent that the Partnership Group is indemnified with respect to any such Losses under Section 3.2(a).

3.3 Indemnification Procedures.

(a) The Indemnified Party agrees that within a reasonable period of time after it becomes aware of facts giving rise to a claim for indemnification pursuant to this Article III, they will provide notice thereof in writing to the Indemnifying Party specifying the nature of and specific basis for such claim; *provided, however*, that the Indemnified Party shall not submit claims more frequently than once a calendar quarter (or twice in the case of the last calendar quarter prior to the expiration of the applicable indemnity coverage under this Agreement).

(b) The Indemnifying Party shall have the right to control all aspects of the defense of (and any counterclaims with respect to) any claims brought against the Indemnified Party that are covered by the indemnification set forth in this Article III, including, without limitation, the selection of counsel, determination of whether to appeal any decision of any court or similar authority and the settling of any such matter or any issues relating thereto; *provided, however*, that no such settlement shall be entered into without the consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Indemnified Party unless it includes a full release of the Indemnified Party from such matter or issues, as the case may be.

(c) The Indemnified Party agrees to cooperate fully with the Indemnifying Party with respect to all aspects of the defense of any claims covered by the indemnification set forth in this Article III, including, without limitation, the prompt furnishing to the Indemnifying Party of any correspondence or other notice relating thereto that the Indemnified Party may receive, permitting the names of the Indemnified Party to be utilized in connection with such defense, the making available to the Indemnifying Party of any files, records or other information of the Indemnified Party that the Indemnifying Party considers relevant to such defense and the making available to the Indemnifying Party of any employees of the Indemnified Party; *provided, however*, that in connection therewith the Indemnifying Party agrees to use reasonable efforts to minimize the impact thereof on the operations of the Indemnified Party and further agrees to maintain the confidentiality of all files, records and other information furnished by the Indemnified Party pursuant to this Section 3.3. In no event shall the obligation of the Indemnified Party to cooperate with the Indemnifying Party as set forth in the immediately preceding sentence be construed as imposing upon the Indemnified Party an obligation to hire and pay for counsel in connection with the defense of any claims covered by the indemnification set forth in this Article III; *provided, however*, that the Indemnified Party may, at its own option, cost and expense, hire and pay for counsel in connection with any such defense. The Indemnifying Party agrees to keep any such counsel hired by the Indemnified Party reasonably informed as to the status of any such defense, but the Indemnifying Party shall have the right to retain sole control over such defense.

(d) In determining the amount of any loss, cost, damage or expense for which the Indemnified Party is entitled to indemnification under this Agreement, the gross amount of the indemnification will be reduced by (i) any insurance proceeds realized by the Indemnified Party, and such correlative insurance benefit shall be net of any incremental insurance premium that becomes due and payable by the Indemnified Party as a result of such claim and (ii) all amounts recovered by the Indemnified Party under contractual indemnities from third Persons.

ARTICLE IV

Miscellaneous

4.1 Special Termination Rights.

(a) Notwithstanding any other provision of this Agreement, if the General Partner is removed as general partner of the Partnership under circumstances where Cause (as defined in the Partnership Agreement) does not exist and the Units (as defined in the Partnership Agreement) held by the General Partner and its Affiliates are not voted in favor of such removal, this Agreement, other than the provisions set forth in Article III hereof, may immediately thereupon be terminated by Targa upon giving notice of termination to the other parties hereto.

(b) This Agreement shall also terminate upon a Change of Control of the General Partner.

(c) If and to the extent that the Partnership hereafter transfers or disposes of (i) the Companies (as defined in the PSA), (ii) the business conducted by the Companies, (iii) all or substantially all of the Company Assets (as defined in the PSA), (iv) all or substantially all of the Downstream Business or (v) all or substantially all of the Houston Area Assets (as defined in the PSA) to a Person that is not an Affiliate of the Partnership, then the obligations of Targa under Section 2.1(d) shall terminate and lapse and Targa would from and after the consummation of such transfer or disposition no longer be obligated to provide the support referenced in Section 2.1(d).

4.2 Choice of Law; Submission to Jurisdiction. This Agreement shall be subject to and governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state. Each Party hereby submits to the jurisdiction of the state and federal courts in the State of Texas and to venue in Houston, Texas.

4.3 Notice. All notices or requests or consents provided for by, or permitted to be given pursuant to, this Agreement must be in writing and must be given by depositing same in the United States mail, addressed to the Person to be notified, postpaid, and registered or certified with return receipt requested or by delivering such notice in person or by telecopier or telegram to such Party. Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All notices to be sent to a Party pursuant to this Agreement shall be sent to or made at the address set forth below or at such other address as such Party may stipulate to the other Parties in the manner provided in this Section 4.3.

if to Targa:

Targa Resources, Inc.
1000 Louisiana, Suite 4300
Houston, Texas 77002
Attention: General Counsel

if to the Partnership Entities:

Targa Resources Partners LP
1000 Louisiana, Suite 4300
Houston, Texas 77002
Attention: General Counsel

4.4 Entire Agreement. This Agreement constitutes the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

4.5 Effect of Waiver or Consent. No waiver or consent, express or implied, by any Party to or of any breach or default by any Person in the performance by such Person of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such Person of the same or any other obligations of such Person hereunder.

4.6 Amendment or Modification. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties hereto; *provided, however,* that the Partnership may not, without the prior approval of the Conflicts Committee, agree to any amendment or modification of this Agreement that, in the reasonable discretion of the General Partner, will adversely affect the holders of Common Units. Each such instrument shall be reduced to writing.

4.7 Assignment. No Party shall have the right to assign any of its rights or obligations under this Agreement without the consent of the other Parties hereto.

4.8 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

4.9 Severability. If any provision of this Agreement shall be held invalid or unenforceable by a court or regulatory body of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

4.10 Further Assurances. In connection with this Agreement and all transactions contemplated by this Agreement, each signatory party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

4.11 Rights of Limited Partners. The provisions of this Agreement are enforceable solely by the Parties to this Agreement, and no Limited Partner of the Partnership shall have the right, separate and apart from the Partnership, to enforce any provision of this Agreement or to compel any Party to this Agreement to comply with the terms of this Agreement.

4.12 Successors. This Agreement shall bind and inure to the benefit of the Parties and to their respective successors and assigns.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement on, and effective as of, the date first set forth above.

TARGA RESOURCES, INC.

By: /s/ Rene R. Joyce
#160;
Rene R. Joyce
Chief Executive Officer

&

TARGA RESOURCES LLC

By: /s/ Rene R. Joyce
#160;
Rene R. Joyce
Chief Executive Officer

&

TARGA RESOURCES GP LLC

By: /s/ Rene R. Joyce
Rene R. Joyce
Chief Executive Officer

TARGA RESOURCES PARTNERS LP

By: Targa Resources GP LLC,
its general partner

By: /s/ Rene R. Joyce
#160;
Rene R. Joyce
Chief Executive Officer

&

[Signature Page to the Second Amended and Restated Omnibus Agreement]

TARGA LIQUIDS MARKETING AND TRADE

RAW PRODUCT PURCHASE AGREEMENT

EFFECTIVE DATE: September 1, 2009 ("*Effective Date*")

Seller: Targa Permian LP
1000 Louisiana, Suite 4300
Houston, TX 77002-5036
Fax No. (713) 584-1503
Attn: Contracts Administration

Buyer: Targa Liquids Marketing and Trade
1000 Louisiana, Suite 4300
Houston, TX 77002-5036
Fax No. (713) 584-1503
Attn: Contracts Administration

1. SALE AND PURCHASE

Seller agrees to sell and deliver to Buyer, and Buyer agrees to purchase and receive from Seller, Raw Product on the terms and conditions set forth in this Raw Product Purchase Agreement (the "*Agreement*").

2. TERM

This Agreement shall commence on the Effective Date and shall continue in full force and effect for fifteen (15) years (the "*Initial Term*"). At the end of the Initial Term, this Agreement shall automatically be extended for successive five (5) year terms, unless either Party shall have given the other Party no less than 60 Days written notice of its intent to terminate this Agreement prior to the end of (i) the Initial Term, or (ii) the then-current five (5) year extension term, as applicable (the Initial Term, as extended by one year extension terms, the "*Term*").

3. TERMS OF SALE AND PURCHASE

3.1. VOLUMES

Seller commits and dedicates to sell, and Buyer agrees to purchase, all volumes of Raw Product owned or controlled by Seller and produced from the Originating Facility.

3.2. DELIVERY OF RAW PRODUCT

Buyer may elect to receive Raw Product from Seller as follows:

- (i) At or near the tailgate of the Originating Facility into a Raw Product Pipeline designated by Buyer or such other locations as are mutually agreed to by the Parties;
- (ii) At the truck rack of the Originating Facility onto tank trucks provided by Buyer.

3.3. SHIPMENT

Buyer shall procure transportation for all Raw Product from the Originating Facility to the applicable destination.

4. PRICE

4.1. PRICE DETERMINATION FOR RAW PRODUCT SALES

- (a) Buyer shall pay to Seller for the Raw Product delivered to Buyer hereunder, a purchase price equal to the OPIS Index Price for each Gallon of each NGL Component contained in the Raw Product, minus (i) Transportation Costs, (ii) Fractionation Costs, and (iii) the Marketing Fee.
- (b) "*OPIS Index Price*" means the monthly average of the daily high and low prices per Gallon, for the Month in which delivery occurs, as quoted by OPIS in the OPIS LP-Gas Report for "Any Current Month" volumes in the "Mont Belvieu Spot Gas Liquids Prices" table using: (i) the Non-TET prices for the propane and isobutane NGL Components; (ii) the Other prices for natural gasoline and normal butane NGL components; and (ii) the EP Mix price for the ethane NGL Component.
- (c) "*Transportation Costs*" means all transportation costs incurred by Buyer in transporting the Raw Product delivered by Seller under this Agreement to the applicable destination, including pipeline tariff charges, truck costs, Raw Product losses, (other than as a result of Buyer's gross negligence or willful misconduct); demurrage, and loading, unloading, terminaling, handling and storage and other charges attributable to the Raw Product. With regard to transportation provided in whole or in part by third parties, "Transportation Costs" means the actual costs and expenses incurred by Buyer in connection therewith. With regard to transportation provided in whole or in part by Buyer or any Affiliate of Buyer, "Transportation Costs" means the commercially reasonable costs and expenses charged by Buyer or its Affiliate (excluding any general and administrative costs and expenses).

- (d) **“Fractionation Costs”** means the fractionation costs and expenses incurred by Buyer in connection with the receipt and fractionation of Raw Product delivered by Seller under this Agreement that are charged to Buyer with respect to the Raw Product delivered under this Agreement. Depending on the entity fractionating Raw Product for Buyer, such fee shall be (i) the then current fee charged to Buyer under its fractionation agreements with Gulf Coast Fractionators, Lake Charles Fractionators, Cedar Bayou Fractionators, L.P. or any other entity providing fractionation services in which an Affiliate of Buyer has an ownership interest, or (ii) the fractionation fees charged to Buyer by a third party providing fractionation services with respect to such Raw Product.
- (e) **“Marketing Fee”** means the greater of (i) two and one-half percent (2.5%) of the OPIS Index Price, as applicable, per Gallon of the applicable product or (ii) one cent (\$0.01) per Gallon of the applicable product.

4.2. ALTERNATE INDEX

If for any reason the OPIS Index for a particular NGL Component or any other index used in the calculations made pursuant to Section 4.1 should (i) cease to be published or (ii) be materially changed, the Parties agree promptly and in good faith to negotiate a mutually satisfactory alternate index or

substitute methodology for calculating the price for such Component (the **“Alternate Index”**). If, on or before 30 Days after the index used to determine the price hereunder ceases to be published, the Parties are unable to agree on an Alternate Index upon which to base the calculation of the price, the Parties shall submit such determination to arbitration in accordance with the provisions of Article 20, which arbitration procedure will determine the Alternate Index. From the date on which the index price used to determine the price for a particular NGL Component ceases to be available until the Alternate Index is determined, the price for such NGL Component shall be the average of the prices in effect hereunder (or that would have been in effect hereunder) during the 12 Months preceding the Month in which the index upon which the price was based ceased to be available, which price shall be effective until the effective date of the Alternate Index determined as set forth in this Section 4.3. Upon the determination of an Alternate Index, the price will be adjusted retroactively to the date on which the index upon which the price previously was based ceased to be available. Any payments hereunder that are delayed pending the determination of an Alternate Index shall bear interest at the Base Rate from the date that such payment would have been due without such delay until the date of payment.

5. REPRESENTATIONS AND WARRANTIES

5.1. SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer that (i) Seller has Good And Marketable Title to the Raw Product delivered by it to Buyer hereunder and the right to sell and deliver same to Buyer, and SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER HARMLESS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR RELATED TO ANY FAILURE OF SUCH TITLE OR BREACH OF THIS WARRANTY; and (ii) Seller shall deliver all Raw Product sold to Buyer hereunder in compliance with all Applicable Laws.

5.2. BUYER REPRESENTATION AND WARRANTY

Buyer represents and warrants to Seller that Buyer shall receive all Raw Product sold by Seller hereunder in compliance with all Applicable Laws.

5.3. BUYER ACKNOWLEDGMENT

Buyer acknowledges that the Raw Product delivered hereunder is hazardous and that Buyer is knowledgeable of (i) the hazards and risks associated with such Raw Product, and (ii) the handling, receipt, transportation, storage and use of such Raw Product.

6. WAIVER OF CONSUMER RIGHTS

Each of Buyer and Seller hereby waives its respective rights, if any, under the Texas Deceptive Trade Practices-Consumer Protection Act, Sections 17.41 et seq., except for Section 17.555 Texas Business & Commerce Code, a law that gives consumers special rights and protections. After consultation with an attorney of its own selection, Buyer and Seller voluntarily consent to this waiver.

7. DELIVERY

Delivery shall be deemed to have been completed when the Raw Product has been delivered to the Measurement Points. As between the Parties, Seller shall be deemed to be in exclusive possession and control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Raw Product prior to and at the Measurement Points and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Raw Product from the Measurement Points.

8. PASSAGE OF TITLE

Title to, and risk of loss for, the Raw Product shall pass from Seller to Buyer at the applicable Measurement Points. Notwithstanding the foregoing, title to, and risk of loss associated with, any Offspec Raw Product shall remain with Seller.

9. MEASUREMENT & ANALYSIS

9.1. MEASUREMENT

All Raw Product under this Agreement shall be measured as follows:

- (a) On all deliveries into/out of Pipelines, the quantity shall be determined by turbine or positive displacement pipeline meter in accordance with API Manual of Petroleum Measurement Standards.
- (b) On all deliveries into/out of transport and tank truck equipment, quantities shall be determined by meter with no vapor return, slip

tube, rotary gauging device or weighing, in accordance with GPA Publication 8162, all appropriate GPA and API standards and all revisions thereof.

- (c) Metering systems used for quantity determinations shall not allow vapor return or shall compensate for any vapor return.
- (d) All quantities shall be corrected to 60 degrees Fahrenheit and equilibrium vapor pressure of the applicable Raw Product at 60 degrees Fahrenheit.
- (e) Volume and compressibility correction factors shall be determined from referenced API tables or computer programs used to generate these tables.

9.2. PRODUCT SAMPLING & ANALYSIS

- (a) Buyer will obtain a sample or samples of the Raw Product from an appropriate location at the Originating Facility, tank truck, or Pipeline, as applicable, and/or the loading/unloading facilities connected to the applicable means of transport; at an appropriate time or times and on a frequency established by Buyer; with the exact sampling locations, times and frequencies to be determined by Buyer, in its sole discretion, in order to obtain representative samples of the Raw Product being delivered by Seller under this Agreement.
- (b) Representative samples of the Raw Product shall be analyzed by Buyer.
- (c) Other provisions and standards referenced herein notwithstanding, the volume of the natural gasoline NGL Component contained in the Raw Product shall be calculated using the component densities of the pentanes and the hexanes plus (C6+).

9.3. STANDARDS

Measurement, sampling and analysis, pursuant to the above provisions, shall be conducted in accordance with the GPA Standards applicable to the methodology used; including GPA Standards 8182, 8173, 2177 and all other appropriate GPA, API and ASTM standards, with all such standards being incorporated herein for all purposes, including all revisions of those standards adopted and in effect during the Term of this Agreement.

10. CLAIMS

All claims by Buyer for deficiencies in Raw Product quantity or quality shall be made to Seller within 180 days of delivery of the applicable Raw Product. All notices regarding Raw Product deficiencies shall be made in accordance with [Section 19](#). Failure by Buyer to timely notify Seller of any deficiency shall be deemed a waiver by Buyer of any claims with regard to such Raw Product deficiencies.

11. QUALITY

All Raw Product delivered to Buyer under this Agreement shall meet the specifications governing the applicable Pipeline receipt point and shall not contain any contaminants that may make it or its NGL Components commercially unacceptable. Seller may be required, on Buyer's behalf as shipper, to furnish any Pipeline on which Raw Product is transported with a certificate setting forth the specifications of each shipment of Raw Product to be transported on such Pipeline. Seller acknowledges that any such Pipeline shall have the right to: (i) refuse to accept any Raw Product for transportation which do not meet such Pipeline's specifications or which are not of good and merchantable quality suitable for transportation through Pipeline's existing facilities, and (ii) sample and/or test any shipment of Raw Product prior to acceptance or during receipt of same, and in the event of variance between the Seller's certificate and the Pipeline's test, the latter shall prevail.

12. OFFSPEC RAW PRODUCT

In the event any of Seller's Raw Product is contaminated or otherwise fails to conform to the specifications governing the applicable Pipeline receipt point ("**Offspec Raw Product**"), either Party may notify the other Party of any such failure, and Seller immediately shall undertake and diligently pursue such acts as may be necessary to correct such failure so as to deliver Raw Product conforming to the applicable specifications. Buyer shall have the right, at any time and from time to time, to reject any Raw Product not conforming to the specifications governing the applicable Pipeline receipt point and to refuse or suspend receipt until it is established to Buyer's reasonable satisfaction that subsequent deliveries of Raw Product will conform to the specifications governing the applicable Pipeline receipt point, and nothing contained in this [Section 12](#) or the Agreement is intended or shall be construed to limit such right. If it is subsequently determined that Buyer unknowingly accepted Offspec Raw Product, the Parties will mutually agree upon a discounted price for such Offspec Raw Product to reflect (i) its diminution in value, if any, from Raw Product meeting the specifications governing the applicable Pipeline receipt point, or (ii) the cost incurred by Buyer in handling such Offspec Raw Product. SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS BUYER, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND CONTRACTORS FROM AND AGAINST ANY CLAIMS ARISING OUT OF, OR RELATED TO, THE DELIVERY OF OFFSPEC RAW PRODUCT TO BUYER WHICH ARE UNKNOWINGLY ACCEPTED BY BUYER.

13. INSPECTIONS

Each Party shall be entitled to have its representatives present during all loadings, unloadings, tests, samples and measurements involving delivery of Raw Product under this Agreement. Either Party may engage certified independent inspectors to perform gauging, sampling, and testing up to four times during each 12 Month period during the Term, in which event such inspector's determinations shall be conclusive and binding on the Parties. Payments for such outside inspector's services will be shared equally among the Parties unless some other arrangement for payment is mutually agreed upon.

14. NOMINATIONS; DAMAGE PAYMENTS

14.1 MONTHLY NOMINATIONS

Prior to the end of each Month Seller will nominate the total quantity of Raw Product to be delivered to Buyer pursuant to this Agreement during the succeeding Month, giving sufficient time to meet the applicable Pipeline's nomination deadlines for such Month, and will also provide Buyer with any other

operational information which could have a significant effect on the quantity of Raw Product delivered for the Month. Seller and Buyer will cooperate in communicating throughout each Month regarding any changes in the quantity of Raw Product to be delivered at the Measurement Point. Should Seller become aware that actual deliveries at the Measurement Point on any day will be more or less than the nominated quantity, Seller will promptly notify Buyer.

14.2 DAMAGE PAYMENTS

In the event that (i) Buyer is unable to take all of the Raw Product nominated by Seller during a particular Month due to any Person's failure to take Raw Product from Buyer, and (ii) Buyer receives Damage Payments in connection with such event, Buyer will pay Seller its pro rata share of such Damage Payments based on the amount of nominated Raw Product not taken by Buyer from Seller and any other Affiliates of Buyer as a result of such event.

15. DEFAULT; TERMINATION

15.1. EVENTS OF DEFAULT

It shall be an "**Event of Default**" if:

- (a) Either Party becomes insolvent, makes an assignment for the benefit of creditors, or a receiver or trustee is appointed for the benefit of such Party's creditors, or a Party makes a filing for protection from creditors under any bankruptcy or insolvency laws, or such filing is made against a Party;
- (b) Buyer fails to make any payment when due and such nonpayment shall have continued for 10 Days or more after notice of same from Seller;
- (c) Either Party fails to perform any of its material obligations hereunder and such nonperformance shall have continued for 30 Days or more after notice of same from the other Party.

15.2. TERMINATION FOR DEFAULT

- (a) If an Event of Default occurs and is continuing, the non-defaulting Party may, by written notice to the defaulting Party, designate a day no earlier than the day such notice is effective as an early termination date ("**Early Termination Date**"). On the Early Termination Date, all obligations due on or after the Early Termination Date under the Agreement shall be terminated except as provided herein. If an Early Termination Date has been designated, the non-defaulting Party shall in good faith calculate the amount due between the parties as of the Early Termination Date. The non-defaulting party shall notify the defaulting Party in writing of the amount due and whether it is owed to or from the defaulting Party (the "**Termination Payment**"). The party owing the Termination Payment shall pay it to the other party within two Business Days after the effective date of such notice, with interest at the Base Rate from the Early Termination Date until paid.
- (b) In addition, the defaulting Party hereunder shall reimburse the non-defaulting Party, on demand, for actual, reasonable out-of-pocket expenses (with interest at the Base Rate), including, without limitation, reasonable legal fees and expenses incurred by the other Party in connection with the enforcement of the Agreement.
- (c) If an Early Termination Date is designated, the non-defaulting party shall be entitled, in its sole discretion, to set-off any amount payable by the non-defaulting Party or any of its Affiliates to the defaulting Party under the Agreement or otherwise, against any amounts payable by the defaulting Party to the non-defaulting Party or any of its Affiliates under this Agreement or otherwise. This provision shall be in addition to any right of setoff or other right and remedies to which any party is otherwise entitled (whether by operation of law, contract or otherwise). If an obligation is unascertained, the non-defaulting party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the non-defaulting party accounting to the defaulting Party when the obligation is ascertained.

15.3 OTHER TERMINATION RIGHTS

In the event that either Party ceases to be an Affiliate of Targa Resources, Inc., then either Party may, at its sole discretion, elect to terminate this Agreement upon no less than one hundred twenty (120) Days written notice to the other Party.

16. FORCE MAJEURE

16.1. SUSPENSION

In the event of either Party being rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under this Agreement, other than to make payments due hereunder, the obligations of the Party suffering force majeure shall be suspended to the extent affected by and for the period of such force majeure condition. Such Party suffering force majeure shall give notice and full particulars of such force majeure in writing or by facsimile to the other Party as soon as possible after the occurrence of the cause. Such cause shall as far as possible be remedied with all reasonable dispatch.

16.2. DEFINITION

The term "**force majeure**" as employed herein shall mean acts of God, strikes, lockouts or other industrial disputes or disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, tornadoes, hurricanes or storms, and warnings for any of the foregoing which may necessitate the precautionary shut-down of wells, plants, gathering systems or other related facilities, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, sabotage, breakage or accidents to equipment, machinery, plants, or lines of pipe, the making of repairs, expansions or alterations to lines of pipe or plants, breakdown or destruction of facilities or equipment, lack of sufficient brine or brine handling capacity, inability to secure labor or materials, freezing of wells or lines of pipe, partial or entire failure of the Originating Facility or the facilities used to accept delivery of Raw Product and/or measure the same, electric power shortages, necessity for compliance with Applicable Laws, inclement weather that necessitates extraordinary measures and expense to construct facilities and/or maintain operations and any other causes, whether of the kind enumerated herein or otherwise, not within the control of the Party claiming suspension and which by the exercise of reasonable diligence such Party is

unable to prevent or overcome. Such term shall likewise include, in those instances where either Party hereto is required to obtain permits or licenses from any governmental agency to enable such Party to fulfill its obligations hereunder, the inability of such Party to acquire, or delays on the part of such Party in acquiring, such permits or licenses. The term "force majeure" shall also include any event of force majeure occurring with respect to the facilities or services of either Party's suppliers or customers delivering or receiving any Raw Product, fuel, feedstock, or other substance necessary to the performance of such Party's obligations, and shall also include curtailment or interruption of deliveries or services by such third party suppliers or customers as a result of an event of force majeure.

16.3. LABOR DISPUTES

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 requirements 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 an opposing party when such course is inadvisable in the sole discretion of the Party having difficulty.

16.4. MAINTENANCE

Either Party and/or its designee may briefly interrupt its performance hereunder for the purpose of making necessary or desirable inspections, alterations and repairs; and the Party requiring such relief shall give to the other Party reasonable notice of its intention to suspend its performance hereunder, except in cases of emergency where such notice is impracticable, in cases where the operations of the other Party will not be affected, or as to Buyer's performance, in cases where the Raw Product is being delivered to a terminal or a fractionation facility operated by a third party and the operator of such plant fails to give Buyer notice of such plant maintenance. The Party requiring such relief shall endeavor to arrange such interruptions so as to inconvenience the other Party as little as possible.

16.5 RATABLE TAKE

Whenever a force majeure event or other circumstances prevent Buyer from taking delivery of all of the Raw Product nominated by Seller during a particular Month, Buyer will use commercially reasonable efforts to take Seller's Raw Product ratably as to quantity with all other Raw Product that is nominated by Affiliates of Buyer that are also affected by such event.

17. INDEMNITIES

SELLER SHALL INDEMNIFY, RELEASE, DEFEND AND HOLD HARMLESS BUYER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO SELLER'S OWNERSHIP, POSSESSION OR CONTROL OF THE RAW PRODUCT UP TO THE MEASUREMENT POINTS, AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SELLER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO BUYER'S OWNERSHIP, POSSESSION OR CONTROL OF THE RAW PRODUCT AT AND AFTER THE MEASUREMENT POINTS.

18. ASSIGNMENT

Should the rights of Seller giving rise to its ownership and/or control of the Raw Product being sold hereunder be assigned during the Term of this Agreement (such as sale of any interest in an Originating Facility wherein Seller's ownership and control of Raw Product therefrom arises from Seller's ownership interest in the Originating Facility), Seller shall make any such a transfer expressly subject to the terms and conditions of this Agreement and shall (i) require its successor in interest to expressly assume and agree to perform Seller's obligations under this Agreement and to the extent of such assignment or transfer should Seller transfer less than all of its such rights. Nothing herein shall be construed to release Seller from its obligations hereunder. This Agreement may be assigned by either Party to any of its Affiliates or any Party that is the transferee or successor to all or substantially all of the assets of the assigning Party without the prior written consent of the other Party; provided that the assignee shall expressly agree to assume and perform all of the assigning Party's obligations hereunder. Any other assignment of this Agreement shall require the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld or delayed. Any assignment in violation of this Section 18 shall be void ab initio.

19. NOTICE

Any notice, claim, demand or other correspondence hereunder shall be in writing and shall be delivered personally by courier or overnight delivery service, by certified mail, return receipt requested, or by fax (promptly followed by a copy sent by mail or personal delivery), to the Party's address set forth in this Agreement, unless changed by notice. Such notice, claim, demand or correspondence shall be deemed to have been given on the date of the actual delivery thereof to the Party receiving such notice, or, if receipt is refused or rejected, upon attempted delivery.

20. DISPUTE RESOLUTION

20.1. INITIAL NOTICE

Either Party may initiate dispute resolution procedures by sending written notice (the "**Initial Notice**") to the other Party specifically stating the complaining Party's claim and requesting dispute resolution in accordance with this Article 20. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this contract. Within 10 Business Days after delivery of the Initial Notice, the receiving Party shall submit to the other a written response. The Initial Notice and response shall include (a) a statement of that Party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within 25 Business Days after delivery of the Initial Notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

20.2. PROCEEDINGS

Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation between executives herein within 45 Business Days after delivery of the Initial Notice, shall be finally resolved by arbitration in accordance with

the CPR Rules for Non-Administered Arbitration then currently in effect by three arbitrators appointed by CPR under the terms of CPR Rule 6; provided, however, that if one Party fails to participate in negotiation as agreed herein, the other Party can commence arbitration prior to the expiration of the time periods set forth above. The arbitration shall commence upon the receipt of a notice of arbitration by either Party. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. and the Texas Arbitration Act, TEX. CIV. PRAC. & REM. CODE §§ 171.000 et seq., to the extent applicable and not in conflict with the Federal Arbitration Act. The arbitrators shall render a reasoned award, and judgment upon the award may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Houston, Texas. Unless the Parties to this Agreement agree in writing otherwise, the arbitrators shall not have the power to award, nor shall they award, any punitive or consequential damages (however nominated); however, the arbitrators may award specific performance where appropriate. Each Party shall pay its own attorneys fees and costs, and each Party shall pay one-half of the arbitrators' fees and costs, no matter which side prevails. Except as required by law or necessary to confirm or enforce an award, all proceedings hereunder shall remain confidential.

20.3. PRELIMINARY INJUNCTIONS; PERFORMANCE PENDING RESOLUTION

Notwithstanding the foregoing, either Party may request preliminary injunctive and/or equitable relief from a court of competent jurisdiction at any time before an arbitrator has been selected in order to protect the rights or property of such Party pending the resolution of the dispute as provided hereunder. Despite such action the Parties will continue to participate in the procedures specified in this Agreement. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to the Agreement, unless to do so would be impossible or impracticable under the circumstances.

21. STATEMENTS, AUDIT

On or before the 15th Business Day of the Month following the Month of delivery, Buyer shall deliver to Seller a statement showing for the Month of delivery the nominated and estimated amounts of Raw Product delivered for sale hereunder, and the applicable NGL Component price(s). Payment shall be made by Buyer within 10 days after its delivery of the statement. Buyer may net against payments owed to Seller under this Agreement any outstanding payments owed by Seller to Buyer under this Agreement. If Seller in good faith disputes all or part of any statement or payment, then Seller shall provide Buyer with a written notice and explanation of the basis for the dispute, but shall have no right to suspend performance under this Agreement. As soon as information is available on the actual quantity of Raw Product delivered in each Month of delivery, the invoiced amount shall be reconciled in the subsequent invoices for any overpayment or underpayment.

Subject to the limitations set forth in the following paragraph, if an error is discovered in any statement or payment, then the Party entitled to receive such payment shall be paid by the other Party within 10 days after issuance of a corrected invoice, together with interest at the Base Rate.

For a period of 24 Months from the date of any statement or invoice, each Party and its duly authorized representatives shall have access to the accounting records and other documents maintained by the other Party which relate to the Raw Product being delivered under this Agreement and any other matters covered by this Agreement and shall have the right to audit such records and other documents once a year in the offices of the Party to be audited at any reasonable time or times upon at least 15 Days prior written notice. Neither Party shall make any claim on the other for any adjustment 24 Months after the date of any statement or invoice.

22. TAXES; CHANGE OF LAW

Seller shall be responsible for any royalties, overriding royalties, and other payments due or to become due on the hydrocarbons which are subject to this Agreement. Seller shall be liable for and shall pay, or cause to be paid, or reimburse Buyer if Buyer has paid, all taxes applicable to the sale of Raw Product by Seller to Buyer hereunder. SELLER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER, ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THE PAYMENT OF ANY TAXES, ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS DUE OR TO BECOME DUE ON THE RAW PRODUCT AND WHICH SELLER IS OBLIGATED TO PAY UNDER THIS AGREEMENT.

Notwithstanding anything contained in this Agreement to the contrary, in the event there is a change in any applicable law or regulation after the effective date of this Agreement which results in a governmental authority imposing, in the reasonable determination of either Party, an additional economic burden on such Party in connection with or related to the purchase and sale of Raw Product pursuant to the terms of this Agreement, including but not limited to any tax, assessment, emission credit expense, or other cost or expense based upon or related to carbon dioxide content or emissions and/or greenhouse gas content or emissions, then the burdened Party shall initiate a good faith effort to negotiate with the other Party to modify this Agreement in order cure or alleviate such economic burden. If no such cure is agreed upon by the Parties, then the issue shall be resolved pursuant to the dispute resolution procedures set forth in Article 20.

23. LIMITATION OF LIABILITY

Neither Party shall be liable to the other Party for any indirect, incidental, punitive, exemplary, consequential or special damages save and except only to the extent such damages are imposed on a Party entitled to indemnity under the terms of this Agreement in favor of an unaffiliated third party and such damages arise from an underlying claim, liability or damages against which such Party entitled to indemnity is indemnified by a Party to this Agreement.

24. CONFLICTS OF INTEREST

No director, employee or agent of either Party shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with this Agreement. Any representative(s) authorized by either Party may, at its sole expense, audit the applicable records of the other Party solely for the purpose of determining whether there has been compliance with this Section 24.

25. CONDUCT OF PARTIES' BUSINESS

Each Party in the performance of this Agreement is engaged in an independent business and nothing herein contained shall be construed as giving either Party any right to control the other Party in any way in the performance of the other Party's business. Neither Party shall have any right to exercise control over any of the other Party's employees, representatives, agents or contractors of any level except to the extent of any safety requirements for delivery of Raw Product under this Agreement. All employees, representatives, agents or contractors of any level of a Party shall be entirely under the control and direction of that Party, which shall be entirely responsible for their actions and omissions.

26. GOVERNING LAW

THIS AGREEMENT SHALL BE SUBJECT TO THE JURISDICTION OF, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, INCLUDING THE UNIFORM COMMERCIAL CODE EXCEPT AS OTHERWISE SPECIFIED HEREIN, WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES THAT MAY DIRECT THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

27. CONFIDENTIALITY

Each Party agrees that it shall not disclose Confidential Information whether acquired before or after the Effective Date, to any third party other than each Party's officers, directors, employees, advisors or representatives who need to know and agree to maintain the confidentiality of the Confidential Information (collectively, "**Representatives**") during the Term and for a period of not more than three years after the end of the Term. Each Party shall be responsible for any breach of this Agreement by its Representatives.

Notwithstanding anything contained in this Section 27, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information, provided that: (i) such Confidential Information is submitted under applicable provisions, if any, for confidential treatment by such governmental, judicial or regulatory authority; (ii) prior to such disclosure, the Party who supplied the information is given notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure; and (iii) the Party subject to the governmental, judicial or regulatory authority endeavors to protect the confidentiality of any Confidential Information to the extent reasonable under the circumstances and to use its good faith efforts to prevent the further disclosure of any Confidential Information provided to any governmental, judicial or regulatory authority.

28. SEVERABILITY

The invalidity of any one or more covenants or provisions of this Agreement shall not affect the validity of any other provisions hereof or this Agreement as a whole, and in case of any such invalidity, this Agreement shall be construed to the maximum extent possible as if such invalid provision had not been included herein.

29. NO THIRD PARTY BENEFICIARY

Nothing in this Agreement shall entitle any Person other than Seller or Buyer, or their successors or assigns, to any claim, cause of action, remedy or right of any kind relating to the transaction(s) contemplated by this Agreement.

30. WAIVER

Waiver by either Party of the breach of any provision(s) hereof by the other Party shall not be deemed to be a waiver of the breach of any other provision(s) hereof or of any subsequent or continuing breach of such provision(s).

31. ENTIRE AGREEMENT – ALTERATIONS OR AMENDMENTS

This Agreement contains the entire agreement of the Parties respecting the matters addressed herein and no oral promises, agreements or warranties shall be deemed a part hereof, nor shall any alteration or amendment of this Agreement, or waiver of any of its provisions, be binding upon either Party hereto unless the same be in writing and signed by both Parties.

32. COMPLIANCE WITH LAWS

The Parties shall comply with all Applicable Laws in the performance of their respective obligations under this Agreement.

33. HEADINGS

The headings of the Articles, Sections and Paragraphs of this Agreement are for convenience of reference only and shall not constitute a part, nor modify, define or limit any of the terms or provisions, hereof.

34. SURVIVAL

The provisions of Articles 15, 17, 20, 23, 26 and 27 shall survive any expiration or termination of this Agreement.

35. 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.

36. 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) Examples shall not be construed to limit, expressly or by implication, the matter they illustrate.
- (c) The word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions.

- (d) The plural shall be deemed to include the singular and vice versa, as applicable.
- (e) Unless the context otherwise requires, any reference to a statutory provision (including those contained in subordinate legislation) is a reference to the provision as amended or re-enacted, or as modified by other statutory provisions from time to time, and includes subsequent legislation made under the relevant statute.

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IN WITNESS THEREOF, the Parties execute this Agreement on September 24, 2009, to be effective as of the Effective Date.

Targa Permian LP

By: Targa Permian GP LLC,
its general partner

By: /s/ Clark White

Name: Clark White
Title: Vice President

Targa Liquids Marketing and Trade

By: /s/ D. S. Pryor

Name: D. S. Pryor
Title: Vice President

EXHIBIT A

DEFINITIONS

In addition to any terms defined in the Raw Product Purchase Agreement to which this Exhibit A is affixed, as used herein, the following terms shall be given the following meanings:

"Affiliate" means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified, with the term **"control"** (including the terms **"controlled by"** or **"under common control with"**) meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Any Person shall be deemed to be an Affiliate of any specified Person if such Person owns 50% or more of the voting securities of the specified Person, 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" is defined in Section 1.

"Alternate Index" is defined in Section 4.2.

"API" means the American Petroleum Institute.

"Applicable Laws" means all applicable laws, statutes, regulations, rules, authorizations and orders of, and all applicable restrictions imposed by, any Governmental Authority.

"ASTM" means ASTM International (formerly American Society for Testing and Materials).

"Base Rate" means the lesser of (i) 2% above the per annum rate of interest announced from time to time as the "prime rate" for commercial loans by JPMorgan Chase, as such "prime rate" may change from time to time, or (ii) the maximum applicable non-usurious rate of interest.

"Business Day" means any day other than a Saturday, Sunday or a weekday that is observed as a holiday by federal reserve banks located in Houston, Texas.

"Buyer" means Targa Liquids Marketing and Trade, a Delaware general partnership.

"Central Time" means Central Time as adjusted for daylight savings time.

"Claims" means any and all losses, damages, fines, liens, levies, penalties, claims, demands, causes of action, suits, legal or administrative proceedings, orders, governmental actions and judgments of every kind and character, and any and all costs and expenses (including, without limitation, attorneys' fees, expert witness fees, and court costs) related thereto.

"Confidential Information" means this Agreement and any other written data or information (or an oral communication if the Party requesting confidentiality for such oral communication promptly confirms such communication in writing) which is privileged, confidential or proprietary, except information which (i) is a matter of public knowledge at the time of its disclosure or is thereafter published in or otherwise ascertainable from any source available to the public without breach of this Agreement, (ii) constitutes information which is obtained from a third party (who or which is not an Affiliate of one of the Parties) other than by or as a result of unauthorized disclosure, or (iii) prior to the time of disclosure had been independently developed by the receiving Party or its Affiliates not utilizing improper means.

"Damage Payments" means all liquidated damages or other payments received by Buyer from any Person as a result of such Person's failure to take Raw Product from Buyer, minus any amounts of such liquidated damages or other payments received by Buyer that are payable to any un-Affiliated third parties in connection with such event.

"Day" or **"Daily"** means a 24 hour period commencing 7:00 a.m. Central Time and extending until 6:59 a.m. Central Time on the following Day.

"Early Termination Date" is defined in Section 15.2(a).

"Effective Date" is defined in the preamble of this Agreement.

"Event of Default" is defined in Section 15.1.

"Fractionation Costs" is defined in Sections 4.1.

"Gallon" means one U.S. liquid Gallon, which is the unit of volume used for the purpose of measurement of liquid. One U. S. liquid Gallon contains 231 cubic inches when the liquid is at a temperature of sixty 60 degrees Fahrenheit (60° F) and at the vapor pressure of the liquid being measured.

"Good and Marketable Title" means such title free from all liens, mortgages, security interests, encumbrances and adverse claims or other charges.

"Governmental Authority" means any federal, national, state, regional, municipal or local governmental or quasi-governmental authority or regulatory department, agency, legislative, judicial or administrative body, taxing authority or other governmental or quasi-governmental authority in any jurisdiction having jurisdiction over any Party or the performance of the obligations set forth in this Agreement.

"GPA" means the Gas Processors Association, headquartered in Tulsa, Oklahoma, U.S.A.

"Initial Notice" is defined in Section 20.1.

“Initial Term” is defined in Section 2.

“Marketing Fee” is defined in Section 4.1.

“Measurement Points” means the point where the Raw Product has passed the downstream flange of the meter measuring the Raw Product for delivery at the location specified in Section 3.2.

“Month” or **“Monthly”** means a period commencing at 7:00 a.m. Central Time on the first Day of a calendar month and extending until 6:59 a.m. Central time on the first Day of the next succeeding calendar month.

“NGL Component” means each of the five individual hydrocarbon constituents contained in the Raw Product, including ethane, propane, isobutane, normal butane and natural gasoline (with natural gasoline including all pentane and heavier hydrocarbon components).

“Offspec Raw Product” has the meaning ascribed to it in Section 12.

“OPIS” means the Oil Price Information Service.

“OPIS Index” means the Oil Price Information Service Index.

“OPIS Index Price” is defined in Section 4.1.

“OPIS LP Gas Report” means the OPIS LP – Gas Price Report published by Oil Price Information Service.

“Originating Facility” means the Seller’s Sand Hills Gas Processing Plant located in Crane County, Texas, and such other facilities as are mutually agreed to by the Parties.

“Parties” means Buyer and Seller collectively.

“Party” means each of Buyer or Seller, as applicable.

“Person” means any individual, corporation, partnership, limited liability company, association, joint venture, trust, or other organization of any nature or kind.

“Pipeline” shall mean any Raw Product pipeline into which the Raw Product is being delivered in accordance with Article 3.

“Raw Product” means a mixture of liquid hydrocarbons meeting the specifications governing the applicable Pipeline receipt point.

“Representatives” is defined in Section 27.

“Seller” means Targa Permian LP, a Delaware limited partnership.

“Term” is defined in Section 2.

“Termination Payment” is defined in Section 15.2(a).

“Transportation Costs” is defined in Sections 4.1.

TARGA LIQUIDS MARKETING AND TRADE
SPECIFICATION PRODUCT PURCHASE AGREEMENT

EFFECTIVE DATE: **September 1, 2009 (“Effective Date”)**

Seller: Targa Midstream Services Limited Partnership
 1000 Louisiana, Suite 4300
 Houston, TX 77002-5036
 Fax No. (713) 584-1503
 Attn: Contracts Administration

Buyer: Targa Liquids Marketing and Trade
 1000 Louisiana, Suite 4300
 Houston, TX 77002-5036
 Fax No. (713) 584-1503
 Attn: Contracts Administration

1. SALE AND PURCHASE

Seller agrees to sell and deliver to Buyer, and Buyer agrees to purchase and receive from Seller, the Specification Products on the terms and conditions set forth in this Specification Products Purchase Agreement (the “**Agreement**”).

2. TERM

This Agreement shall commence on the Effective Date and shall continue in full force and effect for fifteen (15) years (the “**Initial Term**”). At the end of the Initial Term, this Agreement shall automatically be extended for successive five (5) year terms, unless either Party shall have given the other Party no less than 60 Days written notice of its intent to terminate this Agreement prior to the end of (i) the Initial Term, or (ii) the then-current five (5) year extension term, as applicable (the Initial Term, as extended by one year extension terms, the “**Term**”).

3. TERMS OF SALE AND PURCHASE

3.1. **VOLUMES**

Seller agrees to sell, and Buyer agrees to purchase, all volumes of Specification Products owned or controlled by Seller and produced from the Third Party Facilities.

3.2. **DELIVERY OF SPECIFICATION PRODUCTS**

Buyer may elect to receive Specification Product from Seller as follows:

- (i) At the truck rack of the Third Party Facility onto tank trucks provided by Buyer;
- (ii) At the load flange of the tank car at the Third Party Facility;
- (iii) At the loading flange of the barge at the Third Party Facility;
- (iv) At or near the tailgate of the Third Party Facility into a Pipeline designated by Buyer or such other locations as are mutually agreed to by the Parties;
- (v) At or near the tailgate of the Third Party Facility into a crude oil or NGL Component Pipeline designated by Buyer;
- (vi) In-storage Product transfer.

3.3. **SHIPMENT**

Buyer shall procure transportation for all Specification Product from the Third Party Facility to the applicable destination.

4. PRICE

4.1. **PRICE DETERMINATION FOR PRODUCT SALES**

- (a) Buyer shall pay to Seller for the Specification Product delivered to Buyer hereunder, the purchase price set forth in Exhibit B minus the Marketing Fee.
- (b) “**Marketing Fee**” means the greater of (i) two and one-half percent (2.5%) of the OPIS Index Price, as applicable, per Gallon of the applicable Specification Product or (ii) one cent (\$0.01) per Gallon of the applicable Specification Product.

4.2. **ALTERNATE INDEX**

If for any reason the OPIS Index for a particular NGL Component or any other index used in the calculations made pursuant to Section 4.1 should (i) cease to be published or (ii) be materially changed, the Parties agree promptly and in good faith to negotiate a mutually satisfactory alternate index or substitute methodology for calculating the price for such Component (the "**Alternate Index**"). If, on or before 30 Days after the index used to determine the price hereunder ceases to be published, the Parties are unable to agree on an Alternate Index upon which to base the calculation of the price, the Parties shall submit such determination to arbitration in accordance with the provisions of Article 20, which arbitration procedure will determine the Alternate Index. From the date on which the index price used to determine the price for a particular NGL Component ceases to be available until the Alternate Index is determined, the price for such NGL Component shall be the average of the prices in effect hereunder (or that would have been in effect hereunder) during the 12 Months preceding the Month in which the index upon which the price was based ceased to be available, which price shall be effective until the effective date of the Alternate Index determined as set forth in this Section 4.3. Upon the determination of an Alternate Index, the price will be adjusted retroactively to the date on which the index upon which the price previously was based ceased to be available. Any payments hereunder that are delayed pending the determination of an Alternate Index shall bear interest at the Base Rate from the date that such payment would have been due without such delay until the date of payment.

5. REPRESENTATIONS AND WARRANTIES

5.1. SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer that (i) Seller has Good And Marketable Title to the Specification Product delivered by it to Buyer hereunder and the right to sell and deliver same to Buyer, and SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER HARMLESS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR RELATED TO ANY FAILURE OF SUCH TITLE OR BREACH OF THIS WARRANTY; and (ii) Seller shall deliver all Specification Product sold to Buyer hereunder in compliance with all Applicable Laws.

5.2. BUYER REPRESENTATION AND WARRANTY

Buyer represents and warrants to Seller that Buyer shall receive all Specification Product sold by Seller hereunder in compliance with all Applicable Laws.

5.3. BUYER ACKNOWLEDGMENT

Buyer acknowledges that the Specification Product delivered hereunder is hazardous and that Buyer is knowledgeable of (i) the hazards and risks associated with such Specification Product, and (ii) the handling, receipt, transportation, storage and use of such Specification Product.

6. WAIVER OF CONSUMER RIGHTS

Each of Buyer and Seller hereby waives its respective rights, if any, under the Texas Deceptive Trade Practices-Consumer Protection Act, Sections 17.41 et seq., except for Section 17.555 Texas Business & Commerce Code, a law that gives consumers special rights and protections. After consultation with an attorney of its own selection, Buyer and Seller voluntarily consent to this waiver.

7. DELIVERY

Delivery shall be deemed to have been completed when the Specification Product has been delivered to the Measurement Points. For in-storage Specification Product transfer, delivery will be deemed to have been completed upon transfer of title in keeping with the title transfer procedures of the applicable pipeline carrier and/or storage operator or, in lieu of same, upon the date of transfer shown in the title transfer documentation provided to such operator. As between the Parties, Seller shall be deemed to be in exclusive possession and control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Specification Product prior to and at the Measurement Points and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Specification Product from the Measurement Points.

8. PASSAGE OF TITLE

Title to, and risk of loss for, the Specification Product shall pass from Seller to Buyer at the applicable Measurement Points. Notwithstanding the foregoing, title to, and risk of loss associated with, any Offspec Product shall remain with Seller.

9. MEASUREMENT & ANALYSIS

9.1. MEASUREMENT

All Specification Product under this Agreement shall be measured as follows:

- (a) On all deliveries into/out of Pipelines, the quantity shall be determined by turbine or positive displacement pipeline meter in accordance with API Manual of Petroleum Measurement Standards.
- (b) On all deliveries into/out of transport and tank truck equipment, quantities shall be determined by meter with no vapor return, slip tube, rotary gauging device or weighing, in accordance with GPA Publication 8162, all appropriate GPA and API standards and all revisions thereof.
- (c) On all deliveries into or out of tank cars, the quantity will be determined (in the following order of preference and based on equipment available at the point of delivery) by (A) weighing; (B) meters; or (C) gauging of the tank cars and use of official tank car capacity tables.
- (d) On all deliveries into or out of ships or barges, quantity will be determined (in the following order of preference and based on equipment available at the point of delivery) by: (A) gauging and official tank capacity tables or (B) if expressly agreed by the Parties, by shore meter or shore tank measurements.

- (e) Metering systems used for quantity determinations shall not allow vapor return or shall compensate for any vapor return.
- (f) All quantities shall be corrected to 60 degrees Fahrenheit and equilibrium vapor pressure of the applicable Specification Product at 60 degrees Fahrenheit.
- (g) Volume and compressibility correction factors shall be determined from referenced API tables or computer programs used to generate these tables.

9.2. PRODUCT SAMPLING & ANALYSIS

- (a) Buyer will obtain a sample or samples of the Specification Product from an appropriate location at the Third Party Facility, tank truck, or Pipeline, as applicable, and/or the loading/unloading facilities connected to the applicable means of transport; at an appropriate time or times and on a frequency established by Buyer; with the exact sampling locations, times and frequencies to be determined by Buyer, in its sole discretion, in order to obtain representative samples of the Specification Product being delivered by Seller under this Agreement.
- (b) Representative samples of the Specification Product shall be analyzed by Buyer.

9.3. STANDARDS

Measurement, sampling and analysis, pursuant to the above provisions, shall be conducted in accordance with the GPA Standards applicable to the methodology used; including GPA Standards 8182, 8173, 2177 and all other appropriate GPA, API and ASTM standards, with all such standards being incorporated herein for all purposes, including all revisions of those standards adopted and in effect during the Term of this Agreement.

10. CLAIMS

All claims by Buyer for deficiencies in the Specification Product quantity or quality shall be made to Seller within 180 days of delivery of the applicable Specification Product. All notices regarding Product deficiencies shall be made in accordance with [Section 19](#). Failure by Buyer to timely notify Seller of any deficiency shall be deemed a waiver by Buyer of any claims with regard to such Specification Product deficiencies.

11. QUALITY

All Specification Product delivered to Buyer under this Agreement shall meet the applicable Specifications and shall not contain any contaminants that may make it commercially unacceptable. In addition, any Specification Product transported via any Pipeline shall meet the specifications governing the applicable Pipeline receipt point. Seller may be required, on Buyer's behalf as shipper, to furnish any Pipeline on which Specification Product is transported with a certificate setting forth the Specifications of each shipment of Specification Product to be transported on such Pipeline. Seller acknowledges that any such Pipeline shall have the right to: (i) refuse to accept any Specification Product for transportation which do not meet such Pipeline's specifications or which are not of good and merchantable quality suitable for transportation through Pipeline's existing facilities, and (ii) sample and/or test any shipment of Specification Product prior to acceptance or during receipt of same, and in the event of variance between the Seller's certificate and the Pipeline's test, the latter shall prevail.

12. OFFSPEC PRODUCT

In the event any of Seller's Specification Product is contaminated or otherwise fails to conform to the specifications governing the applicable Pipeline receipt point ("**Offspec Product**"), either Party may notify the other Party of any such failure, and Seller immediately shall undertake and diligently pursue such acts as may be necessary to correct such failure so as to deliver Specification Product conforming to the applicable Specifications. Buyer shall have the right, at any time and from time to time, to reject any Specification Product not conforming to the Specifications and to refuse or suspend receipt until it is established to Buyer's reasonable satisfaction that subsequent deliveries of Specification Product will conform to the Specifications, and nothing contained in this [Section 12](#) or the Agreement is intended or shall be construed to limit such right. If it is subsequently determined that Buyer unknowingly accepted Offspec Product, the Parties will mutually agree upon a discounted price for such Offspec Product to reflect (i) its diminution in value, if any, from the Specification Product meeting the Specifications or (ii) the cost incurred by Buyer in handling such Offspec Product. SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS BUYER, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND CONTRACTORS FROM AND AGAINST ANY CLAIMS ARISING OUT OF, OR RELATED TO, THE DELIVERY OF OFFSPEC PRODUCT TO BUYER WHICH ARE UNKNOWINGLY ACCEPTED BY BUYER.

13. INSPECTIONS

Each Party shall be entitled to have its representatives present during all loadings, unloadings, tests, samples and measurements involving delivery of Specification Product under this Agreement. Either Party may engage certified independent inspectors to perform gauging, sampling, and testing up to four times during each 12 Month period during the Term, in which event such inspector's determinations shall be conclusive and binding on the Parties. Payments for such outside inspector's services will be shared equally among the Parties unless some other arrangement for payment is mutually agreed upon.

14. NOMINATIONS; DAMAGE PAYMENTS

14.1 NOMINATIONS TO THE THIRD PARTY FACILITY FOR SPECIFICATION PRODUCTS

No later than the fifth Business Day of each calendar month during the Term, Buyer shall provide to Seller an estimate of the volume of Specification Product that Buyer will receive from the Third Party Facility during the Month. Seller and Buyer shall cooperate in communicating throughout each Month regarding any changes effecting such nomination.

14.3 DAMAGE PAYMENTS

In the event that (i) Buyer is unable to take all of the Specification Product nominated during a particular Month due to any Person's failure to take Specification Product from Buyer, and (ii) Buyer receives Damage Payments in connection with such event, Buyer will pay Seller its pro rata share of such Damage Payments based on the amount of nominated Specification Product not taken by Buyer from Seller and any other Affiliates of Buyer as a result of such event.

15. DEFAULT; TERMINATION

15.1. EVENTS OF DEFAULT

It shall be an "*Event of Default*" if:

- (a) Either Party becomes insolvent, makes an assignment for the benefit of creditors, or a receiver or trustee is appointed for the benefit of such Party's creditors, or a Party makes a filing for protection from creditors under any bankruptcy or insolvency laws, or such filing is made against a Party;
- (b) Buyer fails to make any payment when due and such nonpayment shall have continued for 10 Days or more after notice of same from Seller;
- (c) Either Party fails to perform any of its material obligations hereunder and such nonperformance shall have continued for 30 Days or more after notice of same from the other Party.

15.2. TERMINATION FOR DEFAULT

- (a) If an Event of Default occurs and is continuing, the non-defaulting Party may, by written notice to the defaulting Party, designate a day no earlier than the day such notice is effective as an early termination date ("*Early Termination Date*"). On the Early Termination Date, all obligations due on or after the Early Termination Date under the Agreement shall be terminated except as provided herein. If an Early Termination Date has been designated, the non-defaulting Party shall in good faith calculate the amount due between the parties as of the Early Termination Date. The non-defaulting party shall notify the defaulting Party in writing of the amount due and whether it is owed to or from the defaulting Party (the "*Termination Payment*"). The party owing the Termination Payment shall pay it to the other party within two Business Days after the effective date of such notice, with interest at the Base Rate from the Early Termination Date until paid.
- (b) In addition, the defaulting Party hereunder shall reimburse the non-defaulting Party, on demand, for actual, reasonable out-of-pocket expenses (with interest at the Base Rate), including, without limitation, reasonable legal fees and expenses incurred by the other Party in connection with the enforcement of the Agreement.
- (c) If an Early Termination Date is designated, the non-defaulting party shall be entitled, in its sole discretion, to set-off any amount payable by the non-defaulting Party or any of its Affiliates to the defaulting Party under the Agreement or otherwise, against any amounts payable by the defaulting Party to the non-defaulting Party or any of its Affiliates under this Agreement or otherwise. This provision shall be in addition to any right of setoff or other right and remedies to which any party is otherwise entitled (whether by operation of law, contract or otherwise). If an obligation is unascertained, the non-defaulting party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the non-defaulting party accounting to the defaulting Party when the obligation is ascertained.

15.3 OTHER TERMINATION RIGHTS

In the event that either Party ceases to be an Affiliate of Targa Resources, Inc., then either Party may, at its sole discretion, elect to terminate this Agreement upon no less than one hundred twenty (120) Days written notice to the other Party.

16. FORCE MAJEURE

16.1. SUSPENSION

In the event of either Party being rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under this Agreement, other than to make payments due hereunder, the obligations of the Party suffering force majeure shall be suspended to the extent affected by and for the period of such force majeure condition. Such Party suffering force majeure shall give notice and full particulars of such force majeure in writing or by facsimile to the other Party as soon as possible after the occurrence of the cause. Such cause shall as far as possible be remedied with all reasonable dispatch.

16.2. DEFINITION

The term "*force majeure*" as employed herein shall mean acts of God, strikes, lockouts or other industrial disputes or disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, tornadoes, hurricanes or storms, and warnings for any of the foregoing which may necessitate the precautionary shut-down of wells, plants, gathering systems or other related facilities, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, sabotage, breakage or accidents to equipment, machinery, plants, or lines of pipe, the making of repairs, expansions or alterations to lines of pipe or plants, breakdown or destruction of facilities or equipment, lack of sufficient brine or brine handling capacity, inability to secure labor or materials, freezing of wells or lines of pipe, partial or entire failure of the Originating Facility or the facilities used to accept delivery of Specification Product and/or measure the same, electric power shortages, necessity for compliance with Applicable Laws, inclement weather that necessitates extraordinary measures and expense to construct facilities and/or maintain operations and any other causes, whether of the kind enumerated herein or otherwise, not within the control of the Party claiming suspension and which by the exercise of reasonable diligence such Party is unable to prevent or overcome. Such term shall likewise include, in those instances where either Party hereto is required to obtain permits or licenses from any governmental agency to enable such Party to fulfill its obligations hereunder, the inability of such Party to acquire, or delays on the part of such Party in acquiring, such permits or licenses. The term "force majeure" shall also include any event of force majeure occurring with respect to the facilities or services of either Party's suppliers or customers delivering or receiving any Specification Product, fuel, feedstock, or other substance necessary to the performance of

such Party's obligations, and shall also include curtailment or interruption of deliveries or services by such third party suppliers or customers as a result of an event of force majeure.

16.3. LABOR DISPUTES

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 requirements 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 an opposing party when such course is inadvisable in the sole discretion of the Party having difficulty.

16.4. MAINTENANCE

Either Party and/or its designee may briefly interrupt its performance hereunder for the purpose of making necessary or desirable inspections, alterations and repairs; and the Party requiring such relief shall give to the other Party reasonable notice of its intention to suspend its performance hereunder, except in cases of emergency where such notice is impracticable, in cases where the operations of the other Party will not be affected, or as to Buyer's performance, in cases where Specification Product is being delivered to a terminal or a fractionation facility operated by a third party and the operator of such plant fails to give Buyer notice of such plant maintenance. The Party requiring such relief shall endeavor to arrange such interruptions so as to inconvenience the other Party as little as possible.

16.5 RATABLE TAKE

Whenever a force majeure event or other circumstances prevent Buyer from taking delivery of all of the Specification Product nominated by Seller during a particular Month, Buyer will use commercially reasonable efforts to take Seller's Specification Product ratably as to quantity with all other Specification Product that is nominated by Affiliates of Buyer that are also affected by such event.

17. INDEMNITIES

SELLER SHALL INDEMNIFY, RELEASE, DEFEND AND HOLD HARMLESS BUYER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO SELLER'S OWNERSHIP, POSSESSION OR CONTROL OF THE SPECIFICATION PRODUCT UP TO THE MEASUREMENT POINTS, AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SELLER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO BUYER'S OWNERSHIP, POSSESSION OR CONTROL OF THE SPECIFICATION PRODUCT AT AND AFTER THE MEASUREMENT POINTS.

18. ASSIGNMENT

Should the rights of Seller giving rise to its ownership and/or control of the Specification Product being sold hereunder be assigned during the Term of this Agreement (such as sale of any interest in an Originating Facility wherein Seller's ownership and control of Specification Product therefrom arises from Seller's ownership interest in the Originating Facility), Seller shall make any such a transfer expressly subject to the terms and conditions of this Agreement and shall (i) require its successor in interest to expressly assume and agree to perform Seller's obligations under this Agreement and to the extent of such assignment or transfer should Seller transfer less than all of its such rights. Nothing herein shall be construed to release Seller from its obligations hereunder. This Agreement may be assigned by either Party to any of its Affiliates or any Party that is the transferee or successor to all or substantially all of the assets of the assigning Party without the prior written consent of the other Party; provided that the assignee shall expressly agree to assume and perform all of the assigning Party's obligations hereunder. Any other assignment of this Agreement shall require the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld or delayed. Any assignment in violation of this [Section 18](#) shall be void ab initio.

19. NOTICE

Any notice, claim, demand or other correspondence hereunder shall be in writing and shall be delivered personally by courier or overnight delivery service, by certified mail, return receipt requested, or by fax (promptly followed by a copy sent by mail or personal delivery), to the Party's address set forth in this Agreement, unless changed by notice. Such notice, claim, demand or correspondence shall be deemed to have been given on the date of the actual delivery thereof to the Party receiving such notice, or, if receipt is refused or rejected, upon attempted delivery.

20. DISPUTE RESOLUTION

20.1. INITIAL NOTICE

Either Party may initiate dispute resolution procedures by sending written notice (the "**Initial Notice**") to the other Party specifically stating the complaining Party's claim and requesting dispute resolution in accordance with this [Article 20](#). The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this contract. Within 10 Business Days after delivery of the Initial Notice, the receiving Party shall submit to the other a written response. The Initial Notice and response shall include (a) a statement of that Party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within 25 Business Days after delivery of the Initial Notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

20.2. PROCEEDINGS

Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation between executives herein within 45 Business Days after delivery of the Initial Notice, shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by three arbitrators appointed by CPR under the terms of CPR Rule 6; provided, however, that if one Party fails to participate in negotiation as agreed herein, the other Party can commence arbitration prior to the expiration of the time periods set forth above. The arbitration shall commence upon the receipt of a notice of arbitration by either Party. The arbitration shall be governed by the

Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. and the Texas Arbitration Act, TEX. CIV. PRAC. & REM. CODE §§ 171.000 et seq., to the extent applicable and not in conflict with the Federal Arbitration Act. The arbitrators shall render a reasoned award, and judgment upon the award may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Houston, Texas. Unless the Parties to this Agreement agree in writing otherwise, the arbitrators shall not have the power to award, nor shall they award, any punitive or consequential damages (however nominated); however, the arbitrators may award specific performance where appropriate. Each Party shall pay its own attorneys fees and costs, and each Party shall pay one-half of the arbitrators' fees and costs, no matter which side prevails. Except as required by law or necessary to confirm or enforce an award, all proceedings hereunder shall remain confidential.

20.3. PRELIMINARY INJUNCTIONS; PERFORMANCE PENDING RESOLUTION

Notwithstanding the foregoing, either Party may request preliminary injunctive and/or equitable relief from a court of competent jurisdiction at any time before an arbitrator has been selected in order to protect the rights or property of such Party pending the resolution of the dispute as provided hereunder. Despite such action the Parties will continue to participate in the procedures specified in this Agreement. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to the Agreement, unless to do so would be impossible or impracticable under the circumstances.

21. STATEMENTS, AUDIT

On or before the 15th Business Day of the Month following the Month of delivery, Buyer shall deliver to Seller a statement showing for the Month of delivery the nominated and estimated amounts and types of Specification Product delivered for sale hereunder, and the applicable Specification Product price(s). Payment shall be made by Buyer within 10 days after its delivery of the statement. Buyer may net against payments owed to Seller under this Agreement any outstanding payments owed by Seller to Buyer under this Agreement. If Seller in good faith disputes all or part of any statement or payment, then Seller shall provide Buyer with a written notice and explanation of the basis for the dispute, but shall have no right to suspend performance under this Agreement. As soon as information is available on the actual quantity of Specification Product delivered in each Month of delivery, the invoiced amount shall be reconciled in the subsequent invoices for any overpayment or underpayment.

Subject to the limitations set forth in the following paragraph, if an error is discovered in any statement or payment, then the Party entitled to receive such payment shall be paid by the other Party within 10 days after issuance of a corrected invoice, together with interest at the Base Rate.

For a period of 24 Months from the date of any statement or invoice, each Party and its duly authorized representatives shall have access to the accounting records and other documents maintained by the other Party which relate to Specification Product being delivered under this Agreement and any other matters covered by this Agreement and shall have the right to audit such records and other documents once a year in the offices of the Party to be audited at any reasonable time or times upon at least 15 Days prior written notice. Neither Party shall make any claim on the other for any adjustment 24 Months after the date of any statement or invoice.

22. TAXES; CHANGE OF LAW

Seller shall be responsible for any royalties, overriding royalties, and other payments due or to become due on the hydrocarbons which are subject to this Agreement. Seller shall be liable for and shall pay, or cause to be paid, or reimburse Buyer if Buyer has paid, all taxes applicable to the sale of Product by Seller to Buyer hereunder. SELLER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER, ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THE PAYMENT OF ANY TAXES, ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS DUE OR TO BECOME DUE ON THE SPECIFICATION PRODUCT AND WHICH SELLER IS OBLIGATED TO PAY UNDER THIS AGREEMENT.

Notwithstanding anything contained in this Agreement to the contrary, in the event there is a change in any applicable law or regulation after the effective date of this Agreement which results in a governmental authority imposing, in the reasonable determination of either Party, an additional economic burden on such Party in connection with or related to the purchase and sale of Specification Product pursuant to the terms of this Agreement, including but not limited to any tax, assessment, emission credit expense, or other cost or expense based upon or related to carbon dioxide content or emissions and/or greenhouse gas content or emissions, then the burdened Party shall initiate a good faith effort to negotiate with the other Party to modify this Agreement in order to cure or alleviate such economic burden. If no such cure is agreed upon by the Parties, then the issue shall be resolved pursuant to the dispute resolution procedures set forth in Article 20.

23. LIMITATION OF LIABILITY

Neither Party shall be liable to the other Party for any indirect, incidental, punitive, exemplary, consequential or special damages save and except only to the extent such damages are imposed on a Party entitled to indemnity under the terms of this Agreement in favor of an unaffiliated third party and such damages arise from an underlying claim, liability or damages against which such Party entitled to indemnity is indemnified by a Party to this Agreement.

24. CONFLICTS OF INTEREST

No director, employee or agent of either Party shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with this Agreement. Any representative(s) authorized by either Party may, at its sole expense, audit the applicable records of the other Party solely for the purpose of determining whether there has been compliance with this Section 24.

25. CONDUCT OF PARTIES' BUSINESS

Each Party in the performance of this Agreement is engaged in an independent business and nothing herein contained shall be construed as giving either Party any right to control the other Party in any way in the performance of the other Party's business. Neither Party shall have any right to exercise control over any of the other Party's employees, representatives, agents or contractors of any level except to the extent of any safety requirements for delivery of Specification Product under this Agreement. All employees, representatives, agents or contractors of any level of a Party shall be entirely under the control and direction of that Party, which shall be entirely responsible for their actions and omissions.

26. GOVERNING LAW

THIS AGREEMENT SHALL BE SUBJECT TO THE JURISDICTION OF, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, INCLUDING THE UNIFORM COMMERCIAL CODE EXCEPT AS OTHERWISE SPECIFIED HEREIN, WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES THAT MAY DIRECT THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

27. CONFIDENTIALITY

Each Party agrees that it shall not disclose Confidential Information whether acquired before or after the Effective Date, to any third party other than each Party's officers, directors, employees, advisors or representatives who need to know and agree to maintain the confidentiality of the Confidential Information (collectively, "**Representatives**") during the Term and for a period of not more than three years after the end of the Term. Each Party shall be responsible for any breach of this Agreement by its Representatives.

Notwithstanding anything contained in this Section 27, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information, provided that: (i) such Confidential Information is submitted under applicable provisions, if any, for confidential treatment by such governmental, judicial or regulatory authority; (ii) prior to such disclosure, the Party who supplied the information is given notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure; and (iii) the Party subject to the governmental, judicial or regulatory authority endeavors to protect the confidentiality of any Confidential Information to the extent reasonable under the circumstances and to use its good faith efforts to prevent the further disclosure of any Confidential Information provided to any governmental, judicial or regulatory authority.

28. SEVERABILITY

The invalidity of any one or more covenants or provisions of this Agreement shall not affect the validity of any other provisions hereof or this Agreement as a whole, and in case of any such invalidity, this Agreement shall be construed to the maximum extent possible as if such invalid provision had not been included herein.

29. NO THIRD PARTY BENEFICIARY

Nothing in this Agreement shall entitle any Person other than Seller or Buyer, or their successors or assigns, to any claim, cause of action, remedy or right of any kind relating to the transaction(s) contemplated by this Agreement.

30. WAIVER

Waiver by either Party of the breach of any provision(s) hereof by the other Party shall not be deemed to be a waiver of the breach of any other provision(s) hereof or of any subsequent or continuing breach of such provision(s).

31. ENTIRE AGREEMENT – ALTERATIONS OR AMENDMENTS

This Agreement contains the entire agreement of the Parties respecting the matters addressed herein and no oral promises, agreements or warranties shall be deemed a part hereof, nor shall any alteration or amendment of this Agreement, or waiver of any of its provisions, be binding upon either Party hereto unless the same be in writing and signed by both Parties.

32. COMPLIANCE WITH LAWS

The Parties shall comply with all Applicable Laws in the performance of their respective obligations under this Agreement.

33. HEADINGS

The headings of the Articles, Sections and Paragraphs of this Agreement are for convenience of reference only and shall not constitute a part, nor modify, define or limit any of the terms or provisions, hereof.

34. SURVIVAL

The provisions of Articles 15, 17, 20, 23, 26 and 27 shall survive any expiration or termination of this Agreement.

35. 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.

36. 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) Examples shall not be construed to limit, expressly or by implication, the matter they illustrate.
- (c) The word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions.
- (d) The plural shall be deemed to include the singular and vice versa, as applicable.

- (e) Unless the context otherwise requires, any reference to a statutory provision (including those contained in subordinate legislation) is a reference to the provision as amended or re-enacted, or as modified by other statutory provisions from time to time, and includes subsequent legislation made under the relevant statute.

IN WITNESS THEREOF, the Parties execute this Agreement on September 24, 2009, to be effective as of the Effective Date.

Targa Midstream Services Limited Partnership

Targa Liquids Marketing and Trade

By: /s/ Marc O. Breitling
Name: Marc O. Breitling
Title: Vice President

By: /s/ D. S. Pryor
Name: D. S. Pryor
Title: Vice President

EXHIBIT A

DEFINITIONS

In addition to any terms defined in the Specification Product Purchase Agreement to which this **Exhibit A** is affixed, as used herein, the following terms shall be given the following meanings:

"Affiliate" means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified, with the term **"control"** (including the terms **"controlled by"** or **"under common control with"**) meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Any Person shall be deemed to be an Affiliate of any specified Person if such Person owns 50% or more of the voting securities of the specified Person, 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" is defined in Section 1.

"Alternate Index" is defined in Section 4.2.

"API" means the American Petroleum Institute.

"Applicable Laws" means all applicable laws, statutes, regulations, rules, authorizations and orders of, and all applicable restrictions imposed by, any Governmental Authority.

"ASTM" means ASTM International (formerly American Society for Testing and Materials).

"Base Rate" means the lesser of (i) 2% above the per annum rate of interest announced from time to time as the "prime rate" for commercial loans by JPMorgan Chase, as such "prime rate" may change from time to time, or (ii) the maximum applicable non-usurious rate of interest.

"Business Day" means any day other than a Saturday, Sunday or a weekday that is observed as a holiday by federal reserve banks located in Houston, Texas.

"Buyer" means Targa Liquids Marketing and Trade, a Delaware general partnership.

"Central Time" means Central Time as adjusted for daylight savings time.

"Claims" means any and all losses, damages, fines, liens, levies, penalties, claims, demands, causes of action, suits, legal or administrative proceedings, orders, governmental actions and judgments of every kind and character, and any and all costs and expenses (including, without limitation, attorneys' fees, expert witness fees, and court costs) related thereto.

"Confidential Information" means this Agreement and any other written data or information (or an oral communication if the Party requesting confidentiality for such oral communication promptly confirms such communication in writing) which is privileged, confidential or proprietary, except information which (i) is a matter of public knowledge at the time of its disclosure or is thereafter published in or otherwise ascertainable from any source available to the public without breach of this Agreement, (ii) constitutes information which is obtained from a third party (who or which is not an Affiliate of one of the Parties) other than by or as a result of unauthorized disclosure, or (iii) prior to the time of disclosure had been independently developed by the receiving Party or its Affiliates not utilizing improper means.

"Damage Payments" means all liquidated damages or other payments received by Buyer from any Person as a result of such Person's failure to take Specification Product from Buyer, minus any amounts of such liquidated damages or other payments received by Buyer that are payable to any un-Affiliated third parties in connection with such event.

"Day" or **"Daily"** means a 24 hour period commencing 7:00 a.m. Central Time and extending until 6:59 a.m. Central Time on the following Day.

"Early Termination Date" is defined in Section 15.2(a).

"Effective Date" is defined in the preamble of this Agreement.

"Event of Default" is defined in Section 15.1.

"Gallon" means one U.S. liquid Gallon, which is the unit of volume used for the purpose of measurement of liquid. One U. S. liquid Gallon contains 231 cubic inches when the liquid is at a temperature of sixty 60 degrees Fahrenheit (60° F) and at the vapor pressure of the liquid being measured.

"Good and Marketable Title" means such title free from all liens, mortgages, security interests, encumbrances and adverse claims or other charges.

"Governmental Authority" means any federal, national, state, regional, municipal or local governmental or quasi-governmental authority or regulatory department, agency, legislative, judicial or administrative body, taxing authority or other governmental or quasi-governmental authority in any jurisdiction having jurisdiction over any Party or the performance of the obligations set forth in this Agreement.

"GPA" means the Gas Processors Association, headquartered in Tulsa, Oklahoma, U.S.A.

"Initial Notice" is defined in Section 20.1.

"Initial Term" is defined in Section 2.

“Marketing Fee” is defined in [Section 4.1](#).

“Measurement Points” means the point where the Specification Product has passed the downstream flange of the meter measuring the Product for delivery at the location specified in [Section 3.2](#).

“Month” or **“Monthly”** means a period commencing at 7:00 a.m. Central Time on the first Day of a calendar month and extending until 6:59 a.m. Central time on the first Day of the next succeeding calendar month.

“Netback Price” means the price obtained by Buyer in a sale of Specification Product to third parties.

“NGL Component” means each of the five individual hydrocarbon constituents contained in the Raw Product, including ethane, propane, isobutane, normal butane and natural gasoline (with natural gasoline including all pentane and heavier hydrocarbon components).

“Offspec Product” has the meaning ascribed to it in [Section 12](#).

“OPIS” means the Oil Price Information Service.

“OPIS Index” means the Oil Price Information Service Index.

“OPIS Index Price” means the monthly average of the daily high and low prices per Gallon, for the Month in which delivery occurs, as quoted by OPIS in the OPIS LP-Gas Report for “Any Current Month: AVG” volumes in the OPIS Index identified in [Exhibit B](#).

“OPIS LP Gas Report” means the OPIS LP – Gas Price Report published by Oil Price Information Service.

“Originating Facilit(ies)” means any or all facilities which are identified on [Exhibit C](#) and such other facilities as are mutually agreed to by the Parties.

“Parties” means Buyer and Seller collectively.

“Party” means each of Buyer or Seller, as applicable.

“Person” means any individual, corporation, partnership, limited liability company, association, joint venture, trust, or other organization of any nature or kind.

“Pipeline” shall mean any crude oil or natural gas liquids pipeline into which Specification Products are being delivered in accordance with [Article 3](#).

“Raw Product” means a mixture of liquid hydrocarbons meeting the specifications governing the applicable Pipeline receipt point.

“Representatives” is defined in [Section 27](#).

“Seller” means Targa Permian LP, a Delaware limited partnership.

“Specification Product” means any individual liquid hydrocarbon products meeting the Specifications applicable thereto.

“Specifications” means the specifications for Specification Products, Mixed Butanes, refrigerant Grade Propane and Natural Gasoline, respectively set forth in [Exhibit D](#).

“Term” is defined in [Section 2](#).

“Termination Payment” is defined in [Section 15.2\(a\)](#).

“Third Party Facility” means Riverside Fractionator, Promix Fractionator, Tebone Fractionator, and/or Norco Fractionator, or such other fractionator as is mutually agreed to by the Parties.

“Transportation Costs” means all transportation costs incurred by Buyer in transporting the Specification Product delivered by Seller under this Agreement to the applicable destination, including pipeline tariff charges, truck costs, Specification Product losses, (other than as a result of Buyer’s gross negligence or willful misconduct); demurrage, and loading, unloading, terminaling, handling and storage and other charges attributable to the Specification Product. With regard to transportation provided in whole or in part by third parties, “Transportation Costs” means the actual costs and expenses incurred by Buyer in connection therewith. With regard to transportation provided in whole or in part by Buyer or any Affiliate of Buyer, “Transportation Costs” means the commercially reasonable costs and expenses charged by Buyer or its Affiliate (excluding any general and administrative costs and expenses).

EXHIBIT B

SPECIFICATION PRODUCT PRICING

Source	Delivery Point	Quantity	Price at Delivery Point
Bluewater	Outlet to the Riverside Fractionator	Total production owned and/or controlled by Seller at the Delivery Point	Ethane = Netback Price Propane, Isobutane, Normal Butane = OPIS Index Price: Louisiana Spot Gas Liquid Prices: FOB Geismer/ Soronto Area Gasoline = OPIS Index Price: Mt. Belvieu Spot Gas Liquids Prices: River N. Gas

Source	Delivery Point	Quantity	Price at Delivery Point
Calumet	Outlet to the Promix Fractionator	Total production owned and/or controlled by Seller at the Delivery Point	Ethane = Netback Price Propane, Isobutane, Normal Butane = OPIS Index Price: Louisiana Spot Gas Liquid Prices: FOB Napoleonville Area Gasoline = OPIS Index Price: Mt. Belvieu Spot Gas Liquids Prices: River N. Gas

Source	Delivery Point	Quantity	Price at Delivery Point
N Terrebonne	Outlet to the Tebone Fractionator	Total production owned and/or controlled by Seller at the Delivery Point	Ethane = Netback Price Propane, Isobutane, Normal Butane = OPIS Index Price: Louisiana Spot Gas Liquid Prices: FOB Geismer/ Soronto Area Gasoline = OPIS Index Price: Mt. Belvieu Spot Gas Liquids Prices: River N. Gas; provided however, the Parties can mutually agree to use the Netback Price

Source	Delivery Point	Quantity	Price at Delivery Point
Toca	Outlet to the Norco Fractionator	Total production owned and/or controlled by Seller at the Delivery Point	Ethane = Netback Price Propane = OPIS Index Price: Hattiesburg In-Line Prices less Transportation Costs; however, the OPIS Hattiesburg month average Propane price shall be capped at a maximum price equal to the sum of the OPIS Mont Belvieu NON-TET month average value plus (+) 2.5 cents per gallon Isobutane, Normal Butane = OPIS Index Price: Louisiana Spot Gas Liquid Prices: FOB Napoleonville Area less 1.00 cent per gallon Gasoline = OPIS Index Price: Mt. Belvieu Spot Gas Liquids Prices: River N. Gas

Source	Delivery Point	Quantity	Price at Delivery Point
Yscloskey	Outlet to the Norco Fractionator	Total production owned and/or controlled by Seller at the Delivery Point	Ethane = Netback Price Propane = OPIS Index Price: Hattiesburg In-Line Prices less Transportation Costs; however, the OPIS Hattiesburg month average Propane price shall be capped at a maximum price equal to the sum of the OPIS Mont Belvieu NON-TET month average value plus (+) 2.5 cents per gallon Isobutane, Normal Butane = OPIS Index Price: Louisiana Spot Gas Liquid Prices: FOB Napoleonville Area less 1.00 cents per gallon Gasoline = OPIS Index Price: Mt. Belvieu Spot Gas Liquids Prices: River N. Gas

EXHIBIT C

ORIGINATING FACILITIES

Bluewater Processing Plant

Calumet Processing Plant

Terrebonne Processing Plant

Toca Processing Plant

Yscloskey Processing Plant

EXHIBIT D

PRODUCT SPECIFICATIONS

TARGA LIQUIDS MARKETING AND TRADE

RAW PRODUCT PURCHASE AGREEMENT

EFFECTIVE DATE: September 1, 2009 ("*Effective Date*")

Seller: Targa Midstream Services Limited Partnership
1000 Louisiana, Suite 4300
Houston, TX 77002-5036
Fax No. (713) 584-1503
Attn: Contracts Administration

Buyer: Targa Liquids Marketing and Trade
1000 Louisiana, Suite 4300
Houston, TX 77002-5036
Fax No. (713) 584-1503
Attn: Contracts Administration

1. SALE AND PURCHASE

Seller agrees to sell and deliver to Buyer, and Buyer agrees to purchase and receive from Seller, Raw Product on the terms and conditions set forth in this Raw Product Purchase Agreement (the "*Agreement*").

2. TERM

This Agreement shall commence on the Effective Date and shall continue in full force and effect for fifteen (15) years (the "*Initial Term*"). At the end of the Initial Term, this Agreement shall automatically be extended for successive five (5) year terms, unless either Party shall have given the other Party no less than 60 Days written notice of its intent to terminate this Agreement prior to the end of (i) the Initial Term, or (ii) the then-current five (5) year extension term, as applicable (the Initial Term, as extended by one year extension terms, the "*Term*").

3. TERMS OF SALE AND PURCHASE

3.1. VOLUMES

Seller commits and dedicates to sell, and Buyer agrees to purchase, all volumes of Raw Product owned or controlled by Seller and produced from the Originating Facility.

3.2. DELIVERY OF RAW PRODUCT

Buyer may elect to receive Raw Product from Seller as follows:

- (i) At or near the tailgate of the Originating Facility into a Raw Product Pipeline designated by Buyer or such other locations as are mutually agreed to by the Parties;
- (ii) At the truck rack of the Originating Facility onto tank trucks provided by Buyer.

3.3. SHIPMENT

Buyer shall procure transportation for all Raw Product from the Originating Facility to the applicable destination.

4. PRICE

4.1. PRICE DETERMINATION FOR RAW PRODUCT SALES

- (a) Buyer shall pay to Seller for the Raw Product delivered to Buyer hereunder, a purchase price equal to the OPIS Index Price for each Gallon of each NGL Component contained in the Raw Product, minus (i) Transportation Costs, (ii) Fractionation Costs, and (iii) the Marketing Fee.
- (b) "*OPIS Index Price*" means the monthly average of the daily high and low prices per Gallon, for the Month in which delivery occurs, as quoted by OPIS in the OPIS LP-Gas Report for "Any Current Month" volumes in the "Mont Belvieu Spot Gas Liquids Prices" table using: (i) the Non-TET prices for the propane and isobutane NGL Components; (ii) the Other prices for natural gasoline and normal butane NGL components; and (iii) the EP Mix price for the ethane NGL Component.
- (c) "*Transportation Costs*" means all transportation costs incurred by Buyer in transporting the Raw Product delivered by Seller under this Agreement to the applicable destination, including pipeline tariff charges, truck costs, Raw Product losses, (other than as a result of Buyer's gross negligence or willful misconduct); demurrage, and loading, unloading, terminaling, handling and storage and other charges attributable to the Raw Product. With regard to transportation provided in whole or in part by third parties, "Transportation Costs" means the actual costs and expenses incurred by Buyer in connection therewith. With regard to transportation provided in whole or in part by Buyer or any Affiliate of Buyer, "Transportation Costs" means the commercially reasonable costs and expenses charged by Buyer or its Affiliate (excluding any general and administrative costs and expenses).
- (d) "*Fractionation Costs*" means the fractionation costs and expenses incurred by Buyer in connection with the receipt and

fractionation of Raw Product delivered by Seller under this Agreement that are charged to Buyer with respect to the Raw Product delivered under this Agreement. Depending on the entity fractionating Raw Product for Buyer, such fee shall be (i) the then current fee charged to Buyer under its fractionation agreements with Gulf Coast Fractionators, Lake Charles Fractionators, Cedar Bayou Fractionators, L.P. or any other entity providing fractionation services in which an Affiliate of Buyer has an ownership interest, or (ii) the fractionation fees charged to Buyer by a third party providing fractionation services with respect to such Raw Product.

- (e) **“Marketing Fee”** means the greater of (i) two and one-half percent (2.5%) of the OPIS Index Price, as applicable, per Gallon of the applicable product or (ii) one cent (\$0.01) per Gallon of the applicable product.

4.2. ALTERNATE INDEX

If for any reason the OPIS Index for a particular NGL Component or any other index used in the calculations made pursuant to Section 4.1 should (i) cease to be published or (ii) be materially changed, the Parties agree promptly and in good faith to negotiate a mutually satisfactory alternate index or substitute methodology for calculating the price for such Component (the **“Alternate Index”**). If, on or before 30 Days after the index used to determine the price hereunder ceases to be published, the Parties are unable to agree on an Alternate Index upon which to base the calculation of the price, the Parties shall submit such determination to arbitration in accordance with the provisions of Article 20, which arbitration procedure will determine the Alternate Index. From the date on which the index price used to determine the price for a particular NGL Component ceases to be available until the Alternate Index is determined, the price for such NGL Component shall be the average of the prices in effect hereunder (or that would have been in effect hereunder) during the 12 Months preceding the Month in which the index upon which the price was based ceased to be available, which price shall be effective until the effective date of the Alternate Index determined as set forth in this Section 4.3. Upon the determination of an Alternate Index, the price will be adjusted retroactively to the date on which the index upon which the price previously was based ceased to be available. Any payments hereunder that are delayed pending the determination of an Alternate Index shall bear interest at the Base Rate from the date that such payment would have been due without such delay until the date of payment.

5. REPRESENTATIONS AND WARRANTIES

5.1. SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer that (i) Seller has Good And Marketable Title to the Raw Product delivered by it to Buyer hereunder and the right to sell and deliver same to Buyer, and SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER HARMLESS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR RELATED TO ANY FAILURE OF SUCH TITLE OR BREACH OF THIS WARRANTY; and (ii) Seller shall deliver all Raw Product sold to Buyer hereunder in compliance with all Applicable Laws.

5.2. BUYER REPRESENTATION AND WARRANTY

Buyer represents and warrants to Seller that Buyer shall receive all Raw Product sold by Seller hereunder in compliance with all Applicable Laws.

5.3. BUYER ACKNOWLEDGMENT

Buyer acknowledges that the Raw Product delivered hereunder is hazardous and that Buyer is knowledgeable of (i) the hazards and risks associated with such Raw Product, and (ii) the handling, receipt, transportation, storage and use of such Raw Product.

6. WAIVER OF CONSUMER RIGHTS

Each of Buyer and Seller hereby waives its respective rights, if any, under the Texas Deceptive Trade Practices-Consumer Protection Act, Sections 17.41 et seq., except for Section 17.555 Texas Business & Commerce Code, a law that gives consumers special rights and protections. After consultation with an attorney of its own selection, Buyer and Seller voluntarily consent to this waiver.

7. DELIVERY

Delivery shall be deemed to have been completed when the Raw Product has been delivered to the Measurement Points. As between the Parties, Seller shall be deemed to be in exclusive possession and control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Raw Product prior to and at the Measurement Points and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Raw Product from the Measurement Points.

8. PASSAGE OF TITLE

Title to, and risk of loss for, the Raw Product shall pass from Seller to Buyer at the applicable Measurement Points. Notwithstanding the foregoing, title to, and risk of loss associated with, any Offspec Raw Product shall remain with Seller.

9. MEASUREMENT & ANALYSIS

9.1. MEASUREMENT

All Raw Product under this Agreement shall be measured as follows:

- (a) On all deliveries into/out of Pipelines, the quantity shall be determined by turbine or positive displacement pipeline meter in accordance with API Manual of Petroleum Measurement Standards.
- (b) On all deliveries into/out of transport and tank truck equipment, quantities shall be determined by meter with no vapor return, slip tube, rotary gauging device or weighing, in accordance with GPA Publication 8162, all appropriate GPA and API standards and all revisions thereof.

- (c) Metering systems used for quantity determinations shall not allow vapor return or shall compensate for any vapor return.
- (d) All quantities shall be corrected to 60 degrees Fahrenheit and equilibrium vapor pressure of the applicable Raw Product at 60 degrees Fahrenheit.
- (e) Volume and compressibility correction factors shall be determined from referenced API tables or computer programs used to generate these tables.

9.2. PRODUCT SAMPLING & ANALYSIS

- (a) Buyer will obtain a sample or samples of the Raw Product from an appropriate location at the Originating Facility, tank truck, or Pipeline, as applicable, and/or the loading/unloading facilities connected to the applicable means of transport; at an appropriate time or times and on a frequency established by Buyer; with the exact sampling locations, times and frequencies to be determined by Buyer, in its sole discretion, in order to obtain representative samples of the Raw Product being delivered by Seller under this Agreement.
- (b) Representative samples of the Raw Product shall be analyzed by Buyer.
- (c) Other provisions and standards referenced herein notwithstanding, the volume of the natural gasoline NGL Component contained in the Raw Product shall be calculated using the component densities of the pentanes and the hexanes plus (C6+).

9.3. STANDARDS

Measurement, sampling and analysis, pursuant to the above provisions, shall be conducted in accordance with the GPA Standards applicable to the methodology used; including GPA Standards 8182, 8173, 2177 and all other appropriate GPA, API and ASTM standards, with all such standards being incorporated herein for all purposes, including all revisions of those standards adopted and in effect during the Term of this Agreement.

10. CLAIMS

All claims by Buyer for deficiencies in Raw Product quantity or quality shall be made to Seller within 180 days of delivery of the applicable Raw Product. All notices regarding Raw Product deficiencies shall be made in accordance with [Section 19](#). Failure by Buyer to timely notify Seller of any deficiency shall be deemed a waiver by Buyer of any claims with regard to such Raw Product deficiencies.

11. QUALITY

All Raw Product delivered to Buyer under this Agreement shall meet the specifications governing the applicable Pipeline receipt point and shall not contain any contaminants that may make it or its NGL Components commercially unacceptable. Seller may be required, on Buyer's behalf as shipper, to furnish any Pipeline on which Raw Product is transported with a certificate setting forth the specifications of each shipment of Raw Product to be transported on such Pipeline. Seller acknowledges that any such Pipeline shall have the right to: (i) refuse to accept any Raw Product for transportation which do not meet such Pipeline's specifications or which are not of good and merchantable quality suitable for transportation through Pipeline's existing facilities, and (ii) sample and/or test any shipment of Raw Product prior to acceptance or during receipt of same, and in the event of variance between the Seller's certificate and the Pipeline's test, the latter shall prevail.

12. OFFSPEC RAW PRODUCT

In the event any of Seller's Raw Product is contaminated or otherwise fails to conform to the specifications governing the applicable Pipeline receipt point ("**Offspec Raw Product**"), either Party may notify the other Party of any such failure, and Seller immediately shall undertake and diligently pursue such acts as may be necessary to correct such failure so as to deliver Raw Product conforming to the applicable specifications. Buyer shall have the right, at any time and from time to time, to reject any Raw Product not conforming to the specifications governing the applicable Pipeline receipt point and to refuse or suspend receipt until it is established to Buyer's reasonable satisfaction that subsequent deliveries of Raw Product will conform to the specifications governing the applicable Pipeline receipt point, and nothing contained in this [Section 12](#) or the Agreement is intended or shall be construed to limit such right. If it is subsequently determined that Buyer unknowingly accepted Offspec Raw Product, the Parties will mutually agree upon a discounted price for such Offspec Raw Product to reflect (i) its diminution in value, if any, from Raw Product meeting the specifications governing the applicable Pipeline receipt point, or (ii) the cost incurred by Buyer in handling such Offspec Raw Product. SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS BUYER, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND CONTRACTORS FROM AND AGAINST ANY CLAIMS ARISING OUT OF, OR RELATED TO, THE DELIVERY OF OFFSPEC RAW PRODUCT TO BUYER WHICH ARE UNKNOWINGLY ACCEPTED BY BUYER.

13. INSPECTIONS

Each Party shall be entitled to have its representatives present during all loadings, unloadings, tests, samples and measurements involving delivery of Raw Product under this Agreement. Either Party may engage certified independent inspectors to perform gauging, sampling, and testing up to four times during each 12 Month period during the Term, in which event such inspector's determinations shall be conclusive and binding on the Parties. Payments for such outside inspector's services will be shared equally among the Parties unless some other arrangement for payment is mutually agreed upon.

14. NOMINATIONS; DAMAGE PAYMENTS

14.1 MONTHLY NOMINATIONS

Prior to the end of each Month Seller will nominate the total quantity of Raw Product to be delivered to Buyer pursuant to this Agreement during the succeeding Month, giving sufficient time to meet the applicable Pipeline's nomination deadlines for such Month, and will also provide Buyer with any other operational information which could have a significant effect on the quantity of Raw Product delivered for the Month. Seller and Buyer will cooperate in

communicating throughout each Month regarding any changes in the quantity of Raw Product to be delivered at the Measurement Point. Should Seller become aware that actual deliveries at the Measurement Point on any day will be more or less than the nominated quantity, Seller will promptly notify Buyer.

14.2 DAMAGE PAYMENTS

In the event that (i) Buyer is unable to take all of the Raw Product nominated by Seller during a particular Month due to any Person's failure to take Raw Product from Buyer, and (ii) Buyer receives Damage Payments in connection with such event, Buyer will pay Seller its pro rata share of such Damage Payments based on the amount of nominated Raw Product not taken by Buyer from Seller and any other Affiliates of Buyer as a result of such event.

15. DEFAULT; TERMINATION

15.1. EVENTS OF DEFAULT

It shall be an "**Event of Default**" if:

- (a) Either Party becomes insolvent, makes an assignment for the benefit of creditors, or a receiver or trustee is appointed for the benefit of such Party's creditors, or a Party makes a filing for protection from creditors under any bankruptcy or insolvency laws, or such filing is made against a Party;
- (b) Buyer fails to make any payment when due and such nonpayment shall have continued for 10 Days or more after notice of same from Seller;
- (c) Either Party fails to perform any of its material obligations hereunder and such nonperformance shall have continued for 30 Days or more after notice of same from the other Party.

15.2. TERMINATION FOR DEFAULT

- (a) If an Event of Default occurs and is continuing, the non-defaulting Party may, by written notice to the defaulting Party, designate a day no earlier than the day such notice is effective as an early termination date ("**Early Termination Date**"). On the Early Termination Date, all obligations due on or after the Early Termination Date under the Agreement shall be terminated except as provided herein. If an Early Termination Date has been designated, the non-defaulting Party shall in good faith calculate the amount due between the parties as of the Early Termination Date. The non-defaulting party shall notify the defaulting Party in writing of the amount due and whether it is owed to or from the defaulting Party (the "**Termination Payment**"). The party owing the Termination Payment shall pay it to the other party within two Business Days after the effective date of such notice, with interest at the Base Rate from the Early Termination Date until paid.
- (b) In addition, the defaulting Party hereunder shall reimburse the non-defaulting Party, on demand, for actual, reasonable out-of-pocket expenses (with interest at the Base Rate), including, without limitation, reasonable legal fees and expenses incurred by the other Party in connection with the enforcement of the Agreement.
- (c) If an Early Termination Date is designated, the non-defaulting party shall be entitled, in its sole discretion, to set-off any amount payable by the non-defaulting Party or any of its Affiliates to the defaulting Party under the Agreement or otherwise, against any amounts payable by the defaulting Party to the non-defaulting Party or any of its Affiliates under this Agreement or otherwise. This provision shall be in addition to any right of setoff or other right and remedies to which any party is otherwise entitled (whether by operation of law, contract or otherwise). If an obligation is unascertained, the non-defaulting party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the non-defaulting party accounting to the defaulting Party when the obligation is ascertained.

15.3 OTHER TERMINATION RIGHTS

In the event that either Party ceases to be an Affiliate of Targa Resources, Inc., then either Party may, at its sole discretion, elect to terminate this Agreement upon no less than one hundred twenty (120) Days written notice to the other Party.

16. FORCE MAJEURE

16.1. SUSPENSION

In the event of either Party being rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under this Agreement, other than to make payments due hereunder, the obligations of the Party suffering force majeure shall be suspended to the extent affected by and for the period of such force majeure condition. Such Party suffering force majeure shall give notice and full particulars of such force majeure in writing or by facsimile to the other Party as soon as possible after the occurrence of the cause. Such cause shall as far as possible be remedied with all reasonable dispatch.

16.2. DEFINITION

The term "**force majeure**" as employed herein shall mean acts of God, strikes, lockouts or other industrial disputes or disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, tornadoes, hurricanes or storms, and warnings for any of the foregoing which may necessitate the precautionary shut-down of wells, plants, gathering systems or other related facilities, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, sabotage, breakage or accidents to equipment, machinery, plants, or lines of pipe, the making of repairs, expansions or alterations to lines of pipe or plants, breakdown or destruction of facilities or equipment, lack of sufficient brine or brine handling capacity, inability to secure labor or materials, freezing of wells or lines of pipe, partial or entire failure of the Originating Facility or the facilities used to accept delivery of Raw Product and/or measure the same, electric power shortages, necessity for compliance with Applicable Laws, inclement weather that necessitates extraordinary measures and expense to construct facilities and/or maintain operations and any other causes, whether of the kind enumerated herein or otherwise, not within the control of the Party claiming suspension and which by the exercise of reasonable diligence such Party is unable to prevent or overcome. Such term shall likewise include, in those instances where either Party hereto is required to obtain permits or licenses from

any governmental agency to enable such Party to fulfill its obligations hereunder, the inability of such Party to acquire, or delays on the part of such Party in acquiring, such permits or licenses. The term "force majeure" shall also include any event of force majeure occurring with respect to the facilities or services of either Party's suppliers or customers delivering or receiving any Raw Product, fuel, feedstock, or other substance necessary to the performance of such Party's obligations, and shall also include curtailment or interruption of deliveries or services by such third party suppliers or customers as a result of an event of force majeure.

16.3. LABOR DISPUTES

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 requirements 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 an opposing party when such course is inadvisable in the sole discretion of the Party having difficulty.

16.4. MAINTENANCE

Either Party and/or its designee may briefly interrupt its performance hereunder for the purpose of making necessary or desirable inspections, alterations and repairs; and the Party requiring such relief shall give to the other Party reasonable notice of its intention to suspend its performance hereunder, except in cases of emergency where such notice is impracticable, in cases where the operations of the other Party will not be affected, or as to Buyer's performance, in cases where the Raw Product is being delivered to a terminal or a fractionation facility operated by a third party and the operator of such plant fails to give Buyer notice of such plant maintenance. The Party requiring such relief shall endeavor to arrange such interruptions so as to inconvenience the other Party as little as possible.

16.5 RATABLE TAKE

Whenever a force majeure event or other circumstances prevent Buyer from taking delivery of all of the Raw Product nominated by Seller during a particular Month, Buyer will use commercially reasonable efforts to take Seller's Raw Product ratably as to quantity with all other Raw Product that is nominated by Affiliates of Buyer that are also affected by such event.

17. INDEMNITIES

SELLER SHALL INDEMNIFY, RELEASE, DEFEND AND HOLD HARMLESS BUYER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO SELLER'S OWNERSHIP, POSSESSION OR CONTROL OF THE RAW PRODUCT UP TO THE MEASUREMENT POINTS, AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SELLER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO BUYER'S OWNERSHIP, POSSESSION OR CONTROL OF THE RAW PRODUCT AT AND AFTER THE MEASUREMENT POINTS.

18. ASSIGNMENT

Should the rights of Seller giving rise to its ownership and/or control of the Raw Product being sold hereunder be assigned during the Term of this Agreement (such as sale of any interest in an Originating Facility wherein Seller's ownership and control of Raw Product therefrom arises from Seller's ownership interest in the Originating Facility), Seller shall make any such a transfer expressly subject to the terms and conditions of this Agreement and shall (i) require its successor in interest to expressly assume and agree to perform Seller's obligations under this Agreement and to the extent of such assignment or transfer should Seller transfer less than all of its such rights. Nothing herein shall be construed to release Seller from its obligations hereunder. This Agreement may be assigned by either Party to any of its Affiliates or any Party that is the transferee or successor to all or substantially all of the assets of the assigning Party without the prior written consent of the other Party; provided that the assignee shall expressly agree to assume and perform all of the assigning Party's obligations hereunder. Any other assignment of this Agreement shall require the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld or delayed. Any assignment in violation of this Section 18 shall be void ab initio.

19. NOTICE

Any notice, claim, demand or other correspondence hereunder shall be in writing and shall be delivered personally by courier or overnight delivery service, by certified mail, return receipt requested, or by fax (promptly followed by a copy sent by mail or personal delivery), to the Party's address set forth in this Agreement, unless changed by notice. Such notice, claim, demand or correspondence shall be deemed to have been given on the date of the actual delivery thereof to the Party receiving such notice, or, if receipt is refused or rejected, upon attempted delivery.

20. DISPUTE RESOLUTION

20.1. INITIAL NOTICE

Either Party may initiate dispute resolution procedures by sending written notice (the "**Initial Notice**") to the other Party specifically stating the complaining Party's claim and requesting dispute resolution in accordance with this Article 20. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this contract. Within 10 Business Days after delivery of the Initial Notice, the receiving Party shall submit to the other a written response. The Initial Notice and response shall include (a) a statement of that Party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within 25 Business Days after delivery of the Initial Notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

20.2. PROCEEDINGS

Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation between executives herein within 45 Business Days after delivery of the Initial Notice, shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by three arbitrators appointed by CPR under the terms of CPR Rule 6; provided,

however, that if one Party fails to participate in negotiation as agreed herein, the other Party can commence arbitration prior to the expiration of the time periods set forth above. The arbitration shall commence upon the receipt of a notice of arbitration by either Party. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. and the Texas Arbitration Act, TEX. CIV. PRAC. & REM. CODE §§ 171.000 et seq., to the extent applicable and not in conflict with the Federal Arbitration Act. The arbitrators shall render a reasoned award, and judgment upon the award may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Houston, Texas. Unless the Parties to this Agreement agree in writing otherwise, the arbitrators shall not have the power to award, nor shall they award, any punitive or consequential damages (however nominated); however, the arbitrators may award specific performance where appropriate. Each Party shall pay its own attorneys fees and costs, and each Party shall pay one-half of the arbitrators' fees and costs, no matter which side prevails. Except as required by law or necessary to confirm or enforce an award, all proceedings hereunder shall remain confidential.

20.3. PRELIMINARY INJUNCTIONS; PERFORMANCE PENDING RESOLUTION

Notwithstanding the foregoing, either Party may request preliminary injunctive and/or equitable relief from a court of competent jurisdiction at any time before an arbitrator has been selected in order to protect the rights or property of such Party pending the resolution of the dispute as provided hereunder. Despite such action the Parties will continue to participate in the procedures specified in this Agreement. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to the Agreement, unless to do so would be impossible or impracticable under the circumstances.

21. STATEMENTS, AUDIT

On or before the 15th Business Day of the Month following the Month of delivery, Buyer shall deliver to Seller a statement showing for the Month of delivery the nominated and estimated amounts of Raw Product delivered for sale hereunder, and the applicable NGL Component price(s). Payment shall be made by Buyer within 10 days after its delivery of the statement. Buyer may net against payments owed to Seller under this Agreement any outstanding payments owed by Seller to Buyer under this Agreement. If Seller in good faith disputes all or part of any statement or payment, then Seller shall provide Buyer with a written notice and explanation of the basis for the dispute, but shall have no right to suspend performance under this Agreement. As soon as information is available on the actual quantity of Raw Product delivered in each Month of delivery, the invoiced amount shall be reconciled in the subsequent invoices for any overpayment or underpayment.

Subject to the limitations set forth in the following paragraph, if an error is discovered in any statement or payment, then the Party entitled to receive such payment shall be paid by the other Party within 10 days after issuance of a corrected invoice, together with interest at the Base Rate.

For a period of 24 Months from the date of any statement or invoice, each Party and its duly authorized representatives shall have access to the accounting records and other documents maintained by the other Party which relate to the Raw Product being delivered under this Agreement and any other matters covered by this Agreement and shall have the right to audit such records and other documents once a year in the offices of the Party to be audited at any reasonable time or times upon at least 15 Days prior written notice. Neither Party shall make any claim on the other for any adjustment 24 Months after the date of any statement or invoice.

22. TAXES; CHANGE OF LAW

Seller shall be responsible for any royalties, overriding royalties, and other payments due or to become due on the hydrocarbons which are subject to this Agreement. Seller shall be liable for and shall pay, or cause to be paid, or reimburse Buyer if Buyer has paid, all taxes applicable to the sale of Raw Product by Seller to Buyer hereunder. SELLER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER, ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THE PAYMENT OF ANY TAXES, ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS DUE OR TO BECOME DUE ON THE RAW PRODUCT AND WHICH SELLER IS OBLIGATED TO PAY UNDER THIS AGREEMENT.

Notwithstanding anything contained in this Agreement to the contrary, in the event there is a change in any applicable law or regulation after the effective date of this Agreement which results in a governmental authority imposing, in the reasonable determination of either Party, an additional economic burden on such Party in connection with or related to the purchase and sale of Raw Product pursuant to the terms of this Agreement, including but not limited to any tax, assessment, emission credit expense, or other cost or expense based upon or related to carbon dioxide content or emissions and/or greenhouse gas content or emissions, then the burdened Party shall initiate a good faith effort to negotiate with the other Party to modify this Agreement in order cure or alleviate such economic burden. If no such cure is agreed upon by the Parties, then the issue shall be resolved pursuant to the dispute resolution procedures set forth in Article 20.

23. LIMITATION OF LIABILITY

Neither Party shall be liable to the other Party for any indirect, incidental, punitive, exemplary, consequential or special damages save and except only to the extent such damages are imposed on a Party entitled to indemnity under the terms of this Agreement in favor of an unaffiliated third party and such damages arise from an underlying claim, liability or damages against which such Party entitled to indemnity is indemnified by a Party to this Agreement.

24. CONFLICTS OF INTEREST

No director, employee or agent of either Party shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with this Agreement. Any representative(s) authorized by either Party may, at its sole expense, audit the applicable records of the other Party solely for the purpose of determining whether there has been compliance with this Section 24.

25. CONDUCT OF PARTIES' BUSINESS

Each Party in the performance of this Agreement is engaged in an independent business and nothing herein contained shall be construed as giving either Party any right to control the other Party in any way in the performance of the other Party's business. Neither Party shall have any right to exercise control over any of the other Party's employees, representatives, agents or contractors of any level except to the extent of any safety requirements for delivery of Raw Product under this Agreement. All employees, representatives, agents or contractors of any level of a Party shall be entirely under the control and direction of that Party, which shall be entirely responsible for their actions and omissions.

26. GOVERNING LAW

THIS AGREEMENT SHALL BE SUBJECT TO THE JURISDICTION OF, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, INCLUDING THE UNIFORM COMMERCIAL CODE EXCEPT AS OTHERWISE SPECIFIED HEREIN, WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES THAT MAY DIRECT THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

27. CONFIDENTIALITY

Each Party agrees that it shall not disclose Confidential Information whether acquired before or after the Effective Date, to any third party other than each Party's officers, directors, employees, advisors or representatives who need to know and agree to maintain the confidentiality of the Confidential Information (collectively, "**Representatives**") during the Term and for a period of not more than three years after the end of the Term. Each Party shall be responsible for any breach of this Agreement by its Representatives.

Notwithstanding anything contained in this Section 27, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information, provided that: (i) such Confidential Information is submitted under applicable provisions, if any, for confidential treatment by such governmental, judicial or regulatory authority; (ii) prior to such disclosure, the Party who supplied the information is given notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure; and (iii) the Party subject to the governmental, judicial or regulatory authority endeavors to protect the confidentiality of any Confidential Information to the extent reasonable under the circumstances and to use its good faith efforts to prevent the further disclosure of any Confidential Information provided to any governmental, judicial or regulatory authority.

28. SEVERABILITY

The invalidity of any one or more covenants or provisions of this Agreement shall not affect the validity of any other provisions hereof or this Agreement as a whole, and in case of any such invalidity, this Agreement shall be construed to the maximum extent possible as if such invalid provision had not been included herein.

29. NO THIRD PARTY BENEFICIARY

Nothing in this Agreement shall entitle any Person other than Seller or Buyer, or their successors or assigns, to any claim, cause of action, remedy or right of any kind relating to the transaction(s) contemplated by this Agreement.

30. WAIVER

Waiver by either Party of the breach of any provision(s) hereof by the other Party shall not be deemed to be a waiver of the breach of any other provision(s) hereof or of any subsequent or continuing breach of such provision(s).

31. ENTIRE AGREEMENT – ALTERATIONS OR AMENDMENTS

This Agreement contains the entire agreement of the Parties respecting the matters addressed herein and no oral promises, agreements or warranties shall be deemed a part hereof, nor shall any alteration or amendment of this Agreement, or waiver of any of its provisions, be binding upon either Party hereto unless the same be in writing and signed by both Parties.

32. COMPLIANCE WITH LAWS

The Parties shall comply with all Applicable Laws in the performance of their respective obligations under this Agreement.

33. HEADINGS

The headings of the Articles, Sections and Paragraphs of this Agreement are for convenience of reference only and shall not constitute a part, nor modify, define or limit any of the terms or provisions, hereof.

34. SURVIVAL

The provisions of Articles 15, 17, 20, 23, 26 and 27 shall survive any expiration or termination of this Agreement.

35. 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.

36. 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) Examples shall not be construed to limit, expressly or by implication, the matter they illustrate.
- (c) The word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions.

- (d) The plural shall be deemed to include the singular and vice versa, as applicable.
- (e) Unless the context otherwise requires, any reference to a statutory provision (including those contained in subordinate legislation) is a reference to the provision as amended or re-enacted, or as modified by other statutory provisions from time to time, and includes subsequent legislation made under the relevant statute.

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IN WITNESS THEREOF, the Parties execute this Agreement on September 24, 2009, to be effective as of the Effective Date.

Targa Midstream Services Limited Partnership

Targa Liquids Marketing and Trade

By: /s/ G. Clark White

Name: G. Clark White

Title: Vice President

By: /s/ D. S. Pryor

Name: D. S. Pryor

Title: Vice President

EXHIBIT A

DEFINITIONS

In addition to any terms defined in the Raw Product Purchase Agreement to which this Exhibit A is affixed, as used herein, the following terms shall be given the following meanings:

“Affiliate” means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified, with the term **“control”** (including the terms **“controlled by”** or **“under common control with”**) meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Any Person shall be deemed to be an Affiliate of any specified Person if such Person owns 50% or more of the voting securities of the specified Person, 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” is defined in Section 1.

“Alternate Index” is defined in Section 4.2.

“API” means the American Petroleum Institute.

“Applicable Laws” means all applicable laws, statutes, regulations, rules, authorizations and orders of, and all applicable restrictions imposed by, any Governmental Authority.

“ASTM” means ASTM International (formerly American Society for Testing and Materials).

“Base Rate” means the lesser of (i) 2% above the per annum rate of interest announced from time to time as the “prime rate” for commercial loans by JPMorgan Chase, as such “prime rate” may change from time to time, or (ii) the maximum applicable non-usurious rate of interest.

“Business Day” means any day other than a Saturday, Sunday or a weekday that is observed as a holiday by federal reserve banks located in Houston, Texas.

“Buyer” means Targa Liquids Marketing and Trade, a Delaware general partnership.

“Central Time” means Central Time as adjusted for daylight savings time.

“Claims” means any and all losses, damages, fines, liens, levies, penalties, claims, demands, causes of action, suits, legal or administrative proceedings, orders, governmental actions and judgments of every kind and character, and any and all costs and expenses (including, without limitation, attorneys’ fees, expert witness fees, and court costs) related thereto.

“Confidential Information” means this Agreement and any other written data or information (or an oral communication if the Party requesting confidentiality for such oral communication promptly confirms such communication in writing) which is privileged, confidential or proprietary, except information which (i) is a matter of public knowledge at the time of its disclosure or is thereafter published in or otherwise ascertainable from any source available to the public without breach of this Agreement, (ii) constitutes information which is obtained from a third party (who or which is not an Affiliate of one of the Parties) other than by or as a result of unauthorized disclosure, or (iii) prior to the time of disclosure had been independently developed by the receiving Party or its Affiliates not utilizing improper means.

“Damage Payments” means all liquidated damages or other payments received by Buyer from any Person as a result of such Person’s failure to take Raw Product from Buyer, minus any amounts of such liquidated damages or other payments received by Buyer that are payable to any un-Affiliated third parties in connection with such event.

“Day” or **“Daily”** means a 24 hour period commencing 7:00 a.m. Central Time and extending until 6:59 a.m. Central Time on the following Day.

“Early Termination Date” is defined in Section 15.2(a).

“Effective Date” is defined in the preamble of this Agreement.

“Event of Default” is defined in Section 15.1.

“Fractionation Costs” is defined in Sections 4.1.

“Gallon” means one U.S. liquid Gallon, which is the unit of volume used for the purpose of measurement of liquid. One U. S. liquid Gallon contains 231 cubic inches when the liquid is at a temperature of sixty 60 degrees Fahrenheit (60° F) and at the vapor pressure of the liquid being measured.

“Good and Marketable Title” means such title free from all liens, mortgages, security interests, encumbrances and adverse claims or other charges.

“Governmental Authority” means any federal, national, state, regional, municipal or local governmental or quasi-governmental authority or regulatory department, agency, legislative, judicial or administrative body, taxing authority or other governmental or quasi-governmental authority in any jurisdiction having jurisdiction over any Party or the performance of the obligations set forth in this Agreement.

“GPA” means the Gas Processors Association, headquartered in Tulsa, Oklahoma, U.S.A.

“Initial Notice” is defined in Section 20.1.

“Initial Term” is defined in [Section 2](#).

“Marketing Fee” is defined in [Section 4.1](#).

“Measurement Points” means the point where the Raw Product has passed the downstream flange of the meter measuring the Raw Product for delivery at the location specified in [Section 3.2](#).

“Month” or **“Monthly”** means a period commencing at 7:00 a.m. Central Time on the first Day of a calendar month and extending until 6:59 a.m. Central time on the first Day of the next succeeding calendar month.

“NGL Component” means each of the five individual hydrocarbon constituents contained in the Raw Product, including ethane, propane, isobutane, normal butane and natural gasoline (with natural gasoline including all pentane and heavier hydrocarbon components).

“Offspec Raw Product” has the meaning ascribed to it in [Section 12](#).

“OPIS” means the Oil Price Information Service.

“OPIS Index” means the Oil Price Information Service Index.

“OPIS Index Price” is defined in [Section 4.1](#).

“OPIS LP Gas Report” means the OPIS LP – Gas Price Report published by Oil Price Information Service.

“Originating Facility” means any facility which is identified on [Exhibit B](#) and such other facilities as are mutually agreed to by the Parties.

“Parties” means Buyer and Seller collectively.

“Party” means each of Buyer or Seller, as applicable.

“Person” means any individual, corporation, partnership, limited liability company, association, joint venture, trust, or other organization of any nature or kind.

“Pipeline” shall mean any Raw Product pipeline into which the Raw Product is being delivered in accordance with [Article 3](#).

“Raw Product” means a mixture of liquid hydrocarbons meeting the specifications governing the applicable Pipeline receipt point.

“Representatives” is defined in [Section 27](#).

“Seller” means Targa Permian LP, a Delaware limited partnership.

“Term” is defined in [Section 2](#).

“Termination Payment” is defined in [Section 15.2\(a\)](#).

“Transportation Costs” is defined in [Sections 4.1](#).

EXHIBIT B

ORIGINATING FACILITIES

Eunice Processing Plant

Saunders Processing Plant

Monument Processing Plant

TARGA LIQUIDS MARKETING AND TRADE

RAW PRODUCT PURCHASE AGREEMENT

EFFECTIVE DATE: September 1, 2009 ("*Effective Date*")

Seller: Targa Midstream Services Limited Partnership
1000 Louisiana, Suite 4300
Houston, TX 77002-5036
Fax No. (713) 584-1503
Attn: Contracts Administration

Buyer: Targa Liquids Marketing and Trade
1000 Louisiana, Suite 4300
Houston, TX 77002-5036
Fax No. (713) 584-1503
Attn: Contracts Administration

1. SALE AND PURCHASE

Seller agrees to sell and deliver to Buyer, and Buyer agrees to purchase and receive from Seller, Raw Product on the terms and conditions set forth in this Raw Product Purchase Agreement (the "*Agreement*").

2. TERM

This Agreement shall commence on the Effective Date and shall continue in full force and effect for fifteen (15) years (the "*Initial Term*"). At the end of the Initial Term, this Agreement shall automatically be extended for successive five (5) year terms, unless either Party shall have given the other Party no less than 60 Days written notice of its intent to terminate this Agreement prior to the end of (i) the Initial Term, or (ii) the then-current five (5) year extension term, as applicable (the Initial Term, as extended by one year extension terms, the "*Term*").

3. TERMS OF SALE AND PURCHASE

3.1. VOLUMES

Seller commits and dedicates to sell, and Buyer agrees to purchase all volumes of Raw Product owned or controlled by Seller and produced from the Originating Facility.

3.2. DELIVERY OF RAW PRODUCT

Buyer may elect to receive Raw Product from Seller as follows:

- (i) At or near the tailgate of the Originating Facility into a Raw Product Pipeline designated by Buyer or such other locations as are mutually agreed to by the Parties;
- (ii) At the truck rack of the Originating Facility onto tank trucks provided by Buyer.

3.3. SHIPMENT

Buyer shall procure transportation for all Raw Product from the Originating Facility to the applicable destination.

4. PRICE

4.1. PRICE DETERMINATION FOR RAW PRODUCT SALES

- (a) Buyer shall pay to Seller for the Raw Product delivered to Buyer hereunder, a purchase price equal to the OPIS Index Price for each Gallon of each NGL Component contained in the Raw Product, minus (i) the Lake Charles T&F Costs, and (ii) the Marketing Fee.
- (b) "**OPIS Index Price**" means the monthly average of the daily high and low prices per Gallon, for the Month in which delivery occurs, as quoted by OPIS in the OPIS LP-Gas Report for "Any Current Month" volumes in the "Mont Belvieu Spot Gas Liquids Prices" table using: (i) the Non-TET prices for the propane and isobutane NGL Components; (ii) the Other prices for natural gasoline and normal butane NGL components; and (ii) the EP Mix price for the ethane NGL Component.
- (c) "**Lake Charles T&F Costs**" shall mean all transportation costs and the costs and expenses incurred in connection with the receipt and fractionation of Raw Product received by Buyer from Seller or that would have been incurred, if fractionated. Beginning with the Effective Date hereof, the Lake Charles T&F Costs shall be a per Gallon fractionation fee calculated on a monthly basis, as follows:

$$\text{Lake Charles T\&F Costs} = A * (\text{GDP2/GDP1}) + B * (\text{Fuel 2/Fuel 1}) + 2.15$$

Where:

$$A = 0.9 \text{ (Labor and Operating Cost Component)}$$

B = 0.7 (Fuel and Utilities Cost Component)

GDP2 = United States Department of Commerce Bureau of Economic Analysis GDP Implicit Price Deflator for the previous calendar quarter

GDP1 = The average of the GDP Implicit Price Deflator for the fourth quarter of the calendar year 2001.

Fuel 2 = The Gas Index Price for the current Month.

Fuel 1 = \$3.00 per MMBtu

“Gas Index Price” shall mean the monthly index price for natural gas, expressed in dollars per MMBtu, published in the Inside FERC Gas Market Report, first of month issue for the applicable month, for South Louisiana, Henry Hub as shown in the “Market Center Spot Gas Prices” table.

At no time shall the Lake Charles T&F Costs be less than 3.75 cents per gallon.

Either Party shall have the right to initiate a renegotiation of the above fee and fee formula to be effective on any or each of the fifth or tenth anniversaries of the Effective Date (the “Price Change Dates”) and on any renewal term thereafter by giving the other Party at least ninety (90) Days and no more than one hundred and fifty (150) Days notice prior to any of the Price Change Dates. Such negotiations shall commence immediately upon the date of receipt of such notice by the other Party and continue for at least sixty (60) Days thereafter (the “Negotiation Period”). During the Negotiation Period, each Party shall submit to the other Party one or more written offers for the new fee or fees. If the Parties are unable to agree to the new fee or fees by the end of the Negotiation Period, either Party shall have the right to have the new fee or fees re-determined in accordance with the Dispute Resolution procedures set forth in Article 20 hereinafter, provided that if the matter is submitted for arbitration, the arbitrator’s choice shall be based on a determination of which of the Parties final offer most closely approximates the then current fair market value for the fractionation and other services provided by or on behalf of Buyer to Seller, based on a five year term for volumes and composition of Raw Product similar to that then being tendered hereunder by Seller, and with the market area for comparison being the Lake Charles Area.

(c) **“Marketing Fee”** means the greater of (i) two and one-half percent (2.5%) of the OPIS Index Price, as applicable, per Gallon of the applicable product or (ii) one cent (\$0.01) per Gallon of the applicable product

4.2. ALTERNATE INDEX

If for any reason the OPIS Index for a particular NGL Component or any other index used in the calculations made pursuant to Section 4.1 should (i) cease to be published or (ii) be materially changed, the Parties agree promptly and in good faith to negotiate a mutually satisfactory alternate index or substitute methodology for calculating the price for such Component (the **“Alternate Index”**). If, on or before 30 Days after the index used to determine the price hereunder ceases to be published, the Parties are unable to agree on an Alternate Index upon which to base the calculation of the price, the Parties shall submit such determination to arbitration in accordance with the provisions of Article 20, which arbitration procedure will determine the Alternate Index. From the date on which the index price used to determine the price for a particular NGL Component ceases to be available until the Alternate Index is determined, the price for such NGL Component shall be the average of the prices in effect hereunder (or that would have been in effect hereunder) during the 12 Months preceding the Month in which the index upon which the price was based ceased to be available, which price shall be effective until the effective date of the Alternate Index determined as set forth in this Section 4.3. Upon the determination of an Alternate Index, the price will be adjusted retroactively to the date on which the index upon which the price previously was based ceased to be available. Any payments hereunder that are delayed pending the determination of an Alternate Index shall bear interest at the Base Rate from the date that such payment would have been due without such delay until the date of payment.

5. REPRESENTATIONS AND WARRANTIES

5.1. SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer that (i) Seller has Good And Marketable Title to the Raw Product delivered by it to Buyer hereunder and the right to sell and deliver same to Buyer, and SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER HARMLESS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR RELATED TO ANY FAILURE OF SUCH TITLE OR BREACH OF THIS WARRANTY; and (ii) Seller shall deliver all Raw Product sold to Buyer hereunder in compliance with all Applicable Laws.

5.2. BUYER REPRESENTATION AND WARRANTY

Buyer represents and warrants to Seller that Buyer shall receive all Raw Product sold by Seller hereunder in compliance with all Applicable Laws.

5.3. BUYER ACKNOWLEDGMENT

Buyer acknowledges that the Raw Product delivered hereunder is hazardous and that Buyer is knowledgeable of (i) the hazards and risks associated with such Raw Product, and (ii) the handling, receipt, transportation, storage and use of such Raw Product.

6. WAIVER OF CONSUMER RIGHTS

Each of Buyer and Seller hereby waives its respective rights, if any, under the Texas Deceptive Trade Practices-Consumer Protection Act, Sections 17.41 et seq., except for Section 17.555 Texas Business & Commerce Code, a law that gives consumers special rights and protections. After consultation with an attorney of its own selection, Buyer and Seller voluntarily consent to this waiver.

7. DELIVERY

Delivery shall be deemed to have been completed when the Raw Product has been delivered to the Measurement Points. As between the Parties, Seller shall be deemed to be in exclusive possession and control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Raw Product prior to and at the Measurement Points and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury resulting therefrom or caused thereby) of the Raw Product from the Measurement Points.

8. PASSAGE OF TITLE

Title to, and risk of loss for, the Raw Product shall pass from Seller to Buyer at the applicable Measurement Points. Notwithstanding the foregoing, title to, and risk of loss associated with, any Offspec Raw Product shall remain with Seller.

9. MEASUREMENT & ANALYSIS

9.1. MEASUREMENT

All Raw Product under this Agreement shall be measured as follows:

- (a) On all deliveries into/out of Pipelines, the quantity shall be determined by turbine or positive displacement pipeline meter in accordance with API Manual of Petroleum Measurement Standards.
- (b) On all deliveries into/out of transport and tank truck equipment, quantities shall be determined by meter with no vapor return, slip tube, rotary gauging device or weighing, in accordance with GPA Publication 8162, all appropriate GPA and API standards and all revisions thereof.
- (c) Metering systems used for quantity determinations shall not allow vapor return or shall compensate for any vapor return.
- (d) All quantities shall be corrected to 60 degrees Fahrenheit and equilibrium vapor pressure of the applicable Raw Product at 60 degrees Fahrenheit.
- (e) Volume and compressibility correction factors shall be determined from referenced API tables or computer programs used to generate these tables.

9.2. PRODUCT SAMPLING & ANALYSIS

- (a) Buyer will obtain a sample or samples of the Raw Product from an appropriate location at the Originating Facility, tank truck, or Pipeline, as applicable, and/or the loading/unloading facilities connected to the applicable means of transport; at an appropriate time or times and on a frequency established by Buyer; with the exact sampling locations, times and frequencies to be determined by Buyer, in its sole discretion, in order to obtain representative samples of the Raw Product being delivered by Seller under this Agreement.
- (b) Representative samples of the Raw Product shall be analyzed by Buyer.
- (c) Other provisions and standards referenced herein notwithstanding, the volume of the natural gasoline NGL Component contained in the Raw Product shall be calculated using the component densities of the pentanes and the hexanes plus C6+).

9.3. STANDARDS

Measurement, sampling and analysis, pursuant to the above provisions, shall be conducted in accordance with the GPA Standards applicable to the methodology used; including GPA Standards 8182, 8173, 2177 and all other appropriate GPA, API and ASTM standards, with all such standards being incorporated herein for all purposes, including all revisions of those standards adopted and in effect during the Term of this Agreement.

10. CLAIMS

All claims by Buyer for deficiencies in Raw Product quantity or quality shall be made to Seller within 180 days of delivery of the applicable Raw Product. All notices regarding Raw Product deficiencies shall be made in accordance with [Section 19](#). Failure by Buyer to timely notify Seller of any deficiency shall be deemed a waiver by Buyer of any claims with regard to such Raw Product deficiencies.

11. QUALITY

All Raw Product delivered to Buyer under this Agreement shall meet the specifications governing the applicable Pipeline receipt point and shall not contain any contaminants that may make it or its NGL Components commercially unacceptable. Seller may be required, on Buyer's behalf as shipper, to furnish any Pipeline on which Raw Product is transported with a certificate setting forth the specifications of each shipment of Raw Product to be transported on such Pipeline. Seller acknowledges that any such Pipeline shall have the right to: (i) refuse to accept any Raw Product for transportation which do not meet such Pipeline's specifications or which are not of good and merchantable quality suitable for transportation through Pipeline's existing facilities, and (ii) sample and/or test any shipment of Raw Product prior to acceptance or during receipt of same, and in the event of variance between the Seller's certificate and the Pipeline's test, the latter shall prevail.

12. OFFSPEC RAW PRODUCT

In the event any of Seller's Raw Product is contaminated or otherwise fails to conform to the specifications governing the applicable Pipeline receipt point ("**Offspec Raw Product**"), either Party may notify the other Party of any such failure, and Seller immediately shall undertake and diligently pursue such

acts as may be necessary to correct such failure so as to deliver Raw Product conforming to the applicable specifications. Buyer shall have the right, at any time and from time to time, to reject any Raw Product not conforming to the specifications governing the applicable Pipeline receipt point and to refuse or suspend receipt until it is established to Buyer's reasonable satisfaction that subsequent deliveries of Raw Product will conform to the specifications governing the applicable Pipeline receipt point, and nothing contained in this Section 12 or the Agreement is intended or shall be construed to limit such right. If it is subsequently determined that Buyer unknowingly accepted Offspec Raw Product, the Parties will mutually agree upon a discounted price for such Offspec Raw Product to reflect (i) its diminution in value, if any, from Raw Product meeting the specifications governing the applicable Pipeline receipt point or (ii) the cost incurred by Buyer in handling such Offspec Raw Product. SELLER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS BUYER, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND CONTRACTORS FROM AND AGAINST ANY CLAIMS ARISING OUT OF, OR RELATED TO, THE DELIVERY OF OFFSPEC RAW PRODUCT TO BUYER WHICH ARE UNKNOWINGLY ACCEPTED BY BUYER.

13. INSPECTIONS

Each Party shall be entitled to have its representatives present during all loadings, unloadings, tests, samples and measurements involving delivery of Raw Product under this Agreement. Either Party may engage certified independent inspectors to perform gauging, sampling, and testing up to four times during each 12 Month period during the Term, in which event such inspector's determinations shall be conclusive and binding on the Parties. Payments for such outside inspector's services will be shared equally among the Parties unless some other arrangement for payment is mutually agreed upon.

14. NOMINATIONS; DAMAGE PAYMENTS

14.1 MONTHLY NOMINATIONS

Prior to the end of each Month Seller will nominate the total quantity of Raw Product to be delivered to Buyer pursuant to this Agreement during the succeeding Month, giving sufficient time to meet the applicable Pipeline's nomination deadlines for such Month, and will also provide Buyer with any other operational information which could have a significant effect on the quantity of Raw Product delivered for the Month. Seller and Buyer will cooperate in communicating throughout each Month regarding any changes in the quantity of Raw Product to be delivered at the Measurement Point. Should Seller become aware that actual deliveries at the Measurement Point on any day will be more or less than the nominated quantity, Seller will promptly notify Buyer.

14.2 DAMAGE PAYMENTS

In the event that (i) Buyer is unable to take all of the Raw Product nominated by Seller during a particular Month due to any Person's failure to take Raw Product from Buyer, and (ii) Buyer receives Damage Payments in connection with such event, Buyer will pay Seller its pro rata share of such Damage Payments based on the amount of nominated Raw Product not taken by Buyer from Seller and any other Affiliates of Buyer as a result of such event.

15. DEFAULT; TERMINATION

15.1. EVENTS OF DEFAULT

It shall be an "**Event of Default**" if:

- (a) Either Party becomes insolvent, makes an assignment for the benefit of creditors, or a receiver or trustee is appointed for the benefit of such Party's creditors, or a Party makes a filing for protection from creditors under any bankruptcy or insolvency laws, or such filing is made against a Party;
- (b) Buyer fails to make any payment when due and such nonpayment shall have continued for 10 Days or more after notice of same from Seller;
- (c) Either Party fails to perform any of its material obligations hereunder and such nonperformance shall have continued for 30 Days or more after notice of same from the other Party.

15.2. TERMINATION FOR DEFAULT

- (a) If an Event of Default occurs and is continuing, the non-defaulting Party may, by written notice to the defaulting Party, designate a day no earlier than the day such notice is effective as an early termination date ("**Early Termination Date**"). On the Early Termination Date, all obligations due on or after the Early Termination Date under the Agreement shall be terminated except as provided herein. If an Early Termination Date has been designated, the non-defaulting Party shall in good faith calculate the amount due between the parties as of the Early Termination Date. The non-defaulting party shall notify the defaulting Party in writing of the amount due and whether it is owed to or from the defaulting Party (the "**Termination Payment**"). The party owing the Termination Payment shall pay it to the other party within two Business Days after the effective date of such notice, with interest at the Base Rate from the Early Termination Date until paid.
- (b) In addition, the defaulting Party hereunder shall reimburse the non-defaulting Party, on demand, for actual, reasonable out-of-pocket expenses (with interest at the Base Rate), including, without limitation, reasonable legal fees and expenses incurred by the other Party in connection with the enforcement of the Agreement.
- (c) If an Early Termination Date is designated, the non-defaulting party shall be entitled, in its sole discretion, to set-off any amount payable by the non-defaulting Party or any of its Affiliates to the defaulting Party under the Agreement or otherwise, against any amounts payable by the defaulting Party to the non-defaulting Party or any of its Affiliates under this Agreement or otherwise. This provision shall be in addition to any right of setoff or other right and remedies to which any party is otherwise entitled (whether by operation of law, contract or otherwise). If an obligation is unascertained, the non-defaulting party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the non-defaulting party accounting to the defaulting Party when the obligation is ascertained.

15.3 OTHER TERMINATION RIGHTS

In the event that either Party ceases to be an Affiliate of Targa Resources, Inc., then either Party may, at its sole discretion, elect to terminate this Agreement upon no less than one hundred twenty (120) Days written notice to the other Party.

16. FORCE MAJEURE

16.1. SUSPENSION

In the event of either Party being rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under this Agreement, other than to make payments due hereunder, the obligations of the Party suffering force majeure shall be suspended to the extent affected by and for the period of such force majeure condition. Such Party suffering force majeure shall give notice and full particulars of such force majeure in writing or by facsimile to the other Party as soon as possible after the occurrence of the cause. Such cause shall as far as possible be remedied with all reasonable dispatch.

16.2. DEFINITION

The term "**force majeure**" as employed herein shall mean acts of God, strikes, lockouts or other industrial disputes or disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, tornadoes, hurricanes or storms, and warnings for any of the foregoing which may necessitate the precautionary shut-down of wells, plants, gathering systems or other related facilities, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, sabotage, breakage or accidents to equipment, machinery, plants, or lines of pipe, the making of repairs, expansions or alterations to lines of pipe or plants, breakdown or destruction of facilities or equipment, lack of sufficient brine or brine handling capacity, inability to secure labor or materials, freezing of wells or lines of pipe, partial or entire failure of the Originating Facility or the facilities used to accept delivery of Raw Product and/or measure the same, electric power shortages, necessity for compliance with Applicable Laws, inclement weather that necessitates extraordinary measures and expense to construct facilities and/or maintain operations and any other causes, whether of the kind enumerated herein or otherwise, not within the control of the Party claiming suspension and which by the exercise of reasonable diligence such Party is unable to prevent or overcome. Such term shall likewise include, in those instances where either Party hereto is required to obtain permits or licenses from any governmental agency to enable such Party to fulfill its obligations hereunder, the inability of such Party to acquire, or delays on the part of such Party in acquiring, such permits or licenses. The term "force majeure" shall also include any event of force majeure occurring with respect to the facilities or services of either Party's suppliers or customers delivering or receiving any Raw Product, fuel, feedstock, or other substance necessary to the performance of such Party's obligations, and shall also include curtailment or interruption of deliveries or services by such third party suppliers or customers as a result of an event of force majeure.

16.3. LABOR DISPUTES

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 requirements 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 an opposing party when such course is inadvisable in the sole discretion of the Party having difficulty.

16.4. MAINTENANCE

Either Party and/or its designee may briefly interrupt its performance hereunder for the purpose of making necessary or desirable inspections, alterations and repairs; and the Party requiring such relief shall give to the other Party reasonable notice of its intention to suspend its performance hereunder, except in cases of emergency where such notice is impracticable, in cases where the operations of the other Party will not be affected, or as to Buyer's performance, in cases where the Raw Product is being delivered to a terminal or a fractionation facility operated by a third party and the operator of such plant fails to give Buyer notice of such plant maintenance. The Party requiring such relief shall endeavor to arrange such interruptions so as to inconvenience the other Party as little as possible.

16.5. RATABLE TAKE

Whenever a force majeure event or other circumstances prevent Buyer from taking delivery of all of the Raw Product nominated by Seller during a particular Month, Buyer will use commercially reasonable efforts to take Seller's Raw Product ratably as to quantity with all other Raw Product that is nominated by Affiliates of Buyer that are also affected by such event.

17. INDEMNITIES

SELLER SHALL INDEMNIFY, RELEASE, DEFEND AND HOLD HARMLESS BUYER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO SELLER'S OWNERSHIP, POSSESSION OR CONTROL OF THE RAW PRODUCT UP TO THE MEASUREMENT POINTS, AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SELLER AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATING TO BUYER'S OWNERSHIP, POSSESSION OR CONTROL OF THE RAW PRODUCT AT AND AFTER THE MEASUREMENT POINTS.

18. ASSIGNMENT

Should the rights of Seller giving rise to its ownership and/or control of the Raw Product being sold hereunder be assigned during the Term of this Agreement (such as sale of any interest in an Originating Facility wherein Seller's ownership and control of Raw Product therefrom arises from Seller's ownership interest in the Originating Facility), Seller shall make any such a transfer expressly subject to the terms and conditions of this Agreement and shall (i) require its successor in interest to expressly assume and agree to perform Seller's obligations under this Agreement and to the extent of such assignment or transfer should Seller transfer less than all of its such rights. Nothing herein shall be construed to release Seller from its obligations hereunder. This Agreement may be assigned by either Party to any of its Affiliates or any Party that is the transferee or successor to all or substantially all of the assets of the assigning Party without the prior written consent of the other Party; provided that the assignee shall expressly agree to assume and perform all of the assigning Party's obligations hereunder. Any other assignment of this Agreement shall require the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld or delayed. Any assignment in violation of this Section 18 shall be void ab initio.

19. NOTICE

Any notice, claim, demand or other correspondence hereunder shall be in writing and shall be delivered personally by courier or overnight delivery service, by certified mail, return receipt requested, or by fax (promptly followed by a copy sent by mail or personal delivery), to the Party's address set forth in this Agreement, unless changed by notice. Such notice, claim, demand or correspondence shall be deemed to have been given on the date of the actual delivery thereof to the Party receiving such notice, or, if receipt is refused or rejected, upon attempted delivery.

20. DISPUTE RESOLUTION

20.1. INITIAL NOTICE

Either Party may initiate dispute resolution procedures by sending written notice (the "**Initial Notice**") to the other Party specifically stating the complaining Party's claim and requesting dispute resolution in accordance with this Article 20. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this contract. Within 10 Business Days after delivery of the Initial Notice, the receiving Party shall submit to the other a written response. The Initial Notice and response shall include (a) a statement of that Party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within 25 Business Days after delivery of the Initial Notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

20.2. PROCEEDINGS

Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation between executives herein within 45 Business Days after delivery of the Initial Notice, shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by three arbitrators appointed by CPR under the terms of CPR Rule 6; provided, however, that if one Party fails to participate in negotiation as agreed herein, the other Party can commence arbitration prior to the expiration of the time periods set forth above. The arbitration shall commence upon the receipt of a notice of arbitration by either Party. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. and the Texas Arbitration Act, TEX. CIV. PRAC. & REM. CODE §§ 171.000 et seq., to the extent applicable and not in conflict with the Federal Arbitration Act. The arbitrators shall render a reasoned award, and judgment upon the award may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Houston, Texas. Unless the Parties to this Agreement agree in writing otherwise, the arbitrators shall not have the power to award, nor shall they award, any punitive or consequential damages (however nominated); however, the arbitrators may award specific performance where appropriate. Each Party shall pay its own attorneys fees and costs, and each Party shall pay one-half of the arbitrators' fees and costs, no matter which side prevails. Except as required by law or necessary to confirm or enforce an award, all proceedings hereunder shall remain confidential.

20.3. PRELIMINARY INJUNCTIONS; PERFORMANCE PENDING RESOLUTION

Notwithstanding the foregoing, either Party may request preliminary injunctive and/or equitable relief from a court of competent jurisdiction at any time before an arbitrator has been selected in order to protect the rights or property of such Party pending the resolution of the dispute as provided hereunder. Despite such action the Parties will continue to participate in the procedures specified in this Agreement. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to the Agreement, unless to do so would be impossible or impracticable under the circumstances.

21. STATEMENTS, AUDIT

On or before the 15th Business Day of the Month following the Month of delivery, Buyer shall deliver to Seller a statement showing for the Month of delivery the nominated and estimated amounts of Raw Product delivered for sale hereunder, and the applicable NGL Component price(s). Payment shall be made by Buyer within 10 days after its delivery of the statement. Buyer may net against payments owed to Seller under this Agreement any outstanding payments owed by Seller to Buyer under this Agreement. If Seller in good faith disputes all or part of any statement or payment, then Seller shall provide Buyer with a written notice and explanation of the basis for the dispute, but shall have no right to suspend performance under this Agreement. As soon as information is available on the actual quantity of Raw Product delivered in each Month of delivery, the invoiced amount shall be reconciled in the subsequent invoices for any overpayment or underpayment.

Subject to the limitations set forth in the following paragraph, if an error is discovered in any statement or payment, then the Party entitled to receive such payment shall be paid by the other Party within 10 days after issuance of a corrected invoice, together with interest at the Base Rate.

For a period of 24 Months from the date of any statement or invoice, each Party and its duly authorized representatives shall have access to the accounting records and other documents maintained by the other Party which relate to the Raw Product being delivered under this Agreement and any other matters covered by this Agreement and shall have the right to audit such records and other documents once a year in the offices of the Party to be audited at any reasonable time or times upon at least 15 Days prior written notice. Neither Party shall make any claim on the other for any adjustment 24 Months after the date of any statement or invoice.

22. TAXES; CHANGE OF LAW

Seller shall be responsible for any royalties, overriding royalties, and other payments due or to become due on the hydrocarbons which are subject to this Agreement. Seller shall be liable for and shall pay, or cause to be paid, or reimburse Buyer if Buyer has paid, all taxes applicable to the sale of Raw Product by Seller to Buyer hereunder. SELLER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BUYER, ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THE PAYMENT OF ANY TAXES, ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS DUE OR TO BECOME DUE ON THE RAW PRODUCT AND WHICH SELLER IS OBLIGATED TO PAY UNDER THIS AGREEMENT.

Notwithstanding anything contained in this Agreement to the contrary, in the event there is a change in any applicable law or regulation after the effective date of this Agreement which results in a governmental authority imposing, in the reasonable determination of either Party, an additional economic burden on such Party in connection with or related to the purchase and sale of Raw Product pursuant to the terms of this Agreement, including but not limited

to any tax, assessment, emission credit expense, or other cost or expense based upon or related to carbon dioxide content or emissions and/or greenhouse gas content or emissions, then the burdened Party shall initiate a good faith effort to negotiate with the other Party to modify this Agreement in order cure or alleviate such economic burden. If no such cure is agreed upon by the Parties, then the issue shall be resolved pursuant to the dispute resolution procedures set forth in Article 20.

23. LIMITATION OF LIABILITY

Neither Party shall be liable to the other Party for any indirect, incidental, punitive, exemplary, consequential or special damages save and except only to the extent such damages are imposed on a Party entitled to indemnity under the terms of this Agreement in favor of an unaffiliated third party and such damages arise from an underlying claim, liability or damages against which such Party entitled to indemnity is indemnified by a Party to this Agreement.

24. CONFLICTS OF INTEREST

No director, employee or agent of either Party shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with this Agreement. Any representative(s) authorized by either Party may, at its sole expense, audit the applicable records of the other Party solely for the purpose of determining whether there has been compliance with this Section 24.

25. CONDUCT OF PARTIES' BUSINESS

Each Party in the performance of this Agreement is engaged in an independent business and nothing herein contained shall be construed as giving either Party any right to control the other Party in any way in the performance of the other Party's business. Neither Party shall have any right to exercise control over any of the other Party's employees, representatives, agents or contractors of any level except to the extent of any safety requirements for delivery of Raw Product under this Agreement. All employees, representatives, agents or contractors of any level of a Party shall be entirely under the control and direction of that Party, which shall be entirely responsible for their actions and omissions.

26. GOVERNING LAW

THIS AGREEMENT SHALL BE SUBJECT TO THE JURISDICTION OF, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, INCLUDING THE UNIFORM COMMERCIAL CODE EXCEPT AS OTHERWISE SPECIFIED HEREIN, WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES THAT MAY DIRECT THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

27. CONFIDENTIALITY

Each Party agrees that it shall not disclose Confidential Information whether acquired before or after the Effective Date, to any third party other than each Party's officers, directors, employees, advisors or representatives who need to know and agree to maintain the confidentiality of the Confidential Information (collectively, "**Representatives**") during the Term and for a period of not more than three years after the end of the Term. Each Party shall be responsible for any breach of this Agreement by its Representatives.

Notwithstanding anything contained in this Section 27, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information, provided that: (i) such Confidential Information is submitted under applicable provisions, if any, for confidential treatment by such governmental, judicial or regulatory authority; (ii) prior to such disclosure, the Party who supplied the information is given notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure; and (iii) the Party subject to the governmental, judicial or regulatory authority endeavors to protect the confidentiality of any Confidential Information to the extent reasonable under the circumstances and to use its good faith efforts to prevent the further disclosure of any Confidential Information provided to any governmental, judicial or regulatory authority.

28. SEVERABILITY

The invalidity of any one or more covenants or provisions of this Agreement shall not affect the validity of any other provisions hereof or this Agreement as a whole, and in case of any such invalidity, this Agreement shall be construed to the maximum extent possible as if such invalid provision had not been included herein.

29. NO THIRD PARTY BENEFICIARY

Nothing in this Agreement shall entitle any Person other than Seller or Buyer, or their successors or assigns, to any claim, cause of action, remedy or right of any kind relating to the transaction(s) contemplated by this Agreement.

30. WAIVER

Waiver by either Party of the breach of any provision(s) hereof by the other Party shall not be deemed to be a waiver of the breach of any other provision(s) hereof or of any subsequent or continuing breach of such provision(s).

31. ENTIRE AGREEMENT – ALTERATIONS OR AMENDMENTS

This Agreement contains the entire agreement of the Parties respecting the matters addressed herein and no oral promises, agreements or warranties shall be deemed a part hereof, nor shall any alteration or amendment of this Agreement, or waiver of any of its provisions, be binding upon either Party hereto unless the same be in writing and signed by both Parties.

32. COMPLIANCE WITH LAWS

The Parties shall comply with all Applicable Laws in the performance of their respective obligations under this Agreement.

33. HEADINGS

The headings of the Articles, Sections and Paragraphs of this Agreement are for convenience of reference only and shall not constitute a part, nor modify, define or limit any of the terms or provisions, hereof.

34. SURVIVAL

The provisions of Articles 15, 17, 20, 23, 26 and 27 shall survive any expiration or termination of this Agreement.

35. 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.

36. 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) Examples shall not be construed to limit, expressly or by implication, the matter they illustrate.
- (c) The word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions.
- (d) The plural shall be deemed to include the singular and vice versa, as applicable.
- (e) Unless the context otherwise requires, any reference to a statutory provision (including those contained in subordinate legislation) is a reference to the provision as amended or re-enacted, or as modified by other statutory provisions from time to time, and includes subsequent legislation made under the relevant statute.

IN WITNESS THEREOF, the Parties execute this Agreement on September 24, 2009, to be effective as of the Effective Date.

Targa Midstream Services Limited Partnership

Targa Liquids Marketing and Trade

By: /s/ Marc O. Breitling
Name: Marc O. Breitling
Title: Vice President

By: /s/ D. S. Pryor
Name: D. S. Pryor
Title: Vice President

EXHIBIT A

DEFINITIONS

In addition to any terms defined in the Raw Product Purchase Agreement to which this Exhibit A is affixed, as used herein, the following terms shall be given the following meanings:

“Affiliate” means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified, with the term **“control”** (including the terms **“controlled by”** or **“under common control with”**) meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Any Person shall be deemed to be an Affiliate of any specified Person if such Person owns 50% or more of the voting securities of the specified Person, 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” is defined in Section 1.

“Alternate Index” is defined in Section 4.2.

“API” means the American Petroleum Institute.

“Applicable Laws” means all applicable laws, statutes, regulations, rules, authorizations and orders of, and all applicable restrictions imposed by, any Governmental Authority.

“ASTM” means ASTM International (formerly American Society for Testing and Materials).

“Base Rate” means the lesser of (i) 2% above the per annum rate of interest announced from time to time as the “prime rate” for commercial loans by JPMorgan Chase, as such “prime rate” may change from time to time, or (ii) the maximum applicable non-usurious rate of interest.

“Business Day” means any day other than a Saturday, Sunday or a weekday that is observed as a holiday by federal reserve banks located in Houston, Texas.

“Buyer” means Targa Liquids Marketing and Trade, a Delaware general partnership.

“Central Time” means Central Time as adjusted for daylight savings time.

“Claims” means any and all losses, damages, fines, liens, levies, penalties, claims, demands, causes of action, suits, legal or administrative proceedings, orders, governmental actions and judgments of every kind and character, and any and all costs and expenses (including, without limitation, attorneys’ fees, expert witness fees, and court costs) related thereto.

“Confidential Information” means this Agreement and any other written data or information (or an oral communication if the Party requesting confidentiality for such oral communication promptly confirms such communication in writing) which is privileged, confidential or proprietary, except information which (i) is a matter of public knowledge at the time of its disclosure or is thereafter published in or otherwise ascertainable from any source available to the public without breach of this Agreement, (ii) constitutes information which is obtained from a third party (who or which is not an Affiliate of one of the Parties) other than by or as a result of unauthorized disclosure, or (iii) prior to the time of disclosure had been independently developed by the receiving Party or its Affiliates not utilizing improper means.

“Damage Payments” means all liquidated damages or other payments received by Buyer from any Person as a result of such Person’s failure to take Raw Product from Buyer, minus any amounts of such liquidated damages or other payments received by Buyer that are payable to any un-Affiliated third parties in connection with such event.

“Day” or **“Daily”** means a 24 hour period commencing 12:00 a.m. Central Time and extending until 12:00 a.m. Central Time on the following Day.

“Early Termination Date” is defined in Section 15.2(a).

“Effective Date” is defined in the preamble of this Agreement.

“Event of Default” is defined in Section 15.1.

“Gallon” means one U.S. liquid Gallon, which is the unit of volume used for the purpose of measurement of liquid. One U. S. liquid Gallon contains 231 cubic inches when the liquid is at a temperature of sixty 60 degrees Fahrenheit (60° F) and at the vapor pressure of the liquid being measured.

“Good and Marketable Title” means such title free from all liens, mortgages, security interests, encumbrances and adverse claims or other charges.

“Governmental Authority” means any federal, national, state, regional, municipal or local governmental or quasi-governmental authority or regulatory department, agency, legislative, judicial or administrative body, taxing authority or other governmental or quasi-governmental authority in any jurisdiction having jurisdiction over any Party or the performance of the obligations set forth in this Agreement.

“GPA” means the Gas Processors Association, headquartered in Tulsa, Oklahoma, U.S.A.

“Initial Notice” is defined in Section 20.1.

“Initial Term” is defined in Section 2.

"Lake Charles T&F Costs" is defined in [Section 4.1](#).

"Marketing Fee" is defined in [Section 4.1](#).

"Measurement Points" means the point where the Raw Product has passed the downstream flange of the meter measuring the Raw Product for delivery at the location specified in [Section 3.2](#).

"Month" or **"Monthly"** means a period commencing at 12:00 a.m. Central Time on the first Day of a calendar month and extending until 12:00 a.m. Central time on the first Day of the next succeeding calendar month.

"NGL Component" means each of the five individual hydrocarbon constituents contained in the Raw Product, including ethane, propane, isobutane, normal butane and natural gasoline (with natural gasoline including all pentane and heavier hydrocarbon components).

"Offspec Raw Product" has the meaning ascribed to it in [Section 12](#).

"OPIS" means the Oil Price Information Service.

"OPIS Index" means the Oil Price Information Service Index.

"OPIS Index Price" is defined in [Section 4.1](#).

"OPIS LP Gas Report" means the OPIS LP – Gas Price Report published by Oil Price Information Service.

"Originating Facility" means any facility which is identified on [Exhibit B](#) and such other facilities as are mutually agreed to by the Parties.

"Parties" means Buyer and Seller collectively.

"Party" means each of Buyer or Seller, as applicable.

"Person" means any individual, corporation, partnership, limited liability company, association, joint venture, trust, or other organization of any nature or kind.

"Pipeline" shall mean any Raw Product pipeline into which the Raw Product is being delivered in accordance with [Article 3](#).

"Raw Product" means a mixture of liquid hydrocarbons meeting the specifications governing the applicable Pipeline receipt point.

"Representatives" is defined in [Section 27](#).

"Seller" means Targa Permian LP, a Delaware limited partnership.

"Term" is defined in [Section 2](#).

"Termination Payment" is defined in [Section 15.2\(a\)](#).

EXHIBIT B

ORIGINATING FACILITIES

Barracuda Processing Plant

Lowry Processing Plant

Stingray Processing Plant

Sabine Pass Processing Plant

TARGA RESOURCES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction

The unaudited pro forma condensed consolidated financial statements of Targa Resources, Inc. (“Targa”, “we”, “us”, “our”) as of June 30, 2009, for the year ended December 31, 2008, and for the six months ended June 30, 2009 are based upon the historical audited and unaudited financial statements of Targa, which owns the Downstream Business. Prior to our disposition of the Downstream Business, we owned approximately 26.5% of Targa Resources Partners LP (the “Partnership”), including our 2% general partner interest. Targa Resources GP LLC, the general partner of the Partnership, is wholly owned by us. As a result, we consolidate the accounts of the Partnership. Equity in the Partnership held by third parties is included in our pro forma condensed consolidated financial statements as a component of non-controlling interest.

Our disposition of the Downstream Business to the Partnership is accounted for and presented herein under common control accounting. Under common control accounting, the identifiable net assets of Targa remain unchanged because our exchange of the identifiable net assets of the Downstream Business for an additional equity interest in the Partnership is recorded at historical book value.

The unaudited pro forma condensed consolidated balance sheet as of June 30, 2009 has been prepared as if our disposition of the Downstream Business and certain related transactions occurred on June 30, 2009. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2008 and the six months ended June 30, 2009 have been prepared as if our disposition of the Downstream Business and certain related transactions occurred on January 1, 2008. The unaudited pro forma condensed combined financial statements should be read in conjunction with the notes accompanying the unaudited pro forma condensed combined financial statements.

The adjustments to the historical audited and unaudited financial statements are based upon currently available information and certain estimates and assumptions. Actual effects of these transactions will differ from the pro forma adjustments. However, management believes that the assumptions provide a reasonable basis for presenting the significant effects of the transactions as completed and that the pro forma adjustments are factually supportable, give appropriate effect to the events that are directly attributable to the transactions, and reflect those items expected to have a continuing impact on Targa.

The unaudited pro forma condensed consolidated financial statements of Targa have been derived from the historical financial statements of Targa and are qualified in their entirety by reference to such historical financial statements and the related notes contained therein. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the results that actually would have occurred if Targa had disposed of the Downstream Business on the dates indicated or which could be obtained in the future.

TARGA RESOURCES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
June 30, 2009

ASSETS	<u>Historical</u>	<u>Pro Forma Adjustments (In millions)</u>	<u>Pro Forma</u>
Current assets:			
Cash and cash equivalents	\$ 217.8	\$ 397.5 (a) (397.5) (b) (4.3) (e)	\$ 213.5
Trade receivables	309.0	-	309.0
Inventory	33.6	-	33.6
Assets from risk management activities	84.1	-	84.1
Other current assets	41.3	-	41.3
Total current assets	<u>685.8</u>	<u>(4.3)</u>	<u>681.5</u>
Property, plant and equipment, at cost	3,148.5	-	3,148.5
Accumulated depreciation	(559.2)	-	(559.2)
Property, plant and equipment, net	<u>2,589.3</u>	<u>-</u>	<u>2,589.3</u>
Long-term assets from risk management activities	47.8	-	47.8
Investments in debt obligations of Targa Resources Investments Inc.	35.2	-	35.2
Other assets	69.7	-	69.7
Total assets	<u>\$ 3,427.8</u>	<u>\$ (4.3)</u>	<u>\$ 3,423.5</u>
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Accounts payable	\$ 144.7	\$ -	\$ 144.7
Accrued liabilities	221.9	-	221.9
Current maturities of debt	12.5	-	12.5
Liabilities from risk management activities	13.9	-	13.9
Deferred income taxes	25.8	-	25.8
Total current liabilities	<u>418.8</u>	<u>-</u>	<u>418.8</u>
Long-term debt	1,410.3	397.5 (a) (397.5) (b)	1,410.3
Long term liabilities from risk management activities	21.1	-	21.1
Deferred income taxes	50.7	-	50.7
Other long-term liabilities	61.1	-	61.1
Commitments and contingencies			
Stockholders' equity:			
Common stock	-	-	-
Additional paid-in capital	420.3	-	420.3
Retained earnings	143.7	(2.8) (e)	140.9
Accumulated other comprehensive income	18.1	-	18.1
Total Targa Resources, Inc. stockholder's equity	<u>582.1</u>	<u>(2.8)</u>	<u>579.3</u>
Noncontrolling interest in subsidiaries	883.7	(1.5) (e)	882.2
Total stockholders' equity	<u>1,465.8</u>	<u>(4.3)</u>	<u>1,461.5</u>
Total liabilities and stockholders' equity	<u>\$ 3,427.8</u>	<u>\$ (4.3)</u>	<u>\$ 3,423.5</u>

See accompanying notes to unaudited pro forma condensed consolidated financial statements

TARGA RESOURCES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
Six Months Ended June 30, 2009

	<u>Historical</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Revenues	\$ 2,005.5	\$ -	\$ 2,005.5
Costs and expenses:			
Product purchases	1,674.8	-	1,674.8
Operating expenses	119.2	-	119.2
Depreciation and amortization expense	83.7	-	83.7
General and administrative expense	52.0	-	52.0
Other	1.7	-	1.7
	<u>1,931.4</u>	<u>-</u>	<u>1,931.4</u>
Income from operations	74.1	-	74.1
Other income (expense):			
Interest expense, net	(47.8)	(4.0) (d) 8.3 (d)	(43.5)
Equity in earnings of unconsolidated investments	1.8	-	1.8
Other	1.0	-	1.0
Income before income taxes	29.1	4.3	33.4
Income tax expense	(6.4)	(1.5) (f)	(7.9)
Net income	22.7	2.8	25.5
Less: Net income attributable to noncontrolling interest	6.6	15.7 (c)	22.3
Net income attributable to Targa Resources, Inc.	<u>\$ 16.1</u>	<u>\$ (12.9)</u>	<u>\$ 3.2</u>

See accompanying notes to unaudited pro forma condensed consolidated financial statements

TARGA RESOURCES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
Year Ended December 31, 2008

	<u>Historical</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Revenues	\$ 7,970.2	\$ -	\$ 7,970.2
Costs and expenses:			
Product purchases	7,189.8	-	7,189.8
Operating expenses	275.2	-	275.2
Depreciation and amortization expense	160.9	-	160.9
General and administrative expense	95.9	-	95.9
Other	13.4	-	13.4
	<u>7,735.2</u>	<u>-</u>	<u>7,735.2</u>
Income from operations	235.0	-	235.0
Other income (expense):			
Interest expense, net	(102.0)	(8.0) (d) 23.5 (d)	(86.5)
Equity in earnings of unconsolidated investments	14.0	-	14.0
Other	30.3	-	30.3
Income before income taxes	177.3	15.5	192.8
Income tax expense	(27.3)	(5.4) (f)	(32.7)
Net income	150.0	10.1	160.1
Less: Net income (loss) attributable to noncontrolling interest	97.1	(4.0) (c)	93.1
Net income attributable to Targa Resources, Inc.	<u>\$ 52.9</u>	<u>\$ 14.1</u>	<u>\$ 67.0</u>

See accompanying notes to unaudited pro forma condensed consolidated financial statements

TARGA RESOURCES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Basis of Presentation

The historical financial information is derived from the historical financial statements of Targa Resources Inc. (“Targa”, “we”, “us”, “our”). The unaudited pro forma condensed consolidated balance sheet as of June 30, 2009 has been prepared as if our disposition of the Downstream Business to the Targa Resources Partners LP (the “Partnership”) and certain related transactions occurred on June 30, 2009. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2008 and for the six months ended June 30, 2009 have been prepared as if our disposition of the Downstream Business and certain related transactions occurred on January 1, 2008. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2008 reflects our adoption of Statement of Financial Accounting Standards 160, “*Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51*”.

The Partnership financed its acquisition of the Downstream Business through borrowings under the Partnership’s senior secured revolving credit facility, and by issuing to us or our affiliates common units representing limited partner interests in the Partnership and general partner units representing general partner interests in the Partnership. Approximately 75%, or \$397.5 million of the estimated \$530 million acquisition price was settled in cash and 25%, or \$132.5 million was settled in common units and general partner units of the Partnership.

The pro forma financial statements reflect the following transactions:

- the Partnership’s borrowing of \$397.5 million under its senior secured revolving credit facility;
- our sale of the Downstream Business to the Partnership;
- the distribution to Targa of the aggregate consideration consisting of \$397.5 million in cash, and the issuance of 8,527,615 common units and 174,033 general partner units; and
- our retirement of \$397.5 million in borrowings under our senior secured term loan facility.

Note 2—Pro Forma Adjustments and Assumptions

- (a) Reflects the borrowing of \$397.5 million under the Partnership’s senior secured revolving credit facility.
- (b) Reflects the repayment of \$397.5 million under Targa’s senior secured term loan facility.
- (c) Reflects a reallocation of the net income of the Partnership due to our change in ownership. Our receipt of 8,527,615 common units and 174,033 general partner units as partial payment for the Downstream Business changed our ownership in the Partnership from 26.5% to 37.9%.
- (d) Reflects the reversal of interest expense associated with \$397.5 million in borrowings under Targa’s senior secured term loan facility and interest expense on \$397.5 million in borrowings under the Partnership’s senior secured revolving credit facility as though the borrowing occurred on January 1, 2008. Interest is calculated at an estimated annual interest rate of 2%. A one-eighth percentage point change in the interest rate would change pro forma interest expense by \$0.5 million for the year ended December 31, 2008 and \$0.3 million for the six months ended June 30, 2009.
- (e) Reflects the payment of \$4.3 million for estimated transaction-related expenses associated with our disposition of the Downstream Business.
- (f) Reflects incremental income taxes at the statutory rate.