
**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): April 5, 2013

TARGA RESOURCES PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

001-33303
(Commission
File Number)

65-1295427
(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))
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EXPLANATORY NOTE

On January 4, 2013, Targa Resources Partners LP (the "Partnership") filed a current report on Form 8-K (the "Original Filing") in connection with the closing of the acquisition on December 31, 2012 of the equity interests in Saddle Butte Fort Berthold Gathering, LLC and Saddle Butte Assets, LLC (collectively, "the Saddle Butte Subsidiaries") by Targa Badlands LLC, an indirect wholly-owned subsidiary of the Partnership. On March 15, 2013, the Partnership filed a current report on Form 8-K/A to provide the audited financial statements of Saddle Butte Pipeline, LLC and unaudited pro forma condensed consolidated financial statements of Targa Resources Partners LP, as required by Item 9.01(a) and Item 9.01(b) of Form 8-K.

The Partnership is filing this Form 8-K to provide an updated unaudited pro forma condensed consolidated statement of operations of Targa Resources Partners LP for the year ended December 31, 2012, including the notes thereto and to provide the combined financial statements of Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC as of and for the years ended December 31, 2012, 2011 and 2010.

As the Saddle Butte Subsidiaries comprised substantially all of Saddle Butte Pipeline, LLC's key operating assets, the combined carve-out financial statements of Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC as of and for the years ended December 31, 2012, 2011 and 2010 are presented in order to provide investors with the complete and comprehensive financial history of the acquired business. The financial statements of Saddle Butte Pipeline, LLC as of and for the year ended December 31, 2012 were impracticable to prepare for inclusion in this filing as such financial statements would include the financial impact on Saddle Butte Pipeline, LLC as of the December 31, 2012 closing of the disposition of the Saddle Butte Subsidiaries to the Partnership.

Item 9.01 Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired*

The Combined Financial Statements of Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC as of and for the years ended December 31, 2012, 2011 and 2010, including the notes thereto, are filed herewith as Exhibit 99.1.

(b) *Pro Forma Financial Information.*

The unaudited pro forma condensed consolidated statement of operations of Targa Resources Partners LP for the year ended December 31, 2012, including the notes thereto, are filed herewith as Exhibit 99.2.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
23.1	Consent of Hein & Associates LLP, Independent Certified Public Accountants for Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC.
99.1	Combined Financial Statements of Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC as of and for the years ended December 31, 2012, 2011 and 2010, including the notes thereto.
99.2	Unaudited pro forma condensed consolidated statement of operations of Targa Resources Partners LP for the year ended December 31, 2012, including the notes thereto.

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 Partners LP.

By: Targa Resources GP LLC,
its general partner

Date: April 5, 2013

By: /s/ Matthew J. Meloy
Matthew J. Meloy
Senior Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

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99.2	Unaudited pro forma condensed consolidated statement of operations of Targa Resources Partners LP for the year ended December 31, 2012, including the notes thereto.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-165959 and 333-182567) and Form S-8 (No. 333-149200) of Targa Resources Partners LP of our report dated February 28, 2013, relating to our audits of the combined financial statements of Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC as of and for the years ended December 31, 2012, 2011 and 2010, included in this Current Report on Form 8-K dated April 5, 2013.

Hein & Associates LLP

Denver, Colorado
April 5, 2013

**Saddle Butte Assets, LLC and
Saddle Butte Fort Berthold Gathering, LLC**

*Combined Financial Statements
For the Years Ended December 31, 2012, 2011 and 2010*

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INDEPENDENT AUDITOR'S REPORT

To the Board of Members
Saddle Butte Pipeline, LLC
Durango, Colorado

We have audited the accompanying combined balance sheets of Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC as of December 31, 2012, 2011 and 2010, and the related combined statements of operations, members' equity, and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC as of December 31, 2012, 2011 and 2010, and the results of its operations and its cash flows for each of the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Hein & Associates LLP

Denver, Colorado
February 28, 2013

SADDLE BUTTE ASSETS, LLC AND SADDLE BUTTE FORT BERTHOLD GATHERING, LLC

COMBINED BALANCE SHEETS

	DECEMBER 31,		
	2012	2011	2010
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 5,370,952	\$ 2,761,644	\$ 714,992
Accounts receivable:			
Gas gathering and processing	10,486,475	4,097,589	—
Other receivables	19,044,555	16,698,312	—
Prepaid expenses and other current assets	467,893	368,399	8,083
Other prepaid equipment	—	—	1,710,642
Pipeline inventory	16,249,405	19,430,709	1,120,690
Total current assets	<u>51,619,280</u>	<u>43,356,653</u>	<u>3,554,407</u>
PROPERTY AND EQUIPMENT:			
Pipeline	112,316,952	57,375,360	—
Gas plant and facilities	56,326,237	53,567,175	—
Field equipment and machinery	8,789,206	194,733	—
Other facility costs	14,175,917	5,326,436	—
Vehicles and other equipment	870,982	514,762	—
	<u>192,479,294</u>	<u>116,978,466</u>	<u>—</u>
Less accumulated depreciation	(7,711,517)	(1,174,729)	—
	<u>184,767,777</u>	<u>115,803,737</u>	<u>—</u>
Construction work-in-progress	97,830,165	68,558,062	56,731,942
Net property and equipment	<u>282,597,942</u>	<u>184,361,799</u>	<u>56,731,942</u>
TOTAL ASSETS	<u><u>\$334,217,222</u></u>	<u><u>\$227,718,452</u></u>	<u><u>\$60,286,349</u></u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 30,503,060	\$ 30,724,595	\$16,325,474
Accrued expenses	3,851,286	188,952	6,595
Related party payable	981,934	676,488	198,655
Deferred revenue	1,324,060	2,130,216	—
Total current liabilities	<u>36,660,340</u>	<u>33,720,251</u>	<u>16,530,724</u>
COMMITMENTS AND CONTINGENCIES (Note 7)			
MEMBERS' EQUITY:			
Contributed capital	290,966,127	195,452,834	44,221,160
Retained earnings (accumulated deficit)	6,590,755	(1,454,633)	(465,535)
Total members' equity	<u>297,556,882</u>	<u>193,998,201</u>	<u>43,755,625</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$334,217,222</u></u>	<u><u>\$227,718,452</u></u>	<u><u>\$60,286,349</u></u>

The accompanying notes are an integral part of these combined financial statements.

SADDLE BUTTE ASSETS, LLC AND SADDLE BUTTE FORT BERTHOLD GATHERING, LLC

COMBINED STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31,		
	2012	2011	2010
REVENUE			
Residue gas sales	\$ 6,641,434	\$ 6,251,656	\$ —
Natural gas liquids sales	11,982,929	7,510,660	—
Crude oil sales	608,859,842	50,065,002	—
Gathering and processing fees	22,435,169	3,891,099	—
Pipeline construction fee revenue	37,446,843	451,820	—
Other plant revenue	1,846,820	663,515	—
Total operating revenue	689,213,037	68,833,752	—
COST OF PURCHASED GAS AND CRUDE OIL	662,278,727	64,773,296	—
NET MARGIN	26,934,310	4,060,456	—
OPERATING EXPENSES:			
Field operating	4,592,517	955,317	—
Field maintenance	2,792,748	798,957	90,389
General and administrative	4,910,805	2,184,857	369,046
Depreciation and amortization	6,531,782	1,106,973	—
Total operating expenses	18,827,852	5,046,104	459,435
INCOME (LOSS) FROM OPERATIONS	8,106,458	(985,648)	(459,435)
OTHER INCOME (EXPENSE):			
Interest income	6	12	—
Interest expense	(61,076)	(3,469)	—
Other income (expense)	—	7	—
Total other income (expense)	(61,070)	(3,450)	—
NET INCOME (LOSS)	<u>\$ 8,045,388</u>	<u>\$ (989,098)</u>	<u>\$ (459,435)</u>

The accompanying notes are an integral part of these combined financial statements.

SADDLE BUTTE ASSETS, LLC AND SADDLE BUTTE FORT BERTHOLD GATHERING, LLC

COMBINED STATEMENTS OF MEMBERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010

	<u>CONTRIBUTED CAPITAL</u>	<u>RETAINED EARNINGS (ACCUMULATED DEFICIT)</u>	<u>TOTAL</u>
BALANCE, January 1, 2010	\$ 2,365,408	\$ (6,100)	\$ 2,359,308
Contributions	41,855,752	—	41,855,752
Net loss	<u>—</u>	<u>(459,435)</u>	<u>(459,435)</u>
BALANCE, December 31, 2010	44,221,160	(465,535)	43,755,625
Contributions	151,231,674	—	151,231,674
Net loss	<u>—</u>	<u>(989,098)</u>	<u>(989,098)</u>
BALANCE, December 31, 2011	195,452,834	(1,454,633)	193,998,201
Contributions	95,513,293	—	95,513,293
Net income	<u>—</u>	<u>8,045,388</u>	<u>8,045,388</u>
BALANCE, December 31, 2012	<u>\$290,966,127</u>	<u>\$ 6,590,755</u>	<u>\$297,556,882</u>

The accompanying notes are an integral part of these combined financial statements.

SADDLE BUTTE ASSETS, LLC AND SADDLE BUTTE FORT BERTHOLD GATHERING, LLC

COMBINED STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,		
	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 8,045,388	\$ (989,098)	\$ (459,435)
Adjustments to reconcile to net cash used in operating activities:			
Depreciation and amortization	6,531,782	1,106,973	—
Changes in operating assets and liabilities:			
Accounts receivable	(8,735,129)	(20,795,901)	—
Other current assets	(99,494)	1,350,326	(1,676,038)
Inventory	3,181,304	(18,310,019)	(1,120,690)
Accounts payable and accrued expenses	3,746,245	15,059,311	15,680,699
Deferred revenue	(806,156)	2,130,216	—
Net cash provided by (used in) operating activities	<u>11,863,940</u>	<u>(20,448,192)</u>	<u>12,424,536</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to pipeline and facilities	(104,411,705)	(128,222,068)	(54,829,026)
Additions to furniture, fixtures and equipment	(356,220)	(514,762)	—
Total cash used in investing activities	<u>(104,767,925)</u>	<u>(128,736,830)</u>	<u>(54,829,026)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Contributions	95,513,293	151,231,674	41,855,752
Net cash provided by financing activities	<u>95,513,293</u>	<u>151,231,674</u>	<u>41,855,752</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,609,308	2,046,652	(548,738)
CASH AND CASH EQUIVALENTS, beginning of period	2,761,644	714,992	1,263,730
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 5,370,952</u>	<u>\$ 2,761,644</u>	<u>\$ 714,992</u>
SUPPLEMENTAL STATEMENT OF CASH FLOW DISCLOSURES:			
Additions to pipeline and facilities through accounts payable	<u>\$ 25,329,581</u>	<u>\$ 25,449,505</u>	<u>\$ 16,299,378</u>

The accompanying notes are an integral part of these combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

1. **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:**

Business – Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC, combined, are a midstream natural gas and crude oil gathering pipeline and processing entity. Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC gather the natural gas and crude oil at the wellhead and transport the products to their crude terminal and gas processing plant in McKenzie County, North Dakota. The operations of the pipeline and facilities began in 2011. Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC were formed in 2008.

Basis of Presentation – The accompanying combined financial statements include the accounts of Saddle Butte Assets, LLC, and Saddle Butte Fort Berthold Gathering, LLC, herein collectively referred to as the “Company” or “Saddle Butte.” All significant intercompany accounts and transactions have been eliminated in combination.

Liquidity – At December 31, 2012, the Company has had net income since inception of approximately \$6.6 million and is able to fund current operations through generated cash flow. The continued capital expansion of the system, including contracts already entered into, will require contributions to fund those expansions (see Note 2).

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents consist of highly liquid investments, with original maturities of three months or less. From time to time, these cash accounts may exceed federally insured limits.

Gas Gathering and Processing Receivable – The Company accrues for revenue generated from the sales of residue natural gas and natural gas liquids that are gathered, compressed and processed on its gathering system. Management regularly reviews the gas gathering and processing receivable amounts for collectability and records its allowance for uncollectible receivables under the specific identification method. The Company recorded no allowance for uncollected receivables at December 31, 2012, 2011 or 2010.

The Company currently has gathering and processing contracts with ten producers, which account for all the revenue and receivables from these activities.

NOTES TO COMBINED FINANCIAL STATEMENTS

Other Receivables and Deferred Revenue – During 2012 and 2011, the Company constructed extended facilities for the producers connected to the gathering system. The construction activities were performed in accordance with the gathering contracts in place with the various producers. The cost of the facilities is billed as incurred at a rate of the Company's cost plus an agreed-upon percentage margin. The progress billings resulted in an other receivable at December 31, 2012 and 2011 of \$19.0 million and \$16.7 million, respectively, and deferred revenue at December 31, 2012 and 2011 of \$1.3 million and \$2.1 million, respectively, which represents the agreed-upon percentage margin. Deferred revenue will be recognized when construction is complete. The Company has not recorded an allowance for uncollected receivables from these construction projects. These projects are with three producers.

Fair Value of Financial Instruments – The Company's financial instruments consist of cash and trade payables. The carrying value of cash and cash equivalents and trade payables are considered to be representative of their fair market value, due to the short maturity of these instruments.

Pipeline Inventory – Inventory consists of steel pipe, valves, fittings and materials which will be used on the construction of pipeline and gathering systems in North Dakota. These goods are valued at the lower of cost or market and no impairment has been recorded as of December 31, 2012, 2011 and 2010.

Property and Equipment – Property and equipment consists of all costs incurred for the construction of an oil and gas gathering and transportation system, a 40,000 Mcf/d gas processing plant and a 70,000 barrel crude terminal.

Renewals and betterments, which substantially extend the useful lives of the assets, are capitalized. All costs necessary to place an asset into operation are capitalized. Maintenance and repairs are expensed when incurred. Property and equipment is generally depreciated using the straight-line method over 3 to 20 years depending on the type of asset. When property is retired or otherwise disposed of, the cost and accumulated depreciation are removed from appropriate accounts and any gain or loss is included in income.

The Company evaluates impairment of its property and equipment to determine if the carrying value is recoverable based upon the undisputed future cash flows. If it is not recoverable, an impairment is recorded for the difference between the carrying value and the fair value of the asset. Based upon this evaluation, no impairments were recorded at December 31, 2012, 2011 and 2010.

Construction in Progress – Costs incurred for construction of oil and gas gathering and transportation systems in process and not operational are included in the account. No depreciation is recorded for these assets as they have not been placed in operations as of December 31, 2012, 2011 or 2010.

Asset Retirement Obligations – The Company accounts for asset retirement obligations by recording the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The Company believes that a reasonable estimate of any asset retirement obligation cannot be made at this time.

NOTES TO COMBINED FINANCIAL STATEMENTS

Revenue Recognition – The Company generates its revenue from natural gas gathering, compression and processing, and the transportation of crude oil. The Company provides services under a fee-based arrangement.

Under fee-based arrangements, the Company receives a fee for gathering, processing and compression of natural gas and transportation of crude oil. The revenue the Company earns from these arrangements is generally directly related to the volume of crude oil and natural gas that flows through the Company's systems and facilities and is not directly dependent on commodity prices. Revenues are reported on a gross basis in the combined statements of operations, as the Company takes custody of the product at the producer's wellhead and incurs the risk of loss until it is sold at the terminal station.

The terms of the Company contracts vary based on gas quality conditions, the competitive environment when the contracts are signed, and customer requirements.

Gas volumes received may be different from equivalent gas volumes delivered, resulting in gas imbalances. Gas imbalances as of December 31, 2012, 2011 and 2010 were immaterial.

Income Taxes – The Company is a Limited Liability Company (LLC), therefore, no income tax provision is included in the accompanying combined financial statements. Any taxable income of the Company is reported in the respective tax returns of the Company members.

The Company has no significant uncertain tax positions in 2012, 2011 or 2010. The Company's policy is to recognize accrued interest related to unrecognized tax benefits in interest expense, and to recognize tax penalties in operating expense. As of December 31, 2012, the Company made no provision for interest or penalties related to uncertain tax positions. The Company files income tax returns in the U.S. federal jurisdiction and various states. There are currently no federal or state income tax examinations underway for these jurisdictions and tax returns for the periods from 2009 to 2012 are still open to examination.

Share-Based Payments – The Company accounts for member unit options where the measurement and recognition of compensation expense for all share-based payment awards to members and employees is based on estimated fair values.

Reclassifications – Certain prior year balances have been reclassified to conform to current year presentation. Such reclassifications had no impact on net loss or members' equity.

New Accounting Pronouncements – In April 2011, the Financial Accounting Standards Board (FASB) issued new guidance to achieve common fair value measurement and disclosure requirements between U.S. generally accepted accounting principles and International Financial Reporting Standards. This new guidance amends current fair value measurement and disclosure guidance to include increased transparency around valuation inputs and investment categorization. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. The Company does not believe its adoption of the new guidance will have an impact on its consolidated financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

2. **SALE OF THE COMPANY:**

Effective December 31, 2012, the Company was sold to Targa Resources Partners LP for \$950 million, plus a conditional \$50 million payment if certain thresholds are met.

3. **MEMBERS' EQUITY:**

Members' equity reflects the parent and other related entities' investment in Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC.

4. **RELATED PARTY TRANSACTIONS:**

The employees of the Company are provided by the parent company, Saddle Butte Pipeline, LLC. The Company reimburses Saddle Butte Pipeline, LLC for the cost of the employee's wages and benefits. The total paid by the Company to Saddle Butte Pipeline, LLC in 2012, 2011 and 2010 was \$3.4 million, \$884,000 and \$56,000, respectively. The Company had outstanding payable balances due to Saddle Butte Pipeline, LLC in the amounts of \$1.0 million, \$677,000 and \$210,000 at December 31, 2012, 2011 and 2010, respectively.

5. **PROPERTY AND EQUIPMENT:**

Gas plant, pipeline, and related equipment consisted of the following at December 31:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Land	\$ 445,592	\$ 265,367	\$—
Line pack	3,594,093	1,348,731	—
Right of way	10,136,232	3,712,338	—
Pipeline	112,316,952	57,375,360	—
Gas plant and facilities	56,326,237	53,567,175	—
Field equipment and machinery	8,789,206	194,733	—
Vehicles and other equipment	870,982	514,762	—
	<u>\$192,479,294</u>	<u>\$116,978,466</u>	<u>\$—</u>
Accumulated depreciation	<u>\$ 7,711,517</u>	<u>\$ 1,174,729</u>	<u>\$—</u>

Depreciation expense on property and equipment of \$6,531,782, \$1,106,973 and \$0 was recorded by the Company for the years ended December 31, 2012, 2011 and 2010, respectively.

NOTES TO COMBINED FINANCIAL STATEMENTS

6. **LONG-TERM DEBT:**

Revolving Line of Credit – Wells Fargo – On October 7, 2011, the parent company, Saddle Butte Pipeline, LLC (“SBP”) entered into a credit agreement with Wells Fargo Bank, NA. On July 12, 2012, the agreement was modified into a \$30.0 million revolving line of credit. The amount available under the agreement was increased to \$35.0 million on October 31, 2012. At December 31, 2012, SBP had \$0 outstanding on the facility. Interest on the line of credit is payable monthly and accrues at a rate based on the Prime Rate plus a margin determined by the Consolidated Total Leverage Ratio. At December 31, 2012, the interest rate was 5.75%.

Subordinated Promissory Note – Related Party – On June 20, 2012, SBP entered into a subordinated credit agreement with Saddle Butte Pipeline II, LLC, a related party with similar ownership, to continue funding the Company’s construction (the “Note”). The agreement allows SBP to borrow up to \$32.5 million. At December 31, 2012, SBP had \$0 outstanding on the facility.

The interest rate on the Note is 15% and is payable quarterly.

For the year ended December 31, 2012, SBP allocated \$843,000 in interest on these notes to the Company. The interest was capitalized into the Company’s projects as of December 31, 2012.

7. **COMMITMENTS AND CONTINGENCIES:**

Lease Commitments – The Company leases gas compressor units from various vendors. These compressor leases have terms ranging from 1 to 2 years. It has been determined that these leases do not constitute capital leases. Future payments under these leases are as follows:

2013	\$1,941,290
2014	63,600
2015	—
2016	—
2017	—
	<u>\$2,004,890</u>

Letters of Credit – At December 31, 2012, the Company had letters of credit outstanding that were issued to third parties to cover the operations of the Company. The letters are secured by certificates of deposit totaling \$505,000. The letters were released subsequent to year end.

Other – The Company may, from time to time, be involved in various legal actions arising in the normal course of business. In the opinion of management, the Company’s liability, if any, in these pending actions would not have a material adverse effect on the financial position of the Company. The Company’s general and administrative expenses would include amounts incurred to resolve claims made against the Company. Currently, the Company has no legal actions pending.

NOTES TO COMBINED FINANCIAL STATEMENTS

8. **SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through February 28, 2013, the date the combined financial statements were issued.

On February 26, 2013, Saddle Butte Pipeline, LLC received a grand jury subpoena to supply documents related to the transportation/shipment of materials from the Little Missouri Gas Plant. The information request is the result of a fire that occurred on or about December 29, 2012 at a third party waste product disposal facility in Montana. At this time, the investigation is in the early stages, and the Company does not believe it has any liability or risk of loss associated with the incident.

Targa Resources Partners LP
Unaudited Pro Forma Condensed Consolidated Financial Statements

Badlands Acquisition

On December 31, 2012, Targa Resources Partners LP (“TRP”, “we”, “us”, or “our”) completed the acquisition of the equity interests in Saddle Butte Assets, LLC’s and Saddle Butte Fort Berthold Gathering, LLC’s Williston Basin crude oil pipeline and terminal system and natural gas gathering and processing operations (collectively “Badlands”).

We previously filed an 8-K/A on March 15, 2013 to comply with Item 9.01 of Form 8-K that provided the following pro forma financial statements applicable to our Badlands acquisition:

- Unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2011, and for the nine months ended September 30, 2012 prepared as if the Badlands acquisition occurred as of January 1, 2011.
- Unaudited pro forma condensed consolidated balance sheet as of September 30, 2012, prepared as if the Badlands acquisition occurred as of the balance sheet date.

Pursuant to Article 11 of Regulation S-X, we are filing this 8-K to update the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2012, prepared as if the Badlands acquisition occurred as of January 1, 2011. The unaudited pro forma condensed consolidated statement of operations is not necessarily indicative of the results that actually would have occurred if TRP had completed the transaction on the dates indicated or which could be obtained in the future. This is especially true when the acquisition involves a rapidly expanding business such as Badlands.

The unaudited pro forma condensed consolidated statement of operations should be read in conjunction with the notes accompanying this unaudited pro forma condensed consolidated statement of operations, our historical consolidated financial statements and the 8-K/A that we filed on March 15, 2013.

TARGA RESOURCES PARTNERS LP
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012

	Targa Resources Partners LP (As reported)	Saddle Butte Assets, LLC and Saddle Butte Fort Berthold Gathering, LLC (1)	Pro Forma Adjustments		Targa Resources Partners LP Pro Forma
Revenues	\$ 5,883.6	\$ 689.2	\$ (608.9)	A	\$ 5,926.4
			(37.5)	B	
Costs and expenses:					
Product purchases	4,878.9	662.3	(608.9)	A	4,899.2
			(33.1)	B	
Operating expenses	313.0	7.4	—		320.4
Depreciation and amortization expense	197.3	6.5	(6.5)	C	226.6
			6.6	C	
			22.7	C	
General and administrative expense	131.6	4.9	—		136.5
Other operating (income) expense	19.9	—	—		19.9
	<u>5,540.7</u>	<u>681.1</u>	<u>(619.2)</u>		<u>5,602.6</u>
Income from operations	342.9	8.1	(27.2)		323.8
Other income (expense):					
Interest expense, net	(116.8)	(0.1)	0.1	D	(141.9)
			(25.1)	D	
Equity earnings	1.9	—	—		1.9
Loss on debt repurchases	(11.1)	—	—		(11.1)
Gain (loss) on early debt extinguishment	(1.7)	—	—		(1.7)
Other	(7.8)	—	6.1	E	(1.7)
Income before income taxes	207.4	8.0	(46.1)		169.3
Current	(2.5)	—	—		(2.5)
Deferred	(1.7)	—	—		(1.7)
Income tax expense:	(4.2)	—	—		(4.2)
Net income	203.2	8.0	(46.1)		165.1
Less: Net income attributable to noncontrolling interest	28.6	—	—		28.6
Net income attributable to Targa Resources Partners LP	<u>\$ 174.6</u>	<u>\$ 8.0</u>	<u>\$ (46.1)</u>		<u>\$ 136.5</u>
Net income attributable to general partner	\$ 66.7	\$ 0.2	\$ (1.1)	F	\$ 65.8
Net income attributable to limited partners	107.9	7.8	(45.1)	F	70.6
Net income attributable to Targa Resources Partners LP	<u>\$ 174.6</u>	<u>\$ 8.0</u>	<u>\$ (46.1)</u>		<u>\$ 136.5</u>
Net income per limited partner unit - basic and diluted	<u>\$ 1.20</u>				<u>\$ 0.71</u>
Weighted average limited partner units outstanding - basic	90.1		9.7	G	99.8
Weighted average limited partner units outstanding - diluted	90.2		9.7	G	99.9

(1) Excludes properties retained by Saddle Butte Pipeline LLC.

See accompanying notes to unaudited pro forma condensed consolidated financial statements

TARGA RESOURCES PARTNERS LP
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Except as noted within the context of each footnote disclosure, the dollar amounts presented in the tabular data within these footnote disclosures are stated in millions of dollars.

Pro Forma Adjustments and Assumptions

The unaudited pro forma condensed consolidated financial statement includes adjustments required under SEC regulations to:

- A. Reflect adjustments to report Badlands revenues from the purchase and sale of crude oil inventory with the same counterparty on a net basis to conform to our accounting policy in accordance with ASC Topic 845, "Nonmonetary Transactions," formerly under the FASB Emerging Issues Task Force ("EITF") Issue No. 99-19 and EITF Issue No. 04-13.
- B. Reflect the elimination of deferred revenue related to producer construction services which have no value under the acquisition method of accounting.
- C. Reflect the increase in depreciation and amortization over the periods presented as a result of higher asset values based on fair values rather than reported historical cost.

	Estimated New Book Value	Useful Lives (In years) (1)
Property, plant and equipment (in service)	\$ 197.5	30
Construction in progress	97.8	—
Intangible assets	679.6	30

	Year Ended December 31, 2012
Reversal of depreciation recorded at Badlands	\$ (6.5)
Depreciation expense based on the new book value	6.6
Amortization expense based on the new book value	22.7
	<u>\$ 22.8</u>

- (1) For purposes of these pro forma financial statements, we have utilized the straight-line depreciation and amortization methods and assumed an estimated useful life of 30 years for both plant, property and equipment and intangible assets. During 2013, we will determine the amortization and depreciation methods and estimated useful lives of the tangible and intangible assets of this acquisition. A five year change in estimated useful lives of depreciable tangible assets and amortizable intangible assets would result in a change to revised pro forma straight-line depreciation expense and amortization expense for the year ended December 31, 2012 as shown in the table below:

	Useful Lives	
	25 Years	35 Years
Increase (decrease) in depreciation of property, plant and equipment Year ended December 31, 2012	\$ 1.3	\$ (1.0)
Increase (decrease) in amortization of intangible assets Year ended December 31, 2012	4.5	(3.3)

- D. Reflect interest expense on debt issued in connection with the acquisition, at (i) stated rates for senior notes and (ii) weighted average rates for variable rate revolving credit facility borrowings and amortization of associated debt issue costs as follows:

	Year Ended December 31, 2012
Pro forma interest expense:	
Reversal of interest expense	\$ (0.1)
Interest expense on the 5 1/4% Notes (principal of \$382.3 million)	20.1
Amortization of debt issue costs on the 5 1/4% Notes	0.5
Interest expense on the TRP Revolver (2.5% for 2012; principal of \$211.4 million)	5.3
Less: commitment fee on the TRP Revolver	(0.8)
Pro forma interest expense adjustments for the acquisition	\$ 25.1

- E. Reflect the adjustment to remove the acquisition cost recognized in the historical financial statement as a non-recurring charge directly related to the transaction.
- F. Reflect the adjustment of net income attributable to general and limited partners to give effect to the impact of pro forma adjustments.
- G. Reflect adjustments to weighted average basic and diluted units to give effect to TRP's issuance of 10.9 million common units in connection with the Badlands transaction.