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

FORM 8-K/A

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

Date of Report (Date of earliest event reported): June 14, 2019 (April 9, 2019)

CRESTWOOD EQUITY PARTNERS LP
(Exact name of registrant as specified in its charter)

Delaware	001-34664	43-1918951
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

811 Main Street, Suite 3400
Houston, Texas 77002
(Address of Principal Executive Offices)

(832) 519-2200
(Registrant's 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units representing limited partnership interests	CEQP	New York Stock Exchange

Introductory Note

As reported in a Current Report on Form 8-K filed with the Securities and Exchange Commission by Crestwood Equity Partners LP (the “Company” or “CEQP”) on April 10, 2019 (the “Original Form 8-K”), on April 9, 2019, Crestwood Niobrara LLC, a subsidiary of Crestwood Midstream Partners LP (“CMLP”), CEQP’s wholly-owned subsidiary, completed its acquisition (the “Acquisition”) of the remaining 50% interest in Jackalope Gas Gathering Services, L.L.C. (“Jackalope”), an Oklahoma limited liability company, pursuant to the Purchase Agreement by and among Crestwood Niobrara LLC and Williams MLP Operating, LLC dated as of April 9, 2019.

This Current Report on Form 8-K/A (this “Amendment”) amends and supplements the Original Form 8-K to provide the following:

- the unaudited financial statements of Jackalope (for the period described in Item 9.01(a) below) and the notes thereto;
- the audited financial statements of Jackalope (for the period described in Item 9.01(a) below), the notes thereto and the Report of Independent Auditors; and
- the unaudited pro forma condensed combined financial information described in Item 9.01(b) below.

No other modifications to the Original Form 8-K are being made by this Amendment. This Amendment should be read in connection with the Original Form 8-K, which provides a more complete description of the Acquisition.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

- Unaudited financial statements of Jackalope as of March 31, 2019 and for the three months ended March 31, 2019 and 2018, and the related notes to the financial statements, attached as Exhibit 99.3 hereto; and
- Audited financial statements of Jackalope as of December 31, 2018 and 2017, and for each of the three years in the period ended December 31, 2018, and the related notes to the financial statements, attached as Exhibit 99.2 hereto.

(b) Pro Forma Financial Information.

The following unaudited pro forma condensed combined financial information of the Company, giving effect to the Acquisition, attached as Exhibit 99.1 hereto:

- Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2019;
- Unaudited Pro Forma Condensed Combined Statement of Operations for the Three Months Ended March 31, 2019;
- Unaudited Pro Forma Condensed Combined Statement of Operations for the Year Ended December 31, 2018; and
- Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

(d) Exhibits.

Exhibit Number	Description
23.1	Consent of Ernst & Young LLP
99.1	Unaudited pro forma condensed combined financial information of CEQP as of and for the three months ended March 31, 2019 and for the year ended December 31, 2018
99.2	Historical audited financial statements of Jackalope as of December 31, 2018 and 2017, and for each of the three years in the period ended December 31, 2018
99.3	Historical unaudited financial statements of Jackalope as of March 31, 2019 and for the three months ended March 31, 2019 and 2018

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 hereunto duly authorized.

CRESTWOOD EQUITY PARTNERS LP

By: **Crestwood Equity GP LLC, its General Partner**

By: /s/ Robert T. Halpin
Robert T. Halpin
Executive Vice President and Chief Financial Officer

Dated: June 14, 2019

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-201534);

(2) Registration Statement (Form S-8 No. 333-148619);

(3) Registration Statement (Form S-8 No. 333-131767);

(4) Registration Statement (Form S-8 No. 333-83872);

(5) Registration Statement (Form S-3 No. 333-210146);

(6) Registration Statement (Form S-3 No. 333-217062);

(7) Registration Statement (Form S-3ASR No. 333-217061);

(8) Registration Statement (Form S-3 No. 333-223892); and

(9) Registration Statement (Form S-8 No. 333-227017).

of our report dated May 21, 2019, with respect to the financial statements of Jackalope Gas Gathering Services, L.L.C., included in this Current Report on Form 8-K/A of Crestwood Equity Partners L.P.

/s/ Ernst & Young LLP

Tulsa, Oklahoma
June 14, 2019

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

The following Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2019 and the Unaudited Pro Forma Condensed Combined Statements of Operations for the three months ended March 31, 2019 and for the year ended December 31, 2018 give effect to the acquisition by Crestwood Niobrara LLC (Crestwood Niobrara) of Williams MLP Operating, LLC's (Williams) 50% equity interest in Jackalope Gas Gathering Services, L.L.C. (Jackalope) for approximately $485 million (the Jackalope Acquisition) and the related assumptions and adjustments described in the notes thereto. Crestwood Niobrara is a wholly-owned subsidiary of Crestwood Midstream Partners LP (Crestwood Midstream). Crestwood Midstream is a wholly-owned subsidiary of Crestwood Equity Partners LP (Crestwood Equity or the Company).

The unaudited pro forma condensed combined financial information includes pro forma adjustments that are (i) directly attributable to the transaction; (ii) factually supportable; and (iii) with respect to the statement of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined statements of operations do not reflect any non-recurring charges directly related to the Jackalope Acquisition that we may incur.

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of SEC Regulation S-X. In addition, we prepared the pro forma adjustments included in the condensed combined financial information using the acquisition method of accounting in accordance with Accounting Standards Codification (ASC) Topic 805, *Business Combinations (Topic 805)*, with Crestwood Equity and Crestwood Midstream treated as the accounting acquirer of Jackalope. As of the date of the unaudited pro forma condensed combined financial information, we have not completed the final purchase accounting adjustments for the Jackalope Acquisition, including the allocation of fair value to Jackalope's assets and liabilities. Accordingly, the pro forma adjustments for the Jackalope Acquisition are preliminary and subject to further adjustment as additional information becomes available and the various analyses and other valuations are completed. Such adjustments may have a significant effect on total assets, total liabilities, total equity, operating revenues, operating expenses and net income. The preliminary pro forma adjustments have been made solely for the purposes of providing the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with (i) the Company's historical audited consolidated financial statements and related notes included in the Annual Report on Form 10-K for the year ended December 31, 2018; (ii) the Company's unaudited consolidated financial statements and related notes included in the Quarterly Report on Form 10-Q for the three months ended March 31, 2019; and (iii) the audited and unaudited financial statements of Jackalope included in Exhibit 99.2 and Exhibit 99.3 of this Current Report on Form 8-K/A.

The unaudited pro forma condensed combined financial information was prepared by applying pro forma adjustments to our historical audited and unaudited consolidated financial statements. The unaudited pro forma condensed combined balance sheet as of March 31, 2019 has been prepared to give effect to the Jackalope Acquisition as if it had occurred on March 31, 2019. The unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2019 and year ended December 31, 2018, have been prepared to give effect to the Jackalope Acquisition as if it had occurred on January 1, 2018. The pro forma financial statements reflect the following:

- Acquisition of Williams' 50% equity interest in Jackalope (including the elimination of our equity method investment in Jackalope and consolidation of Jackalope's assets and liabilities at fair value);
- Crestwood Niobrara's issuance of Series A-3 Preferred Units to CN Jackalope Holdings LLC (Jackalope Holdings);
- Borrowings under the Crestwood Midstream credit facility to fund the Jackalope Acquisition; and
- Payment of certain estimated non-recurring contractual financing and professional fees.

The pro forma financial information does not include any amounts for non-contractual costs expected to be incurred related to legal, accounting and other fees related to the Jackalope Acquisition which are currently estimated to be less than $1 million.

The unaudited pro forma adjustments are based on available information and certain assumptions that we believe are reasonable under the circumstances. The pro forma adjustments and their underlying assumptions are described more fully in the notes to the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position that would have been obtained or the financial results that would have occurred if the transaction had been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project our future financial position or operating results. Future results may vary significantly from the results reflected because of various factors. Further, the unaudited pro forma condensed combined financial information does not reflect any cost savings, operating synergies or revenue enhancements expected to result from the Jackalope Acquisition or the costs to achieve these cost savings, operating synergies and revenue enhancements.

Crestwood Equity Partners LP
Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2019
(In millions)

	Crestwood Equity Partners LP Historical	Jackalope Gas Gathering Services, L.L.C.	Pro Forma Adjustments	Crestwood Equity Partners LP Pro Forma
ASSETS				
Current assets:				
Cash	$ 0.5	$ 24.7	$ 249.6 (a)	$ 25.9
			235.0 (a)	
			(484.6) (b)	
			(0.6) (c)	
			1.3 (d)	
Restricted cash	1.3	—	(1.3) (d)	—
Accounts receivable	255.6	26.9	—	282.5
Inventory	42.0	—	—	42.0
Other current assets	26.7	1.7	—	28.4
Total current assets	326.1	53.3	(0.6)	378.8
Property, plant and equipment, net	2,065.1	507.1	7.8 (b)	2,580.0
Intangible assets, net	543.4	—	317.0 (b)	860.4
Goodwill	138.6	—	88.1 (b)	226.7
Investments in unconsolidated affiliates	1,206.4	—	(226.2) (b)	980.2
Other non-current assets	66.8	0.8	—	67.6
Total assets	$ 4,346.4	$ 561.2	$ 186.1	$ 5,093.7
LIABILITIES AND PARTNERS' CAPITAL				
Current liabilities:				
Accounts payable	$ 224.6	$ 21.3	$ —	$ 245.9
Accrued expenses and other liabilities	128.9	1.9	—	130.8
Total current liabilities	353.5	23.2	—	376.7
Long-term debt, less current portion	1,768.4	—	249.6 (a)	2,018.0
Other long-term liabilities	228.0	83.2	(53.0) (b)	258.2
Total liabilities	2,349.9	106.4	196.6	2,652.9
Interest of non-controlling partner in subsidiary	—	—	235.0 (a)	417.0
			182.0 (e)	
Partners' capital	1,384.5	454.8	(454.8) (b)	1,411.8
			209.9 (b)	
			(0.6) (c)	
			(182.0) (e)	
Preferred units	612.0	—	—	612.0
Total partners' capital	1,996.5	454.8	(427.5)	2,023.8
Total liabilities and partners' capital	$ 4,346.4	$ 561.2	$ 186.1	$ 5,093.7

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Crestwood Equity Partners LP
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2019
(In millions, except unit and per unit information)

	Crestwood Equity Partners LP Historical	Jackalope Gas Gathering Services, L.L.C.	Pro Forma Adjustments	Crestwood Equity Partners LP Pro Forma
Revenues	$ 835.2	$ 19.6	$ (0.6) (f)	$ 854.2
Costs of product/services sold (exclusive of items shown separately below)	695.6	—	—	695.6
Operating expenses and other:				
Operations and maintenance	28.6	7.1	—	35.7
General and administrative	37.2	2.3	—	39.5
Depreciation, amortization and accretion	39.8	4.0	5.8 (g)	49.6
Loss on long-lived assets, net	2.0	—	—	2.0
	803.2	13.4	5.8	822.4
Operating income (loss)	32.0	6.2	(6.4)	31.8
Earnings from unconsolidated affiliates, net	6.9	—	(3.2) (h)	3.7
Interest and debt income (expense), net	(24.9)	0.1	(3.0) (i)	(27.8)
Other income, net	0.1	—	—	0.1
Net income (loss)	14.1	6.3	(12.6)	7.8
Net income attributable to non-controlling partner	4.0	—	5.9 (j)	9.9
Net income (loss) attributable to Crestwood Equity Partners LP	10.1	6.3	(18.5)	(2.1)
Net income attributable to preferred units	15.0	—	—	15.0
Net income (loss) attributable to partners	$ (4.9)	$ 6.3	$ (18.5)	$ (17.1)
Subordinated unitholders' interest in net loss	$ —			$ —
Common unitholders' interest in net loss	$ (4.9)			$ (17.1)
Net loss per limited partner unit				
Basic	$ (0.07)			$ (0.24)
Diluted	$ (0.07)			$ (0.24)
Weighted average limited partners' units outstanding (in thousands)				
Basic	71,833			71,833
Dilutive units	—			—
Diluted	71,833			71,833

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Crestwood Equity Partners LP
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2018
(In millions, except unit and per unit information)

	Crestwood Equity Partners LP Historical	Jackalope Gas Gathering Services, L.L.C.	Pro Forma Adjustments	Crestwood Equity Partners LP Pro Forma
Revenues	$ 3,654.1	$ 78.2	$ (2.4) (f)	$ 3,729.9
Costs of product/services sold (exclusive of items shown separately below)	3,129.4	—	—	3,129.4
Operating expenses and other:				
Operations and maintenance	125.8	22.2	—	148.0
General and administrative	88.1	6.6	—	94.7
Depreciation, amortization and accretion	168.7	14.8	24.2 (g)	207.7
Loss on long-lived assets, net	28.6	—	—	28.6
	3,540.6	43.6	24.2	3,608.4
Operating income (loss)	113.5	34.6	(26.6)	121.5
Earnings from unconsolidated affiliates, net	53.3	—	(18.1) (h)	35.2
Interest and debt income (expense), net	(99.2)	0.4	(11.9) (i)	(110.7)
Loss on modification /extinguishment of debt	(0.9)	—	—	(0.9)
Other income, net	0.4	—	—	0.4
Income (loss) before income taxes	67.1	35.0	(56.6)	45.5
Provision for income taxes	(0.1)	—	—	(0.1)
Net income (loss)	67.0	35.0	(56.6)	45.4
Net income attributable to non-controlling partner	16.2	—	23.5 (j)	39.7
Net income (loss) attributable to Crestwood Equity Partners LP	50.8	35.0	(80.1)	5.7
Net income attributable to preferred units	60.1	—	—	60.1
Net income (loss) attributable to partners	$ (9.3)	$ 35.0	$ (80.1)	$ (54.4)
Subordinated unitholders’ interest in net loss	$ —			$ —
Common unitholders’ interest in net loss	$ (9.3)			$ (54.4)
Net loss per limited partner unit				
Basic	$ (0.13)			$ (0.76)
Diluted	$ (0.13)			$ (0.76)
Weighted average limited partners’ units outstanding (in thousands)				
Basic	71,205			71,205
Dilutive units	—			—
Diluted	71,205			71,205

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Note 1 – Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting in accordance with Accounting Standards Codification (ASC) Topic 805, *Business Combinations (Topic 805),* and was based on our historical consolidated financial statements and the historical financial statements of Jackalope after giving effect to our acquisition of Williams' 50% equity interest in Jackalope and related financing arrangements. *Topic 805* requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date using the fair value concepts defined in ASC Subtopic 820-10, *Fair Value Measurement*.

The unaudited pro forma condensed combined balance sheet gives effect to the Jackalope Acquisition as if it had occurred on March 31, 2019. The unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2019 and year ended December 31, 2018, have been prepared to give effect to the Jackalope Acquisition as if it had occurred on January 1, 2018.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position that would have been obtained or the financial results that would have occurred if the transaction had been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project our future financial position or operating results. Future results may vary significantly from the results reflected because of various factors. Further, the unaudited pro forma information does not reflect any cost savings, operating synergies or revenue enhancements expected to result from the Jackalope Acquisition or the costs to achieve these cost savings, operating synergies and revenue enhancements.

The unaudited pro forma condensed combined financial information should be read in conjunction with (i) our historical audited consolidated financial statements and related notes included in the Annual Report on Form 10-K for the year ended December 31, 2018; (ii) our unaudited consolidated financial statements and related notes included in the Quarterly Report on Form 10-Q for the three months ended March 31, 2019; and (iii) the audited and unaudited financial statements of Jackalope included in Exhibit 99.2 and Exhibit 99.3 of this Current Report on Form 8-K/A.

Note 2 – Pro Forma Adjustments and Assumptions

Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments

(a) Reflects the financing of the Jackalope Acquisition, which includes $249.6 million of borrowings under the Crestwood Midstream credit facility and $235.0 million of cash received related to the issuance of Crestwood Niobrara Series A-3 Preferred Units.

(b) Reflects the amount paid by Crestwood Niobrara to acquire Williams' 50% equity interest in Jackalope. In addition, reflects the adjustments necessary to recognize Jackalope's assets and liabilities at fair value as of the closing of the Jackalope Acquisition with the excess purchase price recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually. The preliminary purchase price allocation is as follows (*in millions*):

	Preliminary Fair Value
Current assets	$ 53.3
Property, plant and equipment, net	514.9
Intangible assets, net	317.0
Goodwill	88.1
Other non-current assets	0.8
Current liabilities	(23.2)
Other long-term liabilities	(30.2)
Estimated fair value of 100% interest in Jackalope	920.7
Less:	
Elimination of equity investment in Jackalope	(226.2)
Gain on acquisition of Jackalope	(209.9)
Total purchase price	$ 484.6

The identifiable intangible assets acquired were valued based on a preliminary valuation and consist primarily of customer relationships. Upon completion of the fair value assessment, we anticipate that the ultimate purchase price allocation may differ from the preliminary assessment outlined above. Any changes to the initial estimates of fair value of the assets acquired, net of liabilities assumed will be recorded as an adjustment to those assets and liabilities.

In accordance with *Topic 805*, companies are required to remove the historical book value of the equity investment in an acquired business previously recorded in its financial statements and record the assets acquired, net of liabilities assumed of such entity at fair value and reflect the difference as a gain. As a result, we anticipate recording a gain on the Jackalope Acquisition of approximately $210 million.

(c) Reflects payment of one-time transaction costs directly related to the acquisition.

(d) Reflects the reclassification of restricted cash to cash as this amount relates to cash received from Jackalope prior to the Jackalope Acquisition related to construction management services provided by Crestwood Niobrara in conjunction with the expansion of Jackalope's facilities.

(e) Reflects the reclassification of interest of non-controlling partner in subsidiary apart from partners' capital based on the new terms of Crestwood Niobrara's preferred units.

Unaudited Pro Forma Condensed Combined Statements of Operations Adjustments

(f) Reflects change in the amount and timing of recognition of deferred revenues resulting from the preliminary purchase price allocation.

(g) Reflects change in depreciation and amortization expense resulting from the change in fair value of property, plant and equipment and intangible assets acquired from Jackalope resulting from the preliminary purchase price allocation.

(h) Reflects the reversal of equity earnings in Jackalope historically recorded by us as a result of Jackalope being treated as an equity method investment.

(i) Reflects increase in interest expense resulting from incremental borrowings of $249.6 million under the credit facility. Interest expense on the incremental borrowings under the credit facility is calculated using a weighted-average interest rate of 4.79% as of March 31, 2019 and December 31, 2018. A change of 20 basis points to the assumed interest rate on the borrowings would increase or decrease pro forma interest expense by approximately $0.1 million on a quarterly basis and $0.5 million on an annual basis.

(j) Reflects change in allocation of net income to non-controlling partner as a result of the issuance of Series A-3 Preferred Units.

Exhibit 99.2

Jackalope Gas Gathering Services, L.L.C.
Financial Statements
December 31, 2018 and 2017
With Report of Independent Auditors

Jackalope Gas Gathering Services, L.L.C.
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Report of Independent Auditors

To the Strategy Steering Committee and the members of
Jackalope Gas Gathering Services, L.L.C.

We have audited the accompanying financial statements of Jackalope Gas Gathering Services, L.L.C., which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of income, changes in members' equity, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, the Company changed its method for accounting for revenue in 2018. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jackalope Gas Gathering Services, L.L.C. at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Tulsa, Oklahoma
May 21, 2019

Jackalope Gas Gathering Services, L.L.C.
Balance Sheets

	December 31, 2018	December 31, 2017
CURRENT ASSETS:		
Cash and cash equivalents	$ 18,529,609	$ 6,736,832
Accounts receivable	26,313,579	16,360,868
Other	242,250	68,768
Total current assets	45,085,438	23,166,468
Property, plant and equipment, net	450,656,832	379,157,055
Advance to related party (Note 4)	14,474,009	—
TOTAL ASSETS	$510,216,279	$402,323,523
CURRENT LIABILITIES:		
Accounts payable (including $2,109,888 and $1,074,372) due to related parties at December 31, 2018 and 2017, respectively (Note 4)	$ 14,188,476	$ 3,030,744
Accrued liabilities	1,132,802	798,059
Total current liabilities	15,321,278	3,828,803
Asset retirement obligation (Note 6)	2,392,463	2,775,180
Deferred revenue	69,656,810	22,157,535
COMMITMENTS AND CONTINGENCIES (Note 9)		
EQUITY:		
Members' equity	422,845,728	373,562,005
TOTAL LIABILITIES AND MEMBERS' EQUITY	$510,216,279	$402,323,523

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

Jackalope Gas Gathering Services, L.L.C.
Statements of Income

	For the year ended December 31,		
	2018	**2017**	**2016**
REVENUES:			
Gathering and Processing	$78,198,753	$57,294,354	$79,367,676
OPERATING EXPENSES:			
Operating, including expenses from related parties (Note 4)	22,165,383	17,608,660	20,373,976
Depreciation	14,799,771	14,500,477	14,291,475
General and administrative, including expenses from related parties (Note 4)	6,599,139	3,418,532	3,388,311
Other (income) expense - net	(5,960)	125,062	498,793
Total operating expenses	43,558,333	35,652,731	38,552,555
OPERATING INCOME	34,640,420	21,641,623	40,815,121
OTHER INCOME:			
Other, net	413,872	48,206	—
Total other income	413,872	48,206	—
NET INCOME	$35,054,292	$21,689,829	$40,815,121

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

Jackalope Gas Gathering Services, L.L.C.
Statements of Changes in Members' Equity

	Williams	Crestwood	Total Equity
Balance at December 31, 2015	**$204,261,331**	**$204,261,330**	**$408,522,661**
Contributions from members	1,417,479	1,417,479	2,834,958
Distributions to members	(27,392,368)	(27,392,368)	(54,784,736)
Net income	20,407,561	20,407,560	40,815,121
Balance at December 31, 2016	**$198,694,003**	**$198,694,001**	**$397,388,004**
Contributions from members	3,513,951	3,513,951	7,027,902
Distributions to members	(26,271,865)	(26,271,865)	(52,543,730)
Net income	10,844,914	10,844,915	21,689,829
Balance at December 31, 2017	**$186,781,003**	**$186,781,002**	**$373,562,005**
Adoption of ASC 606	(9,343,644)	(9,343,644)	(18,687,288)
Contributions from members	48,812,764	48,812,765	97,625,529
Distributions to members	(32,354,405)	(32,354,405)	(64,708,810)
Net Income	17,527,146	17,527,146	35,054,292
Balance at December 31, 2018	**$211,422,864**	**$211,422,864**	**$422,845,728**

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

Jackalope Gas Gathering Services, L.L.C.
Statements of Cash Flows

	For the year ended December 31,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
NET INCOME	$ 35,054,292	$ 21,689,829	$ 40,815,121
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation	14,799,771	14,500,477	14,291,475
Other (income) expense - net	57,666	126,497	498,792
Changes in assets and liabilities			
Increase in accounts receivable	(9,952,711)	(5,131,727)	(4,914,683)
Decrease (increase) in other current assets	(173,482)	180,588	20,482
Decrease in accounts payable and accrued liabilities	4,310,862	(304,811)	(3,605,574)
Changes in Noncurrent liabilities	29,069,796	22,365,811	191,152
Net cash provided by operating activities	73,166,194	53,426,664	47,296,765
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(78,103,373)	(5,582,525)	(3,821,967)
Advance to related party	(16,186,763)	—	—
Proceeds from sale of assets	—	—	3,378,542
Net cash used in investing activities	(94,290,136)	(5,582,525)	(443,425)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Contributions from members	97,625,529	7,027,902	2,834,958
Distributions to members	(64,708,810)	(52,543,730)	(54,784,736)
Net cash (used in) provided by financing activities	32,916,719	(45,515,828)	(51,949,778)
Net increase (decrease) in cash and cash equivalents	11,792,777	2,328,311	(5,096,438)
Cash and cash equivalents, beginning of period	6,736,832	4,408,521	9,504,959
Cash and cash equivalents, end of period	$ 18,529,609	$ 6,736,832	$ 4,408,521
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:			
Changes in accounts payable and accrued liabilities related to purchases of property, plant and equipment	$ 8,809,923	$ 663,616	$ (3,155,901)

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

1. Organization and Nature of Business

Jackalope Gas Gathering Services, L.L.C. ("Jackalope" or the "Company") is an Oklahoma limited liability company formed on April 12, 2012, to own, operate and develop midstream energy assets. Jackalope conducts its operations within the State of Wyoming, and as of December 31, 2018, its underlying assets consist of approximately 285 miles of gathering pipeline and the Bucking Horse gas processing facility located in the southern section of Powder River. The Bucking Horse gas processing facility as of December 31, 2018 has gas processing capacity of 145 MMcf/d and construction is currently underway to expand the facility to 345 MMcf/d by the end of 2019 or early 2020.

The ownership interests of the members for each of the years ended December 31, 2018, 2017 and 2016, are Crestwood Niobrara LLC (50%), a controlled subsidiary of Crestwood Equity Partners, LP "Crestwood" and Williams MLP Operating, LLC (50%), a 100% owned and controlled subsidiary of The Williams Companies, Inc. "Williams". Williams manages the operations and activities of Jackalope. Crestwood is currently managing the overall construction activities related to the expansion of the Bucking Horse gas processing facility.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Estimates and assumptions which, in the opinion of management, are significant to the underlying amounts included in the financial statements and for which it would be reasonably possible that future events or information could change those estimates include: (1) estimated useful lives of assets, which impacts depreciation; (2) accruals related to revenues, expenses and capital costs; and (3) projections of future cash flows which impacts the amount and timing of deferred revenue recognition. Although management believes these estimates are reasonable, actual results could differ from its estimates.

Cash and Cash Equivalents

For purposes of the financial statements, investments in all highly liquid instruments with original maturities of three months or less at the date of purchase are considered to be cash equivalents. Cash and cash equivalents as of December 31, 2018, and 2017, were $18.5 million and $6.7 million, respectively.

Accounts Receivable

The majority of accounts receivable relate to gathering and gas processing services. Accounts receivable included in the balance sheet are reflected net of any applicable allowance for doubtful accounts.

We estimate the allowance for doubtful accounts based on existing economic conditions, the financial condition of the customers, and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for doubtful accounts only after all collection attempts have been exhausted. At December 31, 2018, and 2017, Jackalope had no allowance for doubtful accounts. Additionally, Jackalope does not charge interest on past due receivables. See Note 8 for further discussion of accounts receivable.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Expenditures for maintenance and repairs that do not add capacity or extend the useful life of an asset are expensed as incurred. The carrying value of the assets is based on estimates, assumptions and judgments relative to useful lives and salvage values. As assets are disposed, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included as part of Other (income) expense-net, in Operating expenses in the Statements of Income.

Depreciation is calculated using the straight-line method, based on the assets' estimated useful lives. These estimates are based on various factors including age, manufacturing specifications, technological advances and historical data concerning useful lives of similar assets.

Impairment of property, plant and equipment

Property, plant and equipment with recorded values that are not expected to be recovered through future cash flows are written down to estimated fair value. Assets are tested for impairment when events or circumstances indicate that the carrying value may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value exceeds the sum of the undiscounted cash flows, an impairment loss equal to the amount that the carrying value exceeds the fair value of the asset is recognized. There were no material impairments during 2018, 2017, or 2016.

Asset Retirement Obligations

The Company recognizes asset retirement obligations based on the estimated cost of retiring property, plant and equipment. The liability is recognized at fair value, measured as the present value of expected future cash outflows of the asset retirement obligation when the obligation originates, which generally is when an asset is acquired or constructed. The carrying amount of the associated asset is increased commensurate with the liability recognized. Accretion expense is recognized over time as the liability is accreted to the expected settlement value. If the estimated asset retirement obligation changes, an adjustment is recorded to the asset retirement obligation and the associated asset carrying amount. Revisions in estimated asset retirement obligations may result from changes in retirement cost estimates and the estimated timing of settling asset retirement obligations.

Revenue Recognition

Accounting Standards Codification (ASC) Topic 606, "Revenue from Contracts with Customers" "(ASC 606)", was adopted on January 1, 2018.

Our customers are comprised of oil and natural gas producers.

A performance obligation is a promise in a contract to transfer a distinct good or service (or integrated package of goods or services) to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. A performance obligation is distinct if the service is separately identifiable from other items in the integrated package of services and if a customer can benefit from it on its own or with other resources that are readily available to the customer. An integrated package of services typically represents a single performance obligation if the services are contained within the same contract or within multiple contracts entered into in contemplation with one another that are highly interdependent or highly interrelated, meaning each of the services is significantly affected by one or more of the other services in the contract. Our revenue contracts contain a series of distinct services, with the majority of our contracts having a single performance obligation that is satisfied over time as the customer simultaneously receives and consumes the benefits provided by our performance.

For our business, reimbursement and service contracts with customers are viewed together as providing the same commercial objective, as we have the ability to negotiate the mix of consideration between reimbursements and amounts billed over time. Accordingly, we generally recognize reimbursements of construction costs from customers on a gross basis as a contract liability separate from the associated costs included within property, plant, and equipment. The contract liability is recognized into service revenues as the underlying performance obligations are satisfied.

Gathering and Processing Services

Revenues from our business include contracts for natural gas gathering, processing, compression, and other related services with contract terms that are generally long-term in nature. As such, revenue is recognized at the daily completion of the integrated package of services as the integrated package represents a single performance obligation and payment is due from our customers on a monthly basis.

We generally earn a contractually stated fee per unit for the volume of product, gathered or processed. The rate is generally fixed; however, certain contracts contain variable rates that are subject to change based on levels of throughput. For all of our contracts, we allocate the transaction price to each performance obligation based on the relative standalone selling price. The excess of consideration received over revenue recognized results in the deferral of those amounts until future periods based on a straight-line methodology. One significant gathering and processing agreement contains a stated decline in gathering and processing rates. For this type of agreement, a certain amount of the revenue is deferred, resulting in a normalized per unit rate recognized over the term of the contract. The use of judgement is required in determining estimates of future production and the deferral period associated with this agreement.

Certain of our gas gathering and processing agreements have minimum volume commitments “MVC”. If a customer under such an agreement fails to meet its MVC for a specified period (thus not exercising all the contractual rights to gathering and processing services within the specified period, herein referred to as “breakage”), it is obligated to pay a contractually determined fee based upon the shortfall between the actual gathered or processed volumes and the MVC for the period contained in the contract. There have been no shortfall payments made related to these agreements.

Revenue Recognition (prior to the adoption of ASC 606)

Revenues consist of fees and reimbursements from customers of certain costs for the gathering and gas processing for delivery to major interstate and intrastate pipelines. Revenues are recognized when the service is performed and is based upon non-regulated rates under contracts and the related gathering and processing natural gas volumes.

Income Taxes

As a limited liability company, Jackalope is not subject to federal income taxes. All income, expenses, gains, losses and tax credits generated flow through to the members and, accordingly, do not result in a provision for income taxes.

There were no uncertain tax positions as of December 31, 2018, 2017, or 2016.

Recently Issued Accounting Standards

New Accounting Standards Issued and Adopted. In May 2014, ASC 606 established a comprehensive new revenue recognition model designed to depict the transfer of goods or services to a customer in an amount that reflects the consideration the entity expects to be entitled to receive in exchange for those goods or services and requires significantly enhanced revenue disclosures. ASC 606 allows either full retrospective or modified retrospective transition and early adoption is permitted for annual periods beginning after December 15, 2016. We have conducted a formal contract review process of our contracts to evaluate the impact of the new revenue standard. We adopted the new revenue recognition standard utilizing the modified retrospective transition approach, effective January 1, 2018, by recognizing the cumulative effect of initially applying the new standard for periods prior to January 1, 2018, which resulted in a decrease of $18.7 million to the opening balance of Members' equity. This adjustment is primarily associated with a change in a contract transaction price resulting in a higher deferred revenue balance upon adoption. This change also resulted in a decrease in Gathering and Processing Revenue, Operating Income, and Net Income in 2018.

New Accounting Standards Issued Not Yet Adopted. In February 2016, the FASB issued ASU 2016-02 "Leases (Topic 842)" "(ASU 2016-02)". ASU 2016-02 establishes a comprehensive new lease accounting model. ASU 2016-02 modifies the definition of a lease, requires a dual approach to lease classification similar to current lease accounting, and causes lessees to recognize operating leases on the balance sheet as a lease liability measured as the present value of the future lease payments with a corresponding right-of-use asset, with an exception for leases with a term of one year or less. Additional disclosures will also be required regarding the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2019 for non-public entities. Early adoption is permitted. We adopted ASU 2016-02 effective January 1, 2019. We implemented a financial lease accounting system to assist management in the accounting for leases upon adoption. The most significant changes to our financial statements relate to the recognition of a lease liability and offsetting right-of-use asset in our Balance Sheet for operating leases. Upon adoption a $0.7 million lease liability and offsetting right of use asset was recorded.

In June 2016, the FASB issued ASU 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans, and other instruments, entities will be required to use a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowances for losses. The guidance also requires increased disclosures. ASU 2016-13 is effective for interim and annual periods beginning after December 15, 2020 for non-public entities. Early adoption is permitted. The standard requires varying transition methods for the different categories of amendments. Although we do not expect ASU 2016-13 to have a significant impact, it could impact our trade receivables as the related allowance for credit losses will be recognized earlier under the expected loss model.

3. Revenue Recognition

Contract Liabilities

Our contract liabilities consist of advance payments from construction reimbursements, and amounts deferred under our decreasing rate contract for which future services are to be provided under the contract. These amounts are deferred until recognized in revenue when the associated performance obligation has been satisfied, which is primarily based on a straight-line methodology over the remaining contractual service periods, which depicts the pattern of transfer to the customer.

Contracts requiring advance payments and the recognition of contract liabilities are evaluated to determine whether the advance payments provide us with a significant financing benefit. This determination is based on the combined effect of the expected length of time between when we transfer the promised good or service to the customer, when the customer pays for those goods or services, and the prevailing interest rates. We have assessed our contracts for significant financing components and determined that no contract contains a significant financing component. Our contract liabilities balances are presented as Deferred Revenue on the Balance Sheets.

The following table presents a reconciliation of our contract liabilities:

	December 31, 2018 (thousands)
Balance at beginning of period	$ 40,845
Payments received and deferred	55,047
Recognized in revenue	(26,235)
Balance at end of period	$ 69,657

The following table presents the amount of the contract liabilities balance as of December 31, 2018, expected to be recognized as revenue in each of the next five years as performance obligations are expected to be satisfied:

	(thousands)
2019	$ 3,870
2020	3,870
2021	3,870
2022	3,870
2023	3,870
Thereafter	50,307
Total	$ 69,657

Remaining Performance Obligations

The following table presents the transaction price allocated to the remaining performance obligations under certain contracts as of December 31, 2018. As a practical expedient permitted by ASC 606, this table excludes variable consideration as well as consideration in contracts that is recognized in revenue as billed. It also excludes consideration received prior to December 31, 2018, that will be recognized in future periods (see above for Contract Liabilities and the expected recognition of those amounts within revenue). Certain of our contracts contain renewal provisions for periods beyond the initial term of the contract. The remaining performance obligation amounts as of December 31, 2018, do not consider potential future performance obligations for which the renewal has not been exercised.

	(thousands)
2019	$ 7,865
2020	7,865
2021	7,865
2022	7,865
2023	7,865
Thereafter	102,237
Total	$ 141,562

Impact of Adoption of ASC 606

The following table depicts the impact of the adoption of ASC 606 on our 2018 financial statements. The adoption of ASC 606 did not result in adjustments to total operating, investing, or financing cash flows.

	As Reported	Adjustments resulting from adoption of ASC 606	Balance without adoption of ASC 606
		(thousands)	
Statement of Income			
Year Ended December 31, 2018			
Gathering and Processing Revenue	$ 78,199	$ (2,851)	$ 75,348
Operating income	34,640	(2,851)	31,789
Net Income	35,054	(2,851)	32,203
Balance Sheet			
December 31, 2018			
Deferred revenue	69,657	(15,836)	53,821
Members’ equity	422,846	15,836	438,682
Total liabilities and equity	510,216	—	510,216
Statement of Changes in Members’ Equity			
December 31, 2018			
Adoption of ASC 606	$ (18,687)	$ 18,687	$ 0
Net income	35,054	(2,851)	32,203
Balance at December 31, 2018	422,846	15,836	438,682

All accounts receivable reflected on the Balance Sheet relates to revenue from contracts with customers.

4. Related Parties

We have no employees. In the ordinary course of business, Williams and Crestwood provide various services to Jackalope. Williams employs a number of individuals to provide services directly to and on behalf of Jackalope. Jackalope reimburses Williams and Crestwood for the associated costs, which include various operating expenses, charges for direct payroll and associated benefits of Williams employees that work on Jackalope projects, purchases of fuel, and various management fees.

During the years ending December 31, 2018, 2017, and 2016, Jackalope incurred $7.0 million, $5.5 million, and $6.2 million, respectively, in related party expenses from Williams and is reported in Operating expenses on the Statement of Income. During the years ended December 31, 2018, 2017, and 2016, Jackalope incurred $5.5 million, $3.1 million, and $3.0 million, respectively, in related party expenses from Williams and is reported in General and administrative expenses for overhead fees as provided for under Jackalope's Limited Liability Company agreement. The overhead fees are calculated using a volumetric component based on gathering MMBTU. During the years ended December 31, 2018, 2017, and 2016, Jackalope incurred $1.0 million, $0.4 million, and $0.4 million, respectively, in related party expenses from Crestwood and is reported in General and administrative expenses for overhead fees as provided for under Jackalope's Limited Liability Company agreement.

As of December 31, 2018, and 2017, Jackalope had related party payables to Williams totaling $2.1 million and $1.1 million, respectively.

Jackalope has advanced funds to an affiliate of Crestwood associated with Crestwood's management and procurement of the current expansion of the Bucking Horse processing facility. As of December 31, 2018, the unspent portion of the advance, net of retainage, is $14.5 million and has been classified as non-current as the funds will be used for costs associated with the construction of property, plant and equipment.

5. Property, Plant and Equipment

A summary of property, plant and equipment and the useful lives is as follows:

	Estimated Useful Life (Years)	December 31, 2018	December 31, 2017
Land		$ 601,001	$ 601,001
Gathering systems and processing	30	415,772,666	375,060,047
Building, improvements, and furniture	5-30	20,902,730	20,888,105
Compressors	30	31,156,226	31,079,303
Vehicles and other	3-7	200,668	194,447
Construction work in progress		47,092,073	1,602,914
Property, plant and equipment, at cost		515,725,364	429,425,817
Less: accumulated depreciation		(65,068,532)	(50,268,762)
Total property, plant and equipment, net		$450,656,832	$379,157,055

Depreciation expense for the years ended December 31, 2018, 2017, and 2016, was $14.8 million, $14.5 million, and $14.3 million, respectively.

6. Asset Retirement Obligations

The following table provides a summary of changes in asset retirement obligations.

	Years Ended December 31,	
	2018	2017
Asset retirement obligations, beginning of period	$2,775,180	$2,517,174
Liabilities incurred	—	26,176
Revisions	(556,082)	5,002
Accretion expense	173,365	172,002
Other	—	54,826
Asset retirement obligations, end of period	$2,392,463	$2,775,180

Our asset retirement obligations primarily relate to abandonment costs associated with compression facilities on leased land.

7. Fair Value Measurements

The fair-value measurement standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard characterizes inputs used in determining fair value according to a hierarchy that prioritizes those inputs based upon the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

Level 1 — inputs represent quoted prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (for example, quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets or liabilities in markets not considered to be active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs).

Level 3 — inputs that are not observable from objective sources, such as management's internally developed assumptions used in pricing an asset or liability (for example, an estimate of future cash flows used in management's internally developed present value of future cash flows model that underlies the fair value measurement).

The carrying amount of cash and cash equivalents (classified as Level 1), accounts receivable and accounts payable reported on the balance sheet approximates fair value because of the short-term nature of these instruments.

8. Concentration of Credit Risk

Chesapeake Energy Corporation ("Chesapeake") is currently the only significant customer from whom revenues were earned for the years ended December 31, 2018, 2017, and 2016.

Financial instruments that potentially subject Jackalope to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. On December 31, 2018, and 2017, cash and cash equivalents were invested in a non-interest-bearing account and money market funds with investment grade ratings. On December 31, 2018, and 2017, Chesapeake accounted for 99 percent of Jackalope's accounts receivable balance.

9. Commitments and Contingencies

Lease Commitments

Jackalope is party to various lease agreements. During 2018, 2017 and 2016, rental expense related to these lease agreements was $1.2 million, $1.0 million, and $1.1 million, respectively. The future noncancelable lease commitments related to these lease agreements are not material.

Litigation

Jackalope is, from time to time, subject to various legal actions and claims incidental to its business. Management believes that these routine legal proceedings will not have a material adverse effect on the financial position, results of operations or cash flows. Once it is determined that information pertaining to a legal proceeding indicates that it is probable that a liability has been incurred, an accrual is established equal to the estimate of the likely exposure. There were no accruals for legal contingencies as of December 31, 2018 or 2017.

10. Subsequent Events

Management has evaluated the effects of subsequent events for inclusion and disclosure in the accompanying financial statements through May 21, 2019, the date the accompanying financial statements were available to be issued. From December 31, 2018 to April 9, 2019, Jackalope has paid total distributions of $11.6 million to Williams and Crestwood. From December 31, 2018 to April 9, 2019, Jackalope has received total contributions of $24.3 million from Williams and Crestwood.

On April 9, 2019, Crestwood Niobrara LLC, a consolidated subsidiary of Crestwood, acquired Williams's 50% equity interest in Jackalope for approximately $484.6 million. Jackalope is now a wholly owned subsidiary of Crestwood. Crestwood Midstream Operating, a consolidated subsidiary of Crestwood, will provide field operations and construction management services for Jackalope.

Exhibit 99.3

Jackalope Gas Gathering Services, L.L.C.
Interim Financial Statements
For the periods ended March 31, 2019 and 2018

Jackalope Gas Gathering Services, L.L.C.
Index

Jackalope Gas Gathering Services, L.L.C.
Balance Sheets
(Unaudited)

	March 31, 2019	December 31, 2018
CURRENT ASSETS:		
Cash and cash equivalents	$ 24,726,379	$ 18,529,609
Accounts receivable	26,899,823	26,313,579
Other receivables	1,039,158	—
Other	687,817	242,250
Total current assets	53,353,177	45,085,438
Property, plant and equipment, net	507,089,634	450,656,832
Advance to related party (Note 4)	—	14,474,009
Other noncurrent assets	745,618	—
TOTAL ASSETS	$561,188,429	$510,216,279
CURRENT LIABILITIES:		
Accounts payable (including $5,974,988 and $2,109,888) due to related parties at March 31, 2019 and December 31, 2018, respectively (Note 4)	$ 21,256,926	$ 14,188,476
Accrued liabilities	1,891,132	1,132,802
Total current liabilities	23,148,058	15,321,278
Asset retirement obligation (Note 6)	2,430,463	2,392,463
Deferred revenue	80,129,341	69,656,810
Other noncurrent liabilities	717,870	—
COMMITMENTS AND CONTINGENCIES (Note 10)		
EQUITY:		
Members' equity	454,762,697	422,845,728
TOTAL LIABILITIES AND MEMBERS' EQUITY	$561,188,429	$510,216,279

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

Jackalope Gas Gathering Services, L.L.C.
Statements of Income
(Unaudited)

	Three months ended March 31, 2019	2018
REVENUES:		
Gathering and processing	$19,630,126	$16,827,743
OPERATING EXPENSES:		
Operating, including expenses from related parties (Note 4)	7,086,575	4,861,268
Depreciation	4,047,839	3,674,302
General and administrative, including expenses from related parties (Note 4)	2,269,422	1,142,511
Other (income) expense - net	10,815	(665)
Total operating expenses	13,414,651	9,677,416
OPERATING INCOME	6,215,475	7,150,327
OTHER INCOME:		
Other, net	137,728	65,733
Total other income	137,728	65,733
NET INCOME	$ 6,353,203	$ 7,216,060

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

Jackalope Gas Gathering Services, L.L.C.
Statements of Changes in Members' Equity
(Unaudited)

	Williams	Crestwood	Total Equity
Balance at December 31, 2018	**$211,422,864**	**$211,422,864**	**$422,845,728**
Contributions from members	24,337,385	24,337,385	48,674,770
Distributions to members	(11,555,502)	(11,555,502)	(23,111,004)
Net income	3,176,601	3,176,602	6,353,203
Balance at March 31, 2019	**$227,381,348**	**$227,381,349**	**$454,762,697**
Balance at December 31, 2017	**$186,781,003**	**$186,781,002**	**$373,562,005**
Adoption of ASC 606	(9,343,644)	(9,343,644)	(18,687,288)
Contributions from members	—	—	—
Distributions to members	(7,433,422)	(7,433,422)	(14,866,844)
Net Income	3,608,030	3,608,030	7,216,060
Balance at March 31, 2018	$173,611,967	$173,611,966	$347,223,933

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

Jackalope Gas Gathering Services, L.L.C.
Statements of Cash Flows
(Unaudited)

	Three months ended March 31, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME	$ 6,353,203	$ 7,216,060
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	4,047,839	3,674,302
Other (income) expense - net	14,511	—
Changes in assets and liabilities		
Increase in accounts receivable	(586,244)	(4,078,764)
Increase in other current assets	(1,484,725)	(513,620)
Increase in accounts payable and accrued liabilities	1,226,070	373,376
Changes in noncurrent liabilities	10,540,591	9,013,093
Net cash provided by operating activities	20,111,245	15,684,447
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(39,478,241)	(3,090,544)
Net cash used in investing activities	(39,478,241)	(3,090,544)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions from members	48,674,770	—
Distributions to members	(23,111,004)	(14,866,844)
Net cash (used in) provided by financing activities	25,563,766	(14,866,844)
Net increase (decrease) in cash and cash equivalents	6,196,770	(2,272,941)
Cash and cash equivalents, beginning of period	18,529,609	6,736,832
Cash and cash equivalents, end of period	$ 24,726,379	$ 4,463,891
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:		
Changes in accounts payable and accrued liabilities related to purchases of property, plant and equipment	$ 6,073,289	$ (216,593)

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

1. Organization and Nature of Business

Jackalope Gas Gathering Services, L.L.C. (“Jackalope” or the “Company”) is an Oklahoma limited liability company formed on April 12, 2012, to own, operate and develop midstream energy assets. Jackalope conducts its operations within the State of Wyoming, and as of December 31, 2018, its underlying assets consist of approximately 285 miles of gathering pipeline and the Bucking Horse gas processing facility located in the southern section of Powder River. The Bucking Horse gas processing facility as of March 31, 2019 has gas processing capacity of 145 MMcf/d and construction is currently underway to expand the facility to 345 MMcf/d by the end of 2019 or early 2020.

The ownership interests of the members for the periods ended March 31, 2019 and December 31, 2018, are Crestwood Niobrara LLC (50%), a controlled subsidiary of Crestwood Equity Partners, LP “Crestwood” and Williams MLP Operating, LLC (50%), a 100% owned and controlled subsidiary of The Williams Companies, Inc. “Williams”. Williams manages the operations and activities of Jackalope. Crestwood is currently managing the overall construction activities related to the expansion of the Bucking Horse gas processing facility.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying interim financial statements of Jackalope have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”).

The accompanying unaudited interim financial statements include all normal recurring adjustments and others that, in the opinion of management, are necessary to present fairly our interim financial statements. These financial statements do not include all the notes in our annual financial statements and, therefore, should be read in conjunction with the annual financial statements for the year ended December 31, 2018 and the notes thereto.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Estimates and assumptions which, in the opinion of management, are significant to the underlying amounts included in the financial statements and for which it would be reasonably possible that future events or information could change those estimates include: (1) estimated useful lives of assets, which impacts depreciation; (2) accruals related to revenues, expenses and capital costs; and (3) projections of future cash flows which impacts the amount and timing of deferred revenue recognition. Although management believes these estimates are reasonable, actual results could differ from its estimates.

Cash and Cash Equivalents

For purposes of the financial statements, investments in all highly liquid instruments with original maturities of three months or less at the date of purchase are considered to be cash equivalents. Cash and cash equivalents as of March 31, 2019 and December 31, 2018, were $24.7 million and $18.5 million, respectively.

Accounts Receivable

The majority of accounts receivable relate to gathering and gas processing services. Accounts receivable included in the balance sheet are reflected net of any applicable allowance for doubtful accounts.

We estimate the allowance for doubtful accounts based on existing economic conditions, the financial condition of the customers, and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for doubtful accounts only after all collection attempts have been exhausted. At March 31, 2019 and December 31, 2018, Jackalope had no allowance for doubtful accounts. Additionally, Jackalope does not charge interest on past due receivables. See Note 8 for further discussion of accounts receivable.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Expenditures for maintenance and repairs that do not add capacity or extend the useful life of an asset are expensed as incurred. The carrying value of the assets is based on estimates, assumptions and judgments relative to useful lives and salvage values. As assets are disposed, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included as part of Other (income) expense-net, in Operating expenses in the Statements of Income.

Depreciation is calculated using the straight-line method, based on the assets' estimated useful lives. These estimates are based on various factors including age, manufacturing specifications, technological advances and historical data concerning useful lives of similar assets.

Impairment of property, plant and equipment

Property, plant and equipment with recorded values that are not expected to be recovered through future cash flows are written down to estimated fair value. Assets are tested for impairment when events or circumstances indicate that the carrying value may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value exceeds the sum of the undiscounted cash flows, an impairment loss equal to the amount that the carrying value exceeds the fair value of the asset is recognized. There were no material impairments as of March 31, 2019 or 2018.

Asset Retirement Obligations

The Company recognizes asset retirement obligations based on the estimated cost of retiring property, plant and equipment. The liability is recognized at fair value, measured as the present value of expected future cash outflows of the asset retirement obligation when the obligation originates, which generally is when an asset is acquired or constructed. The carrying amount of the associated asset is increased commensurate with the liability recognized. Accretion expense is recognized over time as the liability is accreted to the expected settlement value. If the estimated asset retirement obligation changes, an adjustment is recorded to the asset retirement obligation and the associated asset carrying amount. Revisions in estimated asset retirement obligations may result from changes in retirement cost estimates and the estimated timing of settling asset retirement obligations.

Revenue Recognition

Our customers are comprised of oil and natural gas producers.

A performance obligation is a promise in a contract to transfer a distinct good or service (or integrated package of goods or services) to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. A performance obligation is distinct if the service is separately identifiable from other items in the integrated package of services and if a customer can benefit from it on its own or with other resources that are readily available to the customer. An integrated package of services typically represents a single performance obligation if the services are contained within the same contract or within multiple contracts entered into in contemplation with one another that are highly interdependent or highly interrelated, meaning each of the services is significantly affected by one or more of the other services in the contract. Our revenue contracts contain a series of distinct services, with the majority of our contracts having a single performance obligation that is satisfied over time as the customer simultaneously receives and consumes the benefits provided by our performance.

For our business, reimbursement and service contracts with customers are viewed together as providing the same commercial objective, as we have the ability to negotiate the mix of consideration between reimbursements and amounts billed over time. Accordingly, we generally recognize reimbursements of construction costs from customers on a gross basis as a contract liability separate from the associated costs included within property, plant, and equipment. The contract liability is recognized into service revenues as the underlying performance obligations are satisfied.

Gathering and Processing Services

Revenues from our business include contracts for natural gas gathering, processing, compression, and other related services with contract terms that are generally long-term in nature. As such, revenue is recognized at the daily completion of the integrated package of services as the integrated package represents a single performance obligation and payment is due from our customers on a monthly basis.

We generally earn a contractually stated fee per unit for the volume of product, gathered or processed. The rate is generally fixed; however, certain contracts contain variable rates that are subject to change based on levels of throughput. For all of our contracts, we allocate the transaction price to each performance obligation based on the relative standalone selling price. The excess of consideration received over revenue recognized results in the deferral of those amounts until future periods based on a straight-line methodology. One significant gathering and processing agreement contains a stated decline in gathering and processing rates. For this type of agreement, a certain amount of the revenue is deferred, resulting in a normalized per unit rate recognized over the term of the contract. The use of judgement is required in determining estimates of future production and the deferral period associated with this agreement.

Certain of our gas gathering and processing agreements have minimum volume commitments "MVC". If a customer under such an agreement fails to meet its MVC for a specified period (thus not exercising all the contractual rights to gathering and processing services within the specified period, herein referred to as "breakage"), it is obligated to pay a contractually determined fee based upon the shortfall between the actual gathered or processed volumes and the MVC for the period contained in the contract. There have been no shortfall payments made related to these agreements.

Income Taxes

As a limited liability company, Jackalope is not subject to federal income taxes. All income, expenses, gains, losses and tax credits generated flow through to the members and, accordingly, do not result in a provision for income taxes.

There were no uncertain tax positions as of March 31, 2019 or December 31, 2018.

Recently Issued Accounting Standards

New Accounting Standards Issued and Adopted. In February 2016, the FASB issued ASU 2016-02 “Leases (Topic 842)” “(ASU 2016-02)”. ASU 2016-02 establishes a comprehensive new lease accounting model. ASU 2016-02 modifies the definition of a lease, requires a dual approach to lease classification similar to current lease accounting, and causes lessees to recognize operating leases on the balance sheet as a lease liability measured as the present value of the future lease payments with a corresponding right-of-use asset, with an exception for leases with a term of one year or less. Additional disclosures are also required regarding the amount, timing, and uncertainty of cash flows arising from leases. We adopted ASU 2016-02 effective January 1, 2019. We implemented a financial lease accounting system to assist management in the accounting for leases upon adoption. The most significant changes to our financial statements relate to the recognition of a lease liability and offsetting right-of-use asset in our Balance Sheet for operating leases. Upon adoption a $0.7 million lease liability and offsetting right of use asset was recorded (see Note 9). We also evaluated ASU 2016-02’s available practical expedients on adoption and have generally elected to adopt the practical expedients, which includes the practical expedient to not separate lease and non-lease components by both lessees and lessors by class of underlying assets and the land easements practical expedient.

New Accounting Standards Issued Not Yet Adopted.

In June 2016, the FASB issued ASU 2016-13 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans, and other instruments, entities will be required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. The guidance also requires increased disclosures. ASU 2016-13 is effective for interim and annual periods beginning after December 15, 2020 for non-public entities. Early adoption is permitted. The standard requires varying transition methods for the different categories of amendments. Although we do not expect ASU 2016-13 to have a significant impact, it could impact our trade receivables as the related allowance for credit losses will be recognized earlier under the expected loss model.

3. Revenue Recognition

Contract Liabilities

Our contract liabilities consist of advance payments from construction reimbursements, and amounts deferred under our decreasing rate contract for which future services are to be provided under the contract. These amounts are deferred until recognized in revenue when the associated performance obligation has been satisfied, which is primarily based on a straight-line methodology over the remaining contractual service periods, which depicts the pattern of transfer to the customer.

Contracts requiring advance payments and the recognition of contract liabilities are evaluated to determine whether the advance payments provide us with a significant financing benefit. This determination is based on the combined effect of the expected length of time between when we transfer the promised good or service to the customer, when the customer pays for those goods or services, and the prevailing interest rates. We have assessed our contracts for significant financing components and determined that no contract contains a significant financing component. Our contract liabilities balances are presented as Deferred revenue on the Balance Sheets.

The following table presents a reconciliation of our contract liabilities:

	March 31, 2019	March 31, 2018
	(thousands)	
Balance at beginning of period	$ 69,657	$ 40,845
Payments received and deferred	13,406	15,803
Recognized in revenue	(2,934)	(6,835)
Balance at end of period	$ 80,129	$ 49,813

The following table presents the amount of the contract liabilities balance as of March 31, 2019, expected to be recognized as revenue in each of the next five years as performance obligations are expected to be satisfied:

	(thousands)
2019 (remainder)	$ 3,339
2020	4,452
2021	4,452
2022	4,452
2023	4,452
Thereafter	58,982
Total	$ 80,129

Remaining Performance Obligations

The following table presents the transaction price allocated to the remaining performance obligations under certain contracts as of March 31, 2019. As a practical expedient permitted by ASC 606, this table excludes variable consideration as well as consideration in contracts that is recognized in revenue as billed. It also excludes consideration received prior to March 31, 2019, that will be recognized in future periods (see above for Contract Liabilities and the expected recognition of those amounts within revenue). Certain of our contracts contain renewal provisions for periods beyond the initial term of the contract. The remaining performance obligation amounts as of March 31, 2019, do not consider potential future performance obligations for which the renewal has not been exercised.

	(thousands)
2019 (remainder)	$ 5,520
2020	7,340
2021	7,340
2022	7,340
2023	7,340
Thereafter	94,315
Total	$ 129,195

All accounts receivable reflected on the Balance Sheet relates to revenue from contracts with customers.

4. Related Parties

We have no employees. In the ordinary course of business, Williams and Crestwood provide various services to Jackalope. Williams employs a number of individuals to provide services directly to and on behalf of Jackalope. Jackalope reimburses Williams and Crestwood for the associated costs, which include various operating expenses, charges for direct payroll and associated benefits of Williams employees that work on Jackalope projects, purchases of fuel, and various management fees.

During the three months ended March 31, 2019 and 2018, Jackalope incurred $2.1 million, and $1.5 million, respectively, in related party expenses from Williams and is reported in Operating expenses on the Statement of Income. During the three months ended March 31, 2019 and 2018, Jackalope incurred $1.8 million, and $1.0 million, respectively, in related party expenses from Williams and is reported in General and administrative expenses for overhead fees as provided for under Jackalope's Limited Liability Company agreement. The overhead fees are calculated using a volumetric component based on gathering MMBTU. During the three months ended March 31, 2019 and 2018, Jackalope incurred $0.5 million and $0.1 million, respectively, in related party expenses from Crestwood and is reported in General and administrative expenses for overhead fees as provided for under Jackalope's Limited Liability Company agreement.

As of March 31, 2019, and December 31, 2018, Jackalope had related party payables to Williams totaling $3.4 million and $2.1 million, respectively.

Jackalope has advanced funds to an affiliate of Crestwood associated with Crestwood's management and procurement of the current expansion of the Bucking Horse processing facility. As of March 31, 2019, and December 31, 2018, the unspent portion of the advance, net of retainage, is $0 and $14.5 million, respectively, and has been classified as non-current as the funds will be used for costs associated with the construction of property, plant and equipment. As of March 31, 2019, Jackalope has a $2.6 million payable (included in accounts payable on the Balance Sheet) to Crestwood associated with Crestwood's procurement of the expansion activities.

As of March 31, 2019, the net change of $14.9 million in the advance to related party, from December 31, 2018, have been reflected as a reduction to additions to property, plant, and equipment in the Statement of Cash Flows.

5. Property, Plant and Equipment

A summary of property, plant and equipment and the useful lives is as follows:

	Estimated Useful Life (Years)	March 31, 2019	December 31, 2018
Land		$ 601,001	$ 601,001
Gathering systems and processing	30	430,165,822	415,772,666
Building, improvements, and furniture	5-30	20,902,730	20,902,730
Compressors	30	31,156,226	31,156,226
Vehicles and other	3-7	200,668	200,668
Construction work in progress		93,179,558	47,092,073
Property, plant and equipment, at cost		576,206,005	515,725,364
Less: accumulated depreciation		(69,116,371)	(65,068,532)
Total property, plant and equipment, net		$507,089,634	$450,656,832

Depreciation expense for the three months ended March 31, 2019 and 2018, was $4.0 million, and $3.7 million, respectively.

6. Asset Retirement Obligations

The following table provides a summary of changes in asset retirement obligations.

	March 31, 2019
Asset retirement obligations, beginning of period	$2,392,463
Liabilities incurred	—
Revisions	—
Accretion expense	38,000
Other	—
Asset retirement obligations, end of period	$2,430,463

Our asset retirement obligations primarily relate to abandonment costs associated with compression facilities on leased land.

7. Fair Value Measurements

The fair-value measurement standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard characterizes inputs used in determining fair value according to a hierarchy that prioritizes those inputs based upon the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

Level 1 — inputs represent quoted prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (for example, quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets or liabilities in markets not considered to be active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs).

Level 3 — inputs that are not observable from objective sources, such as management's internally developed assumptions used in pricing an asset or liability (for example, an estimate of future cash flows used in management's internally developed present value of future cash flows model that underlies the fair value measurement).

The carrying amount of cash and cash equivalents (classified as Level 1), accounts receivable and accounts payable reported on the balance sheet approximates fair value because of the short-term nature of these instruments.

8. Concentration of Credit Risk

Chesapeake Energy Corporation ("Chesapeake") is currently the only significant customer from whom revenues were earned for the three months ended March 31, 2019 and 2018.

Financial instruments that potentially subject Jackalope to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. On March 31, 2019 and December 31, 2018, cash and cash equivalents were invested in a non-interest-bearing account and money market funds with investment grade ratings. On March 31, 2019 and December 31, 2018, Chesapeake accounted for 99 percent of Jackalope's accounts receivable balance.

9. Leases

We are a lessee through cancellable and noncancellable lease agreements for property and equipment consisting primarily of land and equipment used in both our operations and administrative functions. We recognize a lease liability with an offsetting right-of-use asset in our Balance Sheet for operating leases based on the present value of the future lease payments. As an accounting policy, we have elected to combine lease and non-lease components for all classes of leased assets in our calculation of the lease liability and the offsetting right-of-use asset.

Our lease agreements require both fixed and variable periodic payments, with initial terms typically ranging from 20 to 38 years. Payment provisions in certain of our lease agreements contain escalation factors which may be based on stated rates or a change in a published index at a future time.

The amount by which a lease escalates based on the change in a published index, which is not known at lease commencement, is considered a variable payment and is not included in the present value of the future lease payments, which only includes those that are stated or can be calculated based on the lease agreement at lease commencement. In addition to the noncancellable periods, many of our lease agreements provide for one or more extensions of the lease agreement for periods ranging from one year in length to an indefinite number of times following the specified contract term. Other lease agreements provide for extension terms that allow us to utilize the identified leased asset for an indefinite period of time so long as the asset continues to be utilized in our operations. In consideration of these renewal features, we assess the term of the lease agreements, which includes using judgment in the determination of which renewal periods and termination provisions, when at our sole election, will be reasonably certain of being exercised. Periods after the initial term or extension terms that allow for either party to the lease to cancel the lease are not considered in the assessment of the lease term. Additionally, leases with an original term of one year or less, including renewal periods, are not included in the calculation of the lease liability and the offsetting right-of-use asset.

We used judgment in determining the discount rate upon which the present value of the future lease payments is determined. This rate is based on a collateralized interest rate correspondent to the term of the lease agreement using company, industry, and market information available to management.

Lessee Activities

	Three Months March 31, 2019 (thousands)
Lease Cost:	
Operating lease cost	$ 16
Cash paid for amounts included in the measurement of operating lease liabilities	$ 4
Other Information:	
Right-of-use asset as of March 31, 2019 (included in *Other noncurrent assets* in our Balance Sheet)	746
Operating lease liabilities as of March 31, 2019:	
Current (included in *Accrued liabilities* in our Balance Sheet)	40
Noncurrent (included in *Other noncurrent liabilities* in our Balance Sheet)	718
Weighted-average remaining lease term - operating leases	28
Weighted-average discount rate - operating leases	7.4%

As of March 31, 2019, the following table represents our operating lease maturities, including renewal provisions that we have assessed as being reasonably certain of exercise, for each of the years ended December 31:

	(Thousands)
2019 (remainder)	$ 58
2020	62
2021	87
2022	62
2023	62
Thereafter	1,450
Total future lease payments	1,781
Less amount representing interest	1,023
Total obligations under operating leases	$ 758

10. Commitments and Contingencies

Litigation

Jackalope is, from time to time, subject to various legal actions and claims incidental to its business. Management believes that these routine legal proceedings will not have a material adverse effect on the financial position, results of operations or cash flows. Once it is determined that information pertaining to a legal proceeding indicates that it is probable that a liability has been incurred, an accrual is established equal to the estimate of the likely exposure. There were no accruals for legal contingencies as of March 31, 2019 or December 31, 2018.

11. Subsequent Events

Management has evaluated the effects of subsequent events for inclusion and disclosure in the accompanying interim financial statements through June 7, 2019, the date the accompanying financial statements were available to be issued.

On April 9, 2019, Crestwood Niobrara LLC, a consolidated subsidiary of Crestwood, acquired Williams's 50% equity interest in Jackalope for approximately $484.6 million. Jackalope is now a wholly owned subsidiary of Crestwood. Crestwood Midstream Operating, a consolidated subsidiary of Crestwood, will provide field operations and construction management services for Jackalope.