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

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# FORM 8-K

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

**Date of Report (Date of earliest event reported): January 6, 2021**

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

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

**811 Main Street**
**Suite 3400**
**Houston, Texas 77002**
**(Address of principal executive office) (Zip Code)**

**(832) 519-2200**
**(Registrant's telephone number, including area code)**

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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))

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 partner interests** | **CEQP** | **New York Stock Exchange** |

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. ☐

**Item 7.01 Regulation FD Disclosure**

***Tender Offer***

On January 6, 2021, Crestwood Midstream Partners LP (the "Partnership"), a wholly-owned subsidiary of Crestwood Equity Partners LP, issued a press release announcing the commencement of an offer to purchase for cash (the "Tender Offer") any and all of its outstanding 6.25% Senior Notes due 2023. The terms and conditions of the Tender Offer are described in an Offer to Purchase, dated January 6, 2021, and Notice of Guaranteed Delivery relating thereto. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated by reference herein.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 7.01 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The information furnished pursuant to Item 7.01 shall not be deemed an admission as to the materiality of any information in this report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

**Item 8.01 Other Events**

***Notes Offering***

On January 6, 2021, the Partnership issued a press release announcing that it intends to offer $700 million aggregate principal amount of Senior Notes due 2029 (the "Notes Offering"). A copy of the press release is attached hereto as Exhibit 99.2 and incorporated by reference herein. In connection with the Notes Offering, the Partnership disclosed updated business and risk factor information contained in Exhibit 99.3, which is incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits.**

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release dated January 6, 2021, announcing commencement of the Tender Offer |
| 99.2 | Press Release dated January 6, 2021, announcing the launch of the Notes Offering |
| 99.3 | Supplemental Information |
| 104 | Cover Page Interactive Data File (embedded within Inline XBRL document) |

## 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/ Michael K. Post

Michael K. Post
Vice President, Associate General Counsel and
Corporate Secretary

Dated: January 6, 2021

**Exhibit 99.1**

*News Release*
**CRESTWOOD MIDSTREAM PARTNERS LP**
811 Main Street, Suite 3400
Houston, TX 77002
www.crestwoodlp.com

**Crestwood Midstream Announces Tender Offer for Any and All of Its 6.25% Senior Notes due 2023**

**HOUSTON, TEXAS, January 6, 2021** – Crestwood Midstream Partners LP (“CMLP”), a wholly-owned subsidiary of Crestwood Equity Partners LP (NYSE: CEQP), announced today that it has commenced a cash tender offer (the “Tender Offer”) to purchase any and all of its outstanding 6.25% Senior Notes due 2023 (the “2023 Notes”). As of December 31, 2020, there was $687,190,000 aggregate principal amount of the 2023 Notes outstanding. The Tender Offer is being made pursuant to an offer to purchase, dated today, and a related notice of guaranteed delivery. The Tender Offer will expire at 5:00 p.m., New York City time, on January 13, 2021, unless extended (the “Expiration Time”). Tendered 2023 Notes may be withdrawn at any time before the Expiration Time.

Holders of 2023 Notes that are validly tendered (and not validly withdrawn) at or prior to the Expiration Time, or who deliver to the tender and information agent a properly completed and duly executed notice of guaranteed delivery and subsequently deliver such 2023 Notes, each in accordance with the instructions described in the offer to purchase, will receive $1,008.40 per $1,000 principal amount of the 2023 Notes accepted for purchase. In addition, all holders of 2023 Notes accepted for purchase will receive accrued and unpaid interest from and including the last interest payment date up to, but not including, the settlement date.

The Tender Offer is contingent upon, among other things, CMLP’s successful completion of a proposed debt financing transaction, the gross proceeds of which will be at least $700 million (the “Financing Condition”). The Tender Offer is not conditioned on any minimum amount of 2023 Notes being tendered. CMLP may amend, extend or terminate the Tender Offer, in its sole discretion.

The Tender Offer is being made pursuant to the terms and conditions contained in the offer to purchase and related notice of guaranteed delivery, copies of which are available at www.dfking.com/cmlp or may be requested from the information agent for the Tender Offer, D.F. King & Co., Inc., by telephone at (866) 416-0553 (toll free) or, for banks and brokers, (212) 269-5550, and by email at cmlp@dfking.com.

CMLP has retained RBC Capital Markets, LLC to serve as lead dealer manager and Wells Fargo Securities, LLC to serve as co-dealer manager for the Tender Offer. Persons with questions regarding the Tender Offer should contact the lead dealer manager for the Tender Offer, RBC Capital Markets, LLC, at (877) 381-2099 (toll free) or (212) 618-7843.

This news release does not constitute an offer to purchase or the solicitation of an offer to sell the securities described herein, nor shall there be any sale of these securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful.

**Forward-Looking Statements**

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal securities law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that are difficult to predict and many of which are beyond management’s control. These risks and assumptions are described in CMLP’s filings with the United States Securities and Exchange Commission, including its most recent Annual Report on Form 10-K, and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management’s view only as of the date made. We undertake no obligation to update any forward-looking statement, except as otherwise required by law.

**About Crestwood Midstream Partners LP**

Houston, Texas, based CMLP is a limited partnership and wholly-owned subsidiary of CEQP that owns and operates midstream businesses in multiple shale resource plays across the United States. CMLP is engaged in the gathering, processing, treating, compression, storage and transportation of natural gas; storage, transportation, terminalling and marketing of NGLs; gathering, storage, terminalling and marketing of crude oil; and gathering and disposal of produced water.

Source: Crestwood Midstream Partners LP

**Crestwood Midstream Partners**
**LP Investor Contact**

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Director, Investor Relations

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*News Release*

**CRESTWOOD MIDSTREAM PARTNERS LP**
811 Main Street, Suite 3400
Houston, TX 77002
www.crestwoodlp.com

**Crestwood Midstream Announces Private Offering of $700 Million of Senior Notes**

**HOUSTON, TEXAS, January 6, 2021** – Crestwood Midstream Partners LP (“CMLP”), a wholly-owned subsidiary of Crestwood Equity Partners LP (NYSE: CEQP), announced today its intention, subject to market and other conditions, to offer $700 million in aggregate principal amount of unsecured Senior Notes due 2029 (the “Notes”) in a private offering (the “Notes Offering”) that is exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). The Notes will be guaranteed on a senior unsecured basis by all of CMLP’s subsidiaries that guarantee its existing notes and the indebtedness under its revolving credit facility (the “Revolving Credit Facility”).

CMLP intends to use the net proceeds from the Notes Offering and borrowings under its Revolving Credit Facility to fund its obligations under the separately announced tender offer (the “Tender Offer”) for any and all of its outstanding 6.25% Senior Notes due 2023 (the “2023 Notes”), including fees and expenses in connection therewith. The Notes Offering is not conditioned on the consummation of the Tender Offer. The Tender Offer is conditioned on, among other things, the consummation of the Notes Offering.

The Notes and the related guarantees will be offered only to qualified institutional buyers in reliance on the exemption from registration set forth in Rule 144A under the Securities Act, and outside the United States to non-U.S. persons in reliance on the exemption from registration set forth in Regulation S under the Securities Act. The Notes and the related guarantees have not been registered under the Securities Act, or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States without registration or an applicable exemption from the Securities Act and applicable state securities or blue sky laws.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, nor shall there be any sales of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This notice is being issued pursuant to and in accordance with Rule 135(c) under the Securities Act.

**Forward-Looking Statements**

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal securities law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that are difficult to predict and many of which are beyond management’s control. These risks and assumptions are described in CMLP’s filings with the United States Securities and Exchange Commission, including its most recent Annual Report on Form 10-K, and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management’s view only as of the date made. We undertake no obligation to update any forward-looking statement, except as otherwise required by law.

**About Crestwood Midstream Partners LP**

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Source: Crestwood Midstream Partners LP

**Crestwood Midstream Partners LP**
**Investor Contact**

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Director, Investor Relations

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**Exhibit 99.3**

## SUPPLEMENTAL INFORMATION

### Recent Developments

***Relationship with Chesapeake***

In June of 2020, Chesapeake Energy Corporation ("Chesapeake"), our customer in the Powder River Basin and northeast Marcellus, filed for protection under Chapter 11 of the U.S. Bankruptcy Code. In December 2020, Chesapeake filed a motion in the United States Bankruptcy Court for the Southern District of Texas for authorization to (i) enter into and assume an amended and restated gas gathering and processing contract with us; and (ii) make payment of all obligations thereunder. Even though Chesapeake is current on all amounts due to us and additional cash flow protection is in place via letters of credit and, although there is no certainty that the Bankruptcy Court will grant the relief sought by Chesapeake therein, we believe these recent filings help mitigate the risk of non-enforcement or non-payment under our agreements with Chesapeake. We continue to closely monitor Chesapeake's bankruptcy proceeding and our exposure to it. Please read "Risk Factors — Risks Related to Our Business — We are exposed to credit risks of our customers, and any material nonpayment or nonperformance by our key customers could adversely affect our cash flows and results of operations" for more information.

### Risks Related to Our Business

***Our business depends on hydrocarbon supply and demand fundamentals, which can be adversely affected by numerous factors outside of our control.***

Our success depends on the supply and demand for natural gas, natural gas liquids ("NGLs") and crude oil, which has historically generated the need for new or expanded midstream infrastructure. The degree to which our business is impacted by changes in supply or demand varies. Our business can be negatively impacted by sustained downturns in supply and demand for one or more commodities, including reductions in our ability to renew contracts on favorable terms and to construct new infrastructure. For example, significantly lower commodity prices during the past few years have resulted in an industry-wide reduction in capital expenditures by producers and a slowdown in drilling, completion and supply development efforts. Notwithstanding this market downturn, production volumes of crude oil, natural gas and NGLs have continued to grow (or decline at a slower rate than expected). Similarly, major factors that impact natural gas demand domestically include the effects of the COVID-19 pandemic, the realization of potential liquefied natural gas exports and demand growth within the power generation market. Factors that impact crude oil demand include production cuts and freezes implemented by Organization of the Petroleum Exporting Countries ("OPEC") members and other large oil producers such as Russia. For example, during the first quarter of 2020, OPEC and Russia failed to agree on a plan to cut production of oil and related commodities. Subsequently, Saudi Arabia announced plans to increase production and reduce the prices at which they sell oil. While OPEC, Russia, the United States and other oil and gas producing countries subsequently agreed to collectively decrease production, these events, combined with the outbreak of the COVID-19 pandemic that has reduced economic activity and the related demand for oil, have contributed to a sharp drop in prices for crude oil during 2020. The effect of these events on the price of oil was further exacerbated by a shortage in available storage for hydrocarbons in the United States, which caused the prices for oil to further decrease dramatically in May 2020. While prices for oil have subsequently experienced more stability, we cannot predict what actions OPEC and other oil-producing countries will take in the future. In addition, the supply and demand for natural gas, NGLs and crude oil for our business will depend on many other factors outside of our control, some of which include:

- changes in general domestic and global economic and political conditions;
- changes in domestic regulations that could impact the supply or demand for oil and gas;
- technological advancements that may drive further increases in production and reduction in costs of developing shale plays;
- competition from imported supplies and alternate fuels;
- commodity price changes, including the recent decline in crude oil and natural gas prices, that could negatively impact the supply of, or the demand for these products;

- outbreak of illness, pandemic or any other public health crisis, including the COVID-19 pandemic;
- the availability of hydrocarbon storage;
- increased costs to explore for, develop, produce, gather, process or transport commodities;
- impact of interest rates on economic activity;
- shareholder activism and activities by non-governmental organizations to limit sources of funding for the energy sector or restrict the exploration, development and production of oil and gas:
- operational hazards, including terrorism, cyber-attacks or domestic vandalism;
- adoption of various energy efficiency and conservation measures; and
- perceptions of customers on the availability and price volatility of our services, particularly customers' perceptions on the volatility of commodity prices over the longer-term.

If volatility and seasonality in the oil and gas industry increase, because of increased production capacity, reduced demand for energy, or otherwise, the demand for our services and the fees that we will be able to charge for those services may decline. In addition to volatility and seasonality, an extended period of low commodity prices, as the industry is currently experiencing, could adversely impact storage and transportation values for some period of time until market conditions adjust. For example, in response to low commodity prices, some of our customers reduced capital expenditures and curtailed production, which have adversely affected our gathering and processing segment results. With West Texas Intermediate crude oil prices ranging from $66.24 to $46.31 per barrel in 2019 and from $63.27 to negative $36.98 per barrel in 2020, the sustainability of recent and longer-term oil prices cannot be predicted. These commodity price impacts could have a negative impact on our business, financial condition, and results of operations.

***The widespread outbreak of an illness, pandemic (like COVID-19) or any other public health crisis may have material adverse effects on our business, financial position, results of operations and/or cash flows.***

In December 2019, a novel strain of coronavirus (SARS-Cov-2), which causes COVID-19, was reported to have surfaced in China. The spread of this virus has caused business disruption, including disruption to the oil and natural gas industry. In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic, and the U.S. economy began to experience pronounced effects. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, reduced consumer activity, disrupted travel, and created significant volatility and disruption of financial and commodity markets. The effects of the COVID-19 pandemic have resulted in a significant reduction in global demand for natural gas, NGLs and crude oil and a significant and persistent reduction in the market price of crude oil. As a result, many producers, including some of our customers, have curtailed their current drilling and production activity and reduced or slowed down their plans for future drilling and production activity. In light of these events, there has been a negative impact on certain of our gathering and processing segment's customers, which impacted our short-term gathering and processing segment results during the second quarter of 2020 and early in the third quarter of 2020. While we have experienced some recovery in our gathering and processing segment volumes primarily in the Bakken during the third and fourth quarters of 2020, there can be no assurance that such volumes will continue to increase or that customers will not shut-in production again due to declines in commodity prices.

The COVID-19 pandemic has also caused federal and local governments to implement measures to quarantine individuals and limit gatherings, which has impacted our workforce and the way we have traditionally conducted our business. In response, we have implemented preventative measures to minimize unnecessary risk of exposure and prevent infection, while supporting our customers' operations. We have continued to follow modified business practices (including discontinuing non-essential business travel, implementing staggered work-from-home policies for employees who can execute their work remotely in order to reduce office density, and encouraging employees to adhere to local and regional social distancing recommendations) to support efforts to reduce the spread of COVID-19 and to conform to government restrictions and best practices encouraged by governmental and regulatory authorities. We also have promoted heightened awareness and vigilance, hygiene, and implementation of more stringent cleaning protocols across our facilities and operations. We continue to evaluate and adjust these preventative measures, response plans and business practices with the evolving impacts of COVID-19. However, if COVID-19 were to impact a location where we have a high concentration of business and resources, our local workforce could be affected by such an occurrence or outbreak which could also significantly disrupt our operations and decrease our ability to provide gathering, processing, storage and transportation services to our natural gas and crude oil customers.

The extent of the impact of the COVID-19 pandemic on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected time frame, is uncertain and depends on various factors, including the demand for oil and natural gas (including the impact that reductions in travel, manufacturing and consumer product demand have had and will have on the demand for commodities), the availability of personnel, equipment and services critical to our ability to operate our assets and the impact of potential governmental restrictions on travel, transportation and operations. There is uncertainty around the extent and duration of the disruption. The degree to which the COVID-19 pandemic or any other public health crisis adversely impacts our results will depend on future developments, which are highly uncertain and cannot be predicted. These developments include, but are not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, its impact on the economy and market conditions, and how quickly and to what extent normal economic and operating conditions can resume. Additionally, the actions taken to contain the COVID-19 pandemic include actions implemented by governmental authorities, such as large-scale travel bans and restrictions, border closures, quarantines, shelter-in-place orders, and business and government shutdowns, all of which affect the demand for oil, natural gas and NGLs. While there was a general easing of some restrictions during the summer and fall of 2020, recent widespread increases in COVID-19 cases may cause the re-implementation of such restrictions. Due to these factors, we expect to see continued volatility in commodity prices for the foreseeable future. These potential impacts, while uncertain, could adversely affect our operating results.

***We are exposed to credit risks of our customers, and any material nonpayment or nonperformance by our key customers could adversely affect our cash flows and results of operations.***

Many of our customers may experience financial problems that could have a significant effect on their creditworthiness. Severe financial problems encountered by our customers could limit our ability to collect amounts owed to us, or to enforce performance of obligations under contractual arrangements. In addition, many of our customers finance their activities through cash flows from operations, the incurrence of debt or the issuance of equity. The combination of the reduction of cash flows resulting from declines in commodity prices (such as experienced during 2020), a reduction in borrowing bases under a reserve-based credit facility and the lack of availability of debt or equity financing may result in a significant reduction of customers' liquidity and limit their ability to make payments or perform on their obligations to us. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to us. For example, in June 2020, Chesapeake, our major customer in the Powder River Basin, announced that they filed for protection under Chapter 11 of the U.S. Bankruptcy Code. Although Chesapeake is current on all amounts due to us and additional cash flow protection is in place via letters of credit, we are closely monitoring our exposure to Chesapeake to ensure they continue to promptly pay amounts invoiced to them. Financial problems experienced by our customers could result in the impairment of our assets, reduction of our operating cash flows and may also reduce or curtail their future use of our products and services, which could reduce our revenues.