ATLAS PIPELINE PARTNERS LP
Form 424B5
November 22, 2005
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PROSPECTUS SUPPLEMENT

(To Prospectus dated August 30, 2005)

ATLAS PIPELINE PARTNERS, L.P.

2,700,000 Common Units

Representing Limited Partner Interests

We are offering 2,700,000 of our common units representing limited partner interests. Our common units trade on the New York Stock Exchange under the symbol APL. The last reported sales price of our common units on the New York Stock Exchange on November 21, 2005 was $42.00 per common unit.

Investing in our common units involves risks. See Risk Factors beginning on page S-14 of this prospectus supplement and on page 1 of the accompanying prospectus.

	Per Common Unit	Total
Public offering price	$42.00	$113,400,000
Underwriting discount	$ 1.89	$ 5,103,000
Proceeds to us (before expenses)	$40.11	$108,297,000

We have granted the underwriters a 30-day option to purchase up to an additional 405,000 common units on the same terms and conditions as set forth above if the underwriters sell more than 2,700,000 common units in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Lehman Brothers, on behalf of the underwriters, expects to deliver the common units on or about November 28, 2005.

LEHMAN BROTHERS

Sole Book-Running Manager

CITIGROUP

A.G. EDWARDS

FRIEDMAN BILLINGS RAMSEY

WACHOVIA SECURITIES

KEYBANC CAPITAL MARKETS **SANDERS MORRIS HARRIS**

November 21, 2005

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This document is in two parts. The first part is this prospectus supplement, which describes our business and the terms of this offering of common units. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of common units. If information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with different information.

We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates.

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NOTE ABOUT CERTAIN TERMS USED IN THIS PROSPECTUS SUPPLEMENT

In this prospectus supplement, unless the context indicates otherwise:

- the terms the Partnership, we, our and us refer to Atlas Pipeline Partners, L.P. and its subsidiaries;
- the term our general partner refers to Atlas Pipeline Partners GP, LLC, a wholly-owned subsidiary of Atlas America, Inc., which we refer to as Atlas America ;
- we refer to natural gas liquids, such as ethane, propane, normal butane, isobutane and natural gasoline, as NGLs ;
- we refer to billion cubic feet as Bcf, million cubic feet as MMcf, thousand cubic feet as Mcf, million cubic feet per day as MMcf/d ar thousand cubic feet per day as Mcf/d ;
- we refer to barrels as Bbls and barrels per day as Bbls/d ;
- we refer to the Federal Energy Regulatory Commission as FERC ;
- we refer to million British Thermal Units as MMbtu and million British Thermal Units per day as MMbtu/d ; and
- the information presented assumes that the underwriters do not exercise their option to purchase an additional 405,000 common units.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and in the accompanying prospectus. You should read the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. You should read Risk Factors beginning on page S-13 of this prospectus supplement and on page 1 of the accompanying prospectus for more information about important factors that you should consider before buying common units in this offering.

Atlas Pipeline Partners, L.P.

We are a publicly-traded midstream energy services provider engaged in the transmission, gathering and processing of natural gas. We conduct our business through two operating segments: our Mid-Continent operations and our Appalachian operations.

We own and operate through our Mid-Continent operations:

- a 75% interest in a FERC-regulated, 565-mile interstate pipeline system, which we refer to as Ozark Gas Transmission, that extends from southeastern Oklahoma through Arkansas and into southeastern Missouri and which has throughput capacity of approximately 322 MMcf/d;
- two natural gas processing plants with aggregate capacity of approximately 230 MMcf/d and one treating facility with a capacity of approximately 200 MMcf/d, both located in Oklahoma; and
- 1,765 miles of active natural gas gathering systems located in Oklahoma, Arkansas, northern Texas and the Texas panhandle, which transport gas from wells and central delivery points in the Mid-Continent region to our natural gas processing plants or Ozark Gas Transmission.

We own and operate through our Appalachian operations 1,500 miles of active natural gas gathering systems located in eastern Ohio, western New York and western Pennsylvania. Through an omnibus agreement and other agreements between us and Atlas America, the parent of our general partner and a leading sponsor of natural gas drilling investment partnerships in the Appalachian Basin, we gather substantially all of the natural gas for our Appalachian Basin operations from wells operated by Atlas America. Among other things, the omnibus agreement requires Atlas America to connect to our gathering systems wells it operates that are located within 2,500 feet of our gathering systems. We are also party to natural gas gathering agreements with Atlas America under which we receive gathering fees generally equal to a percentage, typically 16%, of the selling price of the natural gas we transport. These agreements are continuing obligations and have no specified term except that they will terminate if our general partner is removed without cause.

Since our initial public offering in January 2000, we have completed five acquisitions at an aggregate cost of approximately $516.7 million, including, most recently, our October 2005 acquisition of Atlas Arkansas Pipeline LLC, which owns a 75% interest in NOARK Pipeline System, Limited Partnership, which we refer to as NOARK, and our April 2005 acquisition of ETC Oklahoma Pipeline, Ltd, which we refer to as Elk City.

Both our Mid-Continent and Appalachian operations are located in areas of abundant and long-lived natural gas production and significant new drilling activity. The Ozark Gas Transmission system and our gathering systems are connected to approximately 6,250 central delivery points or wells, giving us significant scale in our service areas. We provide gathering and processing services to the wells connected to our systems, primarily under long-term contracts. We provide fee-based, FERC-regulated transmission services through Ozark Gas Transmission under both long-term and short-term contractual arrangements. We intend to increase the portion of the transmission services provided under long-term contracts. As a result of the location and capacity of the Ozark Gas Transmission system and our gathering and processing assets, we believe we are strategically positioned to capitalize on the significant increase in drilling activity in our service areas and the positive price differential across Ozark Gas Transmission, also known as basis spread. We intend to continue to expand our business through strategic acquisitions and organic growth projects, including our recently announced plan to construct the Sweetwater gas plant, that increase distributable cash flow per unit.

The following table shows the pro forma gross margin for our operating units for the periods indicated:

	Pro forma			
	Year ended December 31, 2004		Nine months ended September 30, 2005	
	$	%	$	%
Mid-Continent				
Velma and Elk City	$ 43,294	51.2%	$ 37,757	53.0%
NOARK	22,480	26.6%	16,940	23.8%
	65,774	77.8%	54,697	76.8%
Appalachia	18,800	22.2%	16,501	23.2%
	$ 84,574	100.0%	$ 71,198	100.0%

Please see Summary Historical Consolidated and Other Financial Data for a definition of gross margin and a reconciliation of pro forma gross margin to our pro forma net income.

Recent Developments

Recent Distribution Increase. On October 27, 2005, we declared a quarterly cash distribution of $0.81 per common unit for the quarter ended September 30, 2005, payable on November 14, 2005 to holders of record as of November 7, 2005. This represents a 17.4% increase from the cash distribution of $0.69 for the quarter ended September 30, 2004.

Acquisition of Atlas Arkansas and Controlling Interest in NOARK. On October 31, 2005, we acquired from Enogex, Inc., a wholly-owned subsidiary of OGE Energy Corp. (NYSE: OGE), which we refer to as Enogex, all of the outstanding equity of Atlas Arkansas Pipeline LLC, which we refer to as Atlas Arkansas and which owns a 75% interest in NOARK, for $165.3 million, including estimated related transaction costs, plus $10.2 million for working capital adjustments. We refer to this acquisition as the NOARK acquisition. The remaining 25% interest in NOARK is owned by Southwestern Energy Pipeline Company, which we refer to as Southwestern, a wholly-owned subsidiary of Southwestern Energy Company (NYSE: SWN). Before the closing of our acquisition, Atlas Arkansas converted from an Oklahoma corporation into an Oklahoma limited liability company and changed its name from Enogex Arkansas Pipeline Company. The NOARK acquisition further expands our activities in the Mid-Continent region and provides an additional source of fee-based cash flows from a FERC-regulated interstate pipeline system and an intrastate gas gathering system. NOARK s geographic position relative to our other businesses and interconnections with major interstate pipelines also provides us with organic growth opportunities. NOARK s principal assets include:

The Ozark Gas Transmission system, a 565-mile FERC-regulated interstate pipeline system which extends from southeast Oklahoma through Arkansas and into southeast Missouri and has a throughout capacity of approximately 322 MMcf/d. The system includes approximately 30 supply and delivery interconnections and two compressor stations.

A 365-mile intrastate natural gas gathering system, which we refer to as Ozark Gas Gathering, located in eastern Oklahoma and western Arkansas, and 11 associated compressor stations.

We financed the acquisition by borrowing under our senior secured credit facility. We intend to use all of the net proceeds from this offering to repay a portion of the balance outstanding under our credit facility. We expect the NOARK acquisition to be immediately accretive to our distributable cash flow per unit.

Ozark Gas Transmission transports natural gas from receipt points in eastern Oklahoma and western Arkansas, where the Arkoma Basin is located, to interstate pipelines in northeastern and central Arkansas and to local distribution companies in Arkansas and Missouri. Ozark Gas Gathering provides access to natural gas supplies that are then transported through Ozark Gas Transmission. Ozark Gas Transmission s revenues are comprised of FERC-regulated transmission fees that are based on firm transportation rates and, to the extent capacity is available following the reservation of firm system capacity, interruptible transportation rates. The Ozark transmission and gathering systems transported an average of 163.9 MMcf/d during the nine months ended September 30, 2005, and 207.2 MMcf/d during October 2005.

The NOARK acquisition increases our size and presence in the Mid-Continent region, including extending our operations east into the Arkoma Basin. The Mid-Continent region, one of the most prolific natural gas-producing regions in North America, has recently experienced a significant increase in oil and gas drilling activity driven by long-term projections of continued growth in U.S. natural gas demand and the application of new drilling and production technologies. For example, the average monthly drilling rig count in Oklahoma during 2005 through October was 153, a 19% increase over the average monthly drilling rig count in 2003 of 129. Ozark Gas Gathering accesses the Fayetteville Shale Play, located in the Arkoma Basin. Southwestern Energy Company, an active driller in the area, has announced that it expects to drill between 175 to 200 wells in the Fayetteville Shale Play in 2006. Southwestern Energy Company also recently announced the purchase of ten drilling rigs which it expects to be delivered monthly beginning in November 2005 for use in the Play. In developing its Fayetteville Shale acreage, Southwestern Energy Company announced on October 27, 2005 that it has drilled 67 wells to date in ten different areas. Southwestern Energy Company has announced that it expects to further evaluate its Fayetteville Shale acreage over the next 12-15 months by drilling an additional 35 to 40 wells.

Amended Credit Facility. In conjunction with the acquisition of Elk City in April 2005, we entered into a new $270.0 million credit facility with a bank syndicate led by Wachovia Bank, National Association and Bank of America N.A. The facility consisted of a $225.0 million five-year revolving loan and a $45.0 million five-year term loan. We repaid and retired the term loan in June 2005. In connection with the NOARK acquisition, the revolving credit facility was increased to a maximum of $400.0 million. As of November 21, 2005, there was $361.5 million of outstanding debt on the facility.

New Construction. We recently completed three new gathering and compression projects in Elk City which will increase gathered volumes and total gross margin. We also plan to complete construction of a new natural gas processing facility in Oklahoma near our Prentiss treating facility by mid-2006, which we refer to as the Sweetwater plant. The new plant will be scaled to 120 MMcf/d of processing capacity. Along with the plant, we will construct a gathering system to be located primarily in western Oklahoma and in the Texas panhandle, more specifically, Beckham and Roger Mills counties in Oklahoma and Hemphill County, Texas. We anticipate that construction of the plant and associated gathering system will cost approximately $40.0 million and will generate cash flow of $8.0 million to $10.0 million annually.

Acquisition of Elk City. In April 2005, we acquired all of the outstanding equity interests in Elk City for $196.0 million, including related transaction costs. Elk City s principal assets include approximately 300 miles of natural gas pipelines located in the Anadarko Basin in western Oklahoma and the Texas panhandle, a natural gas processing facility in Elk City, Oklahoma, with a total capacity of approximately 130 MMcf/d, and a gas treating facility in Prentiss, Oklahoma, with a total capacity of approximately 200 MMcf/d. Gathered volumes averaged 242.3 MMcf/d for the nine months ended September 30, 2005. The system connects to over 300 receipt points. The acquisition expanded the scale of our Mid-Continent operations and built upon our experience in processing and gathering.

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Updated Hedging Positions. In our Mid-Continent operations, we have hedged portions of our natural gas, NGLs and condensate volumes for fixed prices for various periods through 2008. The following table summarizes our hedge positions through December 31, 2006:

Commodity	Average percentage of anticipated volumes hedged	Average fixed price
Natural gas	48%	$6.55/MMbtu
NGLs	54%	$0.68/gallon
Condensate	62%	$49.51/Bbl

In our Appalachian operations, we are the beneficiary of, and consult with Atlas America with respect to, the hedging program Atlas America has established for its Appalachian natural gas production.

Proposed High Yield Debt Offering. We intend to sell in a private placement, subject to market conditions, up to $250.0 million in aggregate principal amount of senior unsecured notes. The notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration. We expect that the notes will be offered only to qualified institutional buyers under Rule 144A and non-U.S. persons under Regulation S. We anticipate that we will use the net proceeds from the offering to repay borrowings under our credit facility.

Possible Public Offering by Our General Partner. Atlas America has recently announced that it is considering transferring its ownership interest in our general partner to a new wholly-owned subsidiary and then making a registered initial public offering of a minority interest in the subsidiary. **This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any such securities. Please see Risk Factors Risks Inherent in an Investment in Us If Atlas America proceeds with a public offering of securities in an entity that owns our general partner, it may affect the relative attractiveness of an investment in our common units for a discussion of the risks to our unitholders of such an offering.**

Business Strategy

Our primary objective is to increase distributable cash flow per unit and returns to our unitholders by:

- maximizing cash flows from our existing businesses through marketing of our services and facilities and controlling our operating costs;
- continuing to increase the amount of our operating cash flow generated by long-term, fee-based contracts;
- expanding our existing businesses through organic growth opportunities;
- expanding our operations through strategic acquisitions; and

maintaining a flexible capital structure based on a strong balance sheet by financing our growth through a balanced combination of debt and equity.

Competitive Strengths

We believe we are well-positioned to successfully execute our business strategy because of the following competitive strengths:

Strategically positioned for organic growth. We are a leading provider of transportation and natural gas gathering services in the Anadarko Basin and the Arkoma Basin, the Golden Trend area of Oklahoma and the Appalachian Basin and of natural gas processing services in Oklahoma. We expect the breadth of our operations in our service areas, our customer focus and our relationship with Atlas

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America will allow us to continue to connect new wells and capture new natural gas volumes quickly and cost-effectively. Additionally, the NOARK acquisition increases our size and presence in the Mid-Continent region, including expanding our operations east into the Arkoma Basin.

Diversified asset base. Our operations are divided between the active Mid-Continent Basin, including Arkansas, Oklahoma, southern Missouri, northern Texas and the Texas panhandle, where we transport, gather, process and treat third-party gas volumes, and the Appalachian Basin, where we access new volumes through long-term gathering agreements with Atlas America. In addition, our revenues are generated under a variety of contract structures, including FERC-regulated transmission fees from Ozark Gas Transmission, fixed fees from our gathering and treating businesses, percentage-of-proceeds contracts from our gathering and processing businesses and, to a lesser extent, keep-whole contracts from our Elk City processing plant, which we may bypass during periods of unfavorable processing margins.

Stability from long-term contracts and strong customer relations. Our gas supply strategy in the Mid-Continent region is to establish long-term, value-oriented relationships with our producing customers. We have long-standing relationships with many of our Mid-Continent customers which account for a substantial majority of our gathering and processing throughput. Ozark Gas Transmission also has strong relationships with numerous shippers that contract for transmission services either on a short or long-term firm basis or interruptible basis. In addition, our Appalachian operations generate substantially all of their volumes under a long-term omnibus agreement with Atlas America whereby Atlas America is required to commit to our gathering system all wells it drills and operates that are within 2,500 feet of the system. Wells under this agreement are committed for the life of their respective leases, typically over 30 years.

Relationship with Atlas America. As a result of our agreements with Atlas America, we believe that the growth in the number of wells drilled by Atlas America and its affiliates in the Appalachian Basin will serve as an engine for our growth in the region. We connected 411 Atlas America wells to our Appalachian gathering system for the twelve months ended September 30, 2005, and 1,508 Atlas America wells from our inception in January 2000 through September 30, 2005.

Efficient assets which offer low maintenance capital expenditure requirements, system flexibility and superior customer service. Our transmission, gathering and processing systems carry low maintenance capital expenditure needs. In addition, a significant portion of our existing gathering systems and processing plants are new or have been recently expanded or replaced. Our gathering systems provide our customers increased flexibility through low pressure service and multiple pipeline interconnections, and our willingness to expand our systems quickly provides our customers with superior customer service.

Favorable commercial agreements that reduce commodity price risk. We derive substantially all of the operating income from our gathering and processing operations from fee-based and percentage-of-proceeds arrangements. We have hedged a significant amount of our near-term equity natural gas production and equity NGL production from our processing operations, which we believe should reduce volatility in our operating income. Furthermore, we can bypass our Elk City processing plant during periods of unfavorable processing margins. Substantially all of the operating income generated by NOARK s transmission and gathering assets is generated under fixed-fee agreements. In our Appalachian operations, we are the beneficiary of, and consult with Atlas America with respect to, the hedging program Atlas America has established for its Appalachian natural gas production that mitigates the risks of our percentage-of-proceeds agreement with it.

Experienced management and engineering team. Through our general partner we have significant management and technical expertise. Our senior management team averages approximately 20 years of experience in the oil and natural gas industry and currently manages 91 public and private drilling investment partnerships. Our operational and technical expertise has enabled us to identify assets that have not been fully utilized and to improve their performance upon integration into our operations.

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Our Organizational Structure

We conduct our operations through, and our operating assets are owned by, our subsidiaries. Our general partner has sole responsibility for conducting our business and managing our operations. Our general partner does not receive any management fee or other compensation in connection with its management of our business apart from its general partner interest and incentive distribution rights, but it is reimbursed for direct and indirect expenses incurred on our behalf. Our principal executive offices are located at 311 Rouser Road, Moon Township, Pennsylvania 15108 and our telephone number is (412) 262-2830. The following diagram depicts our organizational structure and ownership after giving effect to this offering:

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The Offering

Common units offered	2,700,000 common units.
	3,105,000 common units if the underwriters exercise their option to acquire an additional 405,000 common units.
Units outstanding after this offering	12,219,266 common units.
	12,624,266 common units if the underwriters exercise their option to acquire an additional 405,000 common units.
Use of proceeds	We will use all of the net offering proceeds, which we estimate will be $110.0 million, including a $2.3 million capital contribution from our general partner, after deducting underwriting discounts, commissions and estimated offering expenses of $5.7 million, to reduce outstanding indebtedness under our credit facility. Certain affiliates of three of the underwriters in this offering are lenders under our credit facility. For more information, please read Use of Proceeds and Underwriting Relationships.
Cash distribution policy	We must distribute all of our cash on hand at the end of each quarter, less reserves established by our general partner in its discretion. The amount of this cash may be greater than or less than the minimum quarterly distribution referred to in the next paragraph. We generally make cash distributions within 45 days after the end of each quarter.
	When quarterly cash distributions exceed $0.42 per unit in any quarter, our general partner receives a higher percentage of the cash distributed in excess of that amount, in increasing percentages up to 50% if the quarterly cash distribution exceeds $0.60 per unit. We refer to our general partner s right to receive these higher amounts of cash as incentive distribution rights.
	For a discussion of our cash distribution policy, please read Our Partnership Agreement Cash Distribution Policy in the accompanying prospectus.
	On October 27, 2005 we declared a quarterly cash distribution of $0.81 per common unit for the quarter ended September 30, 2005, payable on November 14, 2005 to holders of record as of November 7, 2005. Since the distribution will exceed $0.42, our general partner will receive an incentive distribution.
Ratio of taxable income to distributions	We estimate that if you purchase common units in this offering and own them through December 31, 2007, you will be allocated an amount

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	of federal taxable income for that period which is less than 20% of the cash we expect to distribute for that period. We anticipate that, for taxable years beginning after December 31, 2007, the taxable income allocable to you will represent a higher percentage of cash distributed to you. Please read Tax Considerations Tax Consequences of Unit Ownership Ratio of Taxable Income to Distributions in this prospectus supplement for an explanation of the basis of this estimate.
New York Stock Exchange symbol	APL.

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Summary Historical Consolidated and Other Financial Data

The following table sets forth selected consolidated financial data as of and for each of the three years ended December 31, 2002, 2003 and 2004 and the nine months ended September 30, 2004 and 2005. We derived the financial data for each of the years ended December 31, 2002, 2003 and 2004 and at December 31, 2003 and 2004 from our consolidated financial statements incorporated by reference in this prospectus supplement, which have been audited by Grant Thornton LLP, independent registered accountants. We derived the financial data as of and for the nine months ended September 30, 2004 and 2005 from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement.

We have also included unaudited pro forma financial data that reflects our historical results as adjusted on a pro forma basis to give effect to our April 2004, July 2004 and June 2005 offerings of common units, the completion of the NOARK acquisition and the acquisitions of Spectrum Field Services, Inc., which we refer to as Spectrum, and Elk City, and this offering.

The unaudited pro forma balance sheet information reflects the following transactions as if they occurred as of September, 30, 2005:

- the NOARK acquisition, which occurred on October 31, 2005, for consideration of $163.0 million, plus $10.2 million for working capital adjustments and $2.3 million of estimated transaction costs;
- the increase in our credit facility to $400.0 million, which occurred on October 31, 2005, and borrowings under it to finance the NOARK acquisition; and
- this offering and the application of the net proceeds as described under Use of Proceeds.

The unaudited pro forma statement of income information for the year ended December 31, 2004 reflects the following transactions as if they occurred as of January 1, 2004:

- the Spectrum acquisition, which occurred in July 2004, for total consideration of $141.6 million, including the payment of income taxes due as a result of the transaction and other related transaction costs;
- the Elk City acquisition, which occurred in April 2005, for total consideration of $196.0 million, including related transaction costs;
- the closing of our $270.0 million credit facility, which occurred in April 2005, and borrowings under it to finance the Elk City acquisition and repay amounts outstanding under our previous credit facility;
- the increase of our credit facility to $400.0 million, which occurred on October 31, 2005, and borrowings under it to finance the NOARK acquisition;

our public offering of 2,100,000 common units, which was completed in July 2004 at a public offering price of $34.76 per common unit, and a capital contribution by our general partner to maintain its 2% general partner interest, the net proceeds of which were used principally to repay indebtedness incurred in connection with the Spectrum acquisition;

our public offering of 2,300,000 common units, which was completed in June 2005 at a public offering price of $41.95 per common unit, and a capital contribution by our general partner to maintain its 2% general partner interest, the net proceeds of which were used principally to repay indebtedness incurred in connection with the Elk City acquisition;

the NOARK acquisition, which occurred on October 31, 2005, for consideration of $163.0 million, plus $10.2 million for working capital adjustments and $2.3 million of estimated transaction costs, and the redemption of the portion of the NOARK 7.15% notes severally guaranteed by Atlas Arkansas; and

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- this offering and the application of the net proceeds as described under Use of Proceeds.

The unaudited pro forma statement of income information for the nine months ended September 30, 2005 reflects the following transactions as if they occurred as of January 1, 2005:

- the Elk City acquisition, which occurred in April 2005, for total consideration of $196.0 million, including related transaction costs;
- the closing of our $270.0 million credit facility, which occurred in April 2005, and borrowings under it to finance the Elk City acquisition and repay amounts outstanding under our previous credit facility;
- the increase of our credit facility to $400.0 million, which occurred on October 31, 2005, and borrowings under it to finance the NOARK acquisition;
- our public offering of 2,300,000 common units, which was completed in June 2005, at a public offering price of $41.95 per common unit, and a capital contribution by our general partner to maintain its 2% general partner interest, the net proceeds of which were principally used to repay indebtedness incurred in connection with the Elk City acquisition;
- the NOARK acquisition, which occurred on October 31, 2005, for consideration of $163.0 million, plus $10.2 million for working capital adjustments and $2.3 million of estimated transaction costs, and the redemption of the portion of the NOARK 7.15% notes severally guaranteed by Atlas Arkansas; and
- this offering and the application of the net proceeds as described under Use of Proceeds.

Elk City s historical fiscal year ended August 31, 2004 is not within 93 days of our fiscal year end. Accordingly, for pro forma purposes, statement of income information for the year ended December 31, 2004 is based on Elk City s historical financial results for the twelve months ended November 30, 2004 and was created by subtracting the quarter ended November 30, 2003 from Elk City s income statement for the year ended August 31, 2004 and adding the quarter ended November 30, 2004. For our pro forma statement of income information for the nine months ended September 30, 2005, we included Elk City s income statement for the three months ended February 28, 2005. Elk City was included within our historical results for the nine months ended September 30, 2005 from its date of acquisition on April 14, 2005.

The unaudited pro forma balance sheet and the pro forma statements of income were derived by adjusting our historical financial statements. However, our management believes that the adjustments provide a reasonable basis for presenting the significant effects of the transactions described above. The unaudited pro forma financial data presented are for informational purposes only and are based upon available information and assumptions that we believe are reasonable under the circumstances. You should not construe the unaudited pro forma financial data as indicative of the combined financial position or results of operations that we, Spectrum, Elk City and NOARK would have achieved had the transactions been consummated on the dates assumed. Moreover, they do not purport to represent our, Spectrum s, Elk City s or NOARK s combined financial position or results of operations for any future date or period.

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The financial data below should be read together with, and are qualified in their entirety by reference to, our historical consolidated and pro forma combined financial statements and the accompanying notes, Management s Discussion and Analysis of Financial Condition and Results of Operations, and the historical consolidated financial statements and the accompanying notes of Elk City and its predecessor and Enogex Arkansas Pipeline, each of which is set forth elsewhere or incorporated by reference in this prospectus supplement. The pro forma data are not necessarily reflective of what our results would actually have been had the transactions actually occurred on the indicated date, nor do they reflect what may actually occur in the future.

						Pro forma, as adjusted	
	Year ended December 31,			Nine months ended September 30,		Year ended December 31,	Nine months ended September 30,
	2002	2003	2004(1)	2004(1)	2005(2)	2004	2005
	(in thousands)						
Statements of income data:							
Revenue:							
Natural gas and liquids	$	$	$ 72,109	$ 30,048	$ 218,268	$ 331,119	$ 301,362
Transportation and compression	10,660	15,651	18,800	13,344	16,501	40,283	31,630
Interest income and other	7	98	382	282	352	711	496
Total revenues and other income	10,667	15,749	91,291	43,674	235,121	372,113	333,488
Operating expenses:							
Natural gas and liquids			58,707	24,588	184,578	286,828	261,794
Plant operating							