Western Gas Partners LP
Form 424B1
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Registration No. 333-146700

PROSPECTUS May 8, 2008

18,750,000 Common Units

Representing Limited Partner Interests

This is the initial public offering of our common units. Prior to this offering, there has been no public market for the common units. Our common units have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol WES.

Investing in our common units involves risks. Please read Risk factors beginning on page 17.

These risks include the following:

Ø We are dependent on a single natural gas producer, Anadarko Petroleum Corporation, for almost all of the natural gas that we gather and transport. A material reduction in Anadarko s production gathered or transported by our assets would result in a material decline in our revenues and cash available for distribution.

Ø We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements to our general partner, to enable us to pay the minimum quarterly distribution to holders of our common and subordinated units.

Ø Because of the natural decline in production from existing wells, our success depends on our ability to obtain new sources of natural gas, which is dependent on certain factors beyond our control. Any decrease in the volumes of natural gas that we gather and transport could adversely affect our business and operating results.

Ø Anadarko owns and controls our general partner, which has sole responsibility for conducting our business and managing our operations. Anadarko and our general partner have conflicts of interest and may favor Anadarko s interests to your detriment.

Ø Cost reimbursements due to Anadarko and our general partner for services provided to us or on our behalf will be substantial and will reduce our cash available for distribution to you. The amount and timing of such reimbursements will be determined by our general partner.

Ø You will have limited voting rights and are not entitled to elect our general partner or its directors.

Ø Even if you are dissatisfied, you cannot initially remove our general partner without its consent.

Ø If you are not an Eligible Holder, you may not receive distributions or allocations of income or loss on your common units and your common units will be subject to redemption.

Ø Our general partner interest or the control of our general partner may be transferred to a third party without your consent.

Ø You will experience immediate and substantial dilution in pro forma net tangible book value of $5.05 per common unit.

- You will be required to pay taxes on your share of our income even if you do not receive any cash distributions from us.

	Per common unit	Total
Public offering price	$ 16.50	$ 309,375,000
Underwriting discounts and commissions[(1)]	$ 0.99	$ 18,562,500
Proceeds, before expenses, to Western Gas Partners, LP	$ 15.51	$ 290,812,500

(1) *Excludes a structuring fee payable to UBS Securities LLC that is equal to 0.50% of the gross proceeds of this offering, or approximately $1.55 million.*

We have granted the underwriters a 30-day option to purchase up to an additional 2,812,500 common units from us on the same terms and conditions as set forth above if the underwriters sell more than 18,750,000 common units in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common units on or about May 14, 2008.

Joint Book-Running Managers

UBS Investment Bank **Citi** **Credit Suisse** **Morgan Stanley**

Banc of America Securities LLC
Goldman, Sachs & Co.
JPMorgan
Lehman Brothers
Wachovia Securities

Scotia Capital
Bear, Stearns & Co. Inc.
Friedman Billings Ramsey
Stifel Nicolaus

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by us or on our behalf. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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Through and including June 2, 2008 (the 25th day after the date of this prospectus), federal securities law may require all dealers that effect transactions in these securities, whether or not participating in this offering, to deliver a prospectus. This requirement is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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Prospectus summary

This summary provides a brief overview of information contained elsewhere in this prospectus. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in our common units. You should read the entire prospectus carefully, including the historical and pro forma combined financial statements and the notes to those financial statements. The information presented in this prospectus assumes, unless otherwise indicated, that the underwriters option to purchase additional common units is not exercised. You should read Risk factors beginning on page 17 for more information about important risks that you should consider carefully before investing in our common units. We include a glossary of some of the terms used in this prospectus as Appendix B.

Unless the context otherwise requires, references in this prospectus to (i) Western Gas Partners, LP, we, our, us or like terms, when used in a historical context, refer to our Predecessor, as defined in Summary historical and pro forma financial data, and when used in the present tense or prospectively, refer to Western Gas Partners, LP and its subsidiaries; (ii) Anadarko refers to Anadarko Petroleum Corporation and its subsidiaries and affiliates, other than Western Gas Partners, LP and Western Gas Holdings, LLC, our general partner, as of the closing date of this offering; (iii) Anadarko Petroleum Corporation refers to Anadarko Petroleum Corporation excluding its subsidiaries and affiliates; and (iv) MIGC refers to MIGC LLC.

OVERVIEW

We are a growth-oriented Delaware limited partnership recently formed by Anadarko (NYSE: APC) to own, operate, acquire and develop midstream energy assets. We currently operate in East Texas, the Rocky Mountains, the Mid-Continent and West Texas and are engaged in the business of gathering, compressing, treating and transporting natural gas for our ultimate parent, Anadarko, and third-party producers and customers. We principally provide our midstream services under long-term contracts with fee-based rates extending for primary terms of up to 20 years. We generally do not take title to the natural gas that we gather and, therefore, are able to avoid significant direct commodity price exposure.

We believe that one of our principal strengths is our relationship with Anadarko. During the year ended December 31, 2007, approximately 91% of our total natural gas gathering and transportation volumes were comprised of natural gas production owned or controlled by Anadarko. Anadarko Petroleum Corporation has dedicated to us all of the natural gas production it owns or controls from (i) wells that are currently connected to our gathering systems, and (ii) additional wells that are drilled within one mile of connected wells or our gathering systems, as the systems currently exist and as they are expanded to connect additional wells in the future. As a result, this dedication will continue to expand as additional wells are connected to our gathering systems. Volumes associated with this dedication averaged approximately 725,450 MMBtu/d for the year ended December 31, 2007.

We expect to utilize the significant experience of Anadarko s management team to execute our growth strategy, which includes acquiring and constructing additional midstream assets. For the year ended December 31, 2007, as adjusted for divestitures prior to this offering and including the assets being contributed to us, Anadarko s total domestic midstream asset portfolio consisted of 25 gathering systems and one transportation system with an aggregate throughput of approximately 2.6 Bcf/d, approximately 11,300 miles of pipeline and 25 processing and/or treating facilities.

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OUR ASSETS AND AREAS OF OPERATION

Our assets consist of six gathering systems, five natural gas treating facilities and one interstate pipeline. Our assets are located in East Texas, the Rocky Mountains (Utah and Wyoming), the Mid-Continent (Kansas and Oklahoma) and West Texas. The following table provides information regarding our assets by operating area as of or for the year ended December 31, 2007:

Area	Asset Type	Length (miles)	Approximate # of receipt points	Gas compression (horsepower)	Treating capacity (MMcf/d)	Average throughput (MMcf/d)
East Texas	Gathering and Treating	584	798	44,573	510	296(1)
Rocky Mountains	Gathering and Treating	114	162	20,385	92	53
	Transportation	264	19	29,696		146
Mid-Continent	Gathering	1,753	1,512	130,720		126
West Texas	Gathering	97	58			175
Total		2,812	2,549	225,374	602	796

(1) To avoid duplicating volumes, 211 MMcf/d that is gathered on our Dew gathering system and delivered into our Pinnacle gas treating system is included only once in the calculation of average throughput.

STRATEGY

Our primary business objective is to increase our cash distribution per unit over time. We intend to accomplish this objective by executing the following strategy:

Ø *Pursuing accretive acquisitions.* We expect to pursue accretive acquisition opportunities within the midstream energy industry from Anadarko and third parties.

Ø *Capitalizing on organic growth opportunities.* We expect to grow organically by meeting Anadarko s gathering needs, which we expect to increase as a result of its anticipated drilling activity in our areas of operation.

Ø *Attracting additional third-party volumes to our systems.* We intend to actively market our midstream services to and pursue strategic relationships with third-party producers to attract additional volumes and/or expansion opportunities.

Ø *Minimizing commodity price exposure.* Our midstream services are provided under fee-based arrangements which minimize our direct commodity price exposure. We expect to utilize hedging to manage any significant future commodity price risk that could result from contracts we may acquire or enter into in the future.

COMPETITIVE STRENGTHS

We believe that we are well positioned to successfully execute our strategy and achieve our primary business objective because of the following competitive strengths:

Ø *Affiliation with Anadarko.* We believe Anadarko, as the owner of our general partner interest, all of our incentive distribution rights and a 63.4% limited partner interest in us, is motivated to promote and support the successful execution of our business plan and to pursue projects that enhance the value of our business.

Ø *Relatively stable and predictable cash flow.* Our cash flow is largely protected from fluctuations caused by commodity price volatility due to the fee-based, long-term nature of our midstream service agreements.

Ø *Well-positioned, well-maintained and efficient assets*. We believe that our established positions in our areas of operation provide us with opportunities to expand and attract additional volumes to our systems. Moreover, our systems consist of high-quality, well-maintained assets for which we have implemented modern treating, measuring and operating technologies.

Ø *Financial flexibility to pursue expansion and acquisition opportunities*. We have up to $100 million of borrowing capacity available to us under Anadarko s $1.3 billion credit facility and, concurrently with the closing of this offering, we expect to obtain a $30 million working capital facility from Anadarko. In addition, we will have no indebtedness outstanding at the closing of this offering. We believe that our borrowing capacity and our ability to effectively access debt and equity capital markets provide us with the financial flexibility necessary to achieve our organic expansion and acquisition strategy.

Ø *Experienced management team.* Members of our general partner s management team have extensive experience in building, acquiring, integrating, financing and managing midstream assets. In addition, our relationship with Anadarko provides us with the services of experienced personnel who successfully managed our assets and operations while they were owned by Anadarko.

We believe that we will effectively leverage our competitive strengths to successfully implement our strategy; however, our business involves numerous risks and uncertainties which may prevent us from achieving our primary business objective. For a more complete description of the risks associated with an investment in us, please read Risk factors.

OUR RELATIONSHIP WITH ANADARKO PETROLEUM CORPORATION

One of our principal attributes is our relationship with Anadarko. It will own our general partner and a significant interest in us following this offering. Anadarko is one of the largest independent oil and gas exploration and production companies in the world. Anadarko s upstream oil and gas business finds and produces natural gas, crude oil, condensate and natural gas liquids, or NGLs, and Anadarko annually pursues one of the most active drilling programs in the industry. At December 31, 2007, including the assets being contributed to us but adjusted for divestitures prior to this offering, Anadarko s total domestic midstream asset portfolio consisted of 25 gathering systems and one transportation system with an aggregate throughput of approximately 2.6 Bcf/d, approximately 11,300 miles of pipeline and 25 processing and/or treating facilities.

Following this offering, Anadarko s remaining midstream business will consist of 19 gathering systems with an aggregate throughput of approximately 2.0 Bcf/d, 8,500 miles of pipeline and 20 processing and/or treating facilities. Anadarko has invested significant capital into its domestic midstream business, including the assets being contributed to us, with investments of approximately $608 million in 2007 and planned investments of more than $500 million in 2008. On December 27, 2007, Anadarko announced a $2.2 billion financing of its midstream assets which may require partial repayment based on a debt to EBITDA leverage ratio that declines incrementally over time. The debt repayments that may be necessary to satisfy the terms of this financing may be made with internally generated cash flow, cash on hand, or cash received from midstream asset sales. Should Anadarko choose to pursue midstream asset sales, it is under no contractual obligation to offer assets or business opportunities to us. We are neither a guarantor nor an obligor for such financing.

Upon completion of this offering, Anadarko will own a 2.0% general partner interest in us, all of our incentive distribution rights and a 63.4% limited partner interest in us. We will enter into an omnibus agreement with Anadarko and our general partner that will govern our relationship with them regarding certain reimbursement and indemnification matters. Please read Certain relationships and related party transactions Agreements governing the transactions Omnibus agreement. Although our relationship with Anadarko provides us with a significant advantage in the midstream natural gas market, it is also a source of potential conflicts. For example, Anadarko is not restricted from competing with us. Please read Conflicts of interest and fiduciary duties. Given Anadarko s significant ownership of limited and general partner interests in us following this offering, we believe it will be in Anadarko s best interest for it to sell additional assets to us over time; however, Anadarko continually evaluates acquisitions and divestitures and may elect to acquire, construct or dispose of midstream assets in the future without offering us the opportunity to acquire or construct those assets. Anadarko is under no contractual obligation to offer any such opportunities to us, nor are we obligated to participate in any such opportunities. We cannot state with any certainty which, if any, opportunities to acquire assets from Anadarko may be made available to us or if we will elect to pursue any such opportunities.

RISK FACTORS

An investment in our common units involves risks associated with our business, regulatory and legal matters, our limited partnership structure and the tax characteristics of our common units. Please read Risk factors for a more thorough description of these and other risks.

FORMATION TRANSACTIONS AND PARTNERSHIP STRUCTURE

General

We are a growth-oriented Delaware limited partnership recently formed by Anadarko to own, operate, acquire and develop midstream energy assets. At the closing of this offering, assuming that the underwriters do not exercise their option to purchase additional common units, the following transactions, which we refer to as the formation transactions, will occur:

- Anadarko will contribute certain midstream assets to us;
- we will issue to Western Gas Holdings, LLC, our general partner and a subsidiary of Anadarko, 1,083,115 general partner units representing a 2.0% general partner interest in us as well as all of our incentive distribution rights;
- we will issue to Anadarko 7,786,306 common units and 26,536,306 subordinated units, representing an aggregate 63.4% limited partner interest in us;[(1)]
- we will issue 18,750,000 common units to the public, representing a 34.6% limited partner interest in us;[(1)]
- we will receive gross proceeds of $309.4 million from the issuance and sale of 18,750,000 common units at an initial offering price of $16.50 per unit;
- we will use the proceeds from this offering to pay underwriting discounts and a structuring fee totaling approximately $20.1 million and other estimated offering expenses of $5.0 million;
- we will use the remaining $284.3 million of aggregate net proceeds of this offering to (i) make a loan of $260.0 million to Anadarko in exchange for a 30-year note bearing interest at a fixed annual rate of 6.5%, (ii) reimburse Anadarko for $14.3 million of capital expenditures it incurred with respect to assets contributed to us and (iii) provide $10.0 million for general partnership purposes;
- we will have up to $100 million of long-term borrowing capacity available to us under Anadarko s $1.3 billion credit facility;
- we will enter into a $30 million working capital facility with Anadarko as the lender;
- we will enter into an omnibus agreement with Anadarko and our general partner pursuant to which, among other things, (i) we will reimburse Anadarko and our general partner for certain expenses incurred on our behalf, including expenses for various general and administrative services rendered by Anadarko and our general partner to us, and (ii) the parties will agree to certain indemnification obligations;

- Ø our general partner will enter into a services and secondment agreement with Anadarko, pursuant to which certain employees of Anadarko will be under our control and render services to us or on our behalf; and

- Ø our general partner will enter into a tax sharing agreement with Anadarko, pursuant to which we will pay Anadarko for our share of state and local income and other taxes that are included in combined or consolidated tax returns filed by Anadarko.

(1) If the underwriters exercise their option to purchase up to 2,812,500 additional common units within 30 days of this offering, the number of units purchased by the underwriters pursuant to such exercise will be issued to the public instead of Anadarko.

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Ownership of Western Gas Partners, LP

The diagram below illustrates our organization and ownership after giving effect to the offering and the related formation transactions and assumes that the underwriters option to purchase additional common units is not exercised.

Public Common Units	34.6%
Anadarko Common and Subordinated Units	63.4%
General Partner Units	2.0%
Total	100.0%

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OUR MANAGEMENT

Our general partner has sole responsibility for conducting our business and for managing our operations and will be controlled by our ultimate parent, Anadarko. Pursuant to the omnibus agreement and the services and secondment agreement that we will enter into concurrently with the closing of this offering, Anadarko and our general partner will be entitled to reimbursement for all direct and indirect expenses that they incur on our behalf. Under the omnibus agreement, our reimbursement to Anadarko for certain general and administrative expenses it allocates to us will be capped at $6.0 million annually through December 31, 2009, subject to adjustments to reflect changes in the Consumer Price Index and, with the concurrence of the special committee of our general partner s board of directors, to reflect expansions of our operations through the acquisition or construction of new assets or businesses. Thereafter, our general partner will determine the general and administrative expenses to be reimbursed by us in accordance with our partnership agreement. The cap contained in the omnibus agreement does not apply to incremental general and administrative expenses we expect to incur or to be allocated to us as a result of becoming a publicly traded partnership. We currently expect those expenses to be approximately $2.5 million per year. Please read Certain relationships and related party transactions Agreements governing the transactions Omnibus agreement and Services and secondment agreement.

Neither our general partner nor its board of directors will be elected by our unitholders. Anadarko is the sole member of our general partner and will have the right to appoint our general partner s entire board of directors. Certain of our officers and directors are also officers of Anadarko.

As is common with publicly traded partnerships and in order to maximize operational flexibility, we will conduct our operations through subsidiaries. We will initially have one direct subsidiary, WGR Operating, LP, a Delaware limited partnership that will conduct business itself and through its subsidiaries.

PRINCIPAL EXECUTIVE OFFICES AND INTERNET ADDRESS

Our principal executive offices are located at 1201 Lake Robbins Drive, The Woodlands, Texas 77380, and our telephone number is (832) 636-6000. We expect our website to be located at www.westerngas.com. We expect to make available our periodic reports and other information filed with or furnished to the Securities and Exchange Commission, which we refer to as the SEC, free of charge through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this prospectus.

OUR GENERAL PARTNER S RIGHT TO RECEIVE DISTRIBUTIONS

2.0% general partner interest

Our general partner initially will be entitled to receive 2.0% of our quarterly cash distributions. This 2.0% interest will initially be represented by 1,083,115 general partner units. General partner units are not deemed outstanding units for purposes of voting rights and such units represent a non-voting general partner interest. Our general partner s initial 2.0% interest in these distributions will be reduced if we issue additional units in the future and our general partner does not elect to contribute a proportionate amount of capital to us to maintain its initial 2.0% general partner interest. If and to the extent our general partner elects to contribute sufficient capital to maintain its 2.0% general partner interest, it will be issued the number of general partner units necessary to maintain its 2.0% interest. All references in this prospectus to our general partner s 2.0% general partner interest assume that our general partner will elect to make these additional capital contributions in order to maintain its right to receive 2.0% of our cash distributions.

Incentive distributions

In addition to its 2.0% general partner interest, our general partner holds the incentive distribution rights, which are non-voting limited partner interests that represent the right to receive an increasing

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percentage of quarterly distributions of available cash as higher target distribution levels of cash are achieved. The following table shows how our available cash will be distributed among our unitholders and our general partner as higher target distribution levels are met:

	Total quarterly distribution per unit	Marginal percentage interest in distributions[1]	
		Unitholders	General partner
Minimum Quarterly Distribution	$0.300	98.0%	2.0%
First Target Distribution	up to $0.345	98.0%	2.0%
Second Target Distribution	above $0.345 up to $0.375	85.0%	15.0%
Third Target Distribution	above $0.375 up to $0.450	75.0%	25.0%
Thereafter	above $0.450	50.0%	50.0%

(1) *Assumes that there are no arrearages on common units and that our general partner maintains its 2.0% general partner interest and continues to own the incentive distribution rights.*

For a more detailed description of the incentive distribution rights, please read Provisions of our partnership agreement relating to cash distributions General partner interest and incentive distribution rights.

Our general partner s right to reset the target distribution levels

Our general partner has the right, at any time when there are no subordinated units outstanding and it has received incentive distributions at the highest level to which it is entitled (48%) for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels to higher levels based on our cash distributions at the time of the exercise of the reset election. Following a reset election by our general partner, the minimum quarterly distribution will be reset to an amount equal to the average cash distribution per common unit for the two fiscal quarters immediately preceding the reset election (we refer to such amount as the reset minimum quarterly distribution), and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution. As a result, following a reset, we would distribute all of our available cash for each quarter thereafter as follows (assuming our general partner maintains its 2.0% general partner interest and the ownership of the incentive distribution rights):

Ø *first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unitholder receives a total amount equal to 115% of the reset minimum quarterly distribution for that quarter;

Ø *second*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until each unitholder receives a total amount per unit equal to 125% of the reset minimum quarterly distribution for the quarter;

Ø *third*, 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until each unitholder receives a total amount per unit equal to 150% of the reset minimum quarterly distribution for the quarter; and

Ø *thereafter*, 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

If our general partner elects to reset the target distribution levels, it will be entitled to receive a number of Class B units and general partner units. The Class B units will be entitled to the same cash distributions per unit as our common units and will be convertible into an equal number of common units. The number of Class B units to be issued to our general partner will be equal to that number of common units which would have entitled their holder to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions to our general partner on the incentive distribution rights in the prior two quarters. Our general partner will be issued the number of general partner units necessary to maintain our general partner s interest in us immediately prior to the reset election.

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SUMMARY OF CONFLICTS OF INTEREST AND FIDUCIARY DUTIES

General

Our general partner has a legal duty to manage us in a manner beneficial to holders of our common and subordinated units. This legal duty originates in statutes and judicial decisions and is commonly referred to as a fiduciary duty. However, the officers and directors of our general partner also have fiduciary duties to manage our general partner in a manner beneficial to its owner, Anadarko. Certain of the officers and directors of our general partner are also officers of Anadarko. As a result, conflicts of interest will arise in the future between us and holders of our common and subordinated units, on the one hand, and Anadarko and our general partner, on the other hand. For example, our general partner will be entitled to make determinations that affect the amount of cash distributions we make to the holders of common units, which in turn has an effect on whether our general partner receives incentive cash distributions as discussed above.

Partnership agreement modifications to fiduciary duties

Our partnership agreement limits the liability of, and reduces the fiduciary duties owed by, our general partner to holders of our common and subordinated units. Our partnership agreement also restricts the remedies available to holders of our common and subordinated units for actions that might otherwise constitute a breach of our general partner s fiduciary duties. By purchasing a common unit, the purchaser agrees to be bound by the terms of our partnership agreement, and pursuant to the terms of our partnership agreement, each holder of common units consents to various actions and potential conflicts of interest contemplated in the partnership agreement that might otherwise be considered a breach of fiduciary or other duties under applicable state law.

Anadarko may engage in competition with us

Neither our partnership agreement nor the omnibus agreement between us and Anadarko will prohibit Anadarko from owning assets or engaging in businesses that compete directly or indirectly with us. In addition, Anadarko may acquire, construct or dispose of additional midstream or other assets in the future, without any obligation to offer us the opportunity to acquire or construct any of those assets.

For a more detailed description of the conflicts of interest and the fiduciary duties of our general partner, please read Conflicts of interest and fiduciary duties.

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The offering

Common units offered to the public	18,750,000 common units 21,562,500 common units, if the underwriters exercise in full their option to purchase additional common units
Units outstanding after this offering	26,536,306 common units(1) and 26,536,306 subordinated units, each representing a 49.0% limited partner interest in us. Our general partner will own 1,083,115 general partner units, representing a 2.0% general partner interest in us.
Use of proceeds	We expect to use the gross proceeds of $309.4 million to (i) make a loan of $260.0 million to Anadarko in exchange for a 30-year note bearing interest at a fixed annual rate of 6.5%, (ii) reimburse Anadarko for $14.3 million of capital expenditures it incurred with respect to assets contributed to us, (iii) provide $10.0 million for general partnership purposes and (iv) pay underwriting discounts and a structuring fee totaling approximately $20.1 million and other estimated offering expenses of $5.0 million. The net proceeds from any exercise of the underwriters option to purchase additional common units will be used to reimburse Anadarko for capital expenditures it incurred with respect to the assets contributed to us.
Cash distributions	Our general partner will adopt a cash distribution policy that will require us to pay a minimum quarterly distribution of $0.30 per unit ($1.20 per unit on an annualized basis) to the extent we have sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including payments to our general partner and its affiliates. We refer to this cash as available cash, and it is defined in our partnership agreement included in this prospectus as Appendix A and in the glossary included in this prospectus as Appendix B. Our ability to pay the minimum quarterly distribution is subject to various restrictions and other factors described in more detail under the caption Our cash distribution policy and restrictions on distributions. We will adjust the minimum quarterly distribution payable for the period from the completion of this offering through June 30, 2008, based on the actual length of that period. Our partnership agreement requires that we distribute all of our available cash each quarter in the following manner: Ø *first*, 98.0% to the holders of common units and 2.0% to our general partner, until each common unit has received the minimum quarterly distribution of $0.30 plus any arrearages from prior quarters;

Ø *second*, 98.0% to the holders of subordinated units and 2.0% to our general partner, until each subordinated unit

(1) Excludes common units subject to issuance under our Long-Term Incentive Plan. Please read Management Long-term incentive plan.

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has received the minimum quarterly distribution of $0.30; and

Ø *third*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unit has received a distribution of $0.345.

If cash distributions to our unitholders exceed $0.345 per unit in any quarter, our general partner will receive, in addition to distributions on its 2.0% general partner interest, increasing percentages, up to 48.0%, of the cash we distribute in excess of that amount. We refer to these distributions as incentive distributions. Please read Provisions of our partnership agreement relating to cash distributions.

The amount of pro forma available cash generated during the year ended December 31, 2007 would have been sufficient to allow us to pay the full minimum quarterly distribution ($0.30 per unit per quarter, or $1.20 on an annualized basis) on all of our common and subordinated units for such period. Please read Our cash distribution policy and restrictions on distributions.

We believe that, based on the Statement of Estimated Adjusted EBITDA included under the caption Our cash distribution policy and restrictions on distributions, we will have sufficient cash available for distribution to pay the minimum quarterly distribution of $0.30 per unit on all common and subordinated units and the corresponding distributions on our general partner s 2.0% interest for the four quarters ending March 31, 2009.

Subordinated units	Anadarko will initially indirectly own all of our subordinated units. The principal difference between our common and subordinated units is that in any quarter during the subordination period, holders of the subordinated units are not entitled to receive any distribution until the common units have received the minimum quarterly distribution plus any arrearages in the payment of the minimum quarterly distribution from prior quarters. Subordinated units will not accrue arrearages.
Conversion of subordinated units	The subordination period will end on the first business day after we have earned and paid at least (i) $1.20 (the minimum quarterly distribution on an annualized basis) on each outstanding common and subordinated unit and the corresponding distribution on our general partner s 2.0% interest for each of three consecutive, non-overlapping four quarter periods ending on or after June 30, 2011 or (ii) $0.45 per quarter (150% of the minimum quarterly distribution, which is $1.80 on an annualized basis) on each outstanding common and subordinated unit and the corresponding distributions on our general partner s 2.0% interest for each of four consecutive quarters.

In addition, the subordination period will end upon the removal of our general partner other than for cause if the units

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	held by our general partner and its affiliates are not voted in favor of such removal. When the subordination period ends, all subordinated units will convert into common units on a one-for-one basis, and all common units thereafter will no longer be entitled to arrearages.
General partner s right to reset the target distribution levels	Our general partner has the right, at any time when there are no subordinated units outstanding and it has received incentive distributions at the highest level to which it is entitled (48%) for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on our cash distributions at the time of the exercise of the reset election. Following a reset election by our general partner, the minimum quarterly distribution will be adjusted to equal the reset minimum quarterly distribution, and the target distribution levels will be reset to correspondingly higher levels based on the same percentage increases above the reset minimum quarterly distribution. If our general partner elects to reset the target distribution levels, it will be entitled to receive Class B units and additional general partner units. The Class B units will be entitled to the same cash distributions per unit as our common units and will be convertible into an equal number of common units. The number of Class B units to be issued to our general partner will be equal to that number of common units which would have entitled their holder to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions to our general partner on the incentive distribution rights in the prior two quarters. Our general partner will be issued the number of general partner units necessary to maintain our general partner s interest in us immediately prior to the reset election. Please read Provisions of our partnership agreement relating to cash distributions General partner s right to reset incentive distribution levels.
Issuance of additional units	We can issue an unlimited number of units without the consent of our unitholders. Please read Units eligible for future sale and The partnership agreement Issuance of additional securities.
Limited voting rights	Our general partner will manage and operate us. Unlike the holders of common stock in a corporation, you will have only limited voting rights on matters affecting our business. You will have no right to elect our general partner or its directors on an annual or continuing basis. Our general partner may not be removed except by a vote of the holders of at least 662/3% of the outstanding limited partner units voting together as a single class, including any limited partner units owned by our general partner and its affiliates, including Anadarko. Upon consummation of this offering, Anadarko will own an aggregate of 64.7% of our common and subordinated units. This will give Anadarko the ability to prevent the involuntary

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	removal of our general partner. Please read The partnership agreement Voting rights.
Limited call right	If at any time our general partner and its affiliates own more than 80% of the outstanding common units, our general partner has the right, but not the obligation, to purchase all of the remaining common units at a price that is not less than the then-current market price of the common units.
Eligible Holders and redemption	If our general partner determines that a holder of our common units is not an Eligible Holder, it may elect not to make distributions or allocate income or loss to such holder. Eligible Holders are: Ø U.S. individuals or entities subject to U.S. federal income taxation on the income generated by us; or Ø U.S. entities not subject to U.S. federal income taxation on the income generated by us, so long as all of the entity s owners are domestic individuals or entities subject to such taxation. We have the right, which we may assign to any of our affiliates, but not the obligation, to redeem all of the common units of any holder that is not an Eligible Holder or that has failed to certify or has falsely certified that such holder is an Eligible Holder. The purchase price for such redemption would be equal to the lesser of the holder s purchase price and the then-current market price of the units. The redemption price will be paid in cash or by delivery of a promissory note, as determined by our general partner. Please read The partnership agreement Non-U.S. and non-taxpaying assignees; Redemption.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for distributions for the period ending December 31, 2010, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 30% or less of the cash distributed to you with respect to that period. For example, if you receive an annual distribution of $1.20 per unit, we estimate that your average allocable federal taxable income per year will be no more than $0.36 per unit. Please read Material tax consequences Tax consequences of unit ownership Ratio of taxable income to distributions and Material tax consequences Tax consequences of unit ownership Limitations on deductibility of losses.
Material tax consequences	For a discussion of other material federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, or the U.S., please read Material tax consequences.
Exchange listing	

Our common units have been approved for listing on the New York Stock Exchange, subject to notice of issuance, under the symbol WES.

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Summary historical and pro forma financial and operating data

The following table shows (i) the summary combined historical financial and operating data of our Predecessor, which is comprised of Anadarko Gathering Company LLC and Pinnacle Gas Treating LLC, with MIGC reported as an acquired business of our Predecessor, and (ii) the summary combined pro forma as adjusted financial and operating data of Western Gas Partners, LP (the Partnership), for the periods and as of the dates indicated. The information in the following table should be read together with Management s discussion and analysis of financial condition and results of operations.

Our Predecessor s summary combined historical balance sheet data as of December 31, 2007 and 2006 and summary combined historical statement of income and cash flow data for the years ended December 31, 2007, 2006 and 2005 are derived from the audited historical combined financial statements of our Predecessor included elsewhere in this prospectus. Our Predecessor s summary combined historical balance sheet data as of December 31, 2005 are derived from the audited historical combined financial statements of our Predecessor not included in this prospectus.

The Partnership s summary combined pro forma as adjusted statement of income data for the year ended December 31, 2007 and summary combined pro forma as adjusted balance sheet data as of December 31, 2007 are derived from the unaudited pro forma combined financial statements of the Partnership included elsewhere in this prospectus.

The pro forma adjustments have been prepared as if certain transactions to be effected at the closing of this offering had taken place on December 31, 2007, in the case of the pro forma balance sheet, and on January 1, 2007, in the case of the pro forma statement of operations for the year ended December 31, 2007. These transactions include:

Ø the receipt by the Partnership of gross proceeds of $309.4 million from the issuance and sale of 18,750,000 common units at an initial offering price of $16.50 per unit;

Ø the use of the proceeds from this offering to pay underwriting discounts and a structuring fee totaling approximately $20.1 million and other estimated offering expenses of $5.0 million; and

Ø the use of the remaining $284.3 million of aggregate net proceeds of this offering to (i) make a loan of $260.0 million to Anadarko in exchange for a 30-year note bearing interest at a fixed annual rate of 6.5%, (ii) reimburse Anadarko for $14.3 million of capital expenditures it incurred with respect to assets contributed to us and (iii) provide $10.0 million for general partnership purposes.

The following table includes our Predecessor s historical and our pro forma Adjusted EBITDA, which have not been prepared in accordance with generally accepted accounting principles (GAAP). Adjusted EBITDA is presented because it is helpful to management, industry analysts, investors, lenders and rating agencies and may be used to assess the financial performance and operating results of our fundamental business activities. For a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please read Non-GAAP financial measure below.

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	Predecessor combined			Partnership pro forma as adjusted
	Year ended December 31,			Year ended December 31,
	2007	2006	2005	2007
	(in thousands, except per-unit data)			
Statement of Income Data:				
Total revenues	$ 116,122	$ 81,152	$ 71,650	$ 116,122
Costs and expenses	47,497	39,960	35,720	47,497
Depreciation	23,380	18,009	15,447	23,380
Total operating expenses	70,877	57,969	51,167	70,877
Operating income	45,245	23,183	20,483	45,245
Other expense (income), net		26	(66)	
Interest expense (income), net	8,521	9,631	8,650	(16,757)
Income tax expense (benefit)	12,724	3,814	4,789	(521)
Net income	$ 24,000	$ 9,712	$ 7,110	$ 62,523
General partner interest in net income				1,250
Common unitholders interest in net income				31,844
Subordinated unitholder s interest in net income				29,429
Net income per common unit (basic and diluted)				$ 1.20
Net income per subordinated unit (basic and diluted)				$ 1.11
Balance Sheet Data (at period end):				
Net, property, plant and equipment	$ 363,619	$ 310,871	$ 200,451	$ 363,619
Total assets	376,641	332,228	206,373	644,353
Total partners capital/parent net equity	281,316	238,531	160,585	624,638
Cash Flow Data:				
Net cash provided by (used in):				
Operating activities	55,872	27,323	30,131	
Investing activities	(53,174)	(42,713)	(21,076)	
Financing activities	(3,156)	15,844	(9,067)	
Adjusted EBITDA(1)	68,625	41,192	35,930	68,625
Capital expenditures, net	52,664	42,299	20,841	
Operating Data:				
Affiliate				
Throughput, MMBtu/d	892	820	757	892
Average rate per MMBtu	$ 0.28	$ 0.22	$ 0.21	$ 0.28
Third Party				
Throughput, MMBtu/d	95	72	41	95
Average rate per MMBtu	$ 0.30	$ 0.19	$ 0.16	$ 0.30

Total				
Throughput, MMBtu/d	987	892	798	987
Average rate per MMBtu	$ 0.29	$ 0.21	$ 0.21	$ 0.29

(1) Adjusted EBITDA is defined in Non-GAAP financial measure below.

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NON-GAAP FINANCIAL MEASURE

We define Adjusted EBITDA as net income (loss), plus interest expense, income tax expense and depreciation, less interest income, income tax benefit and other income (expense). We believe that the presentation of Adjusted EBITDA provides information useful to investors in assessing our financial condition and results of operations and that Adjusted EBITDA is a widely accepted financial indicator of a company s ability to incur and service debt, fund capital expenditures and make distributions. Adjusted EBITDA is a supplemental financial measure that management and external users of our combined financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance as compared to other publicly traded partnerships in the midstream energy industry, without regard to financing methods, capital structure or historical cost basis;
- the ability of our assets to generate sufficient cash flow to make distributions to our unitholders; and
- the viability of acquisitions and capital expenditure projects and the returns on investment of various investment opportunities.

The GAAP measures most directly comparable to Adjusted EBITDA are net income and net cash provided by operating activities. Our non-GAAP financial measure of Adjusted EBITDA should not be considered as an alternative to GAAP net income or net cash provided by operating activities. Adjusted EBITDA has important limitations as an analytical tool because it excludes some but not all items that affect net income and net cash provided by operating activities. You should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between Adjusted EBITDA and net income and net cash provided by operating activities, and incorporating this knowledge into its decision-making processes. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating our operating results.

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The following table presents a reconciliation of the non-GAAP financial measure of Adjusted EBITDA to the GAAP financial measures of net income and net cash provided by operating activities on an historical and pro forma as adjusted basis:

	Predecessor combined Year ended December 31,				Partnership pro forma as adjusted Year ended December 31,
	2007	2006	2005	2004	2007
	(in thousands)				
Reconciliation of Adjusted EBITDA to Net Income					
Net income	$ 24,000	$ 9,712	$ 7,110	$ 9,257	$ 62,523
Add:					
Interest expense (income), net	8,521	9,631	8,650	7,146	(16,757)
Income tax expense (benefit)	12,724	3,814	4,789	5,504	(521)
Depreciation	23,380	18,009	15,447	14,841	23,380
Less:					
Other income (expense), net		(26)	66		
Adjusted EBITDA	$ 68,625	$ 41,192	$ 35,930	$ 36,748	$ 68,625
Reconciliation of Adjusted EBITDA to Net Cash Provided by Operating Activities					
Net cash provided by operating activities(1)	$ 55,872	$ 27,323	$ 30,131	$ 31,160	$ 81,274
Interest expense (income)	8,521	9,631	8,650	7,146	(16,757)
Current income tax expense	313				189
Other income (expense)		(26)	66		
Changes in operating working capital:					
Accounts receivable and natural gas imbalances	3,805	(374)	662	(933)	3,805
Accounts payable and accrued expenses	144	4,556	(3,373)	551	144
Other, including changes in non-current assets and liabilities	(30)	30	(74)	(1,176)	(30)
Adjusted EBITDA	$ 68,625	$ 41,192	$ 35,930	$ 36,748	$ 68,625

(1) Reconciliation of reported amounts of net cash provided by operating activities to pro forma amounts for the year ended December 31, 2007:

	Year ended December 31, 2007

Net cash provided by operating activities reported	$	55,872
Adjustments:		
Reported interest expense		8,521
Pro forma interest income		16,900
Pro forma interest expense		(143)
Reported current income tax expense		313(a)
Pro forma current income tax		(189)
Net cash provided by operating activities pro forma	$	81,274

(a) Reported income tax expense	$	12,724
Reported deferred tax expense		12,411
Reported current tax expense	$	313

Risk factors

Limited partner units are inherently different from capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in similar businesses. We urge you to carefully consider the following risk factors together with all of the other information included in this prospectus in evaluating an investment in our common units.

If any of the following risks were to occur, our business, financial condition or results of operations could be materially adversely affected. In that case, we might not be able to pay the minimum quarterly distribution on our common units, the trading price of our common units could decline and you could lose all or part of your investment in us.

RISKS RELATED TO OUR BUSINESS

We are dependent on a single natural gas producer, Anadarko, for almost all of the natural gas that we gather and transport. A material reduction in Anadarko s production gathered or transported by our assets would result in a material decline in our revenues and cash available for distribution.

We rely on Anadarko for virtually all of the natural gas that we gather and transport. For the year ended December 31, 2007, Anadarko accounted for approximately 91% of our natural gas gathering and transportation volumes. We may be unable to negotiate on favorable terms, if at all, extensions or replacements of our contracts to gather, compress, treat and transport Anadarko s production. Furthermore, Anadarko may suffer a decrease in production volumes in the areas serviced by us and is under no contractual obligation to maintain its production dedicated to us. The loss of a significant portion of the natural gas volumes supplied by Anadarko would result in a material decline in our revenues and our cash available for distribution. In addition, Anadarko may determine in the future that drilling activity in other areas of operation is strategically more attractive. A shift in Anadarko s focus away from our areas of operation could result in reduced throughput on our system and a material decline in our revenues.

We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements to our general partner, to enable us to pay the minimum quarterly distribution to holders of our common and subordinated units.

In order to pay the minimum quarterly distribution of $0.30 per unit per quarter, or $1.20 per unit per year, we will require available cash of approximately $16.2 million per quarter, or $65.0 million per year, based on the number of common and subordinated units to be outstanding immediately after completion of this offering. We may not have sufficient available cash from operating surplus each quarter to enable us to pay the minimum quarterly distribution. The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

Ø the prices of, level of production of and demand for natural gas;

Ø the volume of natural gas we gather, compress, treat and transport;

Ø the volumes and prices of condensate that we retain and sell;

Ø demand charges and volumetric fees associated with our transportation services;

Ø the level of competition from other midstream energy companies;

- the level of our operating and maintenance and general and administrative costs;

Risk factors

- Ø regulatory action affecting the supply of or demand for natural gas, the rates we can charge, how we contract for services, our existing contracts, our operating costs or our operating flexibility; and
- Ø prevailing economic conditions.

In addition, the actual amount of cash we will have available for distribution will depend on other factors, some of which are beyond our control, including:

- Ø the level of capital expenditures we make;
- Ø the cost of acquisitions;
- Ø our debt service requirements and other liabilities;
- Ø fluctuations in our working capital needs;
- Ø our ability to borrow funds and access capital markets;
- Ø restrictions contained in debt agreements to which we are a party; and
- Ø the amount of cash reserves established by our general partner.

For a description of additional restrictions and factors that may affect our ability to make cash distributions, please read Our cash distribution policy and restrictions on distributions.

The amount of cash we have available for distribution to holders of our common and subordinated units depends primarily on our cash flow rather than on our profitability, which may prevent us from making distributions, even during periods in which we record net income.

The amount of cash we have available for distribution depends primarily upon our cash flow and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions during periods when we record losses for financial accounting purposes and may not make cash distributions during periods when we record net earnings for financial accounting purposes.

The amount of available cash we need to pay the minimum quarterly distribution on all of our units to be outstanding immediately after this offering and the corresponding distribution on our general partner s 2.0% interest for four quarters is approximately $65.0 million. The amounts of pro forma available cash generated during the year ended December 31, 2007 would have been sufficient to allow us to pay the full minimum quarterly distribution on all of our common and subordinated units for such periods. For a calculation of our ability to make distributions to unitholders based on our pro forma results for 2007, please read Our cash distribution policy and restrictions on distributions.

The assumptions underlying the forecast of cash available for distribution that we include in Our cash distribution policy and restrictions on distributions are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted.

The forecast of cash available for distribution set forth in Our cash distribution policy and restrictions on distributions includes our forecasted results of operations, Adjusted EBITDA and cash available for distribution for the twelve months ending March 31, 2009. The financial forecast has been prepared by management, and we have not received an opinion or report on it from our or any other independent auditor. The assumptions underlying the forecast are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted. If we do not achieve the forecasted results, we may not be able to pay the full minimum quarterly distribution or any amount on our common or subordinated units, in which event the market price of our common units may decline materially.

Risk factors

Because of the natural decline in production from existing wells, our success depends on our ability to obtain new sources of natural gas, which is dependent on certain factors beyond our control. Any decrease in the volumes of natural gas that we gather and transport could adversely affect our business and operating results.

The volumes that support our business are dependent on the level of production from natural gas wells connected to our gathering systems, the production of which will naturally decline over time. As a result, our cash flows associated with these wells will also decline over time. In order to maintain or increase throughput levels on our gathering systems, we must obtain new sources of natural gas. The primary factors affecting our ability to obtain non-dedicated sources of natural gas include (i) the level of successful drilling activity near our systems and (ii) our ability to compete for volumes from successful new wells.

While Anadarko has dedicated production from certain of its properties to us, we have no control over the level of drilling activity in our areas of operation, the amount of reserves associated with wells connected to our gathering systems or the rate at which production from a well declines. In addition, we have no control over Anadarko or other producers or their drilling or production decisions, which are affected by, among other things, the availability and cost of capital, prevailing and projected energy prices, demand for hydrocarbons, levels of reserves, geological considerations, governmental regulations, the availability of drilling rigs and other production and development costs. Fluctuations in energy prices can also greatly affect investments by Anadarko and third parties in the development of new natural gas reserves. Declines in natural gas prices could have a negative impact on exploration, development and production activity, and if sustained, could lead to a material decrease in such activity. Sustained reductions in exploration or production activity in our areas of operation would lead to reduced utilization of our gathering and treating assets.

Because of these factors, even if new natural gas reserves are known to exist in areas served by our assets, producers may choose not to develop those reserves. Moreover, Anadarko may not develop the acreage it has dedicated to us. If competition or reductions in drilling activity result in our inability to maintain the current levels of throughput on our systems, it could reduce our revenue and impair our ability to make cash distributions to our unitholders.

We typically do not obtain independent evaluations of natural gas reserves connected to our gathering and transportation systems; therefore, in the future, volumes of natural gas on our systems could be less than we anticipate.

We typically do not obtain independent evaluations of natural gas reserves connected to our systems. Accordingly, we do not have independent estimates of total reserves dedicated to our systems or the anticipated life of such reserves. If the total reserves or estimated life of the reserves connected to our gathering systems are less than we anticipate and we are unable to secure additional sources of natural gas, it could have a material adverse effect on our business, results of operations, financial condition and our ability to make cash distributions to you.

Lower natural gas and oil prices could adversely affect our business.

Lower natural gas and oil prices could impact natural gas and oil exploration and production activity levels and result in a decline in the production of natural gas and condensate, resulting in reduced throughput on our systems. Any such decline may cause our current or potential customers to delay drilling or shut in production. In addition, such a decline would reduce the amount of condensate we retain and sell. As a result, lower natural gas prices could have an adverse effect on our business, results of operations, financial condition and our ability to make cash distributions to you.

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Risk factors

In general terms, the prices of natural gas, oil, condensate, NGLs and other hydrocarbon products fluctuate in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond our control. These factors include:

Ø worldwide economic conditions;

Ø weather conditions and seasonal trends;

Ø the levels of domestic production and consumer demand;

Ø the availability of imported liquified natural gas, or LNG;

Ø the availability of transportation systems with adequate capacity;

Ø the volatility and uncertainty of regional pricing differentials such as in the Mid-Continent;

Ø the price and availability of alternative fuels;

Ø the effect of energy conservation measures;

Ø the nature and extent of governmental regulation and taxation; and

Ø the anticipated future prices of natural gas, LNG and other commodities.

Our industry is highly competitive, and increased competitive pressure could adversely affect our business and operating results.

We compete with similar enterprises in our areas of operation. Our competitors may expand or construct gathering, compression, treating or transportation systems that would create additional competition for the services we provide to our customers. In addition, our customers, including Anadarko, may develop their own gathering, compression, treating or transportation systems in lieu of using ours. Our ability to renew or replace existing contracts with our customers at rates sufficient to maintain current revenues and cash flow could be adversely affected by the activities of our competitors and our customers. All of these competitive pressures could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions to you.

Our operating income could be affected by a change in oil prices relative to the price of natural gas.

Under our gathering agreements, we retain and sell condensate, which falls out of the natural gas stream during the gathering process, and compensate shippers with a thermally equivalent volume of natural gas. Condensate sales comprised approximately 9% of our gathering system revenues for the year ended December 31, 2007. The price we receive for our condensate is generally tied to the market price of oil. The relationship between natural gas prices and oil prices therefore affects the margin on our condensate sales. When natural gas prices are high relative to oil prices, the profit margin we realize on our condensate sales is low due to the higher value of natural gas. Correspondingly, when natural gas prices are low relative to oil prices, the profit margin is high.

If third-party pipelines or other facilities interconnected to our gathering or transportation systems become partially or fully unavailable, or if the volumes we gather or transport do not meet the natural gas quality requirements of such pipelines or facilities, our revenues and cash available for distribution could be adversely affected.

Our natural gas gathering and transportation systems connect to other pipelines or facilities, the majority of which are owned by third parties. The continuing operation of such third-party pipelines or facilities is not within our control. If any of these pipelines or facilities becomes unable to transport natural gas, or if the volumes we gather or transport do not meet the natural gas quality requirements of such pipelines or facilities, our revenues and cash available for distribution could be adversely affected.

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Risk factors

Our interstate natural gas transportation operations are subject to regulation by FERC, which could have an adverse impact on our ability to establish transportation rates that would allow us to earn a reasonable return on our investment, or even recover the full cost of operating our pipeline, thereby adversely impacting our ability to make distributions to you.

MIGC, our interstate natural gas transportation system, is subject to regulation by the Federal Energy Regulatory Commission, or FERC, under the Natural Gas Act of 1938, or the NGA, and the Energy Policy Act of 2005, or the EPAct 2005.

Under the NGA, FERC has the authority to regulate natural gas companies that provide natural gas pipeline transportation services in interstate commerce. Federal regulation extends to such matters as:

Ø rates, services and terms and conditions of service;

Ø the types of services MIGC may offer to its customers;

Ø the certification and construction of new facilities;

Ø the acquisition, extension, disposition or abandonment of facilities;

Ø the maintenance of accounts and records;

Ø relationships between affiliated companies involved in certain aspects of the natural gas business;

Ø the initiation and discontinuation of services;

Ø market manipulation in connection with interstate sales, purchases or transportation of natural gas; and

Ø participation by interstate pipelines in cash management arrangements.

Natural gas companies are prohibited from charging rates that have been determined to be not just and reasonable by FERC. In addition, FERC prohibits natural gas companies from unduly preferring or unreasonably discriminating against any person with respect to pipeline rates or terms and conditions of service.

The rates and terms and conditions for our interstate pipeline services are set forth in a FERC-approved tariff. Pursuant to FERC s jurisdiction over rates, existing rates may be challenged by complaint and proposed rate increases may be challenged by protest. Any successful complaint or protest against our rates could have an adverse impact on our revenues associated with providing transportation service.

Should we fail to comply with all applicable FERC-administered statutes, rules, regulations and orders, we could be subject to substantial penalties and fines. Under the EPAct 2005, FERC has civil penalty authority under the NGA to impose penalties for current violations of up to $1,000,000 per day for each violation. FERC also has the power to order disgorgement of profits from transactions deemed to violate the NGA and EPAct 2005.

A change in the jurisdictional characterization of some of our assets by federal, state or local regulatory agencies or a change in policy by those agencies could result in increased regulation of our assets, which could cause our revenues to decline and operating expenses to increase.

Section 1(b) of the NGA exempts natural gas gathering facilities from the jurisdiction of FERC. We believe that our natural gas pipelines, other than MIGC, meet the traditional tests FERC has used to determine if a pipeline is a gathering pipeline and is, therefore, not subject to FERC jurisdiction. The distinction between FERC-regulated transmission services and federally unregulated gathering services is the subject of substantial ongoing litigation and, over time, FERC policy concerning where to draw the line between activities it regulates and activities excluded from its regulation has changed. The classification and regulation of our gathering facilities are subject to change based on future determinations by FERC, the courts or Congress. State regulation of gathering facilities generally includes various safety, environmental and, in some circumstances, nondiscriminatory take requirements

Risk factors

and complaint-based rate regulation. In recent years, FERC has taken a more light-handed approach to regulation of the gathering activities of interstate pipeline transmission companies, which has resulted in a number of such companies transferring gathering facilities to unregulated affiliates. As a result of these activities, natural gas gathering may begin to receive greater regulatory scrutiny at both the state and federal levels.

FERC regulation of MIGC, including the outcome of certain FERC proceedings on the appropriate treatment of tax allowances included in regulated rates and the appropriate return on equity, may reduce our transportation revenues, affect our ability to include certain costs in regulated rates and increase our costs of operations, and thus adversely affect our cash available for distribution.

FERC has pending certain proceedings concerning the appropriate allowance for income taxes that may be included in cost-based rates for FERC regulated pipelines owned by publicly traded partnerships that do not directly pay federal income tax. FERC issued a policy permitting such tax allowances in 2005. FERC s policy and its initial application in a specific case were upheld on appeal by the D.C. Circuit in May of 2007 and the D.C. Circuit s decision is final. In December 2006, FERC issued another order addressing the income tax allowance in rates, in which it reaffirmed prior statements regarding its income tax allowance policy, but raised a new issue regarding the implication of the policy statement for publicly traded partnerships. FERC noted that the tax deferral features of a publicly traded partnership may cause some investors to receive, for some indeterminate duration, cash distributions in excess of their taxable income, creating an opportunity for those investors to earn an additional return, funded by ratepayers. Responding to this concern, FERC adjusted the equity rate of return of the pipeline at issue downward based on the percentage by which the publicly traded partnership s cash flow exceeded taxable income. Rehearing is currently pending before FERC.

FERC also has pending a proceeding on the appropriate composition of proxy groups for purposes of determining natural gas and oil pipeline equity returns to be included in cost-of-service based rates. In a policy statement issued July 19, 2007, FERC proposed to permit inclusion of publicly traded partnerships in the proxy group analysis relating to return on equity determinations in rate proceedings, provided that the analysis be limited to actual publicly traded partnership distributions capped at the level of the pipeline s earnings and that evidence be provided in the form of a multiyear analysis of past earnings demonstrating a publicly traded partnership s ability to provide stable earnings over time. In November 2007, the FERC requested additional comments and announced a technical conference regarding the method to be used for creating growth forecasts for publicly traded partnerships.

The ultimate outcome of these proceedings is not certain and may result in new policies being established at FERC that would limit the amount of income tax allowance permitted to be recovered in regulated rates or disallow the full use of distributions to unitholders by pipeline publicly traded partnerships in any proxy group comparisons used to determine return on equity in future rate proceedings. Any such policy developments may adversely affect the ability of MIGC to achieve a reasonable level of return or impose limits on its ability to include a full income tax allowance in cost of service, and therefore could adversely affect our cash available for distribution.

We are subject to stringent environmental laws and regulations that may expose us to significant costs and liabilities.

Our natural gas gathering, compression, treating and transportation operations are subject to stringent and complex federal, state and local environmental laws and regulations that govern the discharge of materials into the environment or otherwise relate to environmental protection. Examples of these laws include:

- the federal Clean Air Act and analogous state laws that impose obligations related to air emissions;

Risk factors

- Ø the federal Comprehensive Environmental Response, Compensation and Liability Act, also known as CERCLA or the Superfund law, and analogous state laws that regulate the cleanup of hazardous substances that may be or have been released at properties currently or previously owned or operated by us or at locations to which our wastes are or have been transported for disposal;
- Ø the federal Water Pollution Control Act, also known as the Clean Water Act, and analogous state laws that regulate discharges from our facilities into state and federal waters, including wetlands;
- Ø the federal Resource Conservation and Recovery Act, also known as RCRA, and analogous state laws that impose requirements for the storage, treatment and disposal of solid and hazardous waste from our facilities; and
- Ø the Toxic Substances Control Act, also known as TSCA, and analogous state laws that impose requirements on the use, storage and disposal of various chemicals and chemical substances at our facilities.

These laws and regulations may impose numerous obligations that are applicable to our operations, including the acquisition of permits to conduct regulated activities, the incurrence of capital expenditures to limit or prevent releases of materials from our pipelines and facilities, and the imposition of substantial liabilities for pollution resulting from our operations. Numerous governmental authorities, such as the U.S. Environmental Protection Agency, or the EPA, and analogous state agencies, have the power to enforce compliance with these laws and regulations and the permits issued under them, oftentimes requiring difficult and costly corrective actions. Failure to comply with these laws, regulations and permits may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations and the issuance of injunctions limiting or preventing some or all of our operations.

There is an inherent risk of incurring significant environmental costs and liabilities in connection with our operations due to historical industry operations and waste disposal practices, our handling of hydrocarbon wastes and potential emissions and discharges related to our operations. Joint and several, strict liability may be incurred, without regard to fault, under certain of these environmental laws and regulations in connection with discharges or releases of hydrocarbon wastes on, under or from our properties and facilities, many of which have been used for midstream activities for a number of years, oftentimes by third parties not under our control. Private parties, including the owners of the properties through which our gathering or transportation systems pass and facilities where our wastes are taken for reclamation or disposal, may also have the right to pursue legal actions to enforce compliance as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property damage. In addition, changes in environmental laws and regulations occur frequently, and any such changes that result in more stringent and costly waste handling, storage, transport, disposal or remediation requirements could have a material adverse effect on our operations or financial position. We may not be able to recover all or any of these costs from insurance. Please read Business Environmental matters for more information.

Our construction of new assets may not result in revenue increases and will be subject to regulatory, environmental, political, legal and economic risks, which could adversely affect our results of operations and financial condition.

One of the ways we intend to grow our business is through the construction of new midstream assets. The construction of additions or modifications to our existing systems and the construction of new midstream assets involve numerous regulatory, environmental, political and legal uncertainties that are beyond our control. Such expansion projects may also require the expenditure of significant amounts of capital, and financing may not be available on economically acceptable terms or at all. If we undertake these projects, they may not be completed on schedule, at the budgeted cost, or at all. Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, if we expand a pipeline, the construction may occur over an extended period of time, yet we will not receive any material increases in revenues until the project is completed. Moreover, we could construct facilities to capture anticipated future growth in production in a region in which such growth does not materialize. Since we are not engaged in the exploration for and development of natural gas and oil reserves, we often do not have access to third-party estimates of potential reserves in an area prior to constructing facilities in that area. To the extent we rely on estimates of future production in our decision to construct additions to our systems, such estimates may prove to be inaccurate as a result of the numerous uncertainties inherent in estimating quantities of future production. As a result, new facilities may not be able to attract enough throughput to achieve our expected investment return, which could adversely affect our results of operations and financial condition. In addition, the construction of additions to our existing gathering and transportation assets may require us to obtain new rights-of-way. We may be unable to obtain such rights-of-way and may, therefore, be unable to connect new natural gas volumes to our systems or capitalize on other attractive expansion opportunities. Additionally, it may become more expensive for us to obtain new rights-of-way or to renew existing rights-of-way. If the cost of renewing or obtaining new rights-of-way increases, our cash flows could be adversely affected.

If Anadarko were to limit divestitures of midstream assets to us or if we were to be unable to make acquisitions on economically acceptable terms from Anadarko or third parties, our future growth would be limited, and the acquisitions we do make may reduce, rather than increase, our cash generated from operations on a per unit basis.

Our ability to grow depends, in part, on our ability to make acquisitions that increase our cash generated from operations on a per unit basis. The acquisition component of our strategy is based, in large part, on our expectation of ongoing divestitures of midstream energy assets by industry participants, including, most notably, Anadarko. A material decrease in such divestitures would limit our opportunities for future acquisitions and could adversely affect our ability to grow our operations and increase our distributions to our unitholders.

On December 27, 2007, Anadarko announced a $2.2 billion financing of its midstream assets, the proceeds of which were used to further reduce Anadarko s acquisition indebtedness. To facilitate the transaction, Anadarko formed a subsidiary, WGR Asset Holding Company LLC, or WGRAH, that owns or has rights to substantially all of Anadarko s midstream assets (including the assets to be contributed to us in connection with this offering). WGRAH received a $2.2 billion loan from an entity owned by Anadarko and a group of third-party investors pursuant to a loan agreement that has an initial term of five years and contains various affirmative and negative covenants. One of the covenants requires WGRAH to reduce its debt to EBITDA ratio incrementally over the life of the loan. Although WGRAH may elect to satisfy its obligations under the financing by divesting its midstream assets over time, these divestitures may be made to third parties rather than to us. This financing could reduce the willingness of Anadarko to contribute assets to us for non-cash consideration.

If we are unable to make accretive acquisitions from Anadarko or third parties, either because we are (i) unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts, (ii) unable to obtain financing for these acquisitions on economically acceptable terms or (iii) outbid by competitors, then our future growth and ability to increase distributions will be limited. Furthermore, even if we do make acquisitions that we believe will be accretive, these acquisitions may nevertheless result in a decrease in the cash generated from operations on a per unit basis.

Any acquisition involves potential risks, including, among other things:

Ø mistaken assumptions about volumes, revenues and costs, including synergies;

Ø an inability to successfully integrate the assets or businesses we acquire;

Ø the assumption of unknown liabilities;

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- limitations on rights to indemnity from the seller;
- mistaken assumptions about the overall costs of equity or debt;
- the diversion of management s and employees attention from other business concerns;
- unforeseen difficulties operating in new geographic areas; and
- customer or key employee losses at the acquired businesses.

If we consummate any future acquisitions, our capitalization and results of operations may change significantly, and you will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of these funds and other resources.

We do not own all of the land on which our pipelines and facilities are located, which could result in disruptions to our operations.

We do not own all of the land on which our pipelines and facilities have been constructed, and we are, therefore, subject to the possibility of more onerous terms and/or increased costs to retain necessary land use if we do not have valid rights-of-way or if such rights-of-way lapse or terminate. We obtain the rights to construct and operate our pipelines on land owned by third parties and governmental agencies for a specific period of time. Our loss of these rights, through our inability to renew right-of-way contracts or otherwise, could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions to you.

Our business involves many hazards and operational risks, some of which may not be fully covered by insurance. If a significant accident or event occurs for which we are not fully insured, our operations and financial results could be adversely affected.

Our operations are subject to all of the risks and hazards inherent in the gathering, compressing, treating and transportation of natural gas, including:

- damage to pipelines and plants, related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters and acts of terrorism;
- inadvertent damage from construction, farm and utility equipment;
- leaks of natural gas and other hydrocarbons or losses of natural gas as a result of the malfunction of equipment or facilities;
- leaks of natural gas containing hazardous quantities of hydrogen sulfide from our Pinnacle gathering system or Bethel treating facility;
- fires and explosions; and
- other hazards that could also result in personal injury and loss of life, pollution and suspension of operations.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage. These risks may also result in curtailment or suspension of our operations. A natural disaster or other hazard affecting the areas in which we operate could have a material adverse effect on our operations. We are not fully insured against all risks inherent in our business. For example, we do not have any property insurance on any of our underground pipeline systems that would cover damage to the pipelines. In addition, although we are insured for environmental pollution resulting from environmental accidents that occur on a sudden and accidental basis, we may not be insured against all environmental accidents that might incur, some of which may result in toxic tort claims. If a significant accident or event occurs for which we are not fully insured, it could adversely affect our operations and financial condition. Furthermore, we may not be able to maintain or obtain insurance of the type and amount we desire at

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reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies may substantially increase. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. Additionally, we may be unable to recover from prior owners of our assets, pursuant to our indemnification rights, for potential environmental liabilities.

We are exposed to the credit risk of Anadarko, and any material non-payment or non-performance by Anadarko, including with respect to our gathering and transportation agreements and our $260.0 million note receivable, could reduce our ability to make distributions to our unitholders.

We are dependent on Anadarko for the majority of our revenues. In addition, we anticipate using the proceeds of this offering to make a loan to Anadarko. Consequently, we are subject to the risk of non-payment or non-performance by Anadarko, including with respect to our gathering and transportation agreements and our $260.0 million note receivable. Any such non-payment or non-performance could reduce our ability to make distributions to our unitholders. Furthermore, Anadarko is subject to its own financial, operating and regulatory risks, which could increase the risk of default on its obligations to us. We cannot predict the extent to which Anadarko s business would be impacted if conditions in the energy industry were to deteriorate nor can we estimate the impact such conditions would have on Anadarko s ability to perform under our gathering and transportation agreements or note receivable. Further, unless and until we receive full repayment of the $260.0 million note from Anadarko, we will be subject to the risk of non-payment or late payment of the interest payments and principal of the note. Interest income on the note receivable from Anadarko will be allocated in accordance with the general profit and loss allocation provisions included in our partnership agreement. Accordingly, any material non-payment or non-performance by Anadarko could reduce our ability to make distributions to our unitholders.

Anadarko s credit facility and other debt instruments contain financial and operating restrictions that may limit our access to credit. In addition, our ability to obtain credit in the future may be affected by Anadarko s credit rating.

We have the ability to incur up to $100 million of indebtedness under Anadarko s $1.3 billion credit facility. However, this $100 million of borrowing capacity will be available to us only to the extent that sufficient amounts remain unborrowed by Anadarko. As a result, borrowings by Anadarko could restrict our access to credit. In addition, if we or Anadarko were to fail to comply with the terms of this credit facility, we could be unable to make any borrowings under Anadarko s credit facility, even if capacity were otherwise available. As a result, the restrictions in Anadarko s credit facility could adversely affect our ability to finance our future operations or capital needs or to engage in, expand or pursue our business activities, and could also prevent us from engaging in certain transactions that might otherwise be considered beneficial to us.

Anadarko s and our ability to comply with the terms of its and our respective debt instruments may be affected by events beyond its and our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, Anadarko s and our ability to comply with the terms of its and our respective debt instruments may be impaired. We and Anadarko are subject to covenants, and Anadarko is subject to a debt-to-capitalization ratio, under Anadarko s credit facility. Should we or Anadarko fail to comply with any covenants under Anadarko s credit facility, we could be unable to make any borrowings under Anadarko s credit facility. Additionally, a default by Anadarko under one of its debt instruments may cause a cross-default under Anadarko s other debt instruments, including the credit facility under which we are a co-borrower. Accordingly, a breach by Anadarko of certain of the covenants or ratios in another debt instrument could cause the acceleration of any indebtedness we have outstanding under the credit facility. In the event of an acceleration, we

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