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

FORM 10-Q/A

(Amendment No. 1)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 1-35365

ROSE ROCK MIDSTREAM, L.P.

(Exact name of registrant as specified in its charter)

Delaware	**45-2934823**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification Number)**

Two Warren Place
6120 S. Yale Avenue, Suite 700
Tulsa, OK 74136-4216
(Address of principal executive offices and zip code)

(918) 524-7700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files): **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	**Accelerated filer**	☐
Non-accelerated filer	☐	**Smaller reporting company**	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): **Yes** ☐ **No** ☒

At July 31, 2016 , there were 36,837,758 common units outstanding.

Explanatory Note

This Amendment No. 1 ("Amendment No. 1") to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, filed with the Securities and Exchange Commission (the "SEC") on August 5, 2016 (the "Original Form 10-Q" and, as amended by Amendment No. 1, the “Form 10-Q”), is being filed for the purpose of updating Exhibit 31.1. The originally filed Exhibit 31.1 included a clerical error incorrectly identifying the filing entity.

Except as expressly noted above, this Amendment No. 1 speaks as of the original filing date of the Original Form 10-Q, does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the Original Form 10-Q.

Rose Rock Midstream, L.P.

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Cautionary Note Regarding Forward-Looking Statements

Certain matters contained in this Form 10-Q include "forward-looking statements". All statements, other than statements of historical fact, included in this Form 10-Q regarding the prospects of our industry, our anticipated financial performance, management's plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions, and other matters, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as "may," "expect," "intend," "estimate," "foresee," "project," "anticipate," "believe," "plans," "forecasts," "continue" or "could" or the negative of these terms or variations of them or similar terms. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause actual results to differ include, but are not limited to, those discussed in Item 1A of our most recent Annual Report on Form 10-K, entitled "Risk Factors," risk factors discussed in other reports and documents that we file with the Securities and Exchange Commission (the "SEC") and the following:

- The closing and expected timing of the proposed transaction pursuant to which SemGroup Corporation will acquire all of our outstanding common units not already owned by SemGroup;
- Insufficient cash from operations following the establishment of cash reserves and payment of fees and expenses to pay current, expected or minimum quarterly distributions;
- Any sustained reduction in demand for, or supply of, crude oil in markets served by our midstream assets;
- The effect of our debt level on our future financial and operating flexibility, including our ability to obtain additional capital on terms that are favorable to us;
- Our ability to access the debt and equity markets, which will depend on general market conditions and the credit ratings for our debt obligations and equity;
- The loss of, or a material nonpayment or nonperformance by, any of our key customers;
- Our ability to renew or replace expiring storage, transportation and related contracts;
- The amount of cash distributions, capital requirements, and performance of our investments and joint ventures;
- The amount of collateral required to be posted from time to time in our purchase, sale or derivative transactions;
- The impact of operational and developmental hazards and unforeseen interruptions;
- Our ability to obtain new sources of supply of crude oil;
- Competition from other midstream energy companies;
- Our ability to comply with the covenants contained in our credit facility and the indentures governing our senior notes, including requirements under our credit facility to maintain certain financial ratios;
- The overall forward market for crude oil;
- The possibility that our hedging activities may result in losses or may have a negative impact on our financial results;
- Weather and other natural phenomena, including climate conditions;
- A cyber attack involving our information systems and related infrastructure, or that of our business associates;
- Costs of, or changes in, laws and regulations and our failure to comply with new or existing laws or regulations, particularly with regard to taxes, safety and protection of the environment;
- The possibility that the construction or acquisition of new assets may not result in the corresponding anticipated revenue increases; and
- General economic, market and business conditions.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking statement.

Readers are cautioned not to place undue reliance on any forward-looking statements contained in this Form 10-Q, which reflect management’s opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements.

Investors and others should note that we announce material company information using our investor relations website (www.rrmidstream.com), SEC filings, press releases, public conference calls and webcasts. We use these channels, as well as social media, to communicate with our investors and the public about our company, our businesses and our results of operations. The information we post on social media could be deemed to be material information. Therefore, we encourage investors, the media and others interested in our company to review the information we post on the social media channels listed on our investor relations website.

As used in this Form 10-Q, and unless the context indicates otherwise, the term(s) (i) the "Partnership," "Rose Rock," "we," "our," "us" or like terms, refer to Rose Rock Midstream, L.P., its subsidiaries and its predecessor; (ii) "SemGroup" refers to SemGroup Corporation (NYSE: SEMG), and its subsidiaries and affiliates, other than our general partner and us; (iii) "Rose Rock GP" or our "general partner" refer to Rose Rock Midstream GP, LLC; and (iv) "unitholders" refer to our common and subordinated unitholders, and not our general partner.

PART 1. FINANCIAL INFORMATION
Item 1. *Financial Statements*

ROSE ROCK MIDSTREAM, L.P.
Condensed Consolidated Balance Sheets
(In thousands, except unit amounts)

	(Unaudited) June 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,909	$ 9,059
Accounts receivable (net of allowance of $295 and $257, respectively)	319,893	240,606
Receivable from affiliates	9,197	5,944
Inventories	76,343	59,121
Other current assets	8,192	4,884
Total current assets	421,534	319,614
Property, plant and equipment (net of accumulated depreciation of $138,498 and $123,394, respectively)	443,327	441,596
Equity method investments	427,961	438,291
Goodwill	26,628	26,628
Other intangible assets (net of accumulated amortization of $2,384 and $1,443, respectively)	14,626	15,567
Other noncurrent assets, net	3,352	3,894
Total assets	$ 1,337,428	$ 1,245,590
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 310,685	$ 243,548
Payable to affiliates	18,924	12,995
Accrued liabilities	23,030	22,240
Other current liabilities	3,609	4,246
Total current liabilities	356,248	283,029
Long-term debt, net	774,488	732,356
Commitments and contingencies (Note 7)		
Partners' capital:		
Common units – public (16,133,340 and 16,094,260 units issued and outstanding, respectively)	71,083	80,829
Common units – SemGroup (20,704,418 units issued and outstanding)	126,182	139,470
General partner	9,427	9,906
Total partners' capital	206,692	230,205
Total liabilities and partners' capital	$ 1,337,428	$ 1,245,590

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

ROSE ROCK MIDSTREAM, L.P.
Unaudited Condensed Consolidated Statements of Income
(In thousands, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues, including revenues from affiliates (Note 10):				
Product	$ 143,201	$ 193,525	$ 319,823	$ 300,092
Service	25,943	29,778	53,272	57,904
Total revenues	169,144	223,303	373,095	357,996
Expenses, including expenses from affiliates (Note 10):				
Costs of products sold, exclusive of depreciation and amortization	128,763	173,133	280,154	269,370
Operating	19,726	23,678	41,133	44,477
General and administrative	5,428	6,329	10,328	11,949
Depreciation and amortization	8,235	10,608	16,128	20,751
Loss (gain) on disposal of long-lived assets, net	1,714	(22)	2,008	130
Total expenses	163,866	213,726	349,751	346,677
Earnings from equity method investments	17,078	17,683	37,917	38,547
Operating income	22,356	27,260	61,261	49,866
Other expenses (income), net:				
Interest expense	12,434	10,197	24,871	18,203
Other income	—	(5)	—	(5)
Total other expenses, net	12,434	10,192	24,871	18,198
Net income	$ 9,922	$ 17,068	$ 36,390	$ 31,668
Net income allocated to general partner	$ 5,537	$ 5,323	$ 11,405	$ 10,065
Net income allocated to common unitholders	$ 4,385	$ 11,745	$ 24,985	$ 21,603
Net income per limited partner unit:				
Common unit (basic)	$ 0.12	$ 0.32	$ 0.68	$ 0.60
Common unit (diluted)	$ 0.12	$ 0.32	$ 0.68	$ 0.60
Basic weighted average number of limited partner units outstanding:				
Common units	36,838	36,790	36,823	35,803
Diluted weighted average number of limited partner units outstanding:				
Common units	36,915	36,839	36,873	35,849

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

ROSE ROCK MIDSTREAM, L.P.
Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30,	
	2016	2015
Cash flows from operating activities:		
Net income	$ 36,390	$ 31,668
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,128	20,751
Loss on disposal of long-lived assets, net	2,008	130
Amortization of debt issuance costs	1,659	1,210
Provision for uncollectible accounts receivable	38	—
Inventory valuation adjustment	—	1,235
Non-cash equity compensation	731	655
Net unrealized loss (gain) related to derivative instruments	(71)	1,116
Earnings from equity method investments	(37,917)	(38,547)
Cash distributions from equity method investments	37,917	38,547
Changes in assets and liabilities, net of the effects of acquisitions:		
Decrease (increase) in accounts receivable	(79,325)	(26,359)
Decrease (increase) in receivable from affiliates	(3,253)	(2,128)
Decrease (increase) in inventories	(17,222)	(41,844)
Decrease (increase) in other current assets	(3,285)	(1,407)
Increase (decrease) in accounts payable and accrued liabilities	68,883	31,161
Increase (decrease) in payable to affiliates	5,929	3,683
Net cash provided by operating activities	28,610	19,871
Cash flows from investing activities:		
Capital expenditures	(20,390)	(36,262)
Proceeds from sale of long-lived assets	15	126
Contributions to equity method investments	(3,448)	(23,462)
Acquisitions	—	(205,071)
Distributions from equity investments in excess of equity in earnings	13,778	13,077
Net cash used in investing activities	(10,045)	(251,592)
Cash flows from financing activities:		
Debt issuance costs	—	(5,688)
Borrowings on revolving credit facility and issuance of senior secured notes, net of discount	165,500	676,208
Principal payments on revolving credit facility	(124,500)	(364,000)
Principal payments on capital lease obligations	(15)	(24)
Proceeds from common L.P. unit issuance, net of offering costs	—	89,119
Cash consideration in excess of historical cost of acquisitions from SemGroup	—	(46,264)
Cash distributions to partners	(60,700)	(53,153)
Net cash provided by (used in) financing activities	(19,715)	296,198
Net increase (decrease) in cash and cash equivalents	(1,150)	64,477
Cash and cash equivalents at beginning of period	9,059	3,625
Cash and cash equivalents at end of period	$ 7,909	$ 68,102

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

ROSE ROCK MIDSTREAM, L.P.
Notes to Unaudited Condensed Consolidated Financial Statements

1. OVERVIEW

Rose Rock Midstream, L.P. is a Delaware limited partnership. The general partner of Rose Rock Midstream, L.P. is Rose Rock Midstream GP, LLC, which is a wholly-owned subsidiary of SemGroup Corporation. SemGroup Corporation is a Delaware corporation headquartered in Tulsa, Oklahoma that provides diversified midstream services to the energy industry.

The terms "we," "our," "us," "Rose Rock," the "Partnership" and similar language used in these notes to the unaudited condensed consolidated financial statements refer to Rose Rock Midstream, L.P, and its subsidiaries. The term "SemGroup" refers to SemGroup Corporation and its controlled subsidiaries, including Rose Rock Midstream GP, LLC.

Basis of presentation

These condensed consolidated financial statements include the accounts of Rose Rock Midstream, L.P. and its controlled subsidiaries.

The condensed consolidated balance sheet at December 31, 2015 , which is derived from audited financial statements and the unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and the rules and regulations of the SEC. These condensed consolidated financial statements include all normal and recurring adjustments that, in the opinion of management, are necessary to present fairly the financial position of the Partnership and the results of its operations and its cash flows. All significant transactions between Rose Rock Midstream, L.P. and its consolidated subsidiaries have been eliminated.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts and disclosures in the financial statements. Although management believes these estimates are reasonable, actual results could differ materially from these estimates. The results of operations for the three months and six months ended June 30, 2016 , are not necessarily indicative of the results to be expected for the full year ending December 31, 2016 .

Pursuant to the rules and regulations of the SEC, the accompanying condensed consolidated financial statements do not include all of the information and notes normally included with financial statements prepared in accordance with U.S. GAAP. Certain reclassifications have been made to conform previously reported balances to the current presentation. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2015, which are included in our Annual Report on Form 10-K for the year ended December 31, 2015 , filed with the SEC.

Our significant accounting policies are consistent with those described in Note 2 of our Annual Report on Form 10-K for the year ended December 31, 2015.

Pending merger

On May 30, 2016, Rose Rock entered into an Agreement and Plan of Merger (the "Merger Agreement") with SemGroup whereby SemGroup would acquire the outstanding common limited partner units of Rose Rock not already beneficially owned by SemGroup in exchange for shares of SemGroup Class A common stock. Each common limited partner unit of Rose Rock would be acquired in exchange for 0.8136 shares of SemGroup Class A common stock.

Completion of the merger is conditioned upon, among other things: (i) majority approval of Rose Rock common unitholders; (ii) all material required governmental consents and approvals having been received; (iii) the absence of legal injunctions or impediments prohibiting the transactions contemplated by the Merger Agreement; (iv) the effectiveness of a registration statement on Form S-4 with respect to the issuance of SemGroup stock to be issued in exchange for Rose Rock common limited partner units; (v) approval of the listing on the New York Stock Exchange, subject to official notice of issuance, of the SemGroup Class A common stock to be issued; and (vi) majority approval by SemGroup stockholders of the SemGroup Class A common stock issuance.

A subsidiary of SemGroup which beneficially owns a majority of Rose Rock's common units has agreed to deliver a written consent approving the Merger Agreement and the transactions contemplated by such agreement.

The Merger Agreement provides for certain termination rights for Rose Rock. The Merger Agreement provides that upon termination of the Merger Agreement (i) in connection with the failure of the stockholders of SemGroup to approve the SemGroup stock issuance, SemGroup will pay Rose Rock's out-of-pocket expenses in an amount up to $3.8 million and

ROSE ROCK MIDSTREAM, L.P.
Notes to Unaudited Condensed Consolidated Financial Statements

1. OVERVIEW, Continued

(ii) in connection with a change by SemGroup of its recommendation in favor of approval of the SemGroup stock issuance under certain circumstances, SemGroup will pay to Rose Rock a termination fee in the amount of $15.5 million . Under no circumstance will SemGroup be required to both reimburse Rose Rock's expenses and pay Rose Rock the termination fee.

Recent accounting pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which introduces new guidance for estimating credit losses on certain types of financial instruments based on expected losses and the timing of the recognition of such losses. For public entities, this ASU is effective for annual periods beginning after December 15, 2019, and interim periods within those years and early adoption is permitted in the year prior to the effective date. We will adopt this guidance in the first quarter of 2020. The impact is not expected to be material.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting", which simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. For public entities, this ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those years and early adoption is permitted. The Company will adopt this guidance in the first quarter of 2017. The impact is not expected to be material.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)", which amends the existing lease guidance to require lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by operating and finance leases and to disclose additional quantitative and qualitative information about leasing arrangements. This ASU also provides clarifications surrounding the presentation of the effects of leases in the income statement and statement of cash flows. For public entities, this ASU will be effective for annual periods beginning after December 15, 2018, and interim periods within those years. The new guidance shall be applied using a modified retrospective approach and early adoption is permitted. We are currently evaluating the impact of the adoption of ASU 2016-02 on our consolidated financial statements. We will adopt this guidance in the first quarter of 2019.

In July 2015, the FASB issued ASU 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory", which requires that inventory within the scope of the guidance be measured at the lower of cost and net realizable value rather than the lower of cost or market. The standard will be effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The new guidance shall be applied prospectively and early adoption is permitted. We will adopt this guidance in the first quarter of 2017. The impact is not expected to be material.

On April 7, 2015, the FASB issued ASU 2015-03, “Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs”, which is designed to simplify presentation of debt issuance costs. The standard requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB issued ASU 2015-15, “Interest - Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements - Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting”, which amended the SEC paragraphs of ASC Subtopic 835-30 to include the language from the SEC Staff Announcement indicating that the SEC would not object to presenting deferred debt issuance costs related to line-of-credit agreements as assets and subsequently amortizing the deferred debt issuance costs ratably over the term of the agreement. The standards are effective for U.S. public companies for annual reporting periods beginning after December 15, 2015. The new guidance has been applied on a retrospective basis for all periods presented. We adopted this guidance in the first quarter of 2016. The impact was not material. For presentation purposes, $12.2 million of debt issuance costs which had previously been reported as other noncurrent assets were reclassified as a reduction of long-term debt on the December 31, 2015 balance sheet. Capitalized loan fees related to our revolving credit facility continue to be presented as other noncurrent assets.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers", which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core

1. OVERVIEW, Continued

principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The standard permits using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). In August 2015, the FASB issued ASU 2015-14 which deferred the effective date of ASU 2014-09 by one year. In March 2016, the FASB issued ASU 2016-08 which amended the principal-versus-agent implementation guidance set forth in ASU 2014-09. Among other things, ASU 2016-08 clarifies that an entity should evaluate whether it is the principal or the agent for each specified good or service promised in a contract with a customer. In April 2016, the FASB issued ASU 2016-10 which amended certain aspects of the guidance related to identifying performance obligations and licensing implementation within ASU 2014-09. In June 2016, the FASB issued ASU 2016-12 which narrows the scope around certain aspects of the criterion used in determining when to recognize revenue. We are currently evaluating the impact of our pending adoption of ASU 2014-09 on our consolidated financial statements and have not yet determined the method by which we will adopt the standard. We will adopt this guidance in the first quarter of 2018.

2. EQUITY METHOD INVESTMENTS

Under the equity method, we do not report the individual assets and liabilities of our investees. Instead, our membership interests are reflected in one line as a noncurrent asset on our condensed consolidated balance sheets.

Our equity method investments consisted of the following (in thousands):

	June 30, 2016	December 31, 2015
White Cliffs Pipeline, L.L.C.	$ 290,668	$ 297,109
Glass Mountain Pipeline, LLC	137,293	141,182
Total equity method investments	$ 427,961	$ 438,291

Our earnings from equity method investments consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
White Cliffs Pipeline, L.L.C.	$ 16,428	$ 15,545	$ 36,208	$ 34,635
Glass Mountain Pipeline, LLC	650	2,138	1,709	3,912
Total earnings from equity method investments	$ 17,078	$ 17,683	$ 37,917	$ 38,547

Cash distributions received from equity method investments consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
White Cliffs Pipeline, L.L.C.	$ 21,664	$ 20,551	$ 45,762	$ 44,705
Glass Mountain Pipeline, LLC	3,118	5,009	5,933	6,920
Total cash distributions received from equity method investments	$ 24,782	$ 25,560	$ 51,695	$ 51,625

White Cliffs Pipeline, L.L.C.

Certain unaudited summarized income statement information of White Cliffs Pipeline, L.L.C. ("White Cliffs") for the three months and six months ended June 30, 2016 and 2015 is shown below (in thousands):

ROSE ROCK MIDSTREAM, L.P.
Notes to Unaudited Condensed Consolidated Financial Statements

2. EQUITY METHOD INVESTMENTS, Continued

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues	$ 55,586	$ 48,509	$ 113,642	$ 103,123
Cost of products sold	$ 2,803	$ 169	$ 3,053	$ 1,102
Operating, general and administrative expenses	$ 10,125	$ 8,876	$ 19,727	$ 16,296
Depreciation and amortization expense	$ 10,084	$ 8,587	$ 19,047	$ 17,125
Net income	$ 32,575	$ 30,870	$ 71,822	$ 68,593

Our equity in earnings of White Cliffs for the three months and six months ended June 30, 2016 and 2015 is less than 51% of the net income of White Cliffs for the same periods. This is due to certain general and administrative expenses incurred in managing the operations of White Cliffs that the other owners are not obligated to share. Such expenses are recorded by White Cliffs and are allocated to our ownership interest. White Cliffs recorded $0.4 million and $0.4 million of such general and administrative expense for the three months ended June 30, 2016 and 2015 , respectively. White Cliffs recorded $0.9 million and $0.7 million of such general and administrative expense for the six months ended June 30, 2016 and 2015 , respectively.

The members of White Cliffs are required to contribute capital to White Cliffs to fund various projects. For the six months ended June 30, 2016 , we contributed $2.2 million for an expansion project that added approximately 65,000 barrels per day of capacity.

Glass Mountain Pipeline, LLC

As discussed in Note 3, on February 13, 2015, our Transportation segment acquired Glass Mountain Holding, LLC, which owns a 50% interest in Glass Mountain Pipeline, LLC ("Glass Mountain"). The excess of the recorded amount of our investment over the book value of our share of the underlying net assets represents equity method goodwill and capitalized interest at June 30, 2016 . Capitalized interest is amortized as a reduction of earnings from equity method investments.

Certain summarized unaudited income statement information of Glass Mountain for the three months and six months ended June 30, 2016 and 2015 is shown below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues	$ 6,898	$ 9,788	$ 15,470	$ 20,909
Cost of sales	$ (120)	$ (40)	$ 445	$ 1,974
Operating, general and administrative expenses	$ 1,618	$ 1,513	$ 3,463	$ 2,920
Depreciation and amortization expense	$ 3,989	$ 3,932	$ 7,925	$ 7,976
Net income	$ 1,407	$ 4,381	$ 3,632	$ 8,036

Our equity in earnings of Glass Mountain for the three months and six months ended June 30, 2016 and 2015 is less than 50% of the net income of Glass Mountain for the same period due to amortization of capitalized interest for the period.

For the six months ended June 30, 2016 , we contributed $0.3 million to Glass Mountain related to capital projects.

3. ACQUISITIONS

On February 13, 2015, we acquired the Wattenberg Oil Trunkline ("WOT") and a 50% interest in Glass Mountain, from SemGroup in exchange for (i) cash of approximately $251.2 million , (ii) the issuance of 1.75 million common units, and (iii) an increase of the capital account of our general partner and a related issuance of general partner interest, to allow our general partner to maintain its 2% general partner interest in us. The WOT is a 75 -mile, 12 -inch diameter crude oil gathering pipeline system that transports crude oil from production facilities in the DJ Basin to White Cliffs' pipeline. It has a capacity of approximately 85,000 barrels per day. Glass Mountain owns a 215 -mile crude oil pipeline in western and north central Oklahoma that is operated by Rose Rock.

ROSE ROCK MIDSTREAM, L.P.
Notes to Unaudited Condensed Consolidated Financial Statements

3. ACQUISITIONS, Continued

The cash consideration was funded through a borrowing under our credit facility and the issuance and sale of 2.3 million common units in an underwritten public offering. As the transaction was between entities under common control, we recorded the acquired assets and liabilities based on SemGroup's historical cost. The purchase price in excess of historical cost was treated as an equity transaction with SemGroup, which reduced the partners' capital accounts of our general and limited partners on a pro-rata basis.

The acquisition is reflected in our results as of January 1, 2015, which was the agreed upon date of transfer between SemGroup and Rose Rock. The difference between accounting for the transfer on January 1, 2015 versus the closing date of the transaction, February 13, 2015, is not significant to our financial results.

4. SEGMENTS

During the year ended December 31, 2015, management made the decision to disaggregate certain activities and functions within the Partnership to provide additional granularity, both internally and externally, to our operating results. As such, the prior period results have been recast to reflect the resulting reportable segments.

Our segments are organized by our key revenue generating activities. Our Transportation segment includes revenue generated through fees charged for the physical movement of crude oil utilizing our truck and pipeline assets. Our Facilities segment includes revenue generated through crude oil storage fees, truck unloading fees and other ancillary activities related to our facilities. Our Supply and Logistics segment includes revenue generated through the marketing of crude oil and includes related derivative activity. Although Corporate and Other does not represent an operating segment, it is included in the tables below to reconcile segment information to that of the consolidated Partnership.

Current year activity includes intersegment revenues generated by our Transportation and Facilities segments for services provided to our Supply and Logistics segment. With the exception of intersegment trucking revenues, these intersegment charges did not exist in the prior year. Eliminations of transactions between segments are also included within Corporate and Other in the tables below.

The accounting policies of each segment are the same as the accounting policies of the consolidated Partnership. Transactions between segments are generally recorded based on prices negotiated between the segments. Certain general and administrative expenses incurred at the corporate level were allocated to the segments based on our allocation policies in effect at the time.

Our results by segment are presented in the tables below (in thousands):

	Three months ended June 30, 2016				
	Transportation	Facilities	Supply and Logistics	Corporate and Other	Consolidated
Revenues:					
External	$ 15,644	$ 10,299	$ 143,201	$ —	$ 169,144
Intersegment	5,127	2,527	—	(7,654)	—
Total revenues	$ 20,771	$ 12,826	$ 143,201	$ (7,654)	$ 169,144
Depreciation and amortization	$ 6,171	$ 1,921	$ 40	$ 103	$ 8,235
Earnings from equity method investment	$ 17,078	$ —	$ —	$ —	$ 17,078
Segment profit [(1)]	$ 18,421	$ 9,371	$ 10,069	$ (2,793)	$ 35,068

	Three months ended June 30, 2015				
	Transportation	Facilities	Supply and Logistics	Corporate and Other	Consolidated
Revenues:					
External	$ 22,425	$ 11,402	$ 189,476	$ —	$ 223,303
Intersegment	3,562	—	—	(3,562)	—
Total revenues	$ 25,987	$ 11,402	$ 189,476	$ (3,562)	$ 223,303
Depreciation and amortization	$ 9,038	$ 1,406	$ 40	$ 124	$ 10,608
Earnings from equity method investment	$ 17,683	$ —	$ —	$ —	$ 17,683
Segment profit [(1)]	$ 19,984	$ 7,963	$ 10,978	$ (2,472)	$ 36,453

4. SEGMENTS, Continued

	Six Months Ended June 30, 2016				
	Transportation	Facilities	Supply and Logistics	Corporate and Other	Consolidated
Revenues:					
External	$ 32,839	$ 20,433	$ 319,823	$ —	$ 373,095
Intersegment	12,341	5,272	—	(17,613)	—
Total revenues	$ 45,180	$ 25,705	$ 319,823	$ (17,613)	$ 373,095
Depreciation and amortization	$ 12,030	$ 3,805	$ 80	$ 213	$ 16,128
Earnings from equity method investment	$ 37,917	$ —	$ —	$ —	$ 37,917
Segment profit (1)	$ 44,013	$ 18,958	$ 19,162	$ (4,815)	$ 77,318
Total assets at June 30, 2016 (excluding intersegment receivables)	$ 739,904	$ 154,359	$ 430,297	$ 12,868	$ 1,337,428
Equity investments at June 30, 2016	$ 427,961	$ —	$ —	$ —	$ 427,961

	Six Months Ended June 30, 2015				
	Transportation	Facilities	Supply and Logistics	Corporate and Other	Consolidated
Revenues:					
External	$ 42,752	$ 22,807	$ 292,437	$ —	$ 357,996
Intersegment	7,283	—	—	(7,283)	—
Total revenues	$ 50,035	$ 22,807	$ 292,437	$ (7,283)	$ 357,996
Depreciation and amortization	$ 17,656	$ 2,775	$ 79	$ 241	$ 20,751
Earnings from equity method investment	$ 38,547	$ —	$ —	$ —	$ 38,547
Segment profit (1)	$ 44,508	$ 16,365	$ 16,159	$ (5,299)	$ 71,733
Total assets at December 31, 2015 (excluding intersegment receivables)	$ 745,612	$ 155,186	$ 328,419	$ 16,373	$ 1,245,590
Equity investments at December 31, 2015	$ 438,291	$ —	$ —	$ —	$ 438,291

(1) Segment profit represents revenues excluding unrealized gains (losses) related to derivative instruments plus earnings from equity method investments less cost of sales excluding depreciation and amortization and less operating and general and administrative expenses.

	Three Months Ended June 30,		Six Months Ended June 30,	
Reconciliation of segment profit to net income:	2016	2015	2016	2015
Total segment profit	$ 35,068	$ 36,453	$ 77,318	$ 71,733
Less:				
Net unrealized loss (gain) related to derivative instruments	4,477	(1,415)	(71)	1,116
Depreciation and amortization	8,235	10,608	16,128	20,751
Interest expense	12,434	10,197	24,871	18,203
Other income	—	(5)	—	(5)
Net income	$ 9,922	$ 17,068	$ 36,390	$ 31,668

5. FINANCIAL INSTRUMENTS

Commodity derivative contracts

Our results of operations and cash flows are impacted by changes in market prices for petroleum products. This exposure to commodity price risk is managed, in part, by entering into various commodity derivatives.

We seek to manage the price risk associated with our marketing operations by limiting our net open positions through (i) the concurrent purchase and sale of like quantities of crude oil to create back-to-back transactions that are intended to lock in positive margins based on the timing, location or quality of the crude oil purchased and delivered or (ii) derivative contracts. Our storage and transportation assets also can be used to mitigate time and location basis risks,

5. FINANCIAL INSTRUMENTS, Continued

respectively. All marketing activities are subject to our Comprehensive Risk Management Policy, which establishes limits in order to manage risk and mitigate financial exposure.

Our commodity derivatives can be comprised of crude oil and natural gas liquids forward contracts and futures contracts. These are defined as follows:

Forward contracts – Over the counter ("OTC") contracts to buy or sell a commodity at an agreed upon future date. The buyer and seller agree on specific terms (price, quantity, delivery period, and location) and conditions at the inception of the contract.

Futures contracts – Exchange traded contracts to buy or sell a commodity. These contracts are standardized by the exchange in terms of quality, quantity, delivery period and location for each commodity.

We record commodity derivative assets and liabilities at fair value at each balance sheet date with the exception of commitments which have been designated as normal purchases and sales. The table below summarizes the balances of these assets and liabilities at June 30, 2016 and December 31, 2015 (in thousands):

	June 30, 2016			December 31, 2015		
	Level 1	Netting*	Total	Level 1	Netting*	Total
Assets	$ 1,160	$ (1,160)	$ —	$ 131	$ (131)	$ —
Liabilities	$ 1,428	$ (1,160)	$ 268	$ 470	$ (131)	$ 339

* Relates primarily to exchange traded futures. Gain and loss positions on multiple contracts are settled net on a daily basis with the exchange.

"Level 1" measurements are based on inputs consisting of unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. These include commodity futures contracts that are traded on an exchange.

"Level 2" measurements are based on inputs consisting of market observable and corroborated prices for similar derivative contracts. Assets and liabilities classified as Level 2 include OTC traded physical fixed priced purchases and sales forward contracts.

"Level 3" measurements are based on inputs from a pricing service and/or internal valuation models incorporating observable and unobservable market data.

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value levels. At June 30, 2016 , all of our physical fixed price forward purchases and sales contracts were being accounted for as normal purchases and normal sales.

There were no financial assets or liabilities recorded at fair value which were classified as Level 2 or Level 3 during the three months and six months ended June 30, 2016 and 2015. As such, no rollforward of Level 3 activity has been presented.

The following table sets forth the notional quantities for commodity derivative instruments entered into during the periods indicated (in thousands of barrels):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Sales	5,890	7,721	16,310	13,452
Purchases	5,743	7,508	16,253	13,413

We have not designated any of our commodity derivative instruments as accounting hedges. We record the fair value of the derivative instruments on our condensed consolidated balance sheets in other current assets and other current liabilities. The fair value of our commodity derivative assets and liabilities recorded to other current assets and other current liabilities was as follows (in thousands):

5. FINANCIAL INSTRUMENTS, Continued

	June 30, 2016		December 31, 2015	
	Assets	Liabilities	Assets	Liabilities
Commodity contracts	$ —	$ 268	$ —	$ 339

We have posted margin deposits as collateral with brokers who have the right of set off associated with these funds. At June 30, 2016 and December 31, 2015, our margin deposit balances were in a net asset position of $5.1 million and $2.9 million , respectively. These margin account balances have not been offset against our net commodity derivative instrument (contract) positions. Had these margin account balances been netted against our net commodity derivative instrument (contract) positions as of June 30, 2016 and December 31, 2015, we would have had net asset positions of $4.8 million and $2.6 million , respectively.

Realized and unrealized gains (losses) from our commodity derivatives were recorded to product revenue in the following amounts (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Commodity contracts	$ (7,127)	$ (2,202)	$ (3,773)	$ (2,846)

Concentrations of risk

During the three months ended June 30, 2016 , two third-party customers, primarily of our Supply and Logistics segment, accounted for more than 10% of our consolidated revenues at approximately 51% and 14% . We purchased approximately $17.1 million of product from one third-party supplier, which represented approximately 13% of our costs of products sold.

During the six months ended June 30, 2016 , two third-party customers, primarily of our Supply and Logistics segment, accounted for more than 10% of our consolidated revenues at approximately 53% and 11% . We purchased approximately $39.5 million of product from one third-party supplier, which represented approximately 14% of our costs of products sold.

At June 30, 2016 , two third-party customers, primarily of our Supply and Logistics segment, accounted for 51% of our total accounts receivable.

6. LONG-TERM DEBT

Our long-term debt consisted of the following (in thousands):

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6. LONG-TERM DEBT, Continued

	June 30, 2016	December 31, 2015
5.625% senior unsecured notes due 2022	$ 400,000	$ 400,000
Unamortized debt issuance costs on 2022 notes	(6,442)	(6,975)
5.625% senior unsecured notes due 2022, net	393,558	393,025
5.625% senior unsecured notes due 2023	350,000	350,000
Unamortized discount on 2023 notes	(5,178)	(5,455)
Unamortized debt issuance costs on 2023 notes	(4,931)	(5,266)
5.625% senior unsecured notes due 2023, net	339,891	339,279
Revolving credit facility	41,000	—
Capital leases	64	83
Total long-term debt, net	774,513	732,387
Less: current portion of long-term debt	25	31
Noncurrent portion of long-term debt, net	$ 774,488	$ 732,356

Senior unsecured notes due 2022

At June 30, 2016 , we had $400 million of 5.625% senior unsecured notes due 2022 outstanding ("2022 Notes"). Rose Rock and Rose Rock Finance Corporation ("Finance Corp.") are co-issuers of the 2022 Notes. For the three months ended June 30, 2016 and 2015 , we incurred $5.9 million and $5.9 million , respectively, of interest expense related to these notes, including amortization of debt issuance costs. For the six months ended June 30, 2016 and 2015 , we incurred $11.7 million and $11.7 million , respectively, of interest expense related to these notes, including amortization of debt issuance costs.

Senior unsecured notes due 2023

At June 30, 2016 , we had $350 million of 5.625% senior unsecured notes due 2023 (the "2023 Notes"), which were issued on May 14, 2015. Rose Rock and Finance Corp. are co-issuers of the 2023 Notes. For the three months ended June 30, 2016 and 2015 , we incurred $5.2 million and $2.7 million , respectively, of interest expense related to these notes, including amortization of debt issuance costs and discount. For the six months ended June 30, 2016 and 2015 , we incurred $10.4 million and $2.7 million , respectively, of interest expense related to these notes, including amortization of debt issuance costs and discount.

Subsidiary Guarantors

The 2022 Notes and the 2023 Notes are guaranteed by all of our existing subsidiaries other than Finance Corp. Such guarantees of the 2022 Notes and the 2023 Notes are full and unconditional and constitute the joint and several obligations of the subsidiary guarantors. Each of the subsidiary guarantors is 100% owned by the Partnership. The Partnership has no assets or operations independent of its subsidiaries and there are no significant restrictions upon the ability of the Partnership, or any of its subsidiaries, to obtain funds from its respective subsidiaries by dividend or loan. None of the assets of the Partnership's subsidiaries represent restricted net assets pursuant to Rule 4-08(e)(3) of Regulation S-X under the Securities Act.

Revolving credit facility

At June 30, 2016 , we had $41.0 million of outstanding borrowings on our $585 million revolving credit facility, which incurred interest at the alternate base rate ("ABR") plus an applicable margin. At June 30, 2016 , the interest rate in effect on ABR borrowings was 5.25% .

We had $37.7 million in outstanding letters of credit at June 30, 2016, and the rate per annum was 2.75% .

At June 30, 2016 , we had $18.9 million of secured bilateral letters of credit outstanding. The interest rate in effect was 1.75% . Secured bilateral letters of credit are external to the facility and do not reduce availability for borrowing on our revolving credit facility.

6. LONG-TERM DEBT, Continued

We incurred $1.6 million and $2.0 million of interest expense related to this facility during the three months ended June 30, 2016 and 2015 , respectively, including letters of credit and amortization of debt issuance costs. We incurred $3.1 million and $4.2 million of interest expense related to this facility during the six months ended June 30, 2016 and 2015 , respectively, including amortization of debt issuance costs.

Fair value

We estimate the fair value of our 2022 Notes and 2023 Notes to be $352 million and $305 million , respectively, at June 30, 2016, based on unadjusted, transacted market prices near the measurement date, which are categorized as Level 2 measurements. We estimate that the fair value of our revolving long-term debt was not materially different than the reported values at June 30, 2016, and is categorized as a Level 2 measurement. It is our belief that neither the market interest rates nor our credit profile have changed significantly enough to have had a material impact on the fair value of our revolving debt outstanding at June 30, 2016.

7. COMMITMENTS AND CONTINGENCIES

Bankruptcy matters

On July 22, 2008 (the "Petition Date"), SemGroup, L.P., SemCrude, L.P. ("SemCrude"), the predecessor of Rose Rock, and Eaglwing, L.P. ("Eaglwing") filed petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. While in bankruptcy, SemGroup, L.P. filed a plan of reorganization with the court, which was confirmed on October 28, 2009 (the "Plan of Reorganization"). The Plan of Reorganization determined, among other things, how pre-Petition Date obligations would be settled, the equity structure of the reorganized company upon emergence and the financing arrangements upon emergence. SemGroup, SemCrude, and Eaglwing emerged from bankruptcy protection on November 30, 2009 (the "Emergence Date").

Claims reconciliation process

A large number of parties made claims against SemGroup and the other debtors for obligations alleged to have been incurred prior to the bankruptcy filing. SemGroup has resolved or settled all of these outstanding claims and has made all required distributions. The Plan of Reorganization has therefore been fully administered.

On November 7, 2014, SemGroup Corporation and the other reorganized debtors moved for a final decree from the bankruptcy court closing the debtors' bankruptcy cases. The United States Bankruptcy Court for the District of Delaware granted the request and entered its Order Granting Motion of Remaining Debtors for Entry of Final Decree on December 18, 2014. Accordingly, the bankruptcy cases for SemCrude, L.P., Eaglwing, L.P., SemCanada II, L.P., SemCanada L.P., SemGas, L.P., SemGroup, L.P., SemMaterials, L.P., and SemStream, L.P. have been closed. As part of its decree, the Court retained jurisdiction over certain on-going adversary proceedings, but the debtors have estimated and paid the claims associated with these remaining adversaries, leaving the non-debtor parties to the adversaries to resolve their remaining claims amongst themselves.

On January 2, 2015, Bettina M. Whyte, the duly appointed Trustee of the SemGroup Litigation Trust (the "Litigation Trustee"), filed a notice of appeal of the Bankruptcy Court's December 18, 2014 order closing the aforementioned bankruptcy cases. However, the Bankruptcy Court's order of final decree was effective upon entry, and the appeal does not stay the effect of the order. The Litigation Trustee's appeal to the United States District Court for the District of Delaware is currently pending and will be opposed by SemGroup Corporation and the other remaining reorganized debtors.

We are indemnified by SemGroup against any loss in this matter pursuant to the terms of the omnibus agreement with SemGroup.

Environmental

We may, from time to time, experience leaks of petroleum products from our facilities and, as a result of which, we may incur remediation obligations or property damage claims. In addition, we are subject to numerous environmental regulations. Failure to comply with these regulations could result in the assessment of fines or penalties by regulatory authorities.

The Kansas Department of Health and Environment ("KDHE") initiated discussions during SemGroup's bankruptcy proceeding regarding five of our sites in Kansas that the KDHE believes, based on their historical use, may have soil or

7. COMMITMENTS AND CONTINGENCIES, Continued

groundwater contamination in excess of state standards. All five sites were initially investigated in 2011 and 2012. One site was issued a closure letter by the KDHE in 2012. The remaining four sites are in various stages of follow up investigation, remediation, monitoring, or closure under KDHE oversight. The environmental work at these sites is being completed under consent orders between Rose Rock Midstream Crude, L.P. and the KDHE. Two of the remaining sites have limited impacts to shallow soil and groundwater and the groundwater is currently being monitored on a semi-annual basis until such time that closure can be granted by the KDHE. No active remediation is anticipated for these two sites. The final two sites have required additional investigation and soil and groundwater remediation may be necessary to achieve KDHE closure. Rose Rock does not anticipate any penalties or fines for these historical sites. We are indemnified by SemGroup against any loss in this matter pursuant to the terms of the omnibus agreement with SemGroup.

We received a Notice of Probable Violation and Civil Penalty dated March 29, 2016, from the U.S. Department of Transportation (the "Notice") for alleged violations of pipeline operation and maintenance regulations related to a 2014 crude oil release that occurred on our Blackwell to See pipeline segment located in Oklahoma. This pipeline segment was idled in March 2016 when we initiated service on our new pipeline segment that transports Kansas crude volumes to our Cushing, Oklahoma terminal. The Notice proposes a penalty of $600,200 . We responded to the Notice in April 2016 with information that we believe warrants reduction of the amount of the proposed penalty.

Dimmit County, TX claims

An employee of Rose Rock Midstream Field Services, LLC was involved in a tractor trailer accident on January 15, 2015 in Dimmit County, Texas. A second accident followed resulting in six fatalities and multiple injuries. Multiple lawsuits involving claims of wrongful death and personal injury were filed in Zavala County and Dimmit County, Texas. These lawsuits have been consolidated in the District Court, 293rd Judicial District, Zavala County, Texas, as cause number 15-01-13356-ZCV, Maribel Rodriguez and the Estate of David Rodriguez, et al., vs. Rose Rock Midstream Field Services, LLC, SemGroup Corporation, Rose Rock Midstream, L.P. and SemManagement LLC, et al. Confidential settlement agreements have been entered into with all plaintiffs. There are pending claims with one defendant/cross-plaintiff for which a Motion for Summary Judgment has been filed, however, the hearing date has not been set. We believe that any liability that may arise from this action will be within the limits covered by our insurance. We will continue to defend our position, however we cannot predict the outcome.

Other matters

We are party to various other claims, legal actions and complaints arising in the ordinary course of business. In the opinion of our management, the ultimate resolution of these claims, legal actions and complaints, after consideration of amounts accrued, insurance coverage and other arrangements, will not have a material effect on our consolidated financial position, results of operations or cash flows. However, the outcome of such matters is inherently uncertain and estimates of our consolidated liabilities may change materially as circumstances develop.

Asset retirement obligations

We may be subject to removal and restoration costs upon retirement of our facilities. However, we are unable to predict when, or if, our pipelines, storage tanks and related facilities would become completely obsolete and require decommissioning. Accordingly, we have not recorded a liability or corresponding asset, as both the amount and timing of such potential future costs are indeterminable.

Purchase and sale commitments

We routinely enter into agreements to purchase and sell petroleum products at specified future dates. We create a margin for these purchases by entering into various types of physical and financial sales and exchange transactions through which we seek to maintain a position that is substantially balanced between purchases on the one hand and sales and future delivery obligations on the other. We account for derivatives at fair value with the exception of commitments which have been designated as normal purchases and sales, for which we do not record assets or liabilities related to these agreements until the product is purchased or sold. At June 30, 2016 , such commitments included the following (in thousands):

ROSE ROCK MIDSTREAM, L.P.
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7. COMMITMENTS AND CONTINGENCIES, Continued

	Volume (Barrels)	Value
Fixed price purchases	3,528	$ 167,030
Fixed price sales	4,563	$ 218,212
Floating price purchases	12,701	$ 601,820
Floating price sales	15,613	$ 760,170

Certain of the commitments shown in the table above relate to agreements to purchase product from a counterparty and to sell a similar amount of product (in a different location) to the same counterparty. Many of the commitments shown in the table above are cancellable by either party, as long as notice is given within the time frame specified in the agreement, generally 30 to 120 days.

We have a take-or-pay obligation with our equity method investee, White Cliffs, for approximately 5,000 barrels per day of space on White Cliffs' pipeline. The agreement became effective in October 2015 and has a term of 5 years . Annual payments to White Cliffs under the agreement are expected to be $9.4 million .

8. PARTNERS' CAPITAL AND DISTRIBUTIONS

Unaudited condensed consolidated statement of changes in partners' capital

The following table shows the changes in our partners' capital accounts from December 31, 2015 to June 30, 2016 (in thousands):

	Common Units - Public	Common Units - SemGroup	General Partner Interest	Total Partners' Capital
Balance at December 31, 2015	$ 80,829	$ 139,470	$ 9,906	$ 230,205
Net income	10,942	14,043	11,405	36,390
Unvested distribution equivalent rights	66	—	—	66
Cash distributions to partners	(21,485)	(27,331)	(11,884)	(60,700)
Non-cash equity compensation	731	—	—	731
Balance at June 30, 2016	$ 71,083	$ 126,182	$ 9,427	$ 206,692

The following table shows the cash distributions paid or declared per common unit during 2016 and 2015 :

Quarter Ended	Record Date	Payment Date	Distribution Per Unit
December 31, 2014	February 3, 2015	February 13, 2015	$0.6200
March 31, 2015	May 5, 2015	May 15, 2015	$0.6350
June 30, 2015	August 4, 2015	August 14, 2015	$0.6500
September 30, 2015	November 3, 2015	November 13, 2015	$0.6600
December 31, 2015	February 2, 2016	February 12, 2016	$0.6600
March 31, 2016	May 3, 2016	May 13, 2016	$0.6600
June 30, 2016	August 2, 2016	August 12, 2016	$0.6600

ROSE ROCK MIDSTREAM, L.P.
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8. PARTNERS’ CAPITAL AND DISTRIBUTIONS, Continued

Equity incentive plan

We granted 117,204 restricted unit awards during the six months ended June 30, 2016 , with a weighted average grant date fair value of $9.62 . At June 30, 2016 , there were 176,306 unvested restricted unit awards that have been granted pursuant to our equity incentive plan. During the six months ended June 30, 2016 , 39,344 restricted unit awards vested of which 254 were withheld to satisfy tax withholding obligations. The cost associated with the withheld awards is reflected in the condensed consolidated financial statements as a cash distribution to common public unitholders.

The holders of these restricted unit awards are entitled to equivalent distributions (“UUDs”) to be received upon vesting of the restricted unit awards. The UUDs will be settled in cash upon vesting. At June 30, 2016 , the value of these UUDs related to unvested restricted units was approximately $315 thousand .

9. EARNINGS PER LIMITED PARTNER UNIT

Net income is allocated to the general partner and the limited partners in accordance with their respective partnership percentages, after giving effect to any priority income allocations, such as incentive distributions that are allocated to the general partner. Distributions pertaining to the current period are based on available cash as defined by our partnership agreement. After adjusting for the appropriate period’s distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the general partner, limited partners and participating securities in accordance with the contractual terms of the partnership agreement and as further prescribed under the two-class method. Incentive distribution rights do not participate in undistributed earnings.

Basic and diluted earnings per limited partner unit is determined by dividing net income allocated to the limited partners by the weighted average number of limited partner units for such class outstanding during the period. Diluted earnings per limited partner unit reflects, where applicable, the potential dilution that could occur if securities or other agreements to issue additional units of a limited partner class, such as restricted unit awards, were exercised, settled or converted into such units.

The following table sets forth the computation of basic and diluted earnings per limited partner unit for the three months and six months ended June 30, 2016 and 2015 (in thousands, except per unit data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income attributable to Rose Rock Midstream, L.P.	$ 9,922	$ 17,068	$ 36,390	$ 31,668
Less: General partner's incentive distribution earned	5,339	4,981	10,677	9,431
Less: General partner's 2.0% ownership	198	342	728	634
Net income allocated to limited partners	$ 4,385	$ 11,745	$ 24,985	$ 21,603
Basic weighted average number of common units outstanding	36,838	36,790	36,823	35,803
Effect of non-vested restricted units	77	49	50	46
Diluted weighted average number of common units outstanding	36,915	36,839	36,873	35,849
Net income per limited partner unit:				
Common unit (basic)	$ 0.12	$ 0.32	$ 0.68	$ 0.60
Common unit (diluted)	$ 0.12	$ 0.32	$ 0.68	$ 0.60

10. RELATED PARTY TRANSACTIONS

Direct employee expenses

We do not directly employ any persons to manage or operate our business. These functions are performed by employees of SemGroup. Allocations are based on the actual costs of employees operating Rose Rock, including employees added through growth and acquisitions. SemGroup charged us $12.0 million and $11.8 million during the three months ended June 30, 2016 and 2015 , respectively, for direct employee costs. SemGroup charged us $23.4 million and $22.1 million during the six months ended June 30, 2016 and 2015 , respectively, for direct employee costs. These expenses were

10. RELATED PARTY TRANSACTIONS, Continued

recorded to operating expenses and general and administrative expenses in our condensed consolidated statements of income.

Allocated expenses

SemGroup incurs expenses to provide certain indirect corporate general and administrative services to its subsidiaries. Such expenses include employee compensation costs, professional fees and rental fees for office space, among other expenses. SemGroup charged us $2.9 million and $3.7 million during the three months ended June 30, 2016 and 2015 , respectively, for such allocated costs. SemGroup charged us $6.3 million and $6.3 million during the six months ended June 30, 2016 and 2015 , respectively, for such allocated costs. These expenses were recorded to general and administrative expenses in our condensed consolidated statements of income.

Pending merger

See Footnote 1 for discussion of pending merger with SemGroup.

NGL Energy Partners LP

SemGroup holds a general partner ownership interest in NGL Energy Partners LP ("NGL Energy"). We generated revenues from NGL Energy of $8.3 million and $72.1 million for the three months ended June 30, 2016 and 2015 , respectively. We made purchases of condensate at market prices from NGL Energy in the amount of $6.4 million and $75.0 million for the three months ended June 30, 2016 and 2015 , respectively. We received reimbursements from NGL Energy for support services in the amount of $14.0 thousand for the three months ended June 30, 2015 . We received no reimbursements from NGL Energy for support services for the three months ended June 30, 2016 .

We generated revenues from NGL Energy of $16.8 million and $114.5 million for the six months ended June 30, 2016 and 2015 , respectively. We made purchases of condensate at market prices from NGL Energy in the amount of $13.2 million and $110.2 million for the six months ended June 30, 2016 and 2015 , respectively. We received reimbursements from NGL Energy for support services in the amount of $56.0 thousand for the six months ended June 30, 2015 . We received no reimbursements from NGL Energy for support services for the six months ended June 30, 2016 .

SemGas, L.P.

We purchase condensate at market prices from SemGas, L.P. ("SemGas"), which is a wholly-owned subsidiary of SemGroup. Purchases from SemGas were $2.5 million and $6.4 million for the three months ended June 30, 2016 and 2015 , respectively. Purchases from SemGas were $5.2 million and $12.4 million for the six months ended June 30, 2016 and 2015 , respectively.

White Cliffs

We generated storage revenues from our equity investee, White Cliffs, of $1.1 million and $1.1 million for the three months ended June 30, 2016 and 2015 , respectively. We generated storage revenues from White Cliffs of $2.2 million and $2.1 million for the six months ended June 30, 2016 and 2015 , respectively. We incurred $2.7 million and $1.1 million of costs for the three months months ended June 30, 2016 and 2015 , respectively, related to transportation fees for shipments on the White Cliffs. We incurred $5.2 million and $1.8 million of costs for the six months ended June 30, 2016 and 2015 , respectively, related to transportation fees for shipments on the White Cliffs. We received $0.1 million and $0.1 million in management fees from White Cliffs for the three months ended June 30, 2016 and 2015 , respectively. We received $0.2 million and $0.2 million in management fees from White Cliffs for the six months ended June 30, 2016 and 2015 , respectively. During the three and six months ended June 30, 2016 , we purchased $3.5 million of crude oil from White Cliffs. There were no product purchases from White Cliffs in the prior year.

Glass Mountain

We incurred $1.4 million and $0.7 million of costs for the three months ended June 30, 2016 and 2015 , respectively, related to transportation fees for shipments on Glass Mountain's pipeline. We incurred $3.3 million and $1.2 million of costs for the six months ended June 30, 2016 and 2015 , respectively, related to transportation fees for shipments on Glass Mountain's pipeline. We received $0.2 million and $0.2 million in fees from Glass Mountain for the three months ended June 30, 2016 and 2015 , respectively, related to support services associated with Glass Mountain's pipeline operations.

ROSE ROCK MIDSTREAM, L.P.
Notes to Unaudited Condensed Consolidated Financial Statements

10. RELATED PARTY TRANSACTIONS, Continued

We received $0.4 million and $0.4 million in fees from Glass Mountain for the six months ended June 30, 2016 and 2015 , respectively, related to support services associated with Glass Mountain's pipeline operations. We made purchases of crude oil of $0.4 million and $1.5 million from Glass Mountain during the six months ended June 30, 2016 and 2015, respectively. There were no purchases of crude oil from Glass Mountain during the three months ended June 30, 2016 and 2015 .

Legal services

The law firm of Conner & Winters, LLP, of which Mark D. Berman is a partner, performs legal services for us. Mr. Berman is the spouse of Candice L. Cheeseman, our general partner's Vice President and General Counsel. Mr. Berman does not perform any legal services for us. We paid $127.7 thousand and $4.1 thousand in legal fees and related expenses to this law firm during the three months ended June 30, 2016 and 2015 , respectively. We paid $186.7 thousand and $4.1 thousand in legal fees and related expenses to this law firm during the six months ended June 30, 2016 and 2015 , respectively. Our equity method investee, White Cliffs, paid legal fees and related expenses to this law firm of $0.1 thousand and $0.1 thousand for the three months ended June 30, 2016 and 2015 . White Cliffs paid legal fees and related expenses to this law firm of $1.6 thousand and $3.4 thousand during the six months ended June 30, 2016 and 2015 , respectively.

11. SUPPLEMENTAL CASH FLOW INFORMATION

Acquisitions

In connection with the first quarter 2015 acquisition of the WOT and a 50% interest in Glass Mountain (Note 3), we issued 1.75 million common units valued at $70.6 million as non-cash consideration to SemGroup. The valuation of the units is based on the offering price for units concurrently sold in a public offering. In addition, a non-cash contribution of $3.3 million was recorded to the general partner's capital account.

As the transaction occurred between parties under common control, the purchase price in excess of SemGroup's historical cost was treated as an equity transaction with SemGroup, which reduced the partners' capital accounts pro-rata based on ownership percentages. The $46.3 million of cash consideration in excess of historical cost is reflected as a distribution to SemGroup in the condensed consolidated cash flow statement. The entire amount of non-cash equity consideration was in excess of the historical cost and was reduced to zero value in the statement of equity.

Other supplemental disclosures

We paid cash interest of $22.4 million and $15.8 million for the six months ended June 30, 2016 and 2015 , respectively.

We accrued $0.9 million and $9.1 million for purchases of property, plant and equipment for the six months ended June 30, 2016 and 2015 , respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission (the "SEC").

Overview of Business

We are a growth-oriented Delaware limited partnership formed by SemGroup Corporation ("SemGroup") in 2011 to own, operate, develop and acquire a diversified portfolio of midstream energy assets. We are engaged in the business of crude oil gathering, transportation, storage, distribution and marketing in Colorado, Kansas, Minnesota, Montana, North Dakota, Ohio, Oklahoma, Pennsylvania, Texas and Wyoming. We operate in the Bakken Shale in North Dakota and Montana, the Denver-Julesburg Basin ("DJ Basin") and the Niobrara Shale in the Rocky Mountain region, and the Granite Wash and Mississippi Lime Play in the Mid-Continent region. The majority of our assets are strategically located in, or connected to, the Cushing, Oklahoma crude oil marketing hub. Cushing is the designated point of delivery specified in NYMEX crude oil futures contracts and is one of the largest crude oil marketing hubs in the United States ("U.S."). We believe that our connectivity in Cushing and our numerous connections with third-party pipelines, refineries and storage terminals provide our customers with the flexibility to access multiple points for the receipt and delivery of crude oil.

Outlook and Recent Developments

We expect commodity prices to remain challenged and costs of capital to remain sharply higher throughout 2016 as compared to 2015. Fee-based and take-or-pay arrangements are a significant component of our portfolio, which serves to somewhat reduce the influence of commodity price fluctuations on our operating results and cash flows. However, producer activities are being impacted by lower energy commodity prices which will reduce our volumes. The credit profiles and financial prospects of certain of our producer customers have been challenged by the current market conditions, which ultimately may result in further reductions of our volumes, or in re-negotiation of certain contractual provisions affecting our revenues. Such reductions, as well as further or prolonged declines in energy commodity prices, may result in non-cash impairments of our assets.

On May 30, 2016, Rose Rock entered into an Agreement and Plan of Merger (the "Merger Agreement") with SemGroup whereby SemGroup would acquire the outstanding common limited partner units of Rose Rock not already beneficially owned by SemGroup in exchange for shares of SemGroup Class A common stock. Each common limited partner unit of Rose Rock would be acquired in exchange for 0.8136 shares of SemGroup Class A common stock.

Completion of the merger is conditioned upon, among other things: (i) majority approval of Rose Rock common unitholders; (ii) all material required governmental consents and approvals having been received; (iii) the absence of legal injunctions or impediments prohibiting the transactions contemplated by the Merger Agreement; (iv) the effectiveness of a registration statement on Form S-4 with respect to the issuance of SemGroup stock to be issued in exchange for Rose Rock common limited partner units; (v) approval of the listing on the New York Stock Exchange, subject to official notice of issuance, of the SemGroup Class A common stock to be issued; and (vi) majority approval by SemGroup stockholders of the SemGroup Class A common stock issuance.

A subsidiary of SemGroup which beneficially owns a majority of Rose Rock's common units has agreed to deliver a written consent approving the Merger Agreement and the transactions contemplated by such agreement.

The Merger Agreement provides for certain termination rights for Rose Rock. The Merger Agreement provides that upon termination of the Merger Agreement (i) in connection with the failure of the stockholders of SemGroup to approve the SemGroup stock issuance, SemGroup will pay Rose Rock's out-of-pocket expenses in an amount up to $3.8 million and (ii) in connection with a change by SemGroup of its recommendation in favor of approval of the SemGroup stock issuance under certain circumstances, SemGroup will pay to Rose Rock a termination fee in the amount of $15.5 million . Under no circumstance will SemGroup be required to both reimburse Rose Rock's expenses and pay Rose Rock the termination fee.

Our Business Segments

During the year ended December 31, 2015, management made the decision to disaggregate certain activities and functions within the Partnership to provide additional granularity, both internally and externally, to our operating results. As such, the prior period results have been recast to reflect the resulting operating segments.

Our segments are organized by our key revenue generating activities. Our Transportation segment includes revenue generated through fees charged for the physical movement of crude oil utilizing our truck and pipeline assets. Our Facilities segment includes revenue generated through crude oil storage fees, truck unloading fees and other ancillary activities related to our facilities. Our Supply and Logistics segment includes revenue generated through the marketing and blending of crude oil and includes related derivative activity.

For certain financial information for each segment, refer to Note 4 of our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Our Property, Plant and Equipment

We own and operate all of our assets. At June 30, 2016 our reportable segments' assets include the following:

- Transportation operates crude oil pipelines and truck transportation businesses. Transportation's assets include:
  - a 388 -mile crude oil gathering and transportation pipeline system with over 630,000 barrels of associated storage capacity in Kansas and northern Oklahoma that is connected to several third-party pipelines and refineries;
  - the Wattenberg Oil Trunkline ("WOT"), a 75 -mile, 12-inch diameter crude oil gathering pipeline system that transports crude oil from production facilities in the DJ Basin to the pipeline owned by White Cliffs Pipeline, L.L.C. ("White Cliffs"). The WOT has a capacity of approximately 85,000 barrels per day as well as 360,000 barrels of operational storage;
  - a 16 -mile crude oil pipeline that connects our Platteville, Colorado crude oil terminal to the Tampa, Colorado crude oil market;
  - a crude oil trucking fleet of over 270 transport trucks and 270 trailers;
  - a 51% interest in White Cliffs. White Cliffs owns a pipeline system consisting of two 527 -mile parallel lines that transport crude oil from Platteville, Colorado in the DJ Basin to Cushing, Oklahoma (the "White Cliffs Pipeline"), which we operate. The White Cliffs Pipeline recently underwent an expansion project which increased the capacity from approximately 150,000 barrels per day to approximately 215,000 barrels per day; and
  - a 50% interest in Glass Mountain Pipeline, LLC ("Glass Mountain"). Glass Mountain owns a 215-mile pipeline that transports crude oil in western and north central Oklahoma (the "Glass Mountain Pipeline"), which we operate. It has capacity of approximately 140,000 barrels per day as well as 440,000 barrels of operational storage.
- Facilities operates crude oil storage and terminal businesses. Facilities' assets include:
  - approximately 7.6 million barrels of crude oil storage capacity in Cushing, Oklahoma, of which 6.25 million barrels are leased to customers and 1.35 million barrels are used for crude oil operations and marketing activities; and
  - a 30 -lane crude oil truck unloading facility with 350,000 barrels of associated storage capacity in Platteville, Colorado which connects to the origination point of the White Cliffs Pipeline.
- Supply and Logistics operates a crude oil marketing business which utilizes our Transportation and Facilities assets for marketing purposes. Additionally, Supply and Logistics includes:
  - approximately 61,800 barrels of crude oil storage capacity in Trenton and Stanley, North Dakota.

How We Evaluate Our Operations

Our management uses a variety of financial and operational metrics to analyze our performance. We view these metrics as important factors in evaluating our profitability and review these measurements on at least a monthly basis for consistency and trend analysis. These metrics include financial measures, including Adjusted gross margin, operating expenses and Adjusted EBITDA, and operating data, including contracted storage capacity and transportation, marketing and unloading volumes.

Adjusted Gross Margin

We view Adjusted gross margin as an important performance measure of the core profitability of our operations, as well as our operating performance as compared to that of other companies in our industry, without regard to financing methods, historical cost basis, capital structure or the impact of fluctuating commodity prices. We define Adjusted gross margin as total revenues minus cost of products sold and unrealized gain (loss) on derivatives. Adjusted gross margin allows us to make a meaningful comparison of the results across different commodity price environments because it measures the spread between the product sales price and cost of products sold. See "—Non-GAAP Financial Measures."

Operating Expenses

Our management seeks to maximize the profitability of our operations, in part, by managing operating expenses. These expenses are comprised of salary and wage expense, fuel, utility costs, insurance premiums, taxes and other operating costs, some of which are independent of the volumes we handle.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense, income tax expense (benefit), depreciation and amortization, earnings from equity method investments and any other non-cash adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities plus cash distributions from equity method investments. We use Adjusted EBITDA as a supplemental performance and liquidity measure to assess:

- our operating performance as compared to that of other companies in our industry, without regard to financing methods, historical cost basis, capital structure or the impact of fluctuating commodity prices;
- the ability of our assets to generate sufficient cash flow to make distributions to our partners;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

See "—Non-GAAP Financial Measures."

Contracted Storage Capacity and Transportation, Marketing and Unloading Volumes

In our Cushing storage operations, we charge our customers a fee for storage capacity provided, regardless of actual usage. On our Kansas and Oklahoma system, in our Bakken Shale operations and through our trucking fleet operations, we provide transportation services on a fee basis. The Adjusted gross margin we generate is dependent on the volume of crude oil transported. We refer to these volumes as transportation volumes. Similarly, on our Kansas and Oklahoma system, and through our Bakken Shale operations, we conduct marketing activities involving the purchase and sale of crude oil or related derivative contracts. We refer to the crude oil volumes purchased and sold in our marketing operations as Supply and Logistics volumes. Finally, at our Platteville truck unloading facility, we charge our customers a fee based on the volumes unloaded. We refer to these as unloading volumes.

Selected Consolidated Financial and Operating Data

The following table provides selected historical condensed consolidated financial operating data as of and for the periods shown. The statement of income data for the three months and six months ended June 30, 2016 and 2015 have been derived from our unaudited financial statements for those periods. The selected financial data provided below should be read in conjunction with our condensed consolidated financial statements and related notes included in this Form 10-Q.

The following table presents the non-GAAP financial measures of Adjusted gross margin and Adjusted EBITDA, which we use in our business and view as important supplemental measures of our performance and, in the case of Adjusted EBITDA, our liquidity. Adjusted gross margin and Adjusted EBITDA are not calculated or presented in accordance with GAAP. For definitions of Adjusted gross margin and Adjusted EBITDA and a reconciliation of Adjusted gross margin to operating income and of Adjusted EBITDA to net income and net cash provided by operating activities, their most directly comparable financial measures calculated and presented in accordance with GAAP, please see "—Non-GAAP Financial Measures" below.

(in thousands, except per unit and operating data)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Statements of income data:				
Revenues, including revenues from affiliates:				
Product	$ 143,201	$ 193,525	$ 319,823	$ 300,092
Service	25,943	29,778	53,272	57,904
Total revenues	169,144	223,303	373,095	357,996
Expenses, including expenses from affiliates:				
Costs of products sold, exclusive of depreciation and amortization	128,763	173,133	280,154	269,370
Operating	19,726	23,678	41,133	44,477
General and administrative	5,428	6,329	10,328	11,949
Depreciation and amortization	8,235	10,608	16,128	20,751
Loss (gain) on disposal of long-lived assets, net	1,714	(22)	2,008	130
Total expenses	163,866	213,726	349,751	346,677
Earnings from equity method investments	17,078	17,683	37,917	38,547
Operating income	22,356	27,260	61,261	49,866
Other expense, net	12,434	10,192	24,871	18,198
Net income	$ 9,922	$ 17,068	$ 36,390	$ 31,668
Net income per limited partner unit:				
Common unit (basic)	$ 0.12	$ 0.32	$ 0.68	$ 0.60
Common unit (diluted)	$ 0.12	$ 0.32	$ 0.68	$ 0.60
Distributions paid per common unit	$ 0.66	$ 0.64	$ 1.32	$ 1.26
Statements of cash flows data:				
Net cash provided by (used in):				
Operating activities	$ 14,080	$ 26,941	$ 28,610	$ 19,871
Investing activities	$ (3,578)	$ (21,195)	$ (10,045)	$ (251,592)
Financing activities	$ (13,265)	$ 49,033	$ (19,715)	$ 296,198
Other financial data:				
Adjusted gross margin	$ 44,858	$ 48,755	$ 92,870	$ 89,742
Adjusted EBITDA	$ 44,852	$ 44,718	$ 93,873	$ 86,836
Capital expenditures	$ 9,204	$ 20,831	$ 20,390	$ 36,262
Acquisitions	$ —	$ —	$ —	$ 205,071
Contributions to equity method investments	$ 2,093	$ 8,280	$ 3,448	$ 23,462
Operating data:				
Cushing storage capacity (MMBbls as of period end)	7.6	7.6	7.6	7.6
Percent of Cushing storage capacity contracted to third parties (as of period end)	82%	86%	82%	86%
Supply and Logistics volumes (average Bpd) (1)	198,500	151,000	206,400	138,300
Unloading/Platteville volumes (average Bpd) (1)	56,200	68,600	47,900	70,000
Transportation volumes (average Bpd) (1)	197,600	212,300	196,900	200,200
White Cliffs Pipeline 100% (average Bpd)	124,900	121,300	133,600	130,200
Glass Mountain Pipeline 100% (average Bpd)	52,400	71,800	55,600	68,400

(1) Current year volumes include intersegment volumes. Prior year volumes have been recast to include intersegment volumes, where applicable, for comparability.

Non-GAAP Financial Measures

We define Adjusted gross margin as total revenues minus cost of products sold and unrealized gain (loss) on derivatives. We define Adjusted EBITDA as net income before interest expense, income tax expense (benefit), depreciation and amortization, earnings from equity method investments and any other non-cash adjustments to reconcile net income to net cash provided by operating activities plus cash distributions from equity method investments.

Adjusted gross margin and Adjusted EBITDA are not financial measures presented in accordance with GAAP. We believe that the presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations.

Operating income is the GAAP measure most directly comparable to Adjusted gross margin, and net income and cash provided by operating activities are the GAAP measures most directly comparable to Adjusted EBITDA. Our non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measures. These non-GAAP financial measures have important limitations as analytical tools because they exclude some, but not all, items that affect the most directly comparable GAAP financial measures. You should not consider Adjusted gross margin and Adjusted EBITDA in isolation or as substitutes for analysis of our results as reported under GAAP. Because Adjusted gross margin and Adjusted EBITDA may be defined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

Management compensates for the limitation of Adjusted gross margin and Adjusted EBITDA as analytical tools by reviewing the comparable GAAP measures, understanding the differences between Adjusted gross margin and Adjusted EBITDA, on the one hand, and operating income, net income and net cash provided by (used in) operating activities, on the other hand, 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.

The following tables present a reconciliation of: (i) operating income to Adjusted gross margin, and (ii) net income and net cash provided by (used in) operating activities to Adjusted EBITDA, the most directly comparable GAAP financial measures for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Unaudited; in thousands)	2016	2015	2016	2015
Reconciliation of operating income to Adjusted gross margin:				
Operating income	$ 22,356	$ 27,260	$ 61,261	$ 49,866
Add:				
Operating expense	19,726	23,678	41,133	44,477
General and administrative expense	5,428	6,329	10,328	11,949
Depreciation and amortization expense	8,235	10,608	16,128	20,751
Loss (gain) on disposal of long-lived assets, net	1,714	(22)	2,008	130
Less:				
Earnings from equity method investments	17,078	17,683	37,917	38,547
Non-cash unrealized gain (loss) on derivatives, net	(4,477)	1,415	71	(1,116)
Adjusted gross margin	$ 44,858	$ 48,755	$ 92,870	$ 89,742

(Unaudited; in thousands)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Reconciliation of net income to Adjusted EBITDA:				
Net income	$ 9,922	$ 17,068	$ 36,390	$ 31,668
Add:				
Interest expense	12,434	10,197	24,871	18,203
Depreciation and amortization expense	8,235	10,608	16,128	20,751
Cash distributions from equity method investments	24,782	25,560	51,695	51,625
Inventory valuation adjustment	—	48	—	1,235
Non-cash equity compensation	366	357	731	655
Loss (gain) on disposal of long-lived assets, net	1,714	(22)	2,008	130
Provision for uncollectible accounts receivable	—	—	38	—
Less:				
Earnings from equity method investments	17,078	17,683	37,917	38,547
Impact from derivative instruments:				
Total loss on derivatives, net	(7,127)	(2,202)	(3,773)	(2,846)
Total realized loss (cash flow) on derivatives, net	2,650	3,617	3,844	1,730
Non-cash unrealized gain (loss) on derivatives, net	(4,477)	1,415	71	(1,116)
Adjusted EBITDA	$ 44,852	$ 44,718	$ 93,873	$ 86,836

(Unaudited; in thousands)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Reconciliation of net cash provided by operating activities to Adjusted EBITDA:				
Net cash provided by operating activities	$ 14,080	$ 26,941	$ 28,610	$ 19,871
Less:				
Changes in operating assets and liabilities, net	(11,462)	(386)	(28,273)	(36,894)
Add:				
Interest expense, excluding amortization of debt issuance costs	11,606	9,515	23,212	16,994
Distributions from equity investments in excess of equity in earnings	7,704	7,876	13,778	13,077
Adjusted EBITDA	$ 44,852	$ 44,718	$ 93,873	$ 86,836

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Results of Operations

Consolidated Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue				
Product	$ 143,201	$ 193,525	$ 319,823	$ 300,092
Service	25,943	29,778	53,272	57,904
Total revenues	169,144	223,303	373,095	357,996
Expenses, including expenses from affiliates:				
Costs of products sold, exclusive of depreciation and amortization	128,763	173,133	280,154	269,370
Operating	19,726	23,678	41,133	44,477
General and administrative	5,428	6,329	10,328	11,949
Depreciation and amortization	8,235	10,608	16,128	20,751
Loss (gain) on disposal of long-lived assets, net	1,714	(22)	2,008	130
Total expenses	163,866	213,726	349,751	346,677
Earnings from equity method investment	17,078	17,683	37,917	38,547
Operating income	22,356	27,260	61,261	49,866
Other expenses (income), net:				
Interest expense	12,434	10,197	24,871	18,203
Other income	—	(5)	—	(5)
Total other expenses, net	12,434	10,192	24,871	18,198
Net income	$ 9,922	$ 17,068	$ 36,390	$ 31,668
Net income per common unit (basic)	$ 0.12	$ 0.32	$ 0.68	$ 0.60
Net income per common unit (diluted)	$ 0.12	$ 0.32	$ 0.68	$ 0.60

Results of Operations by Reporting Segment

Transportation

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue:				
Pipeline transportation	$ 6,672	$ 8,390	$ 14,747	$ 16,170
Truck transportation	14,099	17,597	30,433	33,865
Total revenue	20,771	25,987	45,180	50,035
Expenses:				
Operating	16,616	21,127	35,067	39,455
General and administrative	1,098	2,581	2,236	4,486
Depreciation and amortization	6,171	9,038	12,030	17,656
Loss (gain) on disposal of long-lived assets, net	1,714	(22)	1,781	133
Total expenses	25,599	32,724	51,114	61,730
Earnings from equity method investments	17,078	17,683	37,917	38,547
Operating income	$ 12,250	$ 10,946	$ 31,983	$ 26,852

Adjusted Gross Margin

Adjusted gross margin in this segment is generated by providing fee-based services which are included in service revenue in our unaudited condensed consolidated statements of income. As there is no cost of sales or derivative activity associated with our Transportation revenue, Adjusted gross margin is equivalent to revenue for this segment. This segment's prior year revenue included product revenue related to certain commodity purchase and sales activity performed around our pipelines. In the current year, these product revenues are reflected in the Supply and Logistics segment and have been replaced in the Transportation segment with intersegment transportation fees which have been charged to Supply and Logistics and which are also reported as service revenue. With the exception of intersegment truck transportation charges, these intersegment charges did not exist in the prior year.

Three months ended June 30, 2016 vs. three months ended June 30, 2015

Revenue

Pipeline transportation revenue decreased to $6.7 million in the three months ended June 30, 2016 , from $8.4 million in the three months ended June 30, 2015 . The change is due to a decrease in fixed margin activity which is now reported with other product revenues in the Supply and Logistics segment and was replaced in the Transportation segment with intersegment usage fees. Beginning January 2016, Transportation is charging Supply and Logistics to move barrels through the pipeline system.

Truck transportation revenue decreased to $14.1 million in the three months ended June 30, 2016 , from $17.6 million in the three months ended June 30, 2015 , as a result of lower volumes.

Operating expense

Operating expenses decreased in the three months ended June 30, 2016 , to $16.6 million from $21.1 million in the three months ended June 30, 2015 . The decrease included reductions to field expenses of $1.4 million, maintenance and repair of $1.4 million, allocated overhead of $1.3 million, outside services expense of $1.1 million and office expense of $0.3 million. These costs were partially offset by increases in employment costs, insurance and taxes and other expenses of $0.7 million, $0.2 million and $0.1 million, respectively.

General and administrative expense

General and administrative expense decreased to $1.1 million for the three months ended June 30, 2016 , from $2.6 million for the three months ended June 30, 2015 . The decrease is a result of a reduction in overhead allocation of $1.7 million, partially offset with an increase in outside services and insurance and taxes of $0.1 million and $0.1 million, respectively.

Depreciation and amortization expense

Depreciation and amortization expense decreased for the three months ended June 30, 2016 , to $6.2 million from $9.0 million for the three months ended June 30, 2015 . Approximately $3.2 million of the decrease in depreciation expense is due to prior year expense related to the revision of the estimated useful life relating to a 163-mile section of the Kansas and Oklahoma pipeline system. Project completions increased depreciation expense by $0.2 million. Amortization expense related to customer relationship intangible assets of our truck transportation operations increased by $0.2 million.

Loss (gain) on disposal of long-lived assets, net

Transportation recorded a loss on disposal of long-lived assets in the three months ended June 30, 2016 of $1.7 million compared to a gain of $22 thousand in the three months ended June 30, 2015 . The loss in the three months ended June 30, 2016 is the result of an abandonment of a 13-mile section of the Kansas and Oklahoma pipeline system.

Earnings from equity method investments

Earnings from our equity method investments remained relatively constant at $17.1 million for the three months ended June 30, 2016 compared to $17.7 million for the three months ended June 30, 2015 .

Six months ended June 30, 2016 vs. six months ended June 30, 2015

Revenue

Pipeline transportation revenue decreased to $14.7 million in the six months ended June 30, 2016 , from $16.2 million in the six months ended June 30, 2015 . The change is due to a decrease in fixed margin activity, which is now reported with other product revenues in the Supply and Logistics segment and was replaced in the Transportation segment with intersegment usage fees. Beginning January 2016, Transportation is charging Supply and Logistics to move barrels through the pipeline system.

Truck transportation revenue decreased to $30.4 million in the six months ended June 30, 2016 , from $33.9 million in the six months ended June 30, 2015 , as a result of lower volumes.

Operating expense

Operating expenses decreased in the six months ended June 30, 2016 , to $35.1 million from $39.5 million in the six months ended June 30, 2015 . The decrease included reductions to maintenance and repair of $3.0 million, allocated overhead of $2.4 million, outside services expense of $1.7 million, field expenses of $0.6 million and office expense of $0.6 million. These costs were partially offset by increases in employment costs, insurance and taxes, rent, travel and other expenses of $2.8 million, $0.9 million, $0.1 million, $0.1 million and $0.1 million, respectively.

General and administrative expense

General and administrative expense decreased to $2.2 million for the six months ended June 30, 2016 , from $4.5 million for the six months ended June 30, 2015 . The decrease is a result of a reduction in overhead allocation of $2.4 million, partially offset with an increase in other expense of $0.1 million.

Depreciation and amortization expense

Depreciation and amortization expense decreased for the six months ended June 30, 2016 , to $12.0 million from $17.7 million for the six months ended June 30, 2015 . Approximately $6.3 million of the decrease in depreciation expense is due to prior year expense related to the revision of the estimated useful life relating to a 163-mile section of the Kansas and Oklahoma pipeline system. Project completions increased depreciation expense by $0.2 million. Amortization expense related to customer relationship intangible assets of our truck transportation operations increased by $0.4 million.

Loss (gain) on disposal of long-lived assets, net

Transportation recorded a loss on disposal of long-lived assets in the six months ended June 30, 2016 of $1.8 million compared to a loss of $133 thousand in the six months ended June 30, 2015 . The loss in the six months ended June 30, 2016 is the result of an abandonment of a 13-mile section of the Kansas and Oklahoma pipeline system.

Earnings from equity method investments

Earnings from our equity method investments decreased slightly to $37.9 million in the six months ended June 30, 2016 from $38.5 million in the six months ended June 30, 2015 .

Facilities

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	$ 12,826	$ 11,402	$ 25,705	$ 22,807
Expenses:				
Operating	2,422	2,398	4,540	4,669
General and administrative	1,033	1,041	2,207	1,773
Depreciation and amortization	1,921	1,406	3,805	2,775
Total expenses	5,376	4,845	10,552	9,217
Operating income	$ 7,450	$ 6,557	$ 15,153	$ 13,590

Adjusted Gross Margin

Adjusted gross margin in this segment is generated by providing fee-based services. Revenues from fee-based services are included in service revenue in our unaudited condensed consolidated statements of income. As there is no cost of sales or derivative activity associated with our Facilities revenue, Adjusted gross margin is equivalent to revenue for this segment.

Three months ended June 30, 2016 vs. three months ended June 30, 2015

Revenue

Facilities revenue increased to $12.8 million in the three months ended June 30, 2016 , from $11.4 million in the three months ended June 30, 2015 . Effective January 2016, Facilities began charging Supply and Logistics for the use of storage and unloading facilities. As a result, the increase was primarily due to intersegment pump-over activity of $1.2 million, intersegment storage of $1.2 million and intersegment unloading activity of $0.1 million. These increases were partially offset by a reduction in third-party storage revenue of $0.7 million, as the average capacity used internally for crude oil operations and marketing activities increased to 1.3 million barrels from 1.1 million barrels, third-party unloading revenue of $0.3 million, and third-party pump-over of $0.1 million.

Operating expense

Operating expenses remained constant at $2.4 million in the three months ended June 30, 2016 and 2015 .

General and administrative expense

General and administrative expense remained constant at $1.0 million in the three months ended June 30, 2016 and 2015 .

Depreciation and amortization expense

Depreciation and amortization expense increased to $1.9 million for the three months ended June 30, 2016 , from $1.4 million for the three months ended June 30, 2015 . The increase was primarily due to incremental expense due to project completions between periods.

Six months ended June 30, 2016 vs. six months ended June 30, 2015

Revenue

Facilities revenue increased to $25.7 million in the six months ended June 30, 2016 , from $22.8 million in the six months ended June 30, 2015 . Effective January 2016, Facilities began charging Supply and Logistics for the use of storage and unloading facilities. As a result, the increase was primarily due to intersegment pump-over activity of $2.7 million, intersegment storage of $2.4 million and intersegment unloading activity of $0.2 million. These increases were partially offset by a reduction in third-party storage revenue of $1.2 million, as the average capacity used internally for crude oil operations and marketing activities increased to 1.3 million from 1.1 million, and third-party unloading revenue of $1.2 million.

Operating expense

Operating expenses showed a slight decrease to $4.5 million in the six months ended June 30, 2016 , from $4.7 million in the six months ended June 30, 2015 , primarily as a result of a reduction in field expense.

General and administrative expense

General and administrative expense increased to $2.2 million in the six months ended June 30, 2016 , compared to $1.8 million in the six months ended June 30, 2015 , largely due to an increase in overhead allocations.

Depreciation and amortization expense

Depreciation and amortization expense increased to $3.8 million for the six months ended June 30, 2016 , from $2.8 million for the six months ended June 30, 2015 . The increase was primarily due to incremental expense due to project completions between periods.

Supply and Logistics

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue:	$ 143,201	$ 189,476	$ 319,823	$ 292,437
Expenses:				
Costs of products sold, exclusive of depreciation and amortization shown below	136,417	176,695	297,767	276,653
Operating	689	155	1,527	348
General and administrative	503	233	1,069	396
Depreciation and amortization	40	40	80	79
Loss (gain) on disposal of long-lived assets, net	—	—	227	(3)
Total expenses	137,649	177,123	300,670	277,473
Operating income	$ 5,552	$ 12,353	$ 19,153	$ 14,964

Adjusted Gross Margin

Adjusted gross margin in this segment is generated from marketing activities. Revenues from marketing activities are included in product revenue in our unaudited condensed consolidated statements of income.

The following table shows the Adjusted gross margin generated by this segment's marketing activities:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues	$ 143,201	$ 189,476	$ 319,823	$ 292,437
Less: Costs of products sold, exclusive of depreciation	136,417	176,695	297,767	276,653
Less: Unrealized gain (loss) on derivatives, net	(4,477)	1,415	71	(1,116)
Adjusted gross margin	$ 11,261	$ 11,366	$ 21,985	$ 16,900

The following table presents a reconciliation of operating income to Adjusted gross margin, the most directly comparable GAAP financial measure for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Reconciliation of operating income to Adjusted gross margin:				
Operating income	$ 5,552	$ 12,353	$ 19,153	$ 14,964
Add:				
Operating expense	689	155	1,527	348
General and administrative expense	503	233	1,069	396
Depreciation and amortization expense	40	40	80	79
Loss (gain) on disposal of long-lived assets, net	—	—	227	(3)
Less:				
Unrealized gain (loss) on derivatives, net	(4,477)	1,415	71	(1,116)
Adjusted gross margin	$ 11,261	$ 11,366	$ 21,985	$ 16,900

Three months ended June 30, 2016 vs. three months ended June 30, 2015

Revenue

Revenue decreased in the three months ended June 30, 2016 , to $143.2 million from $189.5 million in the three months ended June 30, 2015 .

(in thousands)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Gross product revenue	$ 761,254	$ 757,338	$ 1,393,943	$ 1,333,084
Nonmonetary transaction adjustment	(613,576)	(569,277)	(1,074,191)	(1,039,531)
Unrealized gain (loss) on derivatives, net	(4,477)	1,415	71	(1,116)
Product revenue	$ 143,201	$ 189,476	$ 319,823	$ 292,437

Gross product revenue increased in the three months ended June 30, 2016 , to $761.3 million from $757.3 million in the three months ended June 30, 2015 . The increase was primarily due to an increase in the volume sold to 18.0 million barrels at an average sales price of $42 per barrel in the three months ended June 30, 2016 , compared to volume sold of 13.8 million barrels at an average sales price of $55 per barrel in the three months ended June 30, 2015 .

Gross product revenue was reduced by $613.6 million and $569.3 million in the three months ended June 30, 2016 and 2015, respectively, in accordance with Accounting Standards Codification ("ASC") 845-10-15, *"Nonmonetary Transactions"*. ASC 845-10-15 requires that certain transactions -- those where inventory is purchased from a customer then resold to the same customer -- to be presented in the income statement on a net basis, resulting in a reduction of revenue and costs of products sold by the same amount.

Cost of Products Sold

Costs of products sold decreased in the three months ended June 30, 2016 , to $136.4 million (including $7.7 million intersegment charges) from $176.7 million in the three months ended June 30, 2015 (including $3.6 million intersegment charges). Costs of products sold reflected reductions of $613.6 million and $569.3 million in the three months ended June 30, 2016 and 2015, respectively, in accordance with ASC 845-10-15. There was an increase in the barrels sold, as described above, combined with a decrease in the average per barrel cost of crude oil to $42 in the three months ended June 30, 2016 , from $54 in the three months ended June 30, 2015 .

Adjusted Gross Margin

Adjusted gross margin decreased slightly in the three months ended June 30, 2016 , to $11.3 million from $11.4 million in the three months ended June 30, 2015 . The decrease was primarily due to an increase in barrels sold, as described above, and offset by a lower spread between the acquisition and sale price for volumes of crude oil sold, as the excess of our average sales price per barrel over our average acquisition cost per barrel decreased to approximately $0.63 in the three months ended June 30, 2016 , from approximately $0.83 in the three months ended June 30, 2015 . The increase in volume was primarily due to crude oil blending and transactions related to contango market conditions.

Operating expense

Operating expenses increased for the three months ended June 30, 2016 , to $0.7 million from $0.2 million for the three months ended June 30, 2015 . The increase is due to higher employment costs of $0.4 million, outside services of $0.1 million and other expense of $0.1 million.

General and administrative expense

General and administrative expense increased to $0.5 million for the three months ended June 30, 2016 , from $0.2 million for the three months ended June 30, 2015 . This increase is due to additional overhead allocation.

Six months ended June 30, 2016 vs. six months ended June 30, 2015

Revenue

Revenue increased in the six months ended June 30, 2016 , to $319.8 million from $292.4 million in the six months ended June 30, 2015 .

Gross product revenue increased in the six months ended June 30, 2016 , to $1.4 billion from $1.3 billion in the six months ended June 30, 2015 . The increase was primarily due to an increase in the volume sold to 37.6 million barrels at an average sales price of $37 per barrel in the six months ended June 30, 2016 , compared to volume sold of 25.0 million barrels at an average sales price of $53 per barrel in the six months ended June 30, 2015 .

Gross product revenue was reduced by $1.1 billion and $1.0 billion in the six months ended June 30, 2015 and 2015, respectively, in accordance with ASC 845-10-15, *"Nonmonetary Transactions"*. ASC 845-10-15 requires that certain transactions -- those where inventory is purchased from a customer then resold to the same customer -- to be presented in the income statement on a net basis, resulting in a reduction of revenue and costs of products sold by the same amount.

Cost of Products Sold

Costs of products sold increased in the six months ended June 30, 2016 , to $297.8 million (including $17.6 million intersegment charges) from $276.7 million in the six months ended June 30, 2015 (including $7.3 million intersegment charges). Costs of products sold reflected reductions of $1.1 billion and $1.0 billion in the six months ended June 30, 2016 and 2015, respectively, in accordance with ASC 845-10-15. There was an increase in the barrels sold, as described above, combined with a decrease in the average per barrel cost of crude oil to $36 in the six months ended June 30, 2016 , from $53 in the six months ended June 30, 2015 .

Adjusted Gross Margin

Adjusted gross margin increased to $22.0 million in the six months ended June 30, 2016 , from $16.9 million in the six months ended June 30, 2015 . The increase was primarily due to an increase in barrels sold, as described above, and partially offset by a lower spread between the acquisition and sale price for volumes of crude oil sold, as the excess of our average sales price per barrel over our average acquisition cost per barrel decreased to approximately $0.59 in the six months ended June 30, 2016 , from approximately $0.67 in the six months ended June 30, 2015 . The increase in volume was primarily due to crude oil blending and transactions related to contango market conditions.

Operating expense

Operating expenses increased for the six months ended June 30, 2016 , to $1.5 million from $0.3 million for the six months ended June 30, 2015 . The increase is due to higher employment costs of $0.9 million, outside services of $0.2 million and other expense of $0.1 million.

General and administrative expense

General and administrative expense increased to $1.1 million for the six months ended June 30, 2016 , from $0.4 million for the six months ended June 30, 2015 . This increase is due to additional overhead allocation.

Loss (gain) on disposal of long-lived assets, net

We recognized a loss on disposal of long-lived assets of $227 thousand in the six months ended June 30, 2016 , primarily due to a write-down of capitalized line fill taken out of service.

Corporate and Other

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	$ (7,654)	$ (3,562)	$ (17,613)	$ (7,283)
Expenses:				
Costs of products sold, exclusive of depreciation and amortization shown below	(7,654)	(3,562)	(17,613)	(7,283)
Operating	(1)	(2)	(1)	5
General and administrative	2,794	2,474	4,816	5,294
Depreciation and amortization	103	124	213	241
Total expenses	(4,758)	(966)	(12,585)	(1,743)
Operating loss	$ (2,896)	$ (2,596)	$ (5,028)	$ (5,540)

Corporate and Other is not a reportable segment and includes corporate costs not allocated to the operating segments and intersegment eliminations. This table is included to permit the reconciliation of segment information to that of the consolidated Partnership.

Liquidity and Capital Resources

Our principal sources of short-term liquidity are cash generated from operations and borrowings under our revolving credit facility. Potential sources of long-term liquidity include the issuance of debt securities or common units and the sale of assets. Our primary cash requirements currently are operating expenses, capital expenditures and quarterly distributions to our unitholders and general partner. In general, we expect to fund:

- operating expenses, maintenance capital expenditures and cash distributions through existing cash and cash from operating activities;
- expansion related capital expenditures and working capital deficits through cash on hand, borrowings under our credit facility and the issuance of debt securities and common units;
- acquisitions through cash on hand, borrowings under our credit facility and the issuance of debt securities and common units; and
- debt principal payments through cash from operating activities and refinancing when the credit facility and senior unsecured notes become due.

Our ability to meet our financing requirements and fund our planned capital expenditures will depend on our future operating performance, which will be affected by prevailing economic conditions in our industry. In addition, we are subject to conditions in the debt and equity markets for debt securities and limited partner units. There can be no assurance we will be able or willing to access the public or private markets in the future. If we would be unable or unwilling to access those markets, we could be required to restrict future expansion capital expenditures and potential future acquisitions.

We believe our cash from operations and our remaining borrowing capacity allow us to manage our day-to-day cash requirements, distribute the minimum quarterly distribution on all of our outstanding units and meet our capital expenditure commitments for the coming year.

Cash Flows

The following table summarizes our changes in cash and cash equivalents for the periods presented (in thousands):

	Six Months Ended June 30,	
	2016	2015
Cash flows provided by (used in):		
Operating activities	$ 28,610	$ 19,871
Investing activities	(10,045)	(251,592)
Financing activities	(19,715)	296,198
Change in cash and cash equivalents	(1,150)	64,477
Cash and cash equivalents at beginning of period	9,059	3,625
Cash and cash equivalents at end of period	$ 7,909	$ 68,102

Operating Activities

The components of operating cash flows can be summarized as follows (in thousands):

	Six Months Ended June 30,	
	2016	2015
Net income	$ 36,390	$ 31,668
Non-cash expenses, net	20,493	25,097
Changes in operating assets and liabilities, net	(28,273)	(36,894)
Net cash flows provided by operating activities	$ 28,610	$ 19,871

For the six months ended June 30, 2016 , we experienced operating cash inflows of $28.6 million . Net income of $36.4 million included $20.5 million of non-cash expenses, comprised primarily of depreciation and amortization of $16.1 million , a $2.0 million net loss on disposal or impairment and amortization of debt issuance costs of $1.7 million . The net loss on disposal is primarily a result of the abandonment of a section of pipeline of our Transportation segment. Changes in operating assets and liabilities accounted for net cash outflows of $28.3 million for the six months ended June 30, 2016 . The primary changes to operating assets and liabilities included an increase in accounts receivable of $79.3 million , an increase to accounts payable and accrued liabilities of $68.9 million , an increase in receivables from affiliates of $3.3 million , an increase in inventories of $17.2 million , an increase in payables to affiliates of $5.9 million and an increase in other current assets of $3.3 million . The impact of accounts receivable, accounts payable, accrued liabilities and inventories is subject to the timing of purchases and sales and fluctuations in commodity pricing. The increase in other current assets is primarily due to increases in our margin account balance and insurance prepayments made during the period.

For the six months ended June 30, 2015, we experienced operating cash inflows of $19.9 million. Net income of $31.7 million included $25.1 million of non-cash expenses, comprised primarily of depreciation and amortization of $20.8 million, $1.1 million in net unrealized losses related to derivative instruments and $1.2 million in inventory valuation adjustments. Changes in operating assets and liabilities accounted for net cash outflows of $36.9 million for the six months ended June 30, 2015. The primary changes to operating assets and liabilities included an increase to accounts payable and accrued liabilities of $31.2 million, an increase in accounts receivable of $26.4 million, an increase in receivables from affiliates of $2.1 million, an increase in inventories of $41.8 million, an increase in payables to affiliates of $3.7 million and an increase in other current assets of $1.4 million. The impact of accounts receivable, accounts payable, accrued liabilities and inventories is subject to the timing of purchases and sales and fluctuations in commodity pricing. Additionally, the increase in inventory is due, in part, to approximately 700 thousand additional barrels in storage compared to the beginning of the period. This is partially due to a strategic build to capture margins due to forward market crude oil prices being higher than spot market prices.

Investing Activities

For the six months ended June 30, 2016 , our cash outflows from investing activities of $10.0 million related primarily to capital expenditures of $20.4 million and contributions to equity method investments of $3.4 million , offset by distributions from equity method investments in excess of equity in earnings of $13.8 million . Capital expenditures related primarily to pipeline projects. Contributions to equity method investments primarily related to capital calls to fund the White Cliffs Pipeline expansion project.

For the six months ended June 30, 2015 , our cash outflows from investing activities of $251.6 million related primarily to acquisition payments of $205.1 million , contributions to equity method investments of $23.5 million and capital expenditures of $36.3 million , offset by distributions from equity method investments in excess of equity in earnings of $13.1 million . Acquisitions represent the historical cost of WOT and a 50% interest in Glass Mountain purchased from SemGroup. Consideration in excess of historical cost is reported as a financing activity in the cash flow statement. Contributions to equity method investments primarily related to capital calls to fund the expansion of the White Cliffs Pipeline and capital expenditures related to the Wattenberg Pipeline extension and other projects.

Financing Activities

Net cash outflows of $19.7 million from financing activities for the six months ended June 30, 2016 were driven primarily by $60.7 million of cash distributions to partners, reduced by $41.0 million net borrowings on our revolving credit facility ($165.5 million of borrowings less $124.5 million in principal payments).

Net cash inflows of $296.2 million from financing activities for the six months ended June 30, 2015 were driven primarily by $312.2 million net borrowings on our revolving credit facility ($676.2 million of borrowings less $364.0 million in principal payments on our revolving credit facility) and $89.1 million in proceeds from the issuance of common limited partner units, reduced by $53.2 million of cash distributions to partners and $46.3 million cash consideration in excess of historical cost of WOT and a 50% interest in Glass Mountain. Net borrowings and proceeds from the issuance of common limited partner units were primarily used to fund the acquisition of WOT and a 50% interest in Glass Mountain from SemGroup.

Long-term Debt

At June 30, 2016 , we had $400 million and $350 million of senior unsecured notes outstanding which become due in 2022 and 2023, respectively, and $41.0 million outstanding borrowings on our $585 million revolving credit facility, which expires in 2018. At June 30, 2016 , our available borrowing capacity on our revolving credit facility was $506.3 million, which includes the impact of $37.7 million of outstanding letters of credit which reduce the capacity available for borrowings.

Shelf Registration Statement

We have an effective shelf registration statement for the offer and sale, from time to time, of common units representing limited partner interests in us having an aggregate offering price of up to $150 million. We are able to make sales over a period of time and, from time to time, in transactions at prices which are market prices prevailing at the time of sale, prices related to market price or at negotiated prices. Such sales may be made pursuant to a sales agency financing agreement between us and certain underwriters or agents who may act as sales agents or purchase for their own accounts as principals. To date, no such sales have been made.

Working Capital

Working capital is the amount by which current assets exceed current liabilities and is a measure of our ability to pay our liabilities as they become due. Our working capital was $65.3 million and $36.6 million at June 30, 2016 and December 31, 2015 , respectively. The increase in working capital at June 30, 2016 as compared to December 31, 2015 is primarily due to the timing of purchases and sales and fluctuations in commodity pricing.

Capital Requirements

The midstream energy business can be capital intensive, requiring significant investments for the maintenance of existing assets or acquisition or development of new systems and facilities. We categorize our capital expenditures as either:

- expansion related capital expenditures, which are cash expenditures incurred for acquisitions or capital improvements that we expect will increase our operating income or operating capacity over the long-term; or
- maintenance capital expenditures, which are cash expenditures (including expenditures for the addition or improvement to, or the replacement of, our capital assets or for the acquisition of existing, or the construction or development of new capital assets) made to maintain our long-term operating income or operating capacity.

During the six months ended June 30, 2016 , we invested $20.4 million (cash basis) on capital projects and $3.4 million in contributions to equity method investments. Projected capital expenditures for 2016 include $25 million for expansion projects including contributions to fund growth projects of equity method investees and acquisitions from third parties and $10 million in maintenance projects.

We anticipate that we will continue to make significant expansion capital expenditures in the future. Consequently, our ability to develop and maintain sources of funds to meet our capital requirements is critical to our ability to meet our growth objectives. We expect that our future expansion capital expenditures will be funded by cash from operations, borrowings under our credit facility and the issuance of debt and equity securities.

Distributions

The table below shows cash distributions declared or paid during 2015 and 2016:

Quarter Ended	Record Date	Payment Date	Distribution Per Unit
December 31, 2014	February 3, 2015	February 14, 2015	$0.6200
March 31, 2015	May 5, 2015	May 15, 2015	$0.6350
June 30, 2015	August 4, 2015	August 14, 2015	$0.6500
September 30, 2015	November 3, 2015	November 13, 2015	$0.6600
December 30, 2015	February 2, 2016	February 12, 2016	$0.6600
March 31, 2016	May 3, 2016	May 13, 2016	$0.6600
June 30, 2016	August 2, 2016	August 12, 2016	$0.6600

Credit Risk

We are subject to risks of loss resulting from nonpayment or nonperformance by our customers. We examine the creditworthiness of third-party customers to whom we extend credit and manage our exposure to credit risk through credit analysis, credit approval, credit limits and monitoring procedures, and for certain transactions, we may request letters of credit, prepayments or guarantees.

Customer Concentration

Shell Trading (US) Company and BP Oil Supply Company accounted for more than 10% of our total revenue for the three months ended June 30, 2016 , at approximately 51% and 14% , respectively. Shell Trading (US) Company and BP Oil Supply Company accounted for more than 10% of our total revenue for the six months ended June 30, 2016 , at approximately 53% and 11% , respectively. Although we have contracts with customers of varying durations, if one or more of our major customers were to default on their contract, or if we were unable to renew our contract with one or more of these customers on favorable terms, we might not be able to replace any of these customers in a timely fashion, on favorable terms or at all. In any of these situations, our revenues and our ability to make cash distributions to our unitholders may be adversely affected. We expect our exposure to risk of non-payment or non-performance to continue as long as we remain substantially dependent on a relatively small number of customers for a substantial portion of our revenue.

Purchase and Sale Commitments

For information regarding purchase and sales commitments, see the discussion under the caption "Purchase and sale commitments" in Note 7 of our condensed consolidated financial statements of this Form 10-Q, which information is incorporated by reference into this Item 2.

Letters of Credit

In connection with our purchasing activities, we provide certain suppliers and transporters with irrevocable standby and performance letters of credit to secure our obligation for the purchase of crude oil. Our liabilities with respect to these purchase obligations are recorded as accounts payable on our balance sheet in the month the crude oil is purchased. Generally, these letters of credit are issued for 50- to 70-day periods (with a maximum of a 364-day period) and are terminated upon completion of each transaction. At June 30, 2016 and December 31, 2015 , we had outstanding letters of credit of approximately $56.6 million and $78.2 million , respectively.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as defined by Item 303 of Regulation S-K.

Critical Accounting Policies and Estimates

For disclosure regarding our critical accounting policies and estimates, see the discussion under the caption "Critical Accounting Policies and Estimates" in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 .

Recent Accounting Pronouncements

See Note 1 to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

This discussion on market risks represents an estimate of possible changes in future earnings that would occur assuming hypothetical future movements in commodity prices and interest rates. Our views on market risk are not necessarily indicative of actual results that may occur, and do not represent the maximum possible gains and losses that may occur since actual gains and losses will differ from those estimated, based on actual fluctuations in interest rates or commodity prices and the timing of transactions.

We are exposed to various market risks, including volatility in crude oil prices and interest rates. We have in the past used, and expect that in the future we will continue to use, various derivative instruments to manage exposure. Our risk management policies and procedures are designed to monitor physical and financial commodity positions and the resulting outright commodity price risk as well as basis risk resulting from differences in commodity grades, purchase and sales locations and purchase and sale timing. We have a risk management function that has responsibility and authority for our Comprehensive Risk Management Policy, which governs our enterprise-wide risks, including the market risks discussed in this item. Subject to our Comprehensive Risk Management Policy, our finance and treasury function has responsibility and authority for managing exposure to interest rates.

Commodity Price Risk

The table below outlines the range of NYMEX prompt month daily settle prices for crude oil futures provided by an independent, third-party broker for the three months and six months ended June 30, 2016 and 2015 , and for the year ended December 31, 2015 .

	Light Sweet Crude Oil Futures ($ per Barrel)
Three months ended June 30, 2016	
High	$51.23
Low	$35.70
High/Low Differential	*$15.53*
Three months ended June 30, 2015	
High	$61.43
Low	$49.14
High/Low Differential	*$12.29*
Six Months Ended June 30, 2016	
High	$51.23
Low	$26.21
High/Low Differential	*$25.02*
Six Months Ended June 30, 2015	
High	$61.43
Low	$43.46
High/Low Differential	*$17.97*
Year Ended December 31, 2015	
High	$61.43
Low	$34.73
High/Low Differential	*$26.70*

Revenue from our asset-based activities is dependent on throughput volume, tariff rates, the level of fees generated from our pipeline systems, capacity contracted to third parties, capacity that we use for our own operational or marketing activities and the level of other fees generated at our storage facilities and from our trucking operations. Profit from our marketing activities is dependent on our ability to sell crude oil at prices in excess of our aggregate cost. Margins may be affected during transitional periods between a backwardated market (when the prices for future deliveries are lower than the current prices) and a contango market (when the prices for future deliveries are higher than the current prices). Our crude oil marketing activities are generally not directly affected by the absolute level of crude oil prices, but are affected by overall levels of supply and demand for crude oil and relative fluctuations in market-related indices at various locations.

Based on our open derivative contracts at June 30, 2016 , an increase in the applicable market price or prices for each derivative contract would result in a decrease in the contribution from these derivatives to our crude oil sales revenues. A decrease in the applicable market price or prices for each derivative contract would result in an increase in the contribution from these derivatives to our crude oil sales revenues. However, the increases or decreases in crude oil sales revenues we recognize from our open derivative contracts are substantially offset by higher or lower crude oil sales revenues when the physical sale of the product occurs. These contracts may be for the purchase or sale of crude oil or in markets different from the physical markets in which we are attempting to hedge our exposure, or may have timing differences relative to the physical markets. As a result of these factors, our hedges may not eliminate all price risks.

The notional volumes and fair value of our commodity derivatives open positions as of June 30, 2016 , as well as the change in fair value that would be expected from a 10% market price increase or decrease, is shown in the table below (in thousands):

	Notional Volume (Barrels)	Fair Value	Effect of 10% Price Increase	Effect of 10% Price Decrease	Settlement Date
Crude oil:					
Futures	942 short	$ (268)	$ (4,553)	$ 4,553	Various through December 2016

Margin deposits or other credit support, including letters of credit, are generally required on derivative instruments used to manage our price exposure. As commodity prices increase or decrease, the fair value of our derivative instruments changes, thereby increasing or decreasing our margin deposit or other credit support requirements. Although a component of our risk-management strategy is intended to manage the margin and other credit support requirements on our derivative instruments, volatile spot and forward commodity prices, or an expectation of increased commodity price volatility, could increase the cash needed to manage our commodity price exposure and thereby increase our liquidity requirements. This may limit amounts available to us through borrowing, decrease the volume of petroleum products we purchase and sell or limit our commodity price management activities.

Interest Rate Risk

We have exposure to changes in interest rates under our revolving credit facility. The credit markets have recently experienced very low interest rates. Monetary policy could tighten in the future, resulting in higher interest rates to counter possible inflation. Interest rates on our floating rate revolving credit facility and future debt offerings could be higher than current levels, causing our financing costs to increase accordingly.

We recorded interest expense related to our revolving credit facility of $1.6 million during the three months ended June 30, 2016 , including letters of credit and amortization of debt issuance cost. An increase in interest rates of 1% for the three months ended June 30, 2016 , would have increased our interest expense by $60.3 thousand. We recorded interest expense related to our revolving credit facility of $3.1 million during the six months ended June 30, 2016 , including letters of credit and amortization of debt issuance cost. An increase in interest rates of 1% for the six months ended June 30, 2016 , would have increased our interest expense by $98.6 thousand.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of our general partner have concluded that the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) are effective as of June 30, 2016 . This conclusion is based on an evaluation conducted under the supervision and participation of the Chief Executive Officer and Chief Financial Officer of our general partner along with our management. Disclosure controls and procedures are those controls and procedures designed to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer of our general partner, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the most recently completed fiscal quarter ended June 30, 2016 , that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see the discussion under the captions "Bankruptcy matters," "Environmental," "Dimmit County, TX claims" and "Other matters," in Note 7 of our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, which information is incorporated by reference into this Item 1.

Item 1A. Risk Factors

Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015 includes certain risk factors involving us. Except as set forth below, those risk factors have not materially changed:

Our pending transaction with SemGroup may not close when expected, or at all.

The consummation of our merger with SemGroup is subject to the approval of the issuance of shares of SemGroup's Class A common stock pursuant to the merger agreement by SemGroup's stockholders and the satisfaction of other customary closing conditions. If these conditions to closing are not satisfied or waived, if waivable, the merger with SemGroup will not be consummated. Further, the consummation of the merger requires a waiver or amendment of certain provisions of SemGroup's credit agreement and our credit agreement. Although we expect to amend and consolidate the credit agreements to permit the merger, if the lenders do not consent and we cannot refinance the credit agreements, then the merger cannot be consummated. Additionally, there is no assurance that we will complete the merger in the time frame that we anticipate or under the terms set forth in the merger agreement, or at all.

If our pending transaction with SemGroup is consummated, the benefits we expect may not be realized.

Our assessments and expectations regarding the anticipated benefits of the merger may prove to be incorrect. Accordingly, there can be no assurance that the anticipated benefits of our merger with SemGroup will be realized.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases of our common units by us during the quarter ended June 30, 2016 :

	Total Number of Shares Purchased (1)	Weighted Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
April 1, 2016 - April 30, 2016	121	$ 11.32	—	—
May 1, 2016 - May 31, 2016	—	—	—	—
June 1, 2016 - June 30, 2016	—	—	—	—
Total	121	$ 11.32	—	—

(1) Represents shares of common units withheld from certain of our employees for payment of taxes associated with the vesting of restricted unit awards.

(2) The price paid per common unit represents the closing price as posted on the New York Stock Exchange on the day that the units vested.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are filed or furnished as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description
2.1	Agreement and Plan of Merger dated as of May 30, 2016, by and among SemGroup Corporation, PBMS, LLC, Rose Rock Midstream, L.P., and Rose Rock Midstream GP, LLC (filed as Exhibit 2.1 to the Registrant's current report on Form 8-K dated May 30, 2016, filed May 31, 2016 and incorporated herein by reference).
31.1	Rule 13a-14(a)/15d-14(a) Certification of Carlin G. Conner, Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Robert N. Fitzgerald, Chief Financial Officer.
32.1	Section 1350 Certification of Carlin G. Conner, Chief Executive Officer.
32.2	Section 1350 Certification of Robert N. Fitzgerald, Chief Financial Officer.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 5, 2016	ROSE ROCK MIDSTREAM, L.P.
	By: Rose Rock Midstream GP, LLC, its general partner
	/s/ Robert N. Fitzgerald
	Robert N. Fitzgerald
	Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Carlin G. Conner, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A (Amendment No. 1) of Rose Rock Midstream, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2016

/s/ Carlin G. Conner

Carlin G. Conner
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Robert N. Fitzgerald, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A (Amendment No. 1) of Rose Rock Midstream, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2016

/s/ Robert N. Fitzgerald

Robert N. Fitzgerald
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Rose Rock Midstream, L.P. (the "Company") on Form 10-Q/A (Amendment No. 1) for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carlin G. Conner, President and Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2016

/s/ Carlin G. Conner

Carlin G. Conner
President and Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Rose Rock Midstream, L.P. (the "Company") on Form 10-Q/A (Amendment No. 1) for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert N. Fitzgerald, Senior Vice President and Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2016

/s/ Robert N. Fitzgerald

Robert N. Fitzgerald

Senior Vice President and
Chief Financial Officer