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

FORM 10-Q

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

For the quarterly period ended March 31, 2015

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 April 30, 2015 , there were 36,790,363 common units outstanding.

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 that we file with the Securities and Exchange Commission (the "SEC") and the following:

- Insufficient cash from operations following the establishment of cash reserves and payment of fees and expenses to pay the minimum quarterly distribution;
- Any sustained reduction in demand for or supply of crude oil in markets served by our midstream assets;
- 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 indenture governing our senior notes, including requirements under our credit facility to maintain certain financial ratios;
- 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;
- Our ability to renew or replace expiring storage, transportation and related contracts;
- The loss of, or a material nonpayment or nonperformance by, any of our key customers;
- 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;
- A cyber attack involving our information systems and related infrastructure, or that of our business associates;
- Hazards or operating risks incidental to the gathering, transporting or storing of crude oil;
- 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) March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,323	$ 3,625
Accounts receivable	188,847	224,881
Receivable from affiliates	13,420	15,485
Inventories	55,680	26,722
Other current assets	3,995	4,056
Total current assets	275,265	274,769
Property, plant and equipment (net of accumulated depreciation of $92,493 and $82,646 at March 31, 2015 and December 31, 2014, respectively)	405,283	396,066
Equity method investments	425,655	269,635
Goodwill	36,116	36,116
Other intangible assets (net of accumulated amortization of $638 and $370 at March 31, 2015 and December 31, 2014, respectively)	16,372	16,640
Other noncurrent assets, net	12,475	13,037
Total assets	$ 1,171,166	$ 1,006,263
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 178,964	$ 211,300
Payable to affiliates	26,148	27,909
Accrued liabilities	17,323	23,282
Other current liabilities	5,172	3,191
Total current liabilities	227,607	265,682
Long-term debt	661,072	432,092
Commitments and contingencies (Note 6)		
Partners' capital:		
Common units – public (16,083,994 and 13,765,451 units issued and outstanding at March 31, 2015 and December 31, 2014, respectively)	103,207	69,929
Common units – SemGroup (20,704,418 and 6,814,709 units issued and outstanding at March 31, 2015 and December 31, 2014, respectively)	169,199	155,367
Subordinated units – SemGroup (0 and 8,389,709 units issued and outstanding at March 31, 2015 and December 31, 2014, respectively)	—	(60,760)
Class A units - SemGroup (0 and 3,750,000 units issued and outstanding at March 31, 2015 and December 31, 2014, respectively)	—	76,321
General partner	10,081	67,632
Total partners' capital	282,487	308,489
Total liabilities and partners' capital	$ 1,171,166	$ 1,006,263

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 March 31,	
	2015	**2014**
Revenues, including revenues from affiliates (Note 9):		
Product	$ 106,567	$ 266,290
Service	28,126	26,224
Total revenues	134,693	292,514
Expenses, including expenses from affiliates (Note 9):		
Costs of products sold, exclusive of depreciation and amortization	96,237	254,537
Operating	20,951	15,215
General and administrative	5,620	3,747
Depreciation and amortization	10,143	11,482
Total expenses	132,951	284,981
Earnings from equity method investments	20,864	11,080
Operating income	22,606	18,613
Interest expense	8,006	2,387
Net income	14,600	16,226
Less: net income attributable to noncontrolling interests	—	3,676
Net income attributable to Rose Rock Midstream, L.P.	$ 14,600	$ 12,550
Net income allocated to general partner	$ 4,742	$ 805
Net income allocated to common unitholders	$ 9,858	$ 8,114
Net income allocated to subordinated unitholders	$ —	$ 3,750
Net income (loss) allocated to Class A unitholders	$ —	$ (119)
Net income (loss) per limited partner unit:		
Common unit (basic)	$ 0.28	$ 0.45
Common unit (diluted)	$ 0.28	$ 0.45
Subordinated unit (basic and diluted)	$ —	$ 0.45
Class A unit (basic and diluted)	$ —	$ (0.05)
Basic weighted average number of limited partner units outstanding:		
Common units	34,804	18,149
Subordinated units	—	8,390
Class A units	—	2,500
Diluted weighted average number of limited partner units outstanding:		
Common units	34,847	18,198
Subordinated units	—	8,390
Class A units	—	2,500

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)

	Three Months Ended March 31, 2015	2014
Cash flows from operating activities:		
Net income	$ 14,600	$ 16,226
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	10,143	11,482
Loss (gain) on disposal of long-lived assets, net	152	(34)
Amortization of debt issuance costs	527	260
Inventory valuation adjustment	1,187	—
Non-cash equity compensation	298	260
Net unrealized loss related to derivative instruments	2,531	606
Changes in assets and liabilities, net of the effects of acquisitions:		
Decrease (increase) in accounts receivable	36,034	(61,400)
Decrease (increase) in receivable from affiliates	2,065	15,589
Decrease (increase) in inventories	(30,145)	3,238
Decrease (increase) in other current assets	(1,579)	(76)
Increase (decrease) in accounts payable and accrued liabilities	(41,237)	54,461
Increase (decrease) in payable to affiliates	(1,646)	(22,425)
Net cash provided by (used in) operating activities	(7,070)	18,187
Cash flows from investing activities:		
Capital expenditures	(15,431)	(7,704)
Proceeds from sale of long-lived assets	86	650
Contributions to equity method investments	(15,182)	(13,152)
Acquisitions	(205,071)	—
Distributions from equity investments in excess of equity in earnings	5,201	2,505
Net cash used in investing activities	(230,397)	(17,701)
Cash flows from financing activities:		
Debt issuance costs	—	(62)
Borrowings on revolving credit facility	312,000	46,000
Principal payments on revolving credit facility	(83,000)	(46,500)
Principal payments on capital lease obligations	(12)	(9)
Proceeds from common L.P. unit issuance, net of offering costs	89,119	—
Contribution from general partner	—	2,823
Cash consideration in excess of historical cost of acquisitions from SemGroup	(46,264)	—
Cash distributions to partners	(24,678)	(12,841)
Cash distributions to noncontrolling interests	—	(4,324)
Contributions from noncontrolling interests	—	1,617
Net cash provided by (used in) financing activities	247,165	(13,296)
Net increase (decrease) in cash and cash equivalents	9,698	(12,810)
Cash and cash equivalents at beginning of period	3,625	15,437
Cash and cash equivalents at end of period	$ 13,323	$ 2,627

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.

Prior period financial information has been recast to reflect the effects of a common control acquisition completed on February 13, 2015. See Note 3 for additional information.

The condensed consolidated balance sheet at December 31, 2014 , 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 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 accounting principles generally accepted in the United States 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 ended March 31, 2015 , are not necessarily indicative of the results to be expected for the full year ending December 31, 2015 .

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 accounting principles generally accepted in the United States. 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, 2014 , which are included in our Annual Report on Form 10-K for the year ended December 31, 2014 , filed with the SEC.

Our significant accounting policies are consistent with those described in our Annual Report on Form 10-K for the year ended December 31, 2014 .

Recent Accounting Pronouncements

On April 30, 2015. the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-06, "Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions (a Consensus of the FASB Emerging Issues Task Force)", which requires a master limited partnership ("MLP") to allocate earnings (losses) of the transferred business entirely to the general partner when calculating earnings per unit ("EPU") for periods before the dropdown transaction occurred. The EPU that the limited partners previously reported would not change as a result of the dropdown transaction. The ASU also requires an MLP to disclose the how the rights to the earnings (losses) differ before and after the dropdown transaction occurs for purposes of computing earnings per unit under the two-class method. The standard will be effective for U.S. public companies for annual reporting periods beginning after December 15, 2015. Early adoption is permitted. The new guidance shall be applied on a retrospective basis for all periods presented. We early adopted this guidance in the first quarter of 2015 and the impact was not 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. The standard will be effective for U.S. public companies for annual reporting periods beginning after December 15, 2015. Early adoption is permitted.

1. OVERVIEW, Continued

The new guidance shall be applied on a retrospective basis for all periods presented. We will adopt this guidance in the first quarter of 2016. The impact is not expected to be material.

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 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 is effective for annual periods beginning after December 15, 2016, and interim periods therein, 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). 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.

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 consist of the following (in thousands):

	March 31, 2015	December 31, 2014
White Cliffs Pipeline, L.L.C.	$ 279,753	$ 269,635
Glass Mountain Pipeline LLC	145,902	—
Total equity method investments	$ 425,655	$ 269,635

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

	Three Months Ended March 31,	
	2015	2014
White Cliffs Pipeline, L.L.C.	$ 19,090	$ 11,080
Glass Mountain Pipeline LLC	1,774	—
Total earnings from equity method investments	$ 20,864	$ 11,080

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

	Three Months Ended March 31,	
	2015	2014
White Cliffs Pipeline, L.L.C.	$ 24,154	$ 13,585
Glass Mountain Pipeline LLC	1,911	—
Total cash distributions received from equity method investments	$ 26,065	$ 13,585

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 ended March 31, 2015 and 2014 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 March 31,	
	2015	2014
Revenues	$ 54,614	$ 33,274
Operating, general and administrative expenses	$ 8,353	$ 6,768
Depreciation and amortization expense	$ 8,538	$ 4,393
Net income	$ 37,723	$ 22,113

Our equity in earnings of White Cliffs for the three months ended March 31, 2015 and 2014 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 $0.3 million and $0.4 million of such general and administrative expense for the three months ended March 31, 2015 and 2014 , respectively.

The members of White Cliffs are required to contribute capital to White Cliffs to fund various projects. For the three months ended March 31, 2015 , we contributed $14.9 million to these projects, including a $6.6 million contribution for an expansion project adding approximately 65,000 barrels per day of capacity. Remaining contributions related to the expansion project will be paid in 2015 and 2016 and are expected to total $30.1 million . The project is expected to be completed in late 2015.

Glass Mountain Pipeline LLC

Certain summarized unaudited income statement information of Glass Mountain Pipeline LLC ("Glass Mountain") for the three months ended March 31, 2015 and 2014 is shown below (in thousands):

	Three Months Ended March 31,
	2015
Revenues	$ 11,121
Cost of sales	$ 1,982
Operating, general and administrative expenses	$ 1,438
Depreciation and amortization expense	$ 4,044
Net income	$ 3,655

Our equity in earnings of Glass Mountain for the three months ended March 31, 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.

3. ACQUISITIONS

During the three months ended March 31, 2015 , we completed the following acquisition:

- On February 13, 2015, we acquired the Wattenberg Oil Trunkline ("WOT") and Glass Mountain Holding, LLC, which owns 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 the 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.

  The cash consideration was funded through a borrowing under our credit facility and the issuance and sale of common units in an underwritten public offering (Note 7). 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 capital accounts of our general and limited partners on a pro-rata basis.

3. ACQUISITIONS, Continued

The acquisition of WOT created a change in reporting entity, which required our historical results to be recast as if WOT had been part of Rose Rock in prior periods. The historical financial statements have been recast to reflect this change. The impact to prior periods was not significant. Prior period earnings of WOT have been allocated to the general partner.

The acquisition of Glass Mountain Holding, LLC, is equivalent to the acquisition of an equity method investment which does not create a change in reporting entity. As such, prior periods have not been recast to include the historical results of Glass Mountain. The Glass Mountain 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.

During the year ended December 31, 2014, we completed the following acquisitions:

- On June 23, 2014, we acquired the remaining 33% interest in SemCrude Pipeline, L.L.C. ("SCPL") from SemGroup for (i) cash of approximately $114.4 million , (ii) the issuance of 2.425 million common units, (iii) the issuance of 1.25 million Class A units, and (iv) 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. SCPL owns a 51% membership interest in White Cliffs. As the transaction was between entities under common control, we recorded our investment in SCPL 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.
- On June 24, 2014, we acquired crude oil trucking assets from a subsidiary of Chesapeake Energy Corporation for $44.0 million in cash.

4. 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 location and time basis risk. 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 March 31, 2015 and December 31, 2014 (in thousands):

	March 31, 2015			December 31, 2014		
	Level 1	Netting*	Total	Level 1	Netting*	Total
Assets	$ 1,763	$ (1,763)	$ —	$ 3,198	$ (1,637)	$ 1,561
Liabilities	$ 2,733	$ (1,763)	$ 970	$ 1,637	$ (1,637)	$ —

4. FINANCIAL INSTRUMENTS, Continued

* 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 March 31, 2015 , 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 ended March 31, 2015 and 2014. 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 March 31,	
	2015	2014
Sales	5,731	815
Purchases	5,905	810

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):

	March 31, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Commodity contracts	$ —	$ 970	$ 1,561	$ —

We have posted margin deposits as collateral with brokers who have the right of set off associated with these funds. Our margin deposit balances were $3.2 million and $0.8 million as of March 31, 2015 and December 31, 2014, 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 March 31, 2015 and December 31, 2014, we would have had net asset positions of $2.2 million and $2.4 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 March 31,	
	2015	2014
Commodity contracts	$ (644)	$ (807)

Concentrations of risk

During the three months ended March 31, 2015 , two third-party customers accounted for approximately 79% of our consolidated revenue. We purchased approximately $71.2 million of product from two third-party suppliers, which represented approximately 74% of our costs of products sold.

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

4. FINANCIAL INSTRUMENTS, Continued

At March 31, 2015 , two third-party customers accounted for 51% of our total accounts receivable.

5. LONG-TERM DEBT

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

	March 31, 2015	December 31, 2014
Rose Rock 5.625% senior unsecured notes	$ 400,000	$ 400,000
Rose Rock revolving credit facility	261,000	32,000
Capital leases	119	132
Total long-term debt	$ 661,119	$ 432,132
less: current portion of long-term debt	47	40
Noncurrent portion of long-term debt	$ 661,072	$ 432,092

Senior unsecured notes

At March 31, 2015, we had $400 million of 5.625% senior unsecured notes due 2022 outstanding. For the three months ended March 31, 2015 , we incurred $5.8 million of interest expense related to these notes, including amortization of debt issuance costs.

The Notes are guaranteed by all of our existing subsidiaries other than Finance Corp. Such guarantees of the 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 March 31, 2015 , we had outstanding borrowings of $261.0 million on our $585 million revolving credit facility, of which $36.0 million incurred interest at the alternate base rate ("ABR") plus an applicable margin and $225.0 million incurred interest at the Eurodollar rate plus an applicable margin. The interest rate in effect at March 31, 2015 on ABR borrowings was 4.75% and on Eurodollar borrowings was 2.68% .

We had $17.3 million in outstanding letters of credit at March 31, 2015 , and the rate per annum was 2.50% .

At March 31, 2015 , we had $9.1 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.

We recorded $2.3 million and $2.3 million of interest expense related to this facility during the three months ended March 31, 2015 and 2014 , respectively, including amortization of debt issuance costs.

Fair value

We estimate the fair value of our senior unsecured notes to be $394 million at March 31, 2015 , based on unadjusted, transacted market prices, which is categorized as a Level 1 measurement. We estimate that the fair value of our revolving long-term debt was not materially different than the reported values at March 31, 2015 , 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 March 31, 2015 .

6. 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

6. COMMITMENTS AND CONTINGENCIES, Continued

(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 believed, based on their historical use, may have soil or groundwater contamination in excess of state standards. The KDHE sought our agreement to undertake assessments of these sites to determine whether they are contaminated. SemGroup entered into a Consent Agreement and Final Order with the KDHE to conduct environmental assessments on the sites and to pay the KDHE's costs associated with their oversight of this matter. SemGroup has conducted Phase II investigations at all sites. Three of the five sites have limited amounts of soil contamination that will be excavated and/or remediated on site. Three of the five sites appeared to have ground water contamination requiring further delineation and/or on-going monitoring. Work plans have been submitted to, and approved by, the KDHE. One site was closed and we anticipate closure in 2015 for three of the remaining four sites. SemGroup 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.

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. At this time, the following lawsuits have been filed in either the District Court of Zavala County, Texas or the District Court of Dimmit County, Texas, Olga D. Rubio and Carlos Rubio, Individually and on Behalf of All Statutory Wrongful Death Beneficiaries of Carlos Rubio, Jr., Deceased vs. Rose Rock Midstream Field Services, LLC and Jesus T. Riojas; David Rodriguez and Maribel Rodriguez vs. Rose Rock Midstream Field Services, LLC and Jesus T. Riojas; David Rodriguez and Maribel Rodrigues, Plaintiffs and Alejandra Abigail Ortega, Individually and as next friend of K.A.P., a minor, and as Representative of the Estate of Eduardo Pena, and Julian Pena and Nelva G. Suifuentes Pena Intervenors vs. Rose

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6. COMMITMENTS AND CONTINGENCIES, Continued

Rock Midstream Field Services, LLC, Jesus Riojas, and Roberto Rivera; Derek Muhlenbruch vs. Rose Rock Midstream Field Services, LLC and Jesus T. Riojas; and Agustin Lara, Sr., Individually, and Elsa Zamarripa, Individually and As Representative of the Estate of Justin Lara, Deceased vs. Rose Rock Midstream Field Services, LLC and Jesus T. Riojas; Jorge A Porras vs. Rose Rock Midstream Field Services, LLC; Nancy Garcia vs. Rose Rock Midstream Field Services, LLC; Veronica Veyro vs. Rose Rock Midstream Field Services, LLC; Veronica Veyro a/n/f of Sergio Veyro, Jr. vs. Rose Rock Midstream Field Services, LLC; Veronica Veyro as Rep of Estate of Sergio Veyro Sr., deceased vs. Rose Rock Midstream Field Services, LLC; Veronica Kimberly Veyro vs. Rose Rock Midstream Field Services, LLC; Roberto Rivera-Castilla vs. Rose Rock Midstream Field Services, LLC; Mary Alice Medellin vs. Rose Rock Midstream Field Services, LLC; Mary Medellin as Rep of Estate of Juan Medellin, Jr. vs. Rose Rock Midstream Field Services, LLC; Mary Medellin on behalf of those entitled to recover for the Wrongful Death of Juan Medellin, Jr. vs. Rose Rock Midstream Field Services, LLC; Elizabeth Rolon vs. Rose Rock Midstream Field Services, LLC and Juan Francisco Medellin, III vs. Rose Rock Midstream Field Services, LLC. We are currently working with counsel for the interested parties to investigate the accident, and no determination of liability has been made. We will continue to defend our position and believe that any liability that may arise from this incident will be covered by our insurance; however, we cannot predict the outcome.

Blueknight claim

Blueknight Energy Partners, L.P. ("Blueknight"), which was formerly a subsidiary of SemGroup, together with other entities related to Blueknight, entered into a Shared Services Agreement on April 7, 2009, with SemCrude and SemManagement, L.L.C. (which are currently subsidiaries of SemGroup). The services provided by SemCrude to Blueknight under this agreement included assisting Blueknight with movement of crude oil belonging to Blueknight's customers and with the operation of Blueknight's Oklahoma pipeline system and its Cushing, Oklahoma terminal. Under the subsequent amendments to the agreements beginning in May 2010, certain of these services were phased out and Blueknight began to perform all services necessary for the movement of its crude oil and the operation of its Cushing terminal without SemCrude's assistance.

In a letter dated August 18, 2011, Blueknight claimed that SemCrude owes Blueknight approximately 141,000 barrels of crude oil. SemGroup responded to Blueknight's letter denying their charges and requesting documentation from Blueknight of its claim. On February 14, 2012, after months of interaction between the parties through which Blueknight was requested to substantiate its claim, Blueknight filed suit against SemGroup and other related companies in the District Court of Oklahoma County, Oklahoma. On May 1, 2012, the case was transferred to Tulsa County, Oklahoma. On July 2, 2012, the Tulsa County District Court appointed a Special Master to review terminal operations accounting records and determine whether 141,000 barrels of crude oil owned by Blueknight is missing after three months of operations in April through June, 2010. On June 11, 2013, the Special Master's Report was filed with the District Court finding a shortage in Blueknight's Cushing terminal and Oklahoma pipeline system of 148,000 barrels. However, after a review of all records created during that three month time period, the Special Master was unable to determine how the shortage might have occurred and was unable to determine the ownership of the potential shortage.

We are currently seeking discovery in the District Court of documentation and testimony on the potential cause and the impact, if any, of the shortage found by the Special Master. SemGroup will continue to defend its position; however, we cannot predict the outcome. We are indemnified by SemGroup against any loss in this matter pursuant to the terms of the omnibus agreement with SemGroup.

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

6. COMMITMENTS AND CONTINGENCIES, Continued

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 March 31, 2015 , such commitments included the following (in thousands):

	Volume (Barrels)	Value
Fixed price purchases	13,145	$ 1,064,246
Fixed price sales	14,125	$ 1,127,864
Floating price purchases	7,149	$ 333,777
Floating price sales	8,611	$ 424,452

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.

See Note 2 for capital contribution requirements related to the White Cliffs expansion.

7. 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, 2014 to March 31, 2015 (in thousands):

	Common Units - Public	Common Units - SemGroup	Subordinated Units	Class A Units	General Partner Interest	Total Equity
Balance at December 31, 2014	$ 69,929	$ 155,367	$ (60,760)	$ 76,321	$ 67,632	$ 308,489
Net income	4,310	5,548	—	—	4,742	14,600
Equity issuance	89,119	70,560	—	—	3,259	162,938
Equity adjustment related to common control acquisition	(51,452)	(39,246)	(26,838)	—	(61,580)	(179,116)
Conversion to common units	—	(16,479)	92,800	(76,321)	—	—
Unvested distribution equivalent rights	(44)	—	—	—	—	(44)
Cash distributions to partners	(8,953)	(6,551)	(5,202)	—	(3,972)	(24,678)
Non-cash equity compensation	298	—	—	—	—	298
Balance at March 31, 2015	$ 103,207	$ 169,199	$ —	$ —	$ 10,081	$ 282,487

The December 31, 2014 balance for the general partner interest above has been recast to include equity related to WOT prior to its acquisition from SemGroup. The acquisition of WOT, an entity under common control with Rose Rock, created a change in reporting entity which required prior period financial information to be recast to include WOT (Note 3). "Equity adjustment related to common control acquisition" includes a $59.2 million reduction to general partner interest which reflects the payment made to SemGroup related to the historical value of WOT, which was included in the general partner interest due to the recast. The remaining amounts in "equity adjustment related to common control

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7. PARTNERS’ CAPITAL AND DISTRIBUTIONS, Continued

acquisition" represent the excess of the acquisition price of WOT and a 50% interest in Glass Mountain over the SemGroup's historical value of those assets of $205.1 million . As Rose Rock recorded the acquisition based on SemGroup's historical value, the purchase price in excess of historical cost is treated as an equity distribution to SemGroup.

The following table shows the cash distributions paid or declared per common unit during 2015 and 2014 :

Quarter Ended	Record Date	Payment Date	Distribution Per Unit
December 31, 2013	February 4, 2014	February 14, 2014	$0.4650
March 31, 2014	May 5, 2014	May 15, 2014	$0.4950
June 30, 2014	August 4, 2014	August 14, 2014	$0.5350
September 30, 2014	November 4, 2014	November 14, 2014	$0.5750
December 31, 2014	February 3, 2015	February 13, 2015	$0.6200
March 31, 2015	May 5, 2015	May 15, 2015	$0.6350

Equity incentive plan

We granted 24,498 restricted unit awards during the three months ended March 31, 2015 , with a weighted average grant date fair value of $47.00 . At March 31, 2015 , there were 101,093 unvested restricted unit awards that have been granted pursuant to our equity incentive plan. During the three months ended March 31, 2015 , 25,745 restricted unit awards vested of which 10,537 were withheld to satisfy tax withholding obligations. The cost associated with the withheld awards of $0.4 million is reflected in the condensed consolidated financial statements as a cash distribution to common public unitholders.

The holders of restricted units granted in 2012 are entitled to equivalent distributions (“UUDs”) to be received upon vesting of the restricted unit awards. The distributions will be settled in common units, based on the market price of our limited partner common units as of the close of business on the vesting date. In January 2015, 3,335 units were issued upon the vesting of the 2012 restricted units. Distributions related to the restricted unit awards granted subsequent to 2012 will be settled in cash upon vesting. At March 31, 2015 , the value of these UUDs related to cash settled unvested restricted units was approximately $222 thousand .

Equity issuance

On February 13, 2015, we issued and sold 2.3 million common limited partner units to the public for net proceeds of $89.1 million . Proceeds were used to acquire the WOT and a 50% interest in Glass Mountain from SemGroup. See Note 3 for additional information related to the acquisition including units issued to SemGroup as consideration.

Conversion of subordinated and Class A units

On January 1, 2015, based upon the satisfaction of certain operational targets by White Cliffs, all 3,750,000 Class A units were converted to common units on a one-for-one basis. The conversion did not impact the total number of our outstanding units representing limited partner interests.

On February 17, 2015, certain targets specified in our partnership agreement were achieved and all 8,389,709 subordinated units were converted to common units. The conversion did not impact the total number of our outstanding units representing limited partner interests.

8. 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.

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

8. EARNINGS PER LIMITED PARTNER UNIT, Continued

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 ended March 31, 2015 and 2014 (in thousands, except per unit data):

	Three Months Ended March 31,	
	2015	2014
Net income attributable to Rose Rock Midstream, L.P.	$ 14,600	$ 12,550
Less: General partner's incentive distribution earned	4,450	488
Less: General partner's 2.0% ownership	292	317
Net income allocated to limited partners	$ 9,858	$ 11,745
Numerator for basic and diluted earnings per limited partner unit (*):		
Allocation of net income among limited partner interests:		
Net income allocable to common units	$ 9,858	$ 8,114
Net income allocable to subordinated units	—	3,750
Net loss allocable to Class A units	—	(119)
Net income allocated to limited partners	$ 9,858	$ 11,745
Denominator for basic and diluted earnings per limited partner unit:		
Basic weighted average number of common units outstanding	34,804	18,149
Effect of non-vested restricted units	43	49
Diluted weighted average number of common units outstanding	34,847	18,198
Basic and diluted weighted average number of subordinated units outstanding	—	8,390
Basic and diluted weighted average number of Class A units outstanding	—	2,500
Net income (loss) per limited partner unit:		
Common unit (basic)	$ 0.28	$ 0.45
Common unit (diluted)	$ 0.28	$ 0.45
Subordinated unit (basic and diluted)	$ —	$ 0.45
Class A unit (basic and diluted)	$ —	$ (0.05)

(*) We calculate net income allocated to limited partners based on the distributions pertaining to the current period’s 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. Prior to the conversion of the Class A units in January 2015, the Class A units did not participate in cash distributions, but were allocated a proportional share of undistributed earnings. As distributions related to the available cash exceeded net income, the Class A units reflect a loss for the three months ended March 31, 2014.

9. 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 $10.3 million and $6.2 million during the three months ended March 31, 2015 and 2014 , respectively, for direct employee costs. These expenses were recorded to operating expenses and general and administrative expenses in our condensed consolidated statements of income.

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9. RELATED PARTY TRANSACTIONS, Continued

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 $2.6 million and $1.9 million during the three months ended March 31, 2015 and 2014 , respectively, for such allocated costs. These expenses were recorded to general and administrative expenses in our condensed consolidated statements of income.

NGL Energy Partners LP and subsidiaries (Gavilon, LLC and High Sierra Crude Oil and Marketing, LLC)

SemGroup holds limited partner common units and general partner ownership interests in NGL Energy Partners LP ("NGL Energy"). We generated revenues from NGL Energy of $42.4 million and $134.1 million for the three months ended March 31, 2015 and 2014 , respectively. We made purchases of condensate at market prices from NGL Energy in the amount of $35.2 million and $157.7 million for the three months ended March 31, 2015 and 2014 , respectively. We received reimbursements from NGL Energy for support services in the amount of $42.0 thousand and $42.0 thousand for the three months ended March 31, 2015 and 2014 , respectively.

Transactions with NGL Energy and its subsidiaries primarily relate to marketing, leased storage and transportation services of crude oil, including buy/sell transactions. In accordance with ASC 845-10-15, these transactions were reported as revenue on a net basis in our condensed consolidated statements of income because the purchases of inventory and subsequent sales of the inventory were with the same counterparty.

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 $6.0 million and $9.9 million for the three months ended March 31, 2015 and 2014 , respectively.

White Cliffs

We generated storage revenues from our equity investee, White Cliffs, of $1.0 million and $0.8 million for the three months ended March 31, 2015 and 2014 , respectively. We incurred $0.7 million and $0.9 million of cost for the three months ended March 31, 2015 and 2014 , respectively, related to transportation fees for shipments on the White Cliffs Pipeline.

Glass Mountain Pipeline, LLC

We incurred $0.5 million of cost for the three months ended March 31, 2015 related to transportation fees for shipments on Glass Mountain's pipeline. We received $0.2 million and $0.1 million in fees from Glass Mountain for the three months ended March 31, 2015 and 2014 , respectively, related to support services associated with Glass Mountain's pipeline operations. We made purchases of crude oil of $1.5 million from Glass Mountain during the three months ended March 31, 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, General Counsel and Secretary. Mr. Berman does not perform any legal services for us. No legal fees were paid to this law firm during the three months ended March 31, 2015 . We paid $0.1 million in legal fees and related expenses to this law firm during the three months ended March 31, 2014 . Our equity method investee, White Cliffs, paid legal fees and related expenses to this law firm of $3.3 thousand and $54.0 thousand during the three months ended March 31, 2015 and 2014 , respectively.

10. SUPPLEMENTAL CASH FLOW INFORMATION

Acquisition

In connection with the acquisition of 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

10. SUPPLEMENTAL CASH FLOW INFORMATION, Continued

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 $14.2 million and $2.0 million for the three months ended March 31, 2015 and 2014 , respectively.

We accrued $5.1 million and $0.3 million for purchases of property, plant and equipment for the three months ended March 31, 2015 and 2014 , 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, 2014 , 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, Louisiana, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Texas and Wyoming. We serve areas that recently experienced strong production growth and drilling activity through our exposure to 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 the 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 interconnections 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.

Fee-Based Services

We charge a capacity or volume-based fee for the storage and transportation of crude oil and related ancillary services. Our fee-based services include substantially all of our operations in Cushing, Oklahoma and Platteville, Colorado, as well as trucking and a portion of the transportation services we provide on our Kansas and Oklahoma pipeline system. Some of our fee-based contracts are take-or-pay contracts whereby the customer is required to pay us a fixed minimum monthly fee regardless of usage. For the three months ended March 31, 2015 and 2014 , approximately 69% and 68% , respectively, of our Adjusted gross margin was generated by providing fee-based services to customers. (See "—How We Evaluate Our Operations—Adjusted Gross Margin" for definition of Adjusted gross margin.)

Fixed-Margin Transactions

We purchase crude oil from a producer or supplier at a designated receipt point at an index price, less a transportation fee, and simultaneously sell an identical volume of crude oil at a designated delivery point to the same party at the same index price, thereby locking in a fixed margin that is, in effect, economically equivalent to a transportation fee. We refer to these arrangements as "fixed-margin" or "buy/sell" transactions. These fixed-margin transactions account for a portion of the Adjusted gross margin we generate on our Kansas and Oklahoma pipeline system and through our Bakken Shale operations. For the three months ended March 31, 2015 and 2014 , approximately 9% and 10% , respectively, of our Adjusted gross margin was generated through fixed-margin transactions.

Marketing Activities

We conduct marketing activities by purchasing crude oil for our own account from producers, aggregators and traders and selling crude oil to traders and refiners. Our marketing activities account for a portion of the Adjusted gross margin by using our pipeline, trucking and storage assets to capture location and quality differentials, including blending different crude oil grades to meet the refiners' preferred crude oil specifications. For the three months ended March 31, 2015 and 2014 , approximately 22% and 22% , respectively, of our Adjusted gross margin was generated through marketing activities.

We mitigate the commodity price exposure of our crude oil 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 intended to lock in positive margins based on the timing, location or quality of the crude oil purchased and delivered or (ii) derivative contracts. All of our marketing activities are subject to our Comprehensive Risk Management Policy, which establishes limits to manage risk and mitigate financial exposure.

More specifically, we use futures and forward contracts to manage our exposure to market changes in commodity prices to protect our Adjusted gross margin on our purchased crude oil. When we purchase crude oil, we may establish a fixed margin with future sales by:

- selling a like quantity of crude oil for future physical delivery to create an effective back-to-back transaction; or
- entering into futures and forward contracts on the NYMEX or over-the-counter markets.

Our Property, Plant and Equipment

We own and operate all of our assets, which at March 31, 2015 include:

- 7.6 million barrels of crude oil storage capacity in Cushing, Oklahoma, of which 6.5 million barrels are leased to customers and 1.1 million barrels are used for crude oil operations and marketing activities;
- a 570 -mile crude oil gathering and transportation pipeline system with over 650,000 barrels of associated storage capacity in Kansas and northern Oklahoma that is connected to several third-party pipelines and refineries and our storage terminal in Cushing, Oklahoma;
- the Wattenberg Oil Trunkline, a 75 -mile, 12-inch diameter crude oil gathering pipeline system that transports crude oil from production facilities in the DJ Basin to the White Cliffs Pipeline. It has a capacity of approximately 85,000 barrels per day as well as 210,000 barrels of operational storage and an additional 150,000 barrels of storage currently under construction;
- a sixteen -lane crude oil truck unloading facility with 230,000 barrels of associated storage capacity in Platteville, Colorado which connects to the origination point of the White Cliffs Pipeline. An additional four bays and 105,000 barrels of storage are currently under construction. Ten additional bays are currently in the design phase;
- an 18 -mile crude oil pipeline that connects our Platteville, Colorado crude oil terminal to the Tampa, Colorado crude oil market; and
- a crude oil trucking fleet of over 270 transport trucks and 275 trailers.

Our Investment in White Cliffs Pipeline, L.L.C.

We wholly own SemCrude Pipeline, L.L.C. ("SCPL"), which owns a 51% interest in White Cliffs Pipeline, L.L.C. ("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 is currently undergoing an expansion which will increase the capacity from approximately 150,000 barrels per day to approximately 215,000 barrels per day.

Our Investment in Glass Mountain Pipeline, LLC

We wholly own Glass Mountain Holding, L.L.C. ("GMH") which owns 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.

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 operating results between our fee-based activities, which do not involve the purchase or sale of crude oil, and our fixed-margin and marketing operations, which do. In addition, Adjusted gross margin allows us to make a meaningful comparison of the results of our fixed-margin and marketing operations 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 and Platteville, Colorado operations and through our trucking fleet operations, we provide transportation services on a fee basis or pursuant to fixed-margin transactions, but in either case, the Adjusted gross margin we generate is dependent on the volume of crude oil transported (if on a fee basis) or purchased and sold (if pursuant to a fixed-margin transaction). We refer to these volumes, in the aggregate, as transportation volumes. Similarly, using our pipelines, trucking and storage assets, we conduct marketing activities involving the purchase and sale of crude oil or related derivative contracts and crude oil blending. We refer to the crude oil volumes sold in our marketing operations, as marketing 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 ended March 31, 2015 and 2014 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 March 31, 2015	2014
Statements of income data:		
Revenues, including revenues from affiliates:		
Product	$ 106,567	$ 266,290
Service	28,126	26,224
Total revenues	134,693	292,514
Expenses, including expenses from affiliates:		
Costs of products sold, exclusive of depreciation and amortization	96,237	254,537
Operating	20,951	15,215
General and administrative	5,620	3,747
Depreciation and amortization	10,143	11,482
Total expenses	132,951	284,981
Earnings from equity method investments	20,864	11,080
Operating income	22,606	18,613
Interest expense	8,006	2,387
Net income	14,600	16,226
Less: net income attributable to noncontrolling interests	—	3,676
Net income attributable to Rose Rock Midstream, L.P.	$ 14,600	$ 12,550
Net income (loss) per limited partner unit:		
Common unit (basic)	$ 0.28	$ 0.45
Common unit (diluted)	$ 0.28	$ 0.45
Subordinated unit (basic and diluted)	$ —	$ 0.45
Class A unit (basic and diluted)	$ —	$ (0.05)
Distributions paid per common and subordinated unit	$ 0.6200	$ 0.4650
Statements of cash flows data:		
Net cash provided by (used in):		
Operating activities	$ (7,070)	$ 18,187
Investing activities	$ (230,397)	$ (17,701)
Financing activities	$ 247,165	$ (13,296)
Other financial data:		
Adjusted gross margin	$ 40,987	$ 38,583
Adjusted EBITDA	$ 42,118	$ 28,904
Capital expenditures	$ 15,431	$ 7,704
Acquisitions	$ 205,071	$ —
Contributions to equity method investments	$ 15,182	$ 13,152
Operating data:		
Cushing storage capacity (MMBbls as of period end)	7.6	7.6
Percent of Cushing storage capacity contracted to third parties (as of period end)	86%	93%
Transportation volumes (average Bbls/day)	171,500	128,700
Marketing volumes (average Bbls/day)	75,400	49,600
Unloading/Platteville volumes (average Bbls/day)	71,400	63,200

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 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 operating activities to Adjusted EBITDA, the most directly comparable GAAP financial measures for each of the periods indicated.

	Three Months Ended March 31,	
(Unaudited; in thousands)	2015	2014
Reconciliation of operating income to Adjusted gross margin:		
Operating income	$ 22,606	$ 18,613
Add:		
Operating expense	20,951	15,215
General and administrative expense	5,620	3,747
Depreciation and amortization expense	10,143	11,482
Less:		
Earnings from equity method investments	20,864	11,080
Non-cash unrealized loss on derivatives, net	(2,531)	(606)
Adjusted gross margin	$ 40,987	$ 38,583

(Unaudited; in thousands)	Three Months Ended March 31, 2015	2014
Reconciliation of net income to Adjusted EBITDA:		
Net income	$ 14,600	$ 16,226
Add:		
Interest expense	8,006	2,387
Depreciation and amortization expense	10,143	11,482
Cash distributions from equity method investments	26,065	13,585
Inventory valuation adjustment	1,187	—
Non-cash equity compensation	298	260
Loss (gain) on disposal of long-lived assets, net	152	(34)
Less:		
Earnings from equity method investments	20,864	11,080
White Cliffs cash distributions attributable to noncontrolling interests	—	4,528
Impact from derivative instruments:		
Total loss on derivatives, net	(644)	(807)
Total realized loss (gain) (cash flow) on derivatives, net	(1,887)	201
Non-cash unrealized loss on derivatives, net	(2,531)	(606)
Adjusted EBITDA	$ 42,118	$ 28,904

(Unaudited; in thousands)	Three Months Ended March 31, 2015	2014
Reconciliation of net cash provided by (used in) operating activities to Adjusted EBITDA:		
Net cash provided by (used in) operating activities	$ (7,070)	$ 18,187
Less:		
Changes in operating assets and liabilities, net	(36,508)	(10,613)
White Cliffs cash distributions attributable to noncontrolling interests	—	4,528
Add:		
Interest expense, excluding amortization of debt issuance costs	7,479	2,127
Distributions from equity investments in excess of equity in earnings	5,201	2,505
Adjusted EBITDA	$ 42,118	$ 28,904

Three months ended March 31, 2015 vs. three months ended March 31, 2014

Adjusted Gross Margin

The following table shows the calculation of Adjusted gross margin for the three months ended March 31, 2015 and 2014 (in thousands):

	Three Months Ended March 31,	
	2015	2014
Revenue		
Product	$ 106,567	$ 266,290
Service	28,126	26,224
Total revenues	134,693	292,514
Less: Cost of products sold, exclusive of depreciation and amortization	96,237	254,537
Less: Non-cash unrealized loss on derivatives, net	(2,531)	(606)
Adjusted gross margin	$ 40,987	$ 38,583

The following tables show the Adjusted gross margin generated by our fee-based services, our fixed-margin transactions and our marketing activities for the three months ended March 31, 2015 and 2014 (in thousands):

Three Months Ended March 31, 2015	Storage	Transportation	Marketing Activities	Other (2)	Total
Revenues	$ 7,598	$ 20,327 (1)	$ 102,961	$ 3,807	$ 134,693
Less: Costs of products sold, exclusive of depreciation and amortization	—	—	96,237 (3)	—	96,237
Less: Unrealized loss on derivatives, net	—	—	(2,531)	—	(2,531)
Adjusted gross margin	$ 7,598	$ 20,327 (1)	$ 9,255	$ 3,807	$ 40,987

(1) Transportation Adjusted gross margin is comprised of $4.2 million , $12.5 million and $3.6 million , related to pipeline transportation (fixed-fee), trucking (fixed-fee) and buy/sells (fixed margin), respectively.

(2) This category includes fee-based services such as unloading and ancillary storage terminal services.

(3) Costs of products sold includes a $1.2 million lower of cost or market adjustment.

Three Months Ended March 31, 2014	Storage	Transportation	Marketing Activities	Other (2)	Total
Revenues	$ 8,480	$ 18,305 (1)	$ 262,460	$ 3,269	$ 292,514
Less: Costs of products sold, exclusive of depreciation and amortization	—	—	254,537	—	254,537
Less: Unrealized loss on derivatives, net	—	—	(606)	—	(606)
Adjusted gross margin	$ 8,480	$ 18,305 (1)	$ 8,529	$ 3,269	$ 38,583

(1) Transportation Adjusted gross margin is comprised of $ 3.0 million , $11.5 million and $3.8 million related to pipeline transportation (fixed-fee), trucking (fixed-fee) and buy/sells (fixed margin), respectively.

(2) This category includes fee-based services such as unloading and ancillary storage terminal services.

We define Adjusted gross margin as total revenues minus costs of products sold and unrealized gain (loss) on derivatives. (See "—Non-GAAP Financial Measures" for Adjusted gross margin table.) Adjusted gross margin increased for the three months ended March 31, 2015 , to $41.0 million from $38.6 million for the three months ended March 31, 2014 , due to:

- additional truck transportation volumes of 2.3 million barrels generated an additional $1.1 million in Adjusted gross margin, reflecting the acquisition of trucking operations in June 2014. Related trucking costs are included in operating expense described below;
- an increase in pipeline transportation volumes of approximately 1.6 million barrels resulted in a $0.9 million increase in Adjusted gross margin during the three months ended March 31, 2015 , compared to the same period in 2014 ;
- an increase in marketing volume of approximately 2.3 million barrels for the three months ended March 31, 2015 , over the same period in 2014, combined with 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 $1.36 for the three months ended March 31, 2015 , from approximately $1.91 for the three months ended March 31, 2014 . This resulted in a $0.7 million increase in Adjusted gross margin during the three months ended March 31, 2015 , compared to the same period in 2014 ;

- an increase in unloading volumes from our Platteville operations contributed an additional $0.3 million Adjusted gross margin, during the three months ended March 31, 2015 , compared to the same period in 2014 ;
- an increase in pumpover activity at Cushing resulted in a $0.2 million increase in Adjusted gross margin during the three months ended March 31, 2015 , compared to the same period in 2014 ; and
- although total Cushing storage capacity remained constant compared to the same period of the prior year, we reduced our leased storage capacity by 0.6 million barrels as we redeployed three tanks for our marketing activities. The reduction in leased storage combined with a $0.01 decrease in the average lease rate per barrel, resulted in a $0.9 million decrease to Adjusted gross margin.

Operating expense

Operating expenses increased for the three months ended March 31, 2015 to $21.0 million from $15.2 million for the three months ended March 31, 2014 . Approximately $4.5 million of the increase ($14.9 million compared to $10.4 million) is attributable to the crude oil trucking fleet, along with an increase in employee expense, outside services and other expenses of $0.9 million, $0.3 million and $0.1 million, respectively.

General and administrative expense

General and administrative expense increased to $5.6 million for the three months ended March 31, 2015 from $3.7 million for the three months ended March 31, 2014 . This increase is due to additional outside services, overhead allocation and insurance and taxes of $1.2 million, $0.7 million and $0.4 million, respectively, partially offset by a $0.4 million reduction in employee expense.

Depreciation and amortization expense

Depreciation and amortization expense decreased for the three months ended March 31, 2015 to $10.1 million from $11.5 million for the three months ended March 31, 2014 . Approximately $2.4 million of the decrease in depreciation expense is due to the 2014 revision of the estimated useful life relating to a 62-mile and 163-mile section of the Kansas and Oklahoma pipeline system. An additional $1.6 million in depreciation expense is due to project completions and the acquisition of trucking operations in June 2014. Amortization expense related to contracts acquired as part of the crude oil trucking fleet acquisitions in 2013 and 2014 decreased by $0.6 million.

Earnings from equity method investments

Earnings from our equity method investments increased for the three months ended March 31, 2015 to $20.9 million from $11.1 million for the three months ended March 31, 2014 . The increase is due to our June 2014 acquisition of ownership interest in SCPL combined with the commissioning of White Cliffs' second line in August 2014 and our January 2015 acquisition of ownership interest in GMH (see Note 2 of our condensed consolidated financial statements in this Form 10-Q). These earnings are attributable to fixed-fee pipeline transportation operations.

Interest expense

Interest expense increased for the three months ended March 31, 2015 to $8.0 million from $2.4 million for the three months ended March 31, 2014 . The increase is primarily the result of the issuance of our $400 million of 5.625% senior unsecured notes on July 2, 2014.

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 revolving 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 our outstanding common, subordinated and general partner 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):

	Three Months Ended March 31,	
	2015	2014
Cash flows provided by (used in):		
Operating activities	$ (7,070)	$ 18,187
Investing activities	(230,397)	(17,701)
Financing activities	247,165	(13,296)
Change in cash and cash equivalents	9,698	(12,810)
Cash and cash equivalents at beginning of period	3,625	15,437
Cash and cash equivalents at end of period	$ 13,323	$ 2,627

Operating Activities

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

	Three Months Ended March 31,	
	2015	2014
Net income	$ 14,600	$ 16,226
Non-cash expenses, net	14,838	12,574
Changes in operating assets and liabilities, net	(36,508)	(10,613)
Net cash flows provided by (used in) operating activities	$ (7,070)	$ 18,187

For the three months ended March 31, 2015 , we experienced operating cash outflows of $7.1 million . Net income of $14.6 million included $14.8 million of non-cash expenses, comprised primarily of depreciation and amortization of $10.1 million , $2.5 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 $36.5 million for the three months ended March 31, 2015 . The primary changes to operating assets and liabilities included a decrease to accounts payable and accrued liabilities of $41.2 million , a decrease in accounts receivable of $36.0 million , a decrease in receivables from affiliates of $2.1 million , an increase in inventory of $30.1 million , a decrease in payables to affiliates of $1.6 million and an increase in other current assets of $1.6 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.

For the three months ended March 31, 2014, we experienced operating cash inflows of $18.2 million. Net income of $16.2 million included $12.6 million of non-cash expenses, comprised primarily of depreciation and amortization of $11.5 million and $0.6 million of unrealized losses related to our derivative instruments. Changes in operating assets and liabilities accounted for net cash outflows of $10.6 million for the three months ended March 31, 2014. The primary changes to operating assets and liabilities included an increase in accounts receivable of $61.4 million and a decrease in payables to affiliates of $22.4 million, offset by a decrease in receivables from affiliates of $15.6 million, a decrease in inventories of $3.2 million and an increase to accounts payable and accrued liabilities of $54.5 million. The impact of accounts receivable, accounts payable, accrued liabilities and inventories is subject to the timing of purchases and sales. Increases in the magnitude of these balances was primarily due to higher prices and volumes.

Investing Activities.

For the three months ended March 31, 2015 , our cash outflows from investing activities of $230.4 million related primarily to acquisition payments of $205.1 million , contributions to equity method investments of $15.2 million and capital expenditures of $15.4 million , offset by distributions from equity method investments in excess of equity in earnings of $5.2 million . Acquisitions represent the historical cost of Wattenberg Oil Trunkline 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 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.

For the three months ended March 31, 2014, our cash outflows of $17.7 million from investing activities related primarily to capital expenditures of $7.7 million and contributions to equity method investments of $13.2 million, offset by distributions from equity method investments in excess of equity in earnings of $2.5 million. Year to date capital expenditures primarily relate to our Cushing expansion and transportation projects. Contributions to equity method investments primarily relates to capital calls to fund the White Cliffs Pipeline expansion.

Financing Activities.

Net cash inflows of $247.2 million from financing activities for the three months ended March 31, 2015 were driven primarily by $229.0 million net borrowings on our revolving credit facility ($312.0 million of borrowings less $83.0 million in principal payments) and $89.1 million in proceeds from the issuance of common limited partner units reduced by $24.7 million of cash distributions to partners and $46.3 million cash consideration in excess of historical cost of the Wattenberg Oil Trunkline 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 the Wattenberg Oil Trunkline and a 50% interest in Glass Mountain from SemGroup.

Net cash outflows of $13.3 million from financing activities for the three months ended March 31, 2014 were driven primarily by $0.5 million net principal payments on our revolving credit facility ($46.0 million of borrowings, net of $46.5 million in principal payments) and $12.8 million cash distributions to partners. In addition, financing activities include $4.3 million of distributions to and $1.6 million of contributions from SemGroup as the noncontrolling interest holder in SCPL. Additionally, $2.8 million was contributed by the general partner related to the Wattenberg Oil Trunkline. Borrowings were used for capital expenditures and normal operations.

Long-term Debt

At March 31, 2015 , we had $400 million of senior unsecured notes outstanding, which become due in 2022, and $261.0 million outstanding on our $585 million revolving credit facility, which expires in 2018. At March 31, 2015 , our available borrowing capacity on our revolving credit facility was $306.7 million, which includes the impact of $17.3 million of outstanding letters of credit which reduce the capacity available for borrowings.

Shelf Registration Statement

We have an effective shelf registration statement with the SEC that, subject to market conditions and effectiveness at the time of use, allows us to issue up to an aggregate of $500 million of debt or equity securities. In August 2013, we used this shelf registration statement to sell 4.75 million common units representing limited partner interests for proceeds of $152.5 million, net of underwriting discounts and commissions of $6.4 million. On February 13, 2015, we issued and sold 2.3 million common units representing limited partner interests for net proceeds of $89.1 million under this shelf registration statement. Proceeds were used in connection with our acquisition of the Wattenberg Oil Trunkline and a 50% interest in Glass Mountain from SemGroup. This shelf registration statement expires in May 2016.

We also 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 $47.7 million and $9.1 million at March 31, 2015 and December 31, 2014 , respectively.

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 three months ended March 31, 2015 , we invested $15.4 million (cash basis) on capital projects. Projected capital expenditures for 2015 include $175 million for expansion projects including contributions to fund growth projects of equity method investees and acquisitions from third parties and $15 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 2014 and 2015:

Quarter Ended	Record Date	Payment Date	Distribution Per Unit
December 31, 2013	February 4, 2014	February 14, 2014	$0.4650
March 31, 2014	May 5, 2014	May 15, 2014	$0.4950
June 30, 2014	August 4, 2014	August 14, 2014	$0.5350
September 30, 2014	November 4, 2014	November 14, 2014	$0.5750
December 31, 2014	February 3, 2015	February 14, 2015	$0.6200
March 31, 2015	May 5, 2015	May 15, 2015	$0.6350

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 Co accounted for more than 10% of our total revenue for the three months ended March 31, 2015 , at approximately 53% and 25%, 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 6 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 March 31, 2015 and December 31, 2014 , we had outstanding letters of credit of approximately $26.4 million and $85.1 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, 2014 .

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 ended March 31, 2015 and 2014 , and for the year ended December 31, 2014 .

	Light Sweet Crude Oil Futures ($ per Barrel)
Three Months Ended March 31, 2015	
High	$53.53
Low	$43.46
High/Low Differential	*$10.07*
Three Months Ended March 31, 2014	
High	$104.92
Low	$91.66
High/Low Differential	*$13.26*
Year Ended December 31, 2014	
High	$107.26
Low	$53.27
High/Low Differential	*$53.99*

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 March 31, 2015 , 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 March 31, 2015 , 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 contracts	342	$ (970)	$ (1,634)	$ 1,634	April/May 2015

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. If the overall economy strengthens, it is likely that monetary policy will tighten, 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 $2.3 million during the three months ended March 31, 2015 . An increase in interest rates of 1% for the three months ended March 31, 2015 would have increased our interest expense by $0.4 million.

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 March 31, 2015 . 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 March 31, 2015 , that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see the discussion under the captions "Bankruptcy matters," "Other matters," "Environmental," "Dimmit County, TX Claims," and "Blueknight claim" in Note 6 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

There have been no material changes to the risk factors involving us from those previously disclosed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014 .

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 March 31, 2015:

	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
January 1, 2015 - January 31, 2015	10,537	$38.54	—	—
February 1, 2015 - February 28, 2015	—	—	—	—
March 1, 2015 - March 31, 2015	—	—	—	—
Total	10,537	$38.54	—	—

(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 were withheld.

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	Amended and Restated Contribution Agreement dated as of February 13, 2015, by and among SemGroup Corporation, Rose Rock Midstream Holdings, LLC, SemDevelopment, L.L.C., Rose Rock Midstream GP, LLC, Rose Rock Midstream, L.P. and Rose Rock Midstream Operating, LLC (filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K/A filed with the SEC on March 25, 2015, and incorporated herein in its entirety 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: May 8, 2015	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 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: May 8, 2015

/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 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: May 8, 2015

/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 for the quarter ended March 31, 2015, 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: May 8, 2015

/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 for the quarter ended March 31, 2015, 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: May 8, 2015

/s/ Robert N. Fitzgerald

Robert N. Fitzgerald

Senior Vice President and
Chief Financial Officer