The Public Utilities Commission of Ohio

RETAIL NATURAL GAS SUPPLIER/GOVERNMENTAL AGGREGATOR
FILING COVER FORM
POST INITIAL CERTIFICATION

In the Matter of the Application of)
LAKESHORE ENERGY SERVICES, LLC) Case No. 05-0854 -GA-
)
to:)

Name of Applicant: LAKESHORE ENERGY SERVICES, LLC
Applicant's Address: 700 TOWER DRIVE SUITE 620, TROY, MI 48098
Contact Person or Counsel: ERIC RICCO Telephone Number:

Mark the reason for filing this form, application, and supporting information. Check only one of the six main categories. Use separate copies of this form for each type of application.

1. [✓] Certification Renewal Application (to be filed 30 to 120 days prior to expiration of current certificate) per Rules 4901:1-27-09 and 4901:1-27-04 of the Ohio Administrative Code.

2. [ ] Notification of Material Change in Business (to be filed in the initial or most recent certification docket and within 30 days of the material change occurring) per Rule 4901:1-27-10 of the Ohio Administrative Code. Please check the following material change(s) that is(are) involved with this filing:

   [ ] Change in ownership of five percent or more
   [ ] Affiliation with public utility or change in affiliation with a public utility in this state
   [ ] Retirement or other long-term changes to supply sources
   [ ] Revocation, restriction, or termination of interconnection or service agreement with pipeline company or natural gas company
   [ ] Fall of bond rating below BBB-
   [ ] Fall of bond rating below Baa3
   [ ] Filed or intend to file for some form of bankruptcy
   [ ] Receipt of judgment, finding, or ruling that could affect fitness or ability to provide service
   [ ] Other (please describe):

3. [ ] Certificate Transfer Application per Rule 4901:1-27-11 of the Ohio Administrative Code.

4. [ ] Abandonment Application (to be filed at least 90 days prior the effective date of the abandonment) per Rule 4901:1-27-11 of the Ohio Administrative Code. Please indicate which of the following two situations applies to the proposed abandonment:

   [ ] Seek to abandon operations with no existing customers
   [ ] Seek to abandon operations with existing customers

5. [ ] Name/Address/Telephone Change [ ] Regulatory Contact Change (See Item 3 above if ownership has changed.)

6. [ ] Other application (please describe):

The Public Utilities Commission of Ohio

RENEWAL CERTIFICATION FILING INSTRUCTIONS
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

I. ***Where to File:*** Applications should be sent to: Public Utilities Commission of Ohio (PUCO or Commission), Docketing Division, 180 East Broad Street, Columbus Ohio 43215-3793.

II. ***What to File:*** Applicant must submit one original notarized application signed by a principal officer and three copies, including all exhibits, affidavits, and other attachments. All attachments, affidavits, and exhibits should be clearly identified. ***For example, Exhibit A-15 should be marked "Exhibit A-15 - Corporate Structure."*** All pages should be numbered and attached in a sequential order.

IMPORTANT REQUIREMENT: ***The renewal application must be docketed in the applicant's original GA-CRS case number*****. Therefore, applicant should enter that number on the renewal application form when filing a renewal application.**

III. ***When to File:*** Pursuant to Rule 4901:1-27-09 of the Ohio Administrative Code, renewal applications shall be filed between 30 and 120 days to the prior certificate's expiration date.

IV. ***Renewal Application Form:*** The renewal application form is available on the PUCO Web site, www.puco.Ohio.gov or directly from the Commission located at: Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, Ohio 43215-3793.

V. ***Confidentiality:*** If any of an applicant's answers require the applicant to disclose what the applicant believes to be privileged or confidential information not otherwise available to the public, the applicant should designate at each point in the application that the answer requires the applicant to disclose privileged and confidential information. Applicant must still provide that privileged and confidential information (***separately filed and appropriately marked***). Applicant must fully support any request to maintain the confidentiality of the information it believes to be confidential or proprietary in a motion for protective order, filed pursuant to Rule 4901:1-1-24 of the Ohio Administrative Code.

VI. ***Commission Process for Certification Renewal:*** An application for renewal shall be made on forms approved and supplied by the Commission. The applicant shall complete the appropriate renewal form in its entirety and supply all required attachments, affidavits, and evidence of capability specified by the form at the time an application is filed. The Commission renewal process begins when the Commission's Docketing Division receives and time/date stamps the application. An incomplete application may be suspended or rejected. An application that has been suspended as incomplete will cause delay in renewal.

The Commission may approve, suspend, or deny an application within 30 days. If the Commission does not act within 30 days, the renewal application is deemed automatically approved on the 31st day after the official filing date. If the Commission suspends the renewal application, the Commission shall notify the applicant of the reasons for such suspension and may direct the applicant to furnish additional information. The Commission shall act to approve or deny a suspended application within 90 days of the date that the renewal application was suspended. Upon Commission approval, the applicant shall receive notification of approval and a numbered, renewed certificate that specifies the service(s) for which the applicant is certified and the dates for which the certificate is valid. Unless otherwise warranted, the renewed certification designation will remain consistent with the previously granted certification. For example, a certified marketer will renew as a certified marketer.

Unless otherwise specified by the Commission, the competitive retail natural gas service (CRNGS) supplier's renewed certificate is valid for an additional period of two years, beginning and ending on the dates specified on the certificate. The applicant may renew its certificate in accordance with Rule 4901:1-27-09 of the Ohio Administrative Code.

CRNGS suppliers, which include marketers, shall inform the Commission of any material change to the information supplied in a renewal application within thirty (30) days of such material change in accordance with Rule 4901:1-27-10 of the Ohio Administrative Code.

VII. ***Contractual Arrangements for Capability Standards:*** If the applicant is relying upon contractual arrangements with a third-party, to meet any of the certification requirements, the applicant must provide with its application all of the following:

- The legal name of any contracted entity;
- A statement that a valid contract exists between the applicant and the third-party;
- A detailed summary of the contract(s), including all services provided thereunder; and
- The documentation and evidence to demonstrate the contracting entity's capability to meet the requirements as if the contracting entity was the applicant.

VIII. ***Governing Law:*** The certification/renewal of CRNGS suppliers is governed by Chapters 4901:1-27 and 4901:1-29 of the Ohio Administrative Code, and Section 4929.20 of the Ohio Revised Code.

PUCO USE ONLY – Version 1.07		
Date Received	Renewal Certification Number	ORIGINAL CRS Case Number
		05 - 0854 - GA-CRS

RENEWAL CERTIFICATION APPLICATION
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (***Example: Exhibit A-16 - Company History***). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may directly input information onto the form. You may also download the form by saving it to your local disk.

SECTION A - APPLICANT INFORMATION AND SERVICES

A-1 Applicant intends to renew its certificate as: (check all that apply)

☑ **Retail Natural Gas Aggregator** ☑ **Retail Natural Gas Broker** ☑ **Retail Natural Gas Marketer**

A-2 Applicant information:

Legal Name Lakeshore Energy Services, LLC
Address 700 Tower Drive, Suite 620, Troy, MI 48098

Telephone No. 248-824-2100 Web site Address www.lakeshoreenergy.com

Current PUCO Certificate No. 05-101(1) Effective Dates August 2013 - August 2015

A-3 Applicant information under which applicant will do business in Ohio:

Name Lakeshore Energy Services, LLC
Address 700 Tower Drive, Suite 620, Troy, MI 48098

Web site Address www.lakeshoreenergy.com Telephone No. 888-200-3788

A-4 List all names under which the applicant does business in North America:

Lakeshore Energy Services, LLC

A-5 Contact person for regulatory or emergency matters:

Name Eric Rillo Title Manager East Coast Choice Operations

Business Address 700 Tower Drive, Suite 620, Troy, MI 48098

Telephone No. 248-824-2043 Fax No. 248-879-7216 Email Address regulatory@lakeshoreenergy.com

A-6 Contact person for Commission Staff use in investigating customer complaints:

Name Eric Rillo Title Manager East Coast Choice Operations

Business address 700 Tower Drive, Suite 620, Troy, MI 48098

Telephone No. 248-824-2043 Fax No. 248-879-7216 Email Address regulatory@lakeshoreenergy.c

A-7 Applicant's address and toll-free number for customer service and complaints

Customer service address 700 Tower Drive, Suite 620, Troy, MI 48098

Toll-Free Telephone No. 888-200-3788 Fax No. 248-879-7216 Email Address info@lakeshoreenergy.com

A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee

Name CT Corporation Systems Title Registered Agent

Business address 1300 East 9th Street, Cleveland, OH 44114

Telephone No. 888-200-3788 Fax No. 248-879-7216 Email Address info@lakeshoreenergy.com

A-9 Applicant's federal employer identification number 27-002-5529

A-10 Applicant's form of ownership: (Check one)

- ☐ **Sole Proprietorship**
- ☐ **Partnership**
- ☐ **Limited Liability Partnership (LLP)**
- ☑ **Limited Liability Company (LLC)**
- ☐ **Corporation**
- ☐ **Other**

A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers.* (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)

☑ Columbia Gas of Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial
☑ Dominion East Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial
☑ Duke Energy Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial
☑ Vectren Energy Delivery of Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial

A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.

☐ Columbia Gas of Ohio

☐ **Residential**	**Beginning Date of Service**		**End Date**	
☐ **Small Commercial**	**Beginning Date of Service**		**End Date**	
☐ **Large Commercial**	**Beginning Date of Service**		**End Date**	
☐ **Industrial**	**Beginning Date of Service**		**End Date**	

☑ Dominion East Ohio

☑ **Residential**	**Beginning Date of Service**	August 2005	**End Date**	Present
☑ **Small Commercial**	**Beginning Date of Service**	August 2005	**End Date**	Present
☑ **Large Commercial**	**Beginning Date of Service**	August 2005	**End Date**	Present
☑ **Industrial**	**Beginning Date of Service**	August 2005	**End Date**	Present

☐ Duke Energy Ohio

☐ **Residential**	**Beginning Date of Service**		**End Date**	
☐ **Small Commercial**	**Beginning Date of Service**		**End Date**	
☐ **Large Commercial**	**Beginning Date of Service**		**End Date**	
☐ **Industrial**	**Beginning Date of Service**		**End Date**	

☐ Vectren Energy Delivery of Ohio

☐ **Residential**	**Beginning Date of Service**		**End Date**	
☐ **Small Commercial**	**Beginning Date of Service**		**End Date**	
☐ **Large Commercial**	**Beginning Date of Service**		**End Date**	
☐ **Industrial**	**Beginning Date of Service**		**End Date**	

A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:

☐	**Columbia Gas of Ohio**	**Intended Start Date**	
☐	**Dominion East Ohio**	**Intended Start Date**	
☐	**Duke Energy Ohio**	**Intended Start Date**	
☐	**Vectren Energy Delivery of Ohio**	**Intended Start Date**	

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

A-14 **Exhibit A-14 "Principal Officers, Directors & Partners,"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-15 **Exhibit A-15 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.

A-16 **Exhibit A-16 "Company History,"** provide a concise description of the applicant's company history and principal business interests.

A-17 **Exhibit A-17 "Articles of Incorporation and Bylaws**, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto, ***only if the contents of the originally filed documents changed since the initial application***.

A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.

SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking renewed certification (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).

B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services for which it is seeking renewed certification since applicant last filed for certification.

B-5 **Exhibit B-5 "Disclosure of Consumer Protection Violations,"** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws since applicant last filed for certification.

☑ No ☐ Yes

If Yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Consumer Protection Violations," detailing such violation(s) and providing all relevant documents.

B-6 **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas since applicant last filed for certification.

☑ No ☐ Yes

If Yes, provide a separate attachment, labeled as Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation," detailing such action(s) and providing all relevant documents.

SECTION C - APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.

C-3 **Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer-certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer-certified financial statements covering the life of the business.

C-4 **Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)

C-5 **Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of	)	
Lakeshore Energy Services, LLC	)	**Case No.** 05 - 854 **-GA-CRS**
for a Certificate or Renewal Certificate to Provide	)	
Competitive Retail Natural Gas Service in Ohio.	)	

County of Oakland
State of Michigan

[Affiant], being duly sworn/affirmed, hereby states that:

(1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.

(2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.

(3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.

(4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

(5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.

(6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.

(7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.

(8) Affiant further sayeth naught.

Affiant Signature & Title Director of Gas Choice

Sworn and subscribed before me this 22nd **day of** July **Month** 2013 **Year**

Signature of Official Administering Oath

Sara StClair Relationship Banker
Print Name and Title

SARA STCLAIR
Notary Public - Michigan
Oakland County
My Commission Expires Aug 7, 2017
Acting in the County of Oakland

My commission expires on Aug. 7. 2017

C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.

C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's current credit report from Experion, Dun and Bradstreet, or a similar organization.

C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant last filed for certification.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

D-1 **Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and the provision of retail ancillary services, as well as other services used to supply natural gas to the natural gas company city gate for retail customers.

D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.

D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

Applicant Signature and Title [signature] Director of Gas Choice

Sworn and subscribed before me this 22nd **day of** July **Month** 2013 **Year**

[signature] Sara St Clair Relationship Banker

Signature of official administering oath **Print Name and Title**

SARA STCLAIR
Notary Public - Michigan
Oakland County
My Commission Expires Aug 7, 2017
Acting in the County of Oakland

My commission expires on Aug 7 2017

Lakeshore Energy Services, LLC

Exhibit A-14 Principal Officers, Directors and Partners

Jason Few - President and CEO
Seminole Energy Services, LLC
1323 East 71st Street, Suite 300
Tulsa, OK 74136
Phone: 918-477-3450

Bob Malackowski - Executive Vice President and COO
Seminole Energy Services, LLC
1323 East 71st Street, Suite 300
Tulsa, OK 74136
Phone: 918-477-3444

Louis Dorey – CFO and Executive Vice President Business Development
Seminole Energy Services, LLC
1323 East 71st Street, Suite 300
Tulsa, OK 74136
Phone: 918-477-3477

Chuck Galvin - General Manager and Director of Business Development
Lakeshore Energy Services, LLC
700 Tower Drive, Suite 620
Troy, MI 48098
Phone: 248-824-2049

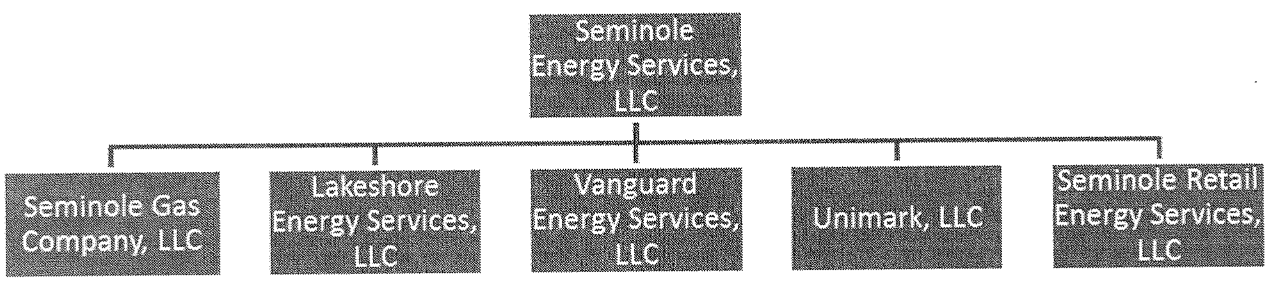
Lakeshore Energy Services, LLC

Exhibit A-15 Corporate Structure

Lakeshore Energy Services, LLC (Troy, MI) is a wholly-owned subsidiary of Seminole Energy Services, LLC (Tulsa, OK) and is a retail natural gas marketer with operations in Michigan, Ohio and Indiana. Seminole Energy Services, LLC is the majority owner of the below subsidiaries and affiliates:

Subsidiaries:
Seminole Gas Company, LLC (Tulsa, OK)
Seminole Retail Energy Services, LLC (Tulsa, OK)
Unimark, LLC (Tulsa, OK)
Lakeshore Energy Services, LLC (Troy, MI)

Other Affiliates:
Vanguard Energy Services, LLC (Naperville, IL)



Lakeshore Energy Services, LLC

Exhibit A-16 Company History

Lakeshore Energy Services, LLC was formed in August 2002. Our financial strength is provided by Seminole Energy Services of Tulsa, Ok. Lakeshore is a full-service energy marketing company providing natural gas and power, and related management and consulting services to approximately 500 industrial and 40,000 residential and commercial customers throughout Michigan and to 8,000 residential and commercial businesses in Ohio.

Lakeshore currently has 40 employees with significant industry experience in the pipeline, local distribution company, producer, and marketing company segments.

Lakeshore's Risk Management policy is to operate with a "flat" book meaning that all transactions are hedged at the time they are accepted. We do not take price risk or speculate on market conditions. Gas is bought and sold in back to back transactions. That is, when a sale is made, the gas is immediately purchased.

Seminole Retail Energy Services, LLC

Exhibit A-17 Articles of Incorporation and Bylaws
No changes in the contents of the originally filed documentation.

Exhibit A-18 Secretary of State

iling Portal

General Information | **Business Search** | UCC Search | Trade Mar

Corporation Details

Corporation Details	
Entity Number	1484161
Business Name	LAKESHORE ENERGY SERVICES, L.L.C.
Filing Type	FOREIGN LIMITED LIABILITY COMPANY
Status	Active
Original Filing Date	08/19/2004
Expiry Date	
Location: County:	State: OKLAHOMA

Agent / Registrant Information

CT CORPORATION
1300 E 9TH STREET
CLEVELAND,OH 44114
Effective Date: 08/19/2004
Contact Status: Active

Filings

Filing Type	Date of Filing	Document Number/Image
REGISTRATION OF FOREIGN LIMITED LIABILITY CO	08/19/2004	200423703466

Exhibit A-18 Secretary of State

Doc ID --> 200423703466

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
08/25/2004	200423703466	REGISTRATION OF FOREIGN LIMITED LIABILITY CO (LFA)	125.00	.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

STEVE SARRATT
1323 E 71ST STREET
STE 300
TULSA, OK 74136

STATE OF OHIO

CERTIFICATE

Ohio Secretary of State, J. Kenneth Blackwell

1484161

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

LAKESHORE ENERGY SERVICES, L.L.C.

and, that said business records show the filing and recording of:

Document(s)	Document No(s):
REGISTRATION OF FOREIGN LIMITED LIABILITY CO	**200423703466**

THE SEAL OF THE SECRETARY OF STATE OF OHIO

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 19th day of August, A.D. 2004.

J. Kenneth Blackwell

Ohio Secretary of State

Doc ID --> 200423703466

Prescribed by J. Kenneth Blackwell
Ohio Secretary of State
Central Ohio: (614) 466-3910
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

2004 AUG 19 PM 3:11

www.state.oh.us/sos
e-mail: busserv@sos.state.oh.us

Expedite this Form: (Select One)	
Mail Form to one of the Following:	
○ Yes	PO Box 1390 Columbus, OH 43216 *** Requires an additional fee of $100 ***
◉ No	PO Box 670 Columbus, OH 43216

ORGANIZATION / REGISTRATION OF LIMITED LIABILITY COMPANY

(Domestic or Foreign)
Filing Fee $125.00

THE UNDERSIGNED DESIRING TO FILE A

(CHECK ONLY ONE (1) BOX)

(1) ☐ Articles of Organization for Domestic Limited Liability Company (115-LCA) ORC 1705	(2) ☑ Application for Registration of Foreign Limited Liability Company (106-LFA) ORC 1705 July 26, 2002 (Date of Formation) — Oklahoma (State)

Complete the general information in this section for the box checked above.

Name Lakeshore Energy Services, L.L.C.

☐ ***Check here if additional provisions are attachec***

* If box (1) is checked, name must include one of the following endings: limited liability company, limited, Ltd, L.t.d., LLC, L.L.C.

Complete the information in this section if box (1) is checked.

Effective Date **(Optional)** ____________ *(mm/dd/yyyy)* ***Date specified can be no more than 90 days after date of filing. If a date is specified, the date must be a date on or after the date of filing.***

This limited liability company shall exist foı ____________ (Period of existence)
(Optional)

Purpose ____________
(Optional)

The address to which interested persons may direct requests for copies of any operating agreement and any bylaı of this limited liability company iı

(Optional) ____________ *(Name)*

____________ *(Street)* ***NOTE: P.O. Box Addresses are NOT acceptable.***

____________ *(City)* ____________ *(State)* ____________ *(Zip Code)*

Complete the information in this section if box (1) is checked Cont.

ORIGINAL APPOINTMENT OF AGENT

The undersigned authorized member, manager or representative of

(name of limited liability company)

hereby appoint the following to be statutory agent upon whom any process, notice or demand required or permitted statute to be served upon the limited liability company may be served. The name and address of the agent

(Name of Agent)

(Street) ***NOTE: P.O. Box Addresses are NOT acceptable.***

(City) **Ohio** *(State)* *(Zip Code)*

Must be authenticated by an authorized representative

Authorized Representative Date

Authorized Representative Date

ACCEPTANCE OF APPOINTMENT

The undersigned, named herein as the statutory agent fc

(name of limited liability company)

hereby acknowledges and accepts the appointment of agent for said limited liability Compan

(Agent's signature)

PLEASE SIGN PAGE (3) AND SUBMIT COMPLETED DOCUMEN

Complete the information in this section if box (2) is checked.

The address to which interested persons may direct requests for copies of any operating agreement and any bylaw of this limited liability company is

Lakeshore Energy Services, L.L.C.
(Name)
1323 East 71st Street, Suite 300
(Street) ***NOTE: P.O. Box Addresses are NOT acceptable.***

Tulsa | OK | 74136
(City) | *(State)* | *(Zip Code)*

The name under which the foreign limited liability company desires to transact business in Ohio

Lakeshore Energy Services, L.L.C.

The limited liability company hereby appoints the following as its agent upon whom process against the limited liability company may be served in the state of Ohio. The name and complete address of the agent

CT Corporation Systems
(Name)
1300 East 9th Street
(Street) ***NOTE: P.O. Box Addresses are NOT acceptable.***

Cleveland | **Ohio** | 44114
(City) | *(State)* | *(Zip Code)*

The limited liability company irrevocably consents to service of process on the agent listed above as long as the authority of the agent continues, and to service of process upon the OHIO SECRETARY OF STATE

a. the agent cannot be found, or
b. the limited liability company fails to designate another agent when required to do so, or
c. the limited liability company's registration to do business in Ohio expires or is cancelled

REQUIRED
Must be authenticated **(signed)** by an authorized representative
(See Instructions)

R. B. Rosene
Authorized Representative

8/13/04
Date

ROBERT B. ROSENE JR.
(Print Name)

Authorized Representative

Date

(Print Name)

Lakeshore Energy Services, LLC

Exhibit B-1 Jurisdiction of Operation

Seminole Energy Services and its affiliates are currently authorized and are doing business in all of the states listed below:

- Minnesota
- Iowa
- Indiana (Lakeshore Energy)
- Missouri
- Arkansas
- Louisiana
- Mississippi
- Tennessee
- Kentucky
- Illinois
- Ohio (Lakeshore Energy)
- Michigan (Lakeshore Energy)
- Wisconsin
- South Dakota
- Nebraska
- Kansas
- Oklahoma
- Texas
- Wyoming
- Colorado
- New Mexico
- Utah
- Arizona
- Alabama
- Nevada
- California

Lakeshore Energy Services, LLC

Exhibit B-2 Experience and Plans

Lakeshore will continue the use of both our own in-house staff and third-party telesales company to solicit customers. The customers will be provided with a Lakeshore Energy contract and a description of our offering. Those customers who enroll via the web will receive an email confirmation as well. Those customers enrolling via telephone will undergo a TPV. All customers will be provided with our toll-free number for ease of communication. We are currently serving approximately 500 industrial customers and 48,000 small commercial/residential customers, so we have significant customer service expertise. Any complaints that are received are generally handled on the same business day, time of day permitting.

Exhibit B-3 Summary of Experience

Lakeshore Energy currently has 40 employees with significant industry experience. Our manager of Gas Supply has been in the industry since 1979. He has significant experience in gas acquisition, gas marketing, and gas trading. Our Operations Manager has over 7 years of experience in gas scheduling, customer service and regulatory compliance within the industry. Our Director of Gas Choice has over 8 years of experience in gas supply, gas marketing and regulatory compliance and has been with the Company since its entry into the Ohio market. Our General Manager has previous experience (1998 – 2000) managing Ohio Gas Choice and Transportation accounts on the Columbia of Ohio and Dominion East Ohio systems and has been with Lakeshore Energy since its entry into the Ohio market in 2005.

Lakeshore Energy's current customer base is primarily located in Michigan. We serve about 12,000 customers on the DTE/MichCon system, and about 13,000 on the Consumers Energy System. The combined volume for these two distribution companies is around 30 Bcf annually. We also serve approximately 4,000 customers on the SEMCO Energy System and 11,000 customers on the MGU system. The combined SEMCO and MGU volume is around 8 Bcf. We have several large industrial customers transporting on the Dominion East Ohio system and several large industrial customers transporting on the Columbia of Ohio system. Additionally, through our Illinois affiliate, Vanguard Energy Services, we serve 7 large industrial customers in the Chicago area.

Lakeshore Energy Services, LLC

Exhibit B-4 Disclosure of Liabilities and Investigations

None

Lakeshore Energy Services, LLC

Exhibit B-5 Disclosure of Consumer Protection Violations

No

Lakeshore Energy Services, LLC

Exhibit B-6 Disclosure of Certification Denial, Curtailment, Suspension or Revocation

No

Lakeshore Energy Services, LLC

Exhibit C-1 Annual Reports

Not applicable. All year-end information is summarized in audited financial statements.

Lakeshore Energy Services, LLC

Exhibit C-2 SEC Filings

Not applicable. All year-end information is summarized in audited financial statements.

Lakeshore Energy Services, LLC

Exhibit C-3 Financial Statements

See attached Seminole Annual Reports for the years ending 2011 and 2012.

Grant Thornton

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Seminole Energy Services, L.L.C. and subsidiaries

December 31, 2011 and 2010

Contents

Audit • Tax • Advisory
Grant Thornton LLP
2431 E. 61st Street
Suite 500
Tulsa, OK 74136-1208
T 918.877.0800
F 918 877.0805
www.GrantThornton.com

Report of Independent Certified Public Accountants

Members
Seminole Energy Services, L.L.C.

We have audited the accompanying consolidated balance sheets of Seminole Energy Services, L.L.C. (an Oklahoma limited liability company) and subsidiaries (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of income, equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Seminole Energy Services, L.L.C. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

GRANT THORNTON LLP

Tulsa, Oklahoma
March 30, 2012

Seminole Energy Services, L.L.C. and subsidiaries

Consolidated Balance Sheets

December 31, 2011 and 2010
(Thousands of dollars)

ASSETS	2011	2010
CURRENT ASSETS:		
Cash and cash equivalents	$ 20,279	$ 32,247
Accounts receivable, net	193,581	201,807
Broker margin deposits	29,406	11,233
Derivative instruments, current (Note I)	48,493	19,297
Commodity inventories and imbalances	10,971	7,759
Assets held for sale (Note U)	3,264	4,528
Other current assets and deferred charges	3,090	4,334
Total current assets	309,084	281,205
Investments in joint ventures (Note E)	20,147	15,502
Property, plant and equipment, net (Note F)	70,741	83,141
Goodwill and intangible assets, net (Note G)	52,001	55,617
Derivative instruments, non-current (Note I)	6,542	936
Other assets and deferred charges	8,842	5,365
Total assets	$ 467,357	$ 441,766
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 197,005	$ 203,344
Derivative instruments, current (Note I)	43,383	19,034
Long-term debt due within one year (Note K)	2,902	18,917
Deferred revenue, current (Note L)	1,155	-
Total current liabilities	244,445	241,295
Derivative instruments, non-current (Note I)	6,798	994
Long-term debt (Note K)	23,706	27,795
Deferred revenue, non-current (Note L)	15,233	-
Total liabilities	290,182	270,084
Contingent liabilities and commitments (Note M)		
EQUITY:		
Common unitholders	169,361	164,069
Accumulated other comprehensive income (Note S)	994	1,264
Total unitholders' equity (Note R)	170,355	165,333
Noncontrolling interests in consolidated subsidiaries	6,820	6,349
Total equity	177,175	171,682
Total liabilities and equity	$ 467,357	$ 441,766

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

Seminole Energy Services, L.L.C. and subsidiaries

Consolidated Statements of Income

Years ended December 31, 2011 and 2010
(Thousands of dollars)

	2011	2010
REVENUES:		
Commodity sales	$ 2,000,081	$ 1,982,810
Gathering, transportation and treating fees	19,444	21,110
Other revenues	1,994	3,010
Total revenues	2,021,519	2,006,930
COSTS AND EXPENSES:		
Purchases and operating expenses	1,946,228	1,925,371
General and administrative expenses	36,630	34,093
Depreciation and amortization	13,883	13,087
Total costs and expenses	1,996,741	1,972,551
OPERATING INCOME:	24,778	34,379
OTHER INCOME (EXPENSE):		
Equity in earnings of joint ventures (Note E)	2,711	2,517
Interest income	285	329
Interest expense	(3,333)	(6,542)
Impairment of long-lived assets and goodwill (Notes F & G)	(2,514)	(7,423)
Other income (expense), net	397	(159)
Total other income (expense)	(2,454)	(11,278)
NET INCOME FROM CONTINUING OPERATIONS	22,324	23,101
Plus: Gain on sale from discontinued operations (Note D)	5,039	-
Plus: Income (loss) from discontinued operations (Note D)	(405)	474
NET INCOME	26,958	23,575
Less: Net income attributable to noncontrolling interests	(2,935)	(3,516)
NET INCOME ATTRIBUTABLE TO SEMINOLE ENERGY SERVICES, L.L.C.	$ 24,023	$ 20,059

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

Macquarie - Cora Pendergrass (aroc1960) is available 10:44 am
Online: 1h 46m

ANR, BLUEWATER, CONSUMERS, MICHCON, NICOR, NIPSCO, NORTHSHORE, PEOPLES... after hours 281.755.4899 Comment
1h and 32m ago

Cari Hilton 10:44 am
Cari Hilton (10:44:35 AM):
gm I see we bought 5900 nd at Michcon, do you agree?

Macquarie - Cora Pendergrass 10:47 am
Macquarie - Cora Pendergrass (10:47:20 AM):
Notice: All instant messages sent to and from this buddy name will be logged by the FaceTime server and are subject to archival, monitoring, or review and/or disclosure to someone other than the recipient.

Macquarie - Cora Pendergrass (10:47:21 AM):
hello one sec

Macquarie - Cora Pendergrass (10:47:26 AM):
agree

Macquarie - Cora Pendergrass (10:47:29 AM):
no points yet

Cari Hilton 10:52 am
Cari Hilton (10:52:13 AM):
k, ty

Macquarie - Cora Pendergrass 12:28 pm
Macquarie - Cora Pendergrass (12:28:44 PM):
Notice: All instant messages sent to and from this buddy name will be logged by the FaceTime server and are subject to archival, monitoring, or review and/or disclosure to someone other than the recipient.

Macquarie - Cora Pendergrass (12:28:45 PM):
9307

Cari Hilton 12:28 pm
Cari Hilton (12:28:58 PM):
good deal, ty

Grant Thornton

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Seminole Energy Services, L.L.C. and subsidiaries

December 31, 2012 and 2011

Contents

Grant Thornton

Grant Thornton LLP
2431 E. 61st Street, Suite 500
Tulsa, OK 74136-1208

T 918.877.0800
F 918 877.0805
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Members
Seminole Energy Services, L.L.C.

We have audited the accompanying consolidated financial statements of Seminole Energy Services, L.L.C. (an Oklahoma limited liability company) and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Seminole Energy Services, L.L.C. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Tulsa, OK
April 19, 2013

Seminole Energy Services, L.L.C. and subsidiaries

Consolidated Balance Sheets

December 31, 2012 and 2011
(Thousands of dollars)

ASSETS	2012	2011
CURRENT ASSETS:		
Cash and cash equivalents	$ 16,294	$ 20,279
Accounts receivable, net	192,377	193,581
Broker margin deposits	5,416	29,406
Derivative instruments, current (Note I)	14,061	48,493
Commodity inventories and imbalances	10,618	10,971
Other current assets and deferred charges	2,142	3,090
Total current assets	240,908	305,820
Investments in joint ventures (Note E)	20,952	20,147
Property, plant and equipment, net (Note F)	65,233	70,741
Goodwill and intangible assets, net (Note G)	46,171	52,001
Derivative instruments, non-current (Note I)	1,316	6,542
Other assets and deferred charges	10,121	12,106
Total assets	$ 384,701	$ 467,357
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 189,994	$ 197,005
Derivative instruments, current (Note I)	13,075	43,383
Long-term debt due within one year (Note K)	2,902	2,902
Deferred revenue, current (Note L)	1,155	1,155
Total current liabilities	207,126	244,445
Derivative instruments, non-current (Note I)	1,403	6,798
Long-term debt (Note K)	5,804	23,706
Deferred revenue, non-current (Note L)	14,078	15,233
Total liabilities	228,411	290,182
Contingent liabilities and commitments (Note M)		
EQUITY:		
Common unitholders (Note Q)	148,439	169,361
Accumulated other comprehensive income	124	994
Total unitholders' equity	148,563	170,355
Noncontrolling interests in consolidated subsidiaries	7,727	6,820
Total equity	156,290	177,175
Total liabilities and equity	$ 384,701	$ 467,357

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

Seminole Energy Services, L.L.C. and subsidiaries

Consolidated Statements of Income

Years ended December 31, 2012 and 2011
(Thousands of dollars)

	2012	2011
REVENUES:		
Commodity sales	$ 1,539,211	$ 2,000,081
Gathering, transportation and treating fees	17,291	19,444
Other revenues	1,699	1,994
Total revenues	1,558,201	2,021,519
COSTS AND EXPENSES:		
Purchases and operating expenses	1,489,275	1,946,228
General and administrative expenses	38,988	36,630
Depreciation and amortization	14,086	13,883
Total costs and expenses	1,542,349	1,996,741
OPERATING INCOME	15,852	24,778
OTHER INCOME (EXPENSE):		
Equity in earnings of joint ventures (Note E)	1,369	2,711
Interest income	232	285
Interest expense	(1,881)	(3,333)
Impairment of long-lived assets and goodwill (Notes F & G)	-	(2,514)
Other income (expense), net	543	397
Total other income (expense)	263	(2,454)
NET INCOME FROM CONTINUING OPERATIONS	16,115	22,324
Plus: Gain on sale of discontinued operations (Note D)	-	5,039
Less: Loss from discontinued operations (Note D)	-	(405)
NET INCOME	16,115	26,958
Less: Net income attributable to noncontrolling interests	2,715	2,935
NET INCOME ATTRIBUTABLE TO SEMINOLE ENERGY SERVICES, L.L.C.	$ 13,400	$ 24,023

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

Seminole Energy Services, L.L.C. and subsidiaries

Consolidated Statements of Comprehensive Income

Years ended December 31, 2012 and 2011
(Thousands of dollars)

	December 31, 2012	December 31, 2011
Net income	$ 16,115	$ 26,958
Other comprehensive loss		
Change in unrealized value of derivative hedging instruments	213	1,403
Reclassification into earnings on settlements of derivative instruments	(1,083)	(1,673)
Total other comprehensive loss	(870)	(270)
Comprehensive income	15,245	26,688
Less: Comprehensive income attributable to noncontrolling interests	2,715	2,935
Comprehensive income attributable to Seminole Energy Services, L.L.C.	$ 12,530	$ 23,753

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

Seminole Energy Services, L.L.C. and subsidiaries

Consolidated Statements of Equity

Years ended December 31, 2012 and 2011
(Thousands of dollars)

	2012	2011
COMMON UNITHOLDERS' EQUITY:		
Beginning balance	$ 169,361	$ 164,069
Contributions from unitholders	35	194
Purchase of unitholder's equity interest	(3,075)	-
Unit-based compensation expense	2,611	2,649
Distributions to unitholders	(33,893)	(21,574)
Net income attributable to Seminole Energy Services, L.L.C.	13,400	24,023
Ending balance	148,439	169,361
ACCUMULATED OTHER COMPREHENSIVE INCOME:		
Beginning balance	994	1,264
Net losses on cash flow hedges	(870)	(270)
Ending balance	124	994
TOTAL UNITHOLDERS' EQUITY	148,563	170,355
NONCONTROLLING INTERESTS:		
Beginning balance	6,820	6,349
Contributions from noncontrolling interests	-	637
Distributions to noncontrolling interests	(1,808)	(3,101)
Net income attributable to noncontrolling interests	2,715	2,935
Ending balance	7,727	6,820
TOTAL EQUITY	$ 156,290	$ 177,175

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

Seminole Energy Services, L.L.C. and subsidiaries

Consolidated Statements of Cash Flows

Years ended December 31, 2012 and 2011
(Thousands of dollars)

	2012	2011
OPERATING ACTIVITIES:		
Net income	$ 16,115	$ 26,958
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,124	14,553
Amortization of deferred loan costs	289	936
Amortization of deferred revenue	(1,155)	(951)
Equity in earnings of joint ventures	(1,369)	(2,711)
Distributions received from joint ventures	908	740
Provision for doubtful accounts	(199)	-
Unit-based compensation expense	2,611	2,649
Impairment of long-lived assets and goodwill	-	2,514
Gains on sale of assets	(339)	(5,390)
Derivative instruments	3,084	(4,919)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	1,403	8,226
Broker margin deposits	23,990	(18,173)
Commodity inventories and imbalances	353	(2,942)
Other assets and deferred charges	866	677
Accounts payable and accrued liabilities	(7,011)	(6,339)
Deferred revenue	-	10,575
Net cash provided by operating activities	53,670	26,403
INVESTING ACTIVITIES:		
Purchases of pipeline and system equipment	(713)	(1,170)
Purchases of office and other equipment	(1,555)	(1,760)
Proceeds from sale of assets	2,056	10,870
Investments in joint ventures	(800)	(3,200)
Cash paid for acquisition	-	(5,102)
Net cash used in investing activities	(1,012)	(362)
FINANCING ACTIVITIES:		
Proceeds from credit facilities	45,353	15,000
Repayments of credit facilities	(60,353)	-
Refunds of term note payments	-	2,197
Repayments of term notes	-	(27,635)
Repayments of subordinated note	(2,902)	(2,902)
Payments of deferred loan costs	-	(825)
Purchase of unitholder's equity interests	(3,075)	-
Contributions from noncontrolling interests	-	637
Distributions paid to noncontrolling interests	(1,808)	(3,101)
Contributions from unitholders	35	194
Distributions paid to unitholders	(33,893)	(21,574)
Net cash used by financing activities	(56,643)	(38,009)
Decrease in cash and cash equivalents	(3,985)	(11,968)
Cash and cash equivalents at beginning of year	20,279	32,247
Cash and cash equivalents at end of year	$ 16,294	$ 20,279

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

A - OPERATIONS AND ORGANIZATION:

1. Nature of Operations

Seminole Energy Services, L.L.C. (an Oklahoma limited liability company) and subsidiaries are involved in three primary business activities: natural gas marketing, producer services and midstream. The natural gas marketing takes place in the wholesale market, as well as the retail market to commercial and industrial consumers in deregulated markets. The Company's marketing operations are principally conducted in Arkansas, Colorado, Illinois, Kansas, Kentucky, Michigan, Missouri, Nebraska, Oklahoma, Texas and Wyoming. The producer services operations include well-head purchase contracts, risk management services, gas balancing, payment of production taxes, and distribution of revenues to well owners primarily in the Mid-Continent and Mid-Atlantic regions. Midstream includes gas gathering, compression and gas processing services in Kansas, Kentucky, Oklahoma, Tennessee, Texas and Virginia. The Company is privately owned, with thirty-two unitholders owning a total of 12,014,044 common units at December 31, 2012. The Company and its subsidiaries are collectively referred to in this report as "we," "us," "Seminole," or the "Company."

2. Financial Statement Presentation

The consolidated financial statements include the accounts of Seminole Energy Services, L.L.C.; its wholly-owned subsidiaries – Seminole Retail Energy Services, L.L.C., Lakeshore Energy Services, L.L.C., Seminole Gas Company, L.L.C., Unimark, L.L.C., and Nebraska Resources Company, L.L.C.; and its majority-owned subsidiaries – San Bois Treating Facility, L.L.C., Seminole Murphy Liquids Terminal, L.L.C., and Vanguard Energy Services, L.L.C. Investments in affiliates are accounted for using the equity method of accounting if we have the ability to exercise significant influence over operating and financial policies of our investee. All significant intercompany transactions and balances have been eliminated in consolidation.

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that may affect the amounts reported in the consolidated financial statements and accompanying notes.

Significant estimates and assumptions include, but are not limited to the following:

- Commodity inventory valuation;
- Impairment assessments of investments, long-lived assets and goodwill;
- Depreciable lives of fixed assets and useful lives of amortizable intangibles;
- Valuation of assets and liabilities acquired in business combinations;
- Allocation of costs to operating units;
- Unbilled commodity revenues for gas delivered but for which meters have not been read;
- Gas purchases expense, for which no invoice has been received;

- Provisions for doubtful accounts;
- Litigation-related contingencies;
- Fair value of financial instruments and forward physical commodity purchase and sale contracts; and
- Hedge accounting correlations and probability of occurrence of forecasted transactions.

We evaluate these estimates on an ongoing basis using historical experience, consultation with experts and utilizing other methods we consider reasonable based on the particular circumstances. Nevertheless, actual results and values may differ from the estimates. Any effects on our financial position or results of operations from revisions to these estimates are recorded in the period when the facts that give rise to the revision become known. Such changes and refinements in estimation methodologies are reflected in reported results of operations, and if material, the effects of changes in estimates are disclosed in the notes to the consolidated financial statements.

2. <u>Revenue Recognition</u>

Natural gas marketing revenues for the sales of natural gas and natural gas liquids are recognized at the time of delivery of the product to the customer. Producer Services revenues from service labor, treating, compression and gas gathering are recognized upon completion of the service. Midstream revenues from transportation capacity payments are recognized when earned in the period the capacity is made available.

Results from our Marketing activities are primarily generated through the purchase of natural gas from natural gas producers, wholesale suppliers, and other supply points and the sale of that natural gas to commercial customers, thereby generating gross margins based upon the difference between the purchase and resale prices.

Results from our Producer Services activities are primarily generated through the purchase of natural gas from natural gas producers, wholesale suppliers, and other supply points and the sale of that natural gas to other marketers and pipeline companies, thereby generating gross margins based upon the difference between the purchase and resale prices. We also offer producers risk management services, gas balancing, payment of production taxes, and distribution of revenues through fee-based arrangements.

Results from our Midstream activities are determined primarily by the volumes of natural gas gathered, compressed, treated, processed, purchased and sold through our pipeline and gathering systems and the level of natural gas and natural gas liquids prices. We generate midstream revenues and gross margins under three different methods: (1) Fee-based arrangements – under which we receive a fee for natural gas gathering, compressing, treating or processing services, for which the revenues earned is directly related to the volume of natural gas that flows or capacity provided through our systems and is not directly dependent on commodity prices; (2) Percent-of-Index Price arrangements – under which we purchase natural gas at a percentage discount to a specified index price and then sell the resulting natural gas to third parties; and (3) Percentage-of-Proceeds arrangements – under which we gather and process natural gas on behalf of producers, sell the residue gas and natural gas liquids volumes at market prices and remit to producers an agreed upon percentage of the proceeds based on an index price.

3. Cash and Cash Equivalents

Our cash and cash equivalents balance includes all highly liquid investments, which are readily convertible into cash and have original maturities of three months or less from the acquisition date. At times, our cash and cash equivalents may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation insurance limit.

4. Accounts Receivable, Net

Accounts receivable are carried on a gross basis, with no discounting, less an allowance for doubtful accounts. These balances principally consist of amounts due from the sale of commodities or the delivery of services to customers. Accounts receivable are uncollateralized obligations due under normal trade terms requiring payment upon receipt of the invoice. We estimate the allowance for doubtful accounts based on existing economic conditions, the financial conditions of our customers and the amount and age of past due accounts. Accounts are written off and charged to the allowance for doubtful accounts, only after collection attempts have been exhausted. Trade accounts receivable is stated net of the allowance for doubtful accounts of approximately $0.5 million and $1.2 million at December 31, 2012 and 2011, respectively.

5. Broker Margin Deposits

In connection with its risk-management and hedging activities the Company is required to provide certain brokers with cash deposits as collateral to cover the credit risk associated with its net derivative liability positions.

6. Commodity Inventories and Imbalances

The value of commodity inventories in storage is determined using the lower of weighted-average cost or market method. Commodity imbalances are valued at market or their contractually stipulated rate. Commodity imbalances are settled in cash or made up in-kind, subject to the terms of the agreements.

7. Property, Plant and Equipment

Our properties are carried at either cost, or at their estimated acquisition date fair value for business combinations. All acquisitions of businesses are accounted for using the acquisition method of accounting which requires, among other things, that assets acquired be recognized at their estimated fair values as of the acquisition date. Transaction costs related to the acquisition of businesses are expensed as incurred. When the Company acquires net assets that do not constitute a business under GAAP, acquired assets are recorded at cost.

Our properties are depreciated using straight-line and accelerated methods over their estimated useful lives. We periodically conduct depreciation evaluations to assess the economic lives of our assets, and if it is determined that the estimated economic life changes, then the changes are made prospectively. Changes in the estimated lives of our properties could have a material effect on our financial position or results of operations. Material expenditures that enhance the functionality or extend the useful lives of our assets are capitalized. The costs of property, plant and equipment that are sold or retired, and the related accumulated depreciation, are removed from the Consolidated Balance Sheets and any associated gain or loss is reflected in current period earnings. Ordinary maintenance and repair costs are expensed as incurred. None of the

Company's property, plant and equipment has legal retirement obligations requiring recognition in the consolidated financial statements. See Note F for disclosures of our property, plant and equipment.

8. Intangible Assets

Intangible assets consist of contractual customer relationships, existing customer contracts and producer contracts acquired in business combinations. Intangible assets are amortized using straight-line and accelerated methods over their estimated useful lives. We periodically conduct evaluations to assess the economic lives of our intangible assets, and if it is determined that the estimated economic life changes, then the changes are made prospectively. Changes in the estimated lives of our intangible assets could have a material effect on our financial position or results of operations. Intangible assets are assessed for impairment whenever events or changes in circumstances indicate that their carrying value may exceed their estimated fair value, based on the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the assets. See Note G for disclosures of our intangible assets. In addition, see Note C for intangible assets recorded in conjunction with acquisitions.

9. Goodwill

Goodwill represents the excess of the consideration exchanged over the fair value of the net assets of the business acquired. Goodwill is evaluated at least annually for impairment. In conjunction with our early adoption of Accounting Standards Update ("ASU") 2011-08, *Testing for Goodwill Impairment,* as discussed in Note B.19 below, we first assess qualitative factors in determining whether it is more likely than not that the reporting unit's fair value is less than its carrying amount. If the qualitative factors indicate it is more likely than not that a reporting unit's carrying value exceeds fair value, we compare our estimate of the fair value of a reporting unit with its carrying value, including goodwill. If the fair value is less than the carrying value, a potential impairment is indicated, and we perform a test to measure the amount of the impairment. That test calculates the implied fair value of the goodwill by deducting the fair value of all tangible and intangible assets and liabilities of the reporting unit from the estimate of fair value. If the carrying value of the goodwill exceeds the implied fair value of the goodwill, we will record an impairment charge.

We use an income valuation approach to estimate the fair value of our reporting units. Under the income approach, we use anticipated cash flows over a period of years and discount these amounts to their present value using rates of return that are consistent with a market participant's perspective. Judgments and assumptions are inherent in our estimate of future cash flows used to determine the estimate of the reporting unit's fair value. See Note G for disclosures of our goodwill, including an impairment adjustment that was recorded in 2011. There were no impairment adjustments recorded in 2012. Additionally, see Note C for discussion of goodwill recorded in conjunction with acquisitions.

10. Other assets and deferred charges

This category includes $8.1 million in surplus midstream and pipeline assets not currently used in operations. These assets are not being depreciated and are being held for future use in operations or sale, as circumstances permit. The remaining balance includes $1.3 million in long-term deposits and $0.7 million other deferred charges which will be amortized into earnings in future periods.

11. Advertising Costs

Advertising costs are expensed as incurred and were $0.4 million in 2012 and $0.8 million in 2011. Direct mailing and media broadcast made up the majority of our advertising costs.

12. Impairment of Long-Lived Assets and Investments

We evaluate our long-lived assets and investments for impairment when events or changes in circumstances indicate, in our judgment, that the carrying value of such assets may not be recoverable. When an indicator of impairment has occurred, we compare our estimate of undiscounted future cash flows attributable to the assets to the carrying value of the assets to determine whether the asset is recoverable. We apply a probability-weighted approach, where appropriate, to consider the likelihood of different cash flow assumptions in determining the undiscounted cash flows. If an impairment of the carrying value has occurred, we determine the amount of the impairment recognized in the consolidated financial statements by estimating the fair value of the assets and recording a loss for the amount that the carrying value exceeds the estimated fair value.

For assets considered held for sale, we compare the carrying value to the estimated fair value less the cost to sell to determine if recognition of an impairment is required. Impairment tests are performed when events or circumstances indicate the assets may have been impaired.

We evaluate our investments for impairment when events or changes in circumstances indicate, in our judgment, that the carrying value of such investments may have experienced an other-than-temporary decline in value. When evidence of loss in value has occurred, we compare our estimate of fair value of the investment to the carrying value of the investment to determine whether an impairment loss has occurred. If the estimated fair value is less than the carrying value and we consider the decline in value to be other-than-temporary, the excess of the carrying value over the fair value is recognized in the consolidated financial statements as an impairment loss.

Judgments and assumptions are inherent in our management's estimate of undiscounted future cash flows and an asset's fair value. Additionally, judgment is used to determine the probability of sale with respect to assets considered for disposal. The use of alternate judgments and/or assumptions could result in the recognition of different levels of impairment charges in the consolidated financial statements.

13. Contingencies

Our accounting for contingencies primarily addresses contingencies for legal exposures. We accrue these contingencies when our assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered, and an amount can be reasonably estimated. We base our estimates on currently available facts and our estimates of the ultimate outcome or resolution. Actual results may differ from our estimates resulting in an impact, positive or negative, on earnings. See Note M for additional information about our contingencies.

14. Transportation Costs

As part of our normal operations, we charge customers transportation costs related to physical commodity sales. We report this revenue on a gross basis because the revenue has been earned as a principal from the transportation services provided, as we are responsible for collecting the sales price from a customer, but must pay the amount owed to the transportation provider, thereby assuming credit risk. The Company reports these transportation revenues and related transportation costs separately in both *commodity sales* and *purchases and operating expenses*, respectively.

15. Sales Taxes

As part of our normal operations, we collect certain sales, use and other taxes from our customers and remit such taxes to the proper taxing authorities. We report these taxes on a "net basis," meaning such amounts are not reported separately in both *commodity sales* and *purchases and operating expenses.*

16. Derivative Instruments, Hedging, and Risk-Management Activities

We use derivatives to manage our commodity price risk related to our purchase and sales commitments to achieve more predictable cash flows. The majority of our derivatives are accounted for using mark-to-market accounting; therefore, commodity price volatility may have an impact on our earnings for a given period. These derivative instruments consist primarily of futures contracts, option or swap transactions, and forward contracts involving purchases and sales of a physical energy commodity.

We report the fair value of derivatives in the Consolidated Balance Sheets in derivative instruments as assets and liabilities, and as either current or non-current. Our derivative assets and liabilities are presented on a net basis in circumstances where a legally enforceable master netting arrangement exists between us and the counterparty to a derivative contract. We determine the current and non-current classification based on the timing of expected future cash flows of individual contracts. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship.

The table below summarizes the methods in which we account for our derivative instruments and the impact on our consolidated financial statements:

	Recognition and Measurement	
Accounting Treatment	**Balance Sheets**	**Statements of Income**
Mark-to-market	- Recorded at fair value	- Changes in fair value recognized in earnings
Cash flow hedge	- Recorded at fair value - Effective portion of the gain or loss on the derivative instrument is reported initially in *accumulated other comprehensive income*	- Ineffective portion of the gain or loss on the derivative instrument is recognized in earnings - Effective portion of the gain or loss on the derivative instrument is reclassified out of *accumulated other comprehensive income* into earnings when the forecasted transaction affects earnings

Seminole utilizes derivatives to reduce commodity price uncertainty and increase cash flow predictability associated with its purchase and sales commitments. Additionally, Seminole engages in hedging activities to reduce commodity price uncertainty and increase cash flow predictability relating to the marketing of our anticipated natural gas purchases.

We document all required relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all cash flow derivative instruments to the forecasted transactions. We also assess, both at the hedge's inception and on an ongoing basis, whether the derivative instruments that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. We also regularly assess whether the hedged forecasted transaction is probable of occurring. If a derivative ceases to be or is no longer expected to be highly effective, or if we believe the likelihood of occurrence of the hedged forecasted transaction is no longer probable, hedge accounting is discontinued prospectively, and future changes in the fair value of the derivative are recognized currently in *purchases and operating expenses*.

17. Income Taxes

The Company is a limited liability company and therefore not generally subject to federal and state income taxes. All earnings or losses of the Company are generally taxable to its members, and accordingly, no provision for income taxes has been included in the Company's consolidated financial statements.

We evaluate tax positions taken or expected to be taken in the course of preparing our tax returns and disallow the recognition of tax positions not deemed to meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. Management does not believe it has any tax positions taken within its consolidated financial statements that would not meet this threshold. We have not recognized any potential interest or penalties in our consolidated financial statements as of December 31, 2012.

Seminole files income tax returns in the U.S. federal and various state jurisdictions. We are no longer subject to income tax examinations by major tax authorities for years prior to 2008. The Company is not currently being examined by any jurisdiction and is not aware of any potential examinations as of December 31, 2012.

18. Subsequent Events

The Company has evaluated our subsequent events for recognition and disclosure through April [19], 2013, the date the consolidated financial statements were issued; and we have determined that no events require adjustments to, or disclosures in, the accompanying consolidated financial statements.

19. Recently Issued Accounting Standards Update

Fair Value Measurements – In May 2011, the Financial Accounting Standards Board ("FASB") issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards* ("IFRS"). These amendments change certain fair value measurement principles and disclosure requirements in order to provide more consistent requirements for measurement and more common disclosures between GAAP and IFRS. The new requirements were effective with the Company's year ending December 31, 2012. In February 2013, the FASB issued ASU 2013-03, *Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities.* Contrary to the stated intent of ASU 2011-04 to exempt all nonpublic entities from this particular disclosure, ASU 2013-03 establishes that nonpublic entities with total assets of $100 million or more, or that have one or more derivative instruments, do not qualify for the intended exemption. The requirements in this update are effective upon issuance, and we do not anticipate this amendment will have a material impact on our consolidated financial statements or the accompanying disclosures. See Note H for fair value measurement disclosures.

Indefinite-Lived Intangible Assets – In July 2012, the FASB issued ASU 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment.* This amendment seeks to achieve consistency between the impairment testing requirements for indefinite-lived intangibles and the impairment testing requirements for goodwill, as recently amended by ASU 2011-08. Similar to the new goodwill requirements, this amendment allows an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test. An entity would not be required to calculate the fair value of an indefinite-lived intangible asset unless the entity determines, based on this qualitative assessment, that it is more likely than not the indefinite-lived intangible asset is impaired. This amendment is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. We do not anticipate this amendment will have a material impact on our consolidated financial statements or the accompanying disclosures.

Offsetting Assets and Liabilities – In December 2011, the FASB issued ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities.* This amendment requires enhanced disclosures about financial and derivative instruments that are eligible for offset in the statement of financial position, and instruments or transactions that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in the statement of financial position. In response to stakeholder concerns that the scope of ASU 2011-11 is unclear, and could therefore result in diversity in practice, the FASB issued ASU 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities,* in January 2013. This amendment clarifies that the scope of ASU 2011-11 includes entities that have derivatives accounted for in accordance with Accounting Standards Codification Topic 815, *Derivatives and Hedging.* The amendments from both updates are effective for annual reporting periods beginning on or after January 1, 2013, and require retrospective application at that time. We do not anticipate the amendments contained in either update will have a material impact on our consolidated financial statements or the accompanying disclosures.

Comprehensive Income – In June 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income.* Under ASU 2011-05, entities are provided the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive net income along with total other comprehensive net income, and a total amount for comprehensive income. This update eliminates the option to present the components of other comprehensive income as part of the statement of stockholders' equity. For nonpublic entities, the amendments are effective for fiscal years beginning after December 15, 2012, and interim and annual periods thereafter, with early adoption permitted. In December 2011, the FASB issued ASU 2011-12, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.* This update effectively deferred implementation of only those changes made in ASU 2011-05 related to the presentation of reclassification adjustments made out of accumulated other comprehensive income. This update is effective at the same time as ASU 2011-05, and all other provisions of ASU 2011-05 were unaffected. In February 2013, the FASB issued ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.* The requirements in this update supersede and replace the presentation requirements for reclassifications out of accumulated other comprehensive income in ASU 2011-05 and ASU 2011-12 for public and non-public entities. These requirements seek to improve the reporting of reclassifications out of accumulated other comprehensive income by requiring an entity to report and disclose additional information. For nonpublic entities, these requirements are effective prospectively for reporting periods beginning after December 15, 2013. Early adoption is permitted. We have not early adopted any of these updates, and we do not anticipate any of the new requirements therein will have a material impact on the consolidated financial statements or the accompanying footnotes.

C - ACQUISITIONS

Acquisition of Sierra Southwest Cooperative Services, Inc. – Effective October 1, 2011, the Company acquired a group of customer contracts and other related assets from Sierra Southwest Cooperative Services, Inc. ("SSW"). SSW is headquartered in Arizona, with natural gas marketing operations in California, Nevada and Arizona. The purchase price included $4.8 million for acquired customer data and existing contracts, and an additional $0.3 million for gas in storage at the acquisition date. Under the agreement, Seminole acquired SSW's portfolio of natural gas sales, marketing and trading agreements and transactions, as well as its marketing relationships and certain assets used in the business.

We used the acquisition method to account for this business combination, and accordingly, the new accounting basis was established using the fair value of the underlying assets. The tangible assets were valued utilizing the cost approach, and the intangible assets were valued using the income approach. The assumptions used to estimate the fair values reflect the best estimate of how we believe market participants would benefit from the use of the assets being valued. The valuation did not result in a gain or recognition of goodwill, as the fair value of the assets acquired approximated the consideration paid. The allocations of the estimated fair value of the SSW business combination are noted below:

	Fair Value *(Thousands of dollars)*
Office equipment	$ 20
Commodity inventories	271
Intangible customer contracts and customer relationships	4,811
Net assets acquired	$ 5,102
Consideration paid	$ 5,102

Acquisition Adjustment for North American Energy Corporation – In December 2007, the Company entered into an agreement to acquire North American Energy Corporation, a business with natural gas marketing operations in the Mid-Atlantic region. At the time of the acquisition, the Company agreed to pay additional consideration in the form of common units at the end of three years (November 2010) if the acquired business met certain earnings requirements.

Effective November 2010, the Company finalized the contingent consideration calculation related to the qualifying earnings applicable to the agreement and recorded an adjustment to the business acquisition purchase price to recognize $4.7 million of goodwill and unitholders' equity through the issuance of common units. The fair value of the common units exchanged was indirectly observable through corroboration with third-party equity sales executed during the period.

In 2011, our annual goodwill impairment testing resulted in an impairment loss of $2.5 million to the goodwill from the North American Energy Corporation acquisition. In 2012, our annual goodwill impairment testing did not result in an impairment loss. See additional discussion at Note G.

D - DISCONTINUED OPERATIONS

Seminole owned and operated a natural gas gathering system and treating facility in Roger Mills County, Oklahoma known as the Wildhorse Gathering System. In addition, Seminole purchased natural gas from system wells. In April 2011, Seminole entered into an agreement to terminate the gas gathering and treating agreement on the Wildhorse system. As a part of this agreement, Seminole sold the gathering assets to an entity owned by two counterparties. Seminole received net proceeds of $8.8 million, and at the time of the sale the net book value of the assets sold was $3.8 million, resulting in a gain on sale of $5.0 million. The gas processing plant was decommissioned and will be sold or used elsewhere in Seminole's operations. The plant is reported in the consolidated balance sheets as a non-current asset in *other assets and deferred charges.* The operating income and other expenses related to the discontinued gathering and treating operations have been reported in discontinued operations in the consolidated statements of income. Although the gas purchases and sales emanated from the same geographic location, these activities were separately contracted and independent from the discontinued gathering and treating activities. Accordingly, the operating income related to ongoing gas purchases and sales has been reported in continuing operations in the consolidated statements of income through the termination of the contract in September 2011.

The following table summarizes the components included within *loss from discontinued operations* in the consolidated statements of income:

	Year Ended December 31, 2011 *(Thousands of dollars)*
Gathering, transportation and treating fees	$ 872
Operating expenses	(702)
Depreciation	(575)
Loss from discontinued operations	$ (405)

E - INVESTMENTS IN JOINT VENTURES

The following table sets forth certain information regarding the Company's investments we account for using the equity method:

Equity Investment	Net Ownership %	Investment at December 31, 2012	Investment at December 31, 2011	Equity in Earnings 2012	Equity in Earnings 2011
			(Thousands of dollars)		
Kelton Gas Services, LP	40.0%	$ 15,066	$ 13,479	$ 954	$ 2,145
Potato Hills Gathering System	49.0%	4,893	5,265	439	573
Foss Gathering System	30.0%	783	1,101	(50)	(42)
Warrel Gathering System	43.7%	210	302	26	35
		$ 20,952	$ 20,147	$ 1,369	$ 2,711

At December 31, 2012, we have $1.7 million recorded of additional carrying value in our equity method investments in excess of the underlying equity in the net assets of our investments. The excess investment balances are being amortized using accelerated methods over their estimated useful lives ranging from six to ten years. We recognized $0.5 million of amortization expense related to our excess investment balances in both 2012 and 2011. Future amortization expense for our excess investment balances is currently expected to be: $0.4 million in 2013; $0.3 million in 2014; $0.3 million in 2015; $0.3 million in 2016; and $0.1 million in 2017.

Summarized unaudited combined financial information on the Company's equity method investments is as follows:

Balance Sheet	December 31, 2012	December 31, 2011
	(Thousands of dollars)	
Current assets	$ 4,699	$ 7,320
Property, plant and equipment, net	43,990	38,625
Current liabilities	2,509	3,023
Non-current liabilities	86	57
Equity	46,095	42,865

Income Statement	Years ended December 31, 2012	Years ended December 31, 2011
	(Thousands of dollars)	
Operating revenues	$ 40,566	$ 49,373
Operating expenses	(37,393)	42,908
Net income	3,175	6,473
Cash distributions received	$ 908	$ 740

F - PROPERTY, PLANT AND EQUIPMENT

The following table sets forth our property, plant and equipment by property type, for the periods indicated:

Type of Property	Remaining Weighted-Average Useful Lives (Yrs.)	December 31, 2012	December 31, 2011
		(Thousands of dollars)	
Gathering pipelines and related equipment	11.5	$ 71,059	$ 70,889
Treating and processing plants and related equipment	7.5	10,004	9,967
Rail terminal facility and storage equipment	6.7	8,415	8,067
Computer and software costs	1.8	8,729	7,216
Office equipment and leasehold improvements	1.9	1,427	1,381
Property, plant and equipment		$ 99,634	$ 97,520
Accumulated depreciation		(34,401)	(26,779)
Net property, plant and equipment		$ 65,233	$ 70,741
Depreciation expense recorded for the year ended		$ 7,715	$ 7,970

Our property, plant and equipment are depreciated using straight-line and accelerated methods over their estimated depreciable lives ranging from three to thirty years. During the years ended December 31, 2012 and 2011, no impairment adjustments were recorded.

G - GOODWILL AND INTANGIBLE ASSETS

Goodwill – Goodwill represents the excess of the consideration exchanged over fair value of the net assets of the business acquired. The Company's carrying value for goodwill was $7.4 million at both December 31, 2012 and 2011. During 2010 we recorded an additional $4.7 million of goodwill related to additional equity issued related to a 2007 business acquisition (Note C). During 2011, we recorded an impairment adjustment to goodwill. Using an income approach, we determined that the implied fair value of goodwill was less than its carrying value, and an impairment loss of $2.5 million resulted from this analysis. There were no impairment losses resulting from our 2012 goodwill impairment tests.

Intangibles Assets – The following table summarizes the Company's gross carrying amount and accumulated amortization of intangible assets for the periods presented:

Type of Intangible Asset	Remaining Weighted-Average Useful Lives (Yrs.)	December 31, 2012	December 31, 2011
		(Thousands of dollars)	
Customer relationships and producer contracts, gross	10.7	$ 46,737	$ 46,737
Accumulated amortization		(23,678)	(19,040)
Gathering contract, gross	24.0	19,185	19,185
Accumulated amortization		(3,465)	(2,273)
Total Intangible assets, net of amortization		$ 38,779	$ 44,609
Amortization expense recorded for the year ended		$ 5,830	$ 5,913
Impairment adjustment recorded for the year ended		$ -	$ 2,514

Our intangible assets relate primarily to: (1) customer relationships, retail contracts, producer relationships or supply contracts acquired or created through business acquisitions; and (2) a gathering contract created through a business combination in 2009.

These intangible assets are being amortized using straight-line and accelerated methods over their estimated useful lives ranging from six to twenty-seven years. Future amortization expense for intangible assets is currently expected to be: $5.3 million in 2013; $4.7 million in 2014; $4.3 million in 2015; $3.9 million in 2016; and $3.5 million in 2017.

H - FAIR VALUE MEASUREMENTS

Fair value is the amount received to sell an asset or the amount paid to transfer a liability in an orderly transaction between market participants (an exit price) at the measurement date. Fair value is a market-based measurement considered from the perspective of a market participant. We use market data or assumptions that we believe market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation. These inputs can be readily observable, market corroborated, or unobservable. We apply both market and income approaches for recurring fair value measurements using the best available information while utilizing valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy prioritizes the inputs used to measure fair value, giving the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). We classify fair value balances based on the observability of those inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 — Quoted prices for identical assets or liabilities in active markets that we have the ability to access. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Our Level 1 measurements primarily consist of derivative instruments that are exchange-traded.

- Level 2 — Inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable. These inputs are either directly observable in the marketplace or indirectly observable through corroboration with market data for substantially the full contractual term of the asset or liability being measured. Our Level 2 measurements primarily consist of forward physical commodity purchase and sale contracts, as well as over-the-counter (OTC) derivative instruments such as forwards, swaps and options.

- Level 3 — Inputs that are not observable for which there is little, if any, market activity for the asset or liability being measured. These inputs reflect management's best estimate of the assumptions market participants would use in determining fair value. We have no Level 3 derivative instruments in our portfolio.

In valuing certain assets or liabilities, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. For disclosure purposes, assets and liabilities are classified in their entirety in the fair value hierarchy level based on the lowest level of input that is significant to the overall fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels.

The following table presents, by level within the fair value hierarchy, our derivative assets and liabilities that are measured on a *recurring* basis:

Fair Value Measurements Using:

	December 31, 2012				December 31, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:		*(Millions of dollars)*				*(Millions of dollars)*		
Derivative instruments	$ 3.9	$ 17.0	$ -	$ 20.9	$ 13.8	$ 62.1	$ -	$ 75.9
Liabilities:								
Derivative instruments	$ 14.8	$ 5.2	$ -	$ 20.0	$ 56.8	$ 14.2	$ -	$ 71.0

Derivative instruments include commodity-based natural gas exchange-traded contracts and OTC contracts. Exchange-traded contracts include futures and swaps, whereas OTC contracts include forwards, swaps, and options. The information included in the above table is presented on a gross basis before netting amounts by counterparty. The net amounts for derivative instrument assets and liabilities above are consistent with the net amounts for derivative instruments presented in the consolidated balance sheets. We do not elect the normal purchases and normal sales exception for our physical derivative contracts.

We utilize forward settlement prices published by the Chicago Mercantile Exchange Group to determine the fair value of our derivative instruments. The determination of fair value for our assets and liabilities also incorporates the time value of money and various credit risk factors which can include the credit standing of the counterparties involved and the impact of credit enhancements (such as cash collateral posted) and our nonperformance risk on our own liability positions. The impact on the overall fair value of the credit considerations of our derivatives was not material. Our derivative instruments are presented on a net basis when a legally enforceable master netting arrangement exists between us and the counterparty to a derivative contract.

Exchange-traded contracts include New York Mercantile Exchange and Intercontinental Exchange contracts and are valued based on quoted prices in these active markets and are classified within Level 1. Forward, swap and option contracts included in Level 2 are valued using an income approach, including present value techniques. Significant inputs into our Level 2 valuations include commodity prices, basis prices, and interest rates, as well as considering executed transactions or broker quotes corroborated by other market data. In certain instances where these inputs are not observable for all periods, relationships of observable market data and historical observations are used as a means to estimate fair value. Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. We have no derivative instruments categorized as Level 3 valuations.

The following table presents certain assets that have been measured at fair value on a *nonrecurring* basis within Level 3 of the fair value hierarchy:

	Total Valuation Gain/(Loss) For the Years Ended December 31,	
	2012	2011
	(Millions of dollars)	
Impairment Provisions:		
Producer Services goodwill impairment (Note G)	(a) $ -	(a) $ (2.5)

(a) Fair value measured at December 31, 2011 was $4.5 million. See Note G for discussion of the impairment adjustment. This asset is classified in *Goodwill and intangible assets, net* on the Consolidated Balance Sheets.

Other Financial Instruments – The approximate fair values of all other financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and borrowings under the credit facilities, approximate their carrying values, due to their short-term nature.

I - RISK MANAGEMENT DERIVATIVE INSTRUMENTS

Risk Management Activities – We are exposed to market risk from changes in natural gas prices within our operations. We utilize derivatives to manage our exposure to the variability in expected future cash flows from forecasted and contractually committed purchases and sales of natural gas attributable to commodity price risk. Certain of these derivatives utilized for risk management purposes have been designated as cash flow hedges, while other derivatives have not been designated as cash flow hedges or do not qualify for hedge accounting, despite hedging our future cash flows on an economic basis.

Seminole buys and sells natural gas at different locations throughout the United States. To reduce exposure attributable to fluctuations in natural gas market prices, we enter into natural gas futures contracts, swap agreements, and financial option contracts to mitigate the price risk on fixed price contractual sales and purchases of natural gas. We have also entered into basis swap agreements to reduce the locational price risk associated with the sales and purchase of natural gas at specific locations. We provide marketing and risk management services, which include marketing the gas purchased from wholesale suppliers and producers. Additionally, we enter into forward contracts to buy and sell natural gas to maximize the economic value of transportation agreements and storage capacity agreements.

To reduce exposure to a decrease in margins from fluctuations in natural gas market prices, we may enter into futures contracts and swap agreements to mitigate the price risk associated with our anticipated sales of forecasted natural gas purchases. These contracts are designated as cash flow hedges and are expected to be highly effective in offsetting cash flows attributable to the hedged risk during the term of the hedge. However, ineffectiveness may be recognized primarily as a result of locational differences between the hedging derivative and the hedged item.

See Note B for further discussion of our accounting for derivative instruments and hedging accounting policies.

Derivative Volumes – Our derivative instruments are comprised of both contracts to purchase the commodities (long positions) and contracts to sell the commodities (short positions). Derivative transactions are categorized into four types:

- Fixed Price: Includes physical and financial derivative transactions that settle at a fixed price (NYMEX);
- Basis: Includes physical and financial derivative transactions priced off the difference in value between a commodity at two specific delivery points;
- Index: Includes physical derivative transactions at an unknown future price; and
- Options: Includes all fixed price options or combination of options (collars) that set a floor and/or ceiling for the transaction price of a commodity.

The tables below depict the notional amounts of the net long (short) positions in our derivatives portfolio. Natural gas is presented in millions of British Thermal Units (MMBtu). Index positions will be settled at a future variable index price, with the change in the settlement price approximating the change in the forward index price used to derive the fair value. Therefore, the fair values are not material.

The following tables detail the outstanding derivative instruments for each respective period:

		December 31, 2012	
Not Designated as Hedging Instruments	Commodity	MMBtu	Maturity
Fixed Price	Gas	2,360,378	2013-2015
Basis	Gas	(3,069,370)	2013-2016
Index	Gas	(46,938,040)	2013-2018
Options	Gas	50,000	2013
Designated as Hedging Instruments			
Fixed Price	Gas	570,000	2013-2014
Basis	Gas	570,000	2013-2014

		December 31, 2011	
Not Designated as Hedging Instruments	Commodity	MMBtu	Maturity
Fixed Price	Gas	2,603,649	2012-2014
Basis	Gas	(3,110,388)	2012-2014
Index	Gas	(45,388,557)	2012-2017
Options	Gas	210,000	2012
Designated as Hedging Instruments			
Fixed Price	Gas	580,000	2012-2013
Basis	Gas	580,000	2012-2013

Fair Values of Derivative Instruments – The fair value of the Company's derivative instruments is recorded in the consolidated balance sheets as either current or non-current, based on the expected timing of future cash flows of the individual contracts. The Company reports all financial derivative settlements and unrealized mark-to-market adjustments on non-designated hedges to *purchases and operating expenses*. The unrealized change in fair value of its non-designated physical fixed-price purchase and sales contracts are reported in *commodity sales* or *purchases and operating expenses* based on the nature of the contract.

The following table provides an overview of the Company's derivative assets and liabilities in the consolidated balance sheets as of December 31, 2012 and 2011:

	Fair Value of Derivative Instruments			
	Asset Derivatives		Liability Derivatives	
	2012	2011	2012	2011
	(Thousands of dollars)			
Derivatives not designated in hedging relationships:				
Derivative instruments	$ 15,207	$ 54,040	$ 14,432	$ 50,181
Derivatives designated in hedging relationships:				
Derivative instruments	$ 170	$ 995	$ 46	$ -

At December 31, 2012 and 2011, the Company had $0.1 million and $1 million, respectively, of unrealized gains recognized in *accumulated other comprehensive income* ("AOCI"). These amounts represent the pre-tax gains from our derivative instruments designated as cash flow hedges. We expect gains of $0.1 million related to commodity derivatives to be reclassified into earnings over the next year related to amounts currently in AOCI. The amount ultimately realized, however, will differ as commodity prices change and the underlying physical transaction occurs. There were no gains or losses recognized in earnings as a result of hedge ineffectiveness.

The following table presents net gains and losses for our energy commodity derivatives not designated as hedging instruments:

	Years Ended December 31, 2012	Years Ended December 31, 2011	Classification
	(Thousands of dollars)		
Derivatives not designated in hedging relationships:			
Net gain (loss) recognized in earnings on realized derivative settlements	$ (52,608)	$ (19,390)	Commodity Sales or Purchases and Operating Expenses
Net gain (loss) recognized in earnings on unrealized derivative transactions	$ (1,924)	$ 1,601	Purchases and Operating Expenses

The following table presents gains and losses for our energy commodity derivatives designated as cash flow hedges:

	Years Ended December 31, 2012	Years Ended December 31, 2011	Classification
	(Thousands of dollars)		
Derivatives designated in hedging relationships:			
Net gain (loss) recognized in *accumulated other comprehensive income* (effective portion)	$ 213	$ 1,403	AOCI
Net gain (loss) reclassified from *accumulated other comprehensive income* into earnings (effective portion)	$ 1,083	$ 1,673	Purchases and Operating Expenses

J - REVOLVING CREDIT FACILITIES

On December 12, 2011, Seminole executed a multi-year credit facility with a syndicate of commercial lenders, which expires on June 30, 2015. The syndicate of lenders provided the Company a total borrowing capacity of up to $100.0 million at December 31, 2012, which was expandable, with approval of the lenders, to a total borrowing capacity of $200.0 million. The agreement was collateralized by Seminole's accounts receivables, and it provided a maximum amount of $100.0 million of the capacity to be available for working capital and other short-term borrowing needs of the Company at December 31, 2012. At the election of Seminole, interest was at either: (i) the lead bank's prime rate minus a factor ranging from 0.25% to 0.75% based on usage; or (ii) the LIBOR rate (as defined in the credit facility) plus a factor ranging from 2.5% to 3% depending on usage.

This facility was amended April 10, 2013, with the total borrowing capacity being decreased to $85.0 million. This amount is expandable, with approval of the lenders, to a total borrowing capacity of $170.0 million. The agreement remains collateralized by Seminole's accounts receivables and provides a maximum amount of $85.0 million of the capacity to be available for working capital and other short-term borrowing needs of the Company. At the election of Seminole, interest is at either: (i) the Wall Street Journal Prime rate, with a floor of 4.0%, minus a factor ranging from 0.25% to 0.75% based on usage; or (ii) the LIBOR rate (as defined in the credit facility) plus a factor ranging from 2.5% to 3% depending on usage. We paid total origination fees of $0.8 million in connection with these facilities, which is being amortized over the life of the facility.

The total borrowing capacity of the facility is limited by our borrowing base calculation, which is based on the Company's accounts receivable balances. The credit facility contains customary covenants, including certain limitations on the Company's ability to incur additional indebtedness; issue cash distributions to its unitholders; make certain acquisitions, loans or investments; or enter into a merger or sale of significant assets, including the sale or transfer of interests in its subsidiaries. The Company is in compliance with these covenants as of December 31, 2012.

At December 31, 2012, Seminole had no borrowings outstanding, and $10.5 million of letters of credit issued, leaving $74.5 million of credit available under the terms of the agreement. These letters of credit expire at various times through 2013.

At December 31, 2011, Seminole had $15 million in borrowings outstanding, and $18.4 million of letters of credit issued, leaving $66.6 million of credit available under the terms of the agreement. These letters of credit expired at various times during 2012.

K - LONG-TERM DEBT

The following table sets forth our long-term debt for the periods indicated:

Type of Indebtedness:	Description:	December 31, 2012	December 31, 2011
		(Thousands of dollars)	
$36,274 at 7.25% due 2012	Subordinated note	$ 8,706	$ 11,608
$15,000 at 3.25% due 2015	Revolving credit facility	-	15,000
Long-term notes payable		8,706	26,608
Less: Current maturities		(2,902)	(2,902)
Total long-term debt		$ 5,804	$ 23,706

The aggregate maturities of long-term debt outstanding for years 2013 through 2015 are: $2.9 million in 2013; $2.9 million in 2014; and $2.9 million in 2015. Total interest paid in 2012 and 2011 was $1.7 million and $3.1 million, respectively.

Subordinated note – Effective January 1, 2007, Seminole acquired 1,813,699 common units from one of its founding unitholders. The total purchase price for these units was $36.3 million and was financed through the issuance of a subordinated note payable. The note bears interest at the rate of 7.25% per annum and provided for an initial payment of principal of $7.3 million on May 1, 2007. During 2009, this note was refinanced to provide for extended repayment terms with six annual payments of approximately $2.9 million, plus accrued interest, to be paid annually from May 2010 through May 2015.

L - DEFERRED REVENUE

In March 2011, we executed amended gathering and operating arrangements pertaining to a gathering system acquired in 2009. The gathering contract terms were altered to be primarily volume-based (previously fee-based); and Seminole is now responsible for certain base levels of operating expenses and maintenance capital expenditures. The total consideration for agreeing to the amended terms amounted to $17.3 million.

The counterparty to the agreement netted the remaining $6.7 million due on the seller-financed note related to the acquisition and paid the remaining $10.6 million in cash to Seminole. In addition, the counterparty has committed to a minimum of $20.0 million in specified annual drilling for 2011 and 2012, with resulting production dedicated to the gathering system. The total consideration of $17.3 million was recorded as deferred revenues and is being amortized into revenues on an accelerated method over the estimated remaining life of the amended gathering agreement. Such revenues are reported in the consolidated statements of income in gathering, transportation and treating fees.

M - COMMITMENTS AND CONTINGENCIES

The Company enters into fixed-price purchase and sales contracts of natural gas in the ordinary course of business. At December 31, 2012, the Company had fixed-price purchase and/or sales contracts for prices ranging between $1.88 and $10.99 for the period of January 2013 through September 2015. In addition, the Company has additional purchase and/or sales contracts with prices that fluctuate with market prices that expire at various times through June 2016.

As further described in Note J, as of December 31, 2012 and 2011, the Company had outstanding approximately $10.5 million and $18.4 million, respectively, of letters of credit from a commercial bank, which are related to its purchases of commodities.

The Company occupies office space and maintains certain equipment under operating leases, some with rent escalation provisions. Rent expense was approximately $5.6 million and $5.8 million during 2012 and 2011, respectively. Future minimum rental payments under the terms of the leases are: $2.7 million in 2013; $1.5 million in 2014; $0.7 million in 2015; $0.5 million in 2016; and $0.5 million in 2017.

Seminole is engaged in litigation and arbitration related to various contracts for the purchase, processing and transportation of natural gas and natural gas liquids in the Mid-Atlantic region. These matters are currently in discovery and the outcome is uncertain. Accordingly, at this time we are unable to estimate a loss or range of loss, if any, in these matters; nor has the Company accrued for any such losses.

From time to time, the Company is a party to additional claims and involved in various other litigation and administrative proceedings arising in the normal course of business. The Company believes it is unlikely that the final outcome of any of the claims, litigation or proceedings to which the Company is a party will have a material adverse effect on the Company's consolidated financial position or results of operations. All legal fees are expensed as incurred.

N - DEFINED CONTRIBUTION PLAN

The Company has a defined contribution plan (the "Plan") covering substantially all employees, which incorporates the provisions of Section 401(k) of the Internal Revenue Code. Under the Plan provisions, Seminole will match employee contributions of up to 4% of each participating employee's eligible annual compensation and may make additional discretionary contributions. Employees may make voluntary contributions to the Plan not to exceed the maximum set forth by the Internal Revenue Code. Total expense for 2012 and 2011 was approximately $0.7 million and $0.7 million, respectively.

O - OTHER SUPPLEMENTAL CASH FLOW DISCLOSURES

Non-cash investing activities information is as follows:

	Years Ended December 31, 2012	Years Ended December 31, 2011
	(Thousands of Dollars)	
Debt forgiveness in connection with amended Stone Mountain agreement	$ -	$ 6,764

P - CONCENTRATIONS OF CREDIT RISK

Derivative Instruments – We have a risk of loss from counterparties not performing pursuant to the terms of their derivative contractual obligations. Counterparty performance can be influenced by changes in the economy and other factors beyond our control. Risk of loss is impacted by several factors, including credit considerations and the regulatory environment in which counterparties transact. We attempt to minimize credit-risk exposure to derivative counterparties and brokers through formal credit policies, considerations of credit ratings from public ratings agencies, monitoring procedures, master netting arrangements and collateral support under certain circumstances. Collateral support could include letters of credit, prepayments, and guarantees of payment by creditworthy parties. We assess our credit exposure to certain counterparties on a net basis to reflect master netting arrangements contractually in place. We have included in our estimate of the fair value of our derivative contracts a credit-valuation adjustment, both for the counterparty nonperformance risk on net asset positions and our nonperformance risk on net liability positions.

Certain of our financial derivative contracts contain credit-risk-related provisions that would require us, in certain circumstances, to post margin amounts with third parties in support of our net derivative liability positions. As of December 31, 2012, we have broker margin deposits totaling $5.4 million posted to derivative counterparties, to support the aggregate fair value of our net derivative positions.

Commodity Sales and Purchases – We market natural gas to a wide range of wholesale and retail customers across a wide geographic area and management believes its portfolio of customers is sufficiently diversified to minimize its potential credit risks. In 2012 and 2011, we had no single customer from which we received 10% or more of our consolidated commodity sales. We also have a diverse supply base that management believes will enable it to purchase all of its supply needs at comparable market prices without a significant disruption of operations if supplies with any of its existing sources were discontinued.

We have trade receivables with a variety of customers located in the United States, which consist primarily of physical fixed-price purchase and sales contracts. This credit risk is considered by management to be limited due to the large number of customers comprising the Company's customer base. The Company also uses standardized agreements, which allow for netting of positive and negative exposures associated with a single counterparty. Seminole performs ongoing credit evaluations of its customers and generally does not require collateral related to its receivables.

Q - UNITHOLDERS' EQUITY

Seminole is managed by an eight member Board of Managers. Two separate unitholders with approximately 39% of the units have been granted the right to appoint four members to the Company's Board of Managers. These unitholders have also been granted special voting privileges with respect to certain matters requiring Board approval. The special voting privileges include the requirement for at least one manager appointed by each unitholder to approve certain business decisions. At December 31, 2012, there were 12,014,044 common units outstanding, held by thirty-two unitholders, including certain Class B common units issued in 2010 that represent less than 2% of the total units outstanding. These Class B units are identical to the Class A units in all respects; however they do not have voting rights. The unitholders have personal limited liability protection afforded by the limited liability company statutes of Oklahoma.

The agreement to acquire North American Energy Corporation, as discussed in Note C, included a provision for the unitholder, after one year, to put up to 100% of the units received as contingent consideration back to the Company at 80% of their fair value. During 2012, the unitholder exercised the right contained in this provision, and the Company purchased 154,840 common units for $3.1 million.

R - UNIT-BASED COMPENSATION PLAN

Effective November 1, 2006, Seminole's Board of Managers adopted the Company's Unit Option Plan (the "Option Plan"), which permits the issuance of up to 2,000,000 new common units to employees; of which 827,300 remain available for future grants. Awards under the Option Plan to date have been granted with similar general terms that provide for an exercise price that equals the estimated fair value of the Company's units at the date of grant, vest equally on the anniversary date over a three year period and have a ten year term. This pricing methodology ensures the awards have no intrinsic value at the grant date.

The following table sets forth the Option Plan activity as of December 31, 2012 and for the year then ended:

Options	Units *(Thousands)*	Weighted Average Exercise Price	Weighted Average Remaining Term	Estimated Intrinsic Value *(Thousands)*
Outstanding at December 31, 2011	1,212	$ 25.87	7.25	$ 5,033
Granted	-	-	-	-
Forfeited	(16)	29.14	8.92	9
Exercised	(23)	16.20	3.83	198
Outstanding at December 31, 2012	1,173	25.98	6.17	2,947
Exercisable at December 31, 2012	793	$ 24.05	5.33	$ 2,947

In 2012 and 2011, the Company recognized approximately $2.6 million and $2.6 million, respectively, as compensation expense under the Option Plan. These amounts are included in *general and administrative expenses* and included as an additional element of unitholders' equity. Additionally, in 2012 and 2011, the grant-date fair value of the options vested was approximately $2.2 million and $0.7 million, respectively, under the terms of the Option Plan. During 2012, unit option holders exercised a total of 23,000 unit options. As of December 31, 2012, there was $1.4 million of total unrecognized compensation cost related to the non-vested unit awards, which is expected to be recognized over the remaining vesting period of 1.75 years.

Seminole estimates the fair value of its options utilizing a Black-Scholes model. Differences in unit-based compensation expense resulting from the use of estimated forfeiture rates are adjusted each vesting period based on actual forfeitures experienced over the vesting period. The Company issued no new unit options during 2012 and 596,500 new unit options during 2011. Major assumptions used to value options granted during 2011 under the Option Plan are as follows:

	2011 Grants
Weighted average grant date fair value per option	$11.69
Fair value of units granted (thousands of dollars)	$596
Weighted average estimated volatility	40%
Weighted average estimated life	6 years
Weighted average estimated forfeiture rate	0%
Weighted average risk-free interest rate	0.73%

Lakeshore Energy Services, LLC

Exhibit C-4 Financial Arrangements

See notes on Revolving Credit Facility in audited financial statements.

Lakeshore Energy Services, LLC

Exhibit C-5 Forecasted Financial Statements
See attached documentation labeled C-5

Exhibit C-5 Forecasted Financial Statements

Lakeshore Energy Services, LLC
Income Statement
For years ended 2013, 2014 & 2015

		2013		2014		2015
Revenues						
Sales Revenues	$	7,468,434	$	8,482,880	$	9,723,652
Total Revenues	$	7,468,434	$	8,482,880	$	9,723,652
Expenses						
Cost of Goods Sold	$	6,568,434	$	7,492,880	$	8,634,652
Selling, G&A Expense	$	200,000	$	200,000	$	200,000
Interest Expense	$	12,500	$	13,000	$	13,500
Total Expenses	$	6,780,934	$	7,705,880	$	8,848,152
Pretax Income	$	687,500	$	777,000	$	875,500

Lakeshore Energy Services, LLC
Statement of Cash Flows
For years ended 2013, 2014 & 2015

		2013		2014		2015
Cash flows from Operating Activities						
Cash collected from customers	$	7,467,091.19	$	8,481,355.06	$	9,721,904.19
Cash paid to suppliers and employees	$	(6,846,312)	$	(7,787,348)	$	(8,949,611)
Cash paid for interest	$	(12,500)	$	(13,000)	$	(13,500)
Net cash flow from operating activities	$	608,279.23	$	681,006.60	$	758,793.11
Cash flows from investing activities	$	-	$	-	$	-
Cash flows from financing activities	$	-	$	-	$	-
Net increase in cash during the year	$	608,279.23	$	681,006.60	$	758,793.11
Cash at beginning of year		0		0		0
Cash at end of year	$	608,279.23	$	681,006.60	$	758,793.11

Lakeshore Energy Services, LLC
Consolidated Balance Sheet
For years ended 2013, 2014 & 2015

		2013		2014		2015
Cash	$	608,279	$	681,007	$	758,793
Other Assets	$	1,195,831	$	1,370,742	$	1,659,970
Total Assets	$	1,804,110	$	2,051,749	$	2,418,763
Liabilities	$	1,056,270	$	1,217,226	$	1,491,102
Contributed Capital	$	150,000	$	175,000	$	175,000
Retained Earnings	$	597,839	$	659,523	$	752,661
Total Liabilities and Stockholder's Equity	$	1,804,110	$	2,051,749	$	2,418,763

Lakeshore Energy Services, LLC

Exhibit C-6 Credit Rating

Lakeshore Energy does not have a credit rating Seminole Energy, the parent, is rated 5A2 by D&B. Seminole is not rated by Moodys, S&P, etc. as it has yet to issue debt instruments.

Exhibit C-6 Credit Rating

DNBi®
Risk Management

Printed By:Derek Chesbro
Date Printed:July 22, 2013

Live Report : SEMINOLE ENERGY SERVICES, L.L.C.

D-U-N-S® Number: 02-511-2181
Endorsement/Billing Reference: dchesbro@seminoleenergy.com

D&B Address

Address	1323 E 71st St Ste 300 Tulsa,OK - 74136	**Location Type**	Headquarters
Phone	918 492-2840	**Web**	www.seminoleenergy.com
Fax			

Added to Portfolio:01/22/2009
Last View Date:07/15/2013
Endorsement : dchesbro@seminoleenergy.com

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

Out of Business Indicator	N
PAYDEX®	80
Commercial Credit Score Class	2
Financial Stress Score Class	2
Credit Limit - D&B Conservative	200,000.00
D&B Rating	5A2

D&B 3-month PAYDEX®

3-month D&B PAYDEX®: 80
Lowest Risk:100;Highest Risk :1
When weighted by amount, Payments to suppliers average Within terms

D&B Company Overview

This is a headquarters location

Branch(es) or Division(s) exist	Y
Manager	ROBERT ROSENE JR, MEMBER
Year Started	1998
Employees	159 (68 Here)
Financing	SECURED
SIC	4923
Line of business	Gas transmission/ distribution
NAICS	221210
History Status	CLEAR

D&B PAYDEX®

D&B PAYDEX® 80
Lowest Risk:100;Highest Risk :1
When weighted by amount, Payments to suppliers average generally within terms

Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	1	01/07/13
Suits	0	-
UCCs	11	04/15/13

The public record items contained herein may have been paid, terminated, vacated or released prior to todays date.

Financial Stress Score Class

Financial Stress Score Class: 2
Lowest Risk:1;Highest Risk :5

Lakeshore Energy Services, LLC

Exhibit C-7 Credit Report

See attached report from Dun & Bradstreet

Exhibit C-7 Credit Report

Financial Condition GOOD

Commercial Credit Score Class

Commercial Credit Score Class: 2
Lowest Risk:1;Highest Risk :5

Corporate Linkage

Subsidiaries (Domestic)

Company	City , State	D-U-N-S® NUMBER
SEMINOLE GAS COMPANY, L.L.C.	TULSA , Oklahoma	08-674-7735
LAKESHORE ENERGY SERVICES, LLC	CLINTON TOWNSHIP , Michigan	12-284-3381
NEBRASKA RESOURCES CO LLC	HOLDREGE , Nebraska	78-352-4098
SEMINOLE HIGH PLAINS, LLC	DENVER , Colorado	62-043-4923
VANGUARD ENERGY SERVICES LLC	NAPERVILLE , Illinois	16-915-2555
UNIMARK, L.L.C.	EDMOND , Oklahoma	80-558-3143
SEMINOLE RETAIL ENERGY SERVICES, L.L.C.	TULSA , Oklahoma	07-837-2416

Branches (Domestic)

Company	City , State	D-U-N-S® NUMBER
SEMINOLE ENERGY SERVICES, L.L.C.	KANSAS CITY , Missouri	07-956-3305
SEMINOLE ENERGY SERVICES, L.L.C.	HOLDREGE , Nebraska	16-520-9185

Predictive Scores

Currency: Shown in USD unless otherwise indicated

Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the D&B Rating Key

D&B Rating : **5A2**

Financial Strength: 5A indicates 50 million and over
Composite credit appraisal: 2 is good

Below is an overview of the companys rating history since 07-29-2000

D&B Rating	Date Applied
5A2	08-28-2008
5A3	03-03-2008
5A2	02-29-2008
5A3	04-25-2007
4A4	05-17-2006
4A2	04-02-2003
3A3	05-11-2002

Sales: 1,558,201,000.00 (Down by 22.9% from last year)

Number of Employees Total: 159 (68 here)

3A4	10-24-2001
1A3	07-31-2000
1R3	07-29-2000

Worth:	156,290,000 (Down by 9.0% from last year)	(As of 31-Dec-12)
Working Capital:	$33,782,000	(As of 31-Dec-12)

Payment Activity:	**(based on 56 experiences)**
Average High Credit:	6,966
Highest Credit:	100,000
Total Highest Credit:	326,150

Note: The Worth amount in this section may have been adjusted by D&B to reflect typical deductions, such as certain intangible assets.

D&B Credit Limit Recommendation

Conservative credit Limit	200,000
Aggressive credit Limit:	300,000

Risk category for this business : **LOW**

The Credit Limit Recommendation (CLR) is intended to serve as a directional benchmark for all businesses within the same line of business or industry, and is not calculated based on any individual business. Thus, the CLR is intended to help guide the credit limit decision, and must be balanced in combination with other elements which reflect the individual company's size, financial strength, payment history, and credit worthiness, all of which can be derived from D&B reports.
Risk is assessed using D&Bs scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&Bs extensive data files.
The Financial Stress Class of 2 for this company shows that firms with this class had a failure rate of 0.09% (9 per 10,000), which is lower than the average of businesses in D & B's database

Financial Stress Class : 2

(Lowest Risk:1; Highest Risk:5)
Moderate risk of severe financial stress, such as a bankruptcy, over the next 12 months.

Probability of Failure:

- Among Businesses with this Class: **0.09 %** (9 per 10,000)
- Financial Stress National Percentile : **87** (Highest Risk: 1; Lowest Risk: 100)
- Financial Stress Score : **1545** (Highest Risk: 1,001; Lowest Risk: 1,875)
- Average of Businesses in D&Bs database: **0.48 %** (48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

- UCC Filings reported.
- High number of inquiries to D & B over last 12 months.
- Negative change in net worth.

Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
- The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&Bs file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Norms	National %
This Business	87
Region: WEST SOUTH CENTRAL	44
Industry: INFRASTRUCTURE	43
Employee range: 100-499	75
Years in Business: 11-25	68

This Business has a Financial Stress Percentile that shows:

Lower risk than other companies in the same region.

Lower risk than other companies in the same industry.

Lower risk than other companies in the same employee size range.

Lower risk than other companies with a comparable number of years in business.

Credit Score Summary

The Commercial Credit Score (CCS) predicts the likelihood of a business paying its bills in a severely delinquent manner (91 days or more past terms), obtaining legal relief from its creditors or ceasing operations without paying all creditors in full over the next 12 months. The Credit Score class of 2 for this company shows that 2.5% of firms with this class paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

Credit Score Class : 2

Lowest Risk:1;Highest Risk :5

Incidence of Delinquent Payment

- Among Companies with this Classification: **2.50 %**
- Average compared to businesses in D&Bs database: **10.20 %**
- Credit Score Percentile : **71** (Highest Risk: 1; Lowest Risk: 100)
- Credit Score : **530** (Highest Risk: 101; Lowest Risk:670)

The Credit Score Class of this business is based on the following factors:

- Recent amount past due
- Limited business activity signals reported in the past 12 months
- Limited time under present management control
- Variable Paydex over last 12 months

Notes:

- The Commercial Credit Score Risk Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience severe delinquency.
- The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 91 days past due or more by creditors. The calculation of this value is based on D&B's trade payment database.
- The Commercial Credit Score percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
- The Commercial Credit Score offers a more precise measure of the level of risk than the Risk Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Norms	National %
This Business	71
Region: WEST SOUTH CENTRAL	52
Industry: INFRASTRUCTURE	32
Employee range: 100-499	89
Years in Business: 11-25	66

This business has a Credit Score Percentile that shows:

Lower risk than other companies in the same region.

Lower risk than other companies in the same industry.

Higher risk than other companies in the same employee size range.

Lower risk than other companies with a comparable number of years in business.

Trade Payments

Currency: Shown in USD unless otherwise indicated

D&B PAYDEX®

The D&B PAYDEX is a unique, weighted indicator of payment performance based on payment experiences as reported to D&B by trader references. Learn more about the D&B PAYDEX

Timeliness of historical payments for this company.

Current PAYDEX is	80	Equal to generally within terms (Pays more promptly than the average for its industry of 3 days beyond terms)
Industry Median is	78	Equal to 3 days beyond terms
Payment Trend currently is		Unchanged, compared to payments three months ago

Indications of slowness can be the result of dispute over merchandise, skipped invoices etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Total payment Experiences in D&Bs File (HQ)	56
Payments Within Terms (not weighted)	96 %
Trade Experiences with Slow or Negative Payments(%)	5.36%
Total Placed For Collection	0
High Credit Average	6,966
Largest High Credit	100,000
Highest Now Owing	35,000
Highest Past Due	50

D&B PAYDEX® : 80

(Lowest Risk:100; Highest Risk:1)
When weighted by amount, payments to suppliers average generally within terms

3-Month D&B PAYDEX® : 80

(Lowest Risk:100; Highest Risk:1)
Based on payments collected over last 3 months.

When weighted by amount, payments to suppliers average within terms

D&B PAYDEX® Comparison

Current Year

PAYDEX® of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Gas transmission/distribution , based on SIC code 4923 .

Shows the trend in D&B PAYDEX scoring over the past 12 months.

	8/12	9/12	10/12	11/12	12/12	1/13	2/13	3/13	4/13	5/13	6/13	7/13
This Business	80	80	80	73	80	80	80	80	80	80	80	80
Industry Quartiles												
Upper	.	80	.	.	80	.	.	80	.	.	80	.

Median	77	77	78	78
Lower	72	72	72	73

- Current PAYDEX for this Business is 80 , or equal to generally within terms
- The 12-month high is 80 , or equal to GENERALLY WITHIN terms
- The 12-month low is 73 , or equal to 11 DAYS BEYOND terms

Previous Year

Shows PAYDEX of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Gas transmission/distribution , based on SIC code 4923 .

Previous Year	09/11 Q3'11	12/11 Q4'11	03/12 Q1'12	06/12 Q2'12
This Business	80	80	80	80
Industry Quartiles				
Upper	80	80	80	80
Median	77	77	77	78
Lower	72	72	72	72

Based on payments collected over the last 4 quarters.

- Current PAYDEX for this Business is 80 , or equal to generally within terms
- The present industry median Score is 78 , or equal to 3 days beyond terms
- Industry upper quartile represents the performance of the payers in the 75th percentile
- Industry lower quartile represents the performance of the payers in the 25th percentile

Payment Habits

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

$ Credit Extended	# Payment Experiences	Total Amount	% of Payments Within Terms
Over 100,000	1	100,000	100%
50,000-100,000	0	0	0%
15,000-49,999	5	105,000	100%
5,000-14,999	9	72,500	100%
1,000-4,999	8	17,000	79%
Under 1,000	20	5,050	99%

Based on payments collected over last 24 months.

All Payment experiences reflect how bills are paid in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Payment Summary

There are 56 payment experience(s) in D&Bs file for the most recent 24 months, with 36 experience(s) reported during the last three month period.

The highest **Now Owes** on file is 35,000 . The highest **Past Due** on file is 50

Below is an overview of the companys currency-weighted payments, segmented by its suppliers primary industries:

	Total Revd (#)	Total Amts	Largest High Credit	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%) (%)
Top Industries					
Telephone communictns	16	64,600	15,000	100	0 0 0 0
Electric services	5	10,200	10,000	100	0 0 0 0

Nonclassified	3	75,000	25,000	100	0	0	0	0
Photocopying service	2	10,500	10,000	100	0	0	0	0
Whol office equipment	2	10,250	10,000	100	0	0	0	0
Radiotelephone commun	2	3,250	2,500	100	0	0	0	0
Courier service	2	3,500	2,500	0	100	0	0	0
Misc equipment rental	2	3,000	2,500	100	0	0	0	0
Mfg computers	1	100,000	100,000	100	0	0	0	0
Public finance	1	10,000	10,000	100	0	0	0	0
Whol office supplies	1	5,000	5,000	100	0	0	0	0
Whol nondurable goods	1	2,500	2,500	100	0	0	0	0
Mfg gypsum products	1	750	750	100	0	0	0	0
Employment agency	1	750	750	100	0	0	0	0
Whol hardware	1	100	100	100	0	0	0	0
Mfg misc office eqpt	1	100	100	100	0	0	0	0
Lithographic printing	1	50	50	100	0	0	0	0
Whol electrical equip	1	0	0	0	0	0	0	0
Other payment categories								
Cash experiences	11	1,600	1,000					
Payment record unknown	1	25,000	25,000					
Unfavorable comments	0	0	0					
Placed for collections	0	N/A	0					
Total in D&B's file	56	326,150	100,000					

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipped invoices etc.

Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale Within (month)
07/13	Ppt	2,500	750		Lease Agreemnt	
	Ppt	500	100		Lease Agreemnt	
	Ppt	100	0	0	N30	1 mo
	(004)	1,000			Cash account	1 mo
	(005)	100			Cash account	1 mo
06/13	Ppt	100,000	35,000	0		1 mo
	Ppt	25,000	0	0		6-12 mos
	Ppt	25,000	0	0		4-5 mos
	Ppt	15,000	15,000	0		1 mo
	Ppt	15,000	0	0		4-5 mos
	Ppt	10,000	10,000	0		1 mo
	Ppt	10,000	2,500	0		1 mo
	Ppt	10,000	10,000	0		1 mo
	Ppt	5,000	1,000	0		1 mo
	Ppt	5,000	1,000	0		1 mo
	Ppt	5,000	2,500	0		1 mo

	Ppt	2,500	750	0		1 mo
	Ppt	2,500	1,000	0		1 mo
	Ppt	2,500	0	0		6-12 mos
	Ppt	1,000	1,000	0		1 mo
	Ppt	500	100	0		1 mo
	Ppt	500	250	0		1 mo
	Ppt	250	0	0		6-12 mos
	Ppt	100	100	0		1 mo
	Ppt	50	50	0		1 mo
	Ppt	50	50	0		1 mo
	Ppt	50	50	0		1 mo
	Ppt	50				1 mo
	Ppt	50	50	0		1 mo
	Ppt	0	0	0	N30	6-12 mos
	Slow 90	50	50	50		
	(032)	0	0	0	Cash account	1 mo
05/13	Ppt	750	0	0	N30	6-12 mos
	(034)	50			Cash account	2-3 mos
	(035)	50			Cash account	1 mo
	(036)	50			Cash account	1 mo
03/13	(037)	100			Cash account	6-12 mos
	(038)	100			Cash account	1 mo
02/13	Ppt	2,500	0	0		6-12 mos
	Ppt	750	250	0		1 mo
	(041)	50			Cash account	1 mo
	(042)	50			Cash account	6-12 mos
12/12	Ppt	7,500	0	0		6-12 mos
	Ppt	50	0	0		6-12 mos
11/12	Disc	750	0	0		6-12 mos
	(046)	50			Cash account	6-12 mos
08/12	Ppt	100	0	0		6-12 mos
06/12	Ppt	10,000				1 mo
	Ppt	250	0	0	Lease Agreemnt	6-12 mos
04/12	Ppt	25,000	0	0		6-12 mos
02/12	(051)	25,000	0	0		6-12 mos
01/12	Ppt	10,000	0	0		1 mo
	Ppt	50	0	0		1 mo
10/11	Ppt	100	0	0	N30	6-12 mos
06/11	Slow 5	2,500				1 mo
	Slow 5	1,000				1 mo

Payments Detail Key: ▩ 30 or more days beyond terms

Payment experiences reflect how bills are paid in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Currency: Shown in USD unless otherwise indicated

Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	# of Records	Most Recent Filing Date
Bankruptcy Proceedings	0	-
Judgments	0	-
Liens	1	01/07/13
Suits	0	-
UCCs	11	04/15/13

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

Liens

A lien holder can file the same lien in more than one filing location. The appearance of multiple liens filed by the same lien holder against a debtor may be indicative of such an occurrence.

Amount	**890**
Status	**Withdrawn**
FILING NO.	136900365
Type	State Tax
Filed By	UTAH STATE TAX COMMISSION
Against	SEMINOLE ENERGY SERVICES LLC
Where Filed	SALT LAKE COUNTY 3RD DISTRICT COURT, SALT LAKE CITY, UT
Date Status Attained	03/11/13
Date Filed	01/07/13
Latest Info Received	03/21/13

UCC Filings

Collateral	Negotiable instruments and proceeds - Account(s) and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds - Contract rights and proceeds
Type	Original
Sec. Party	F AND M BANK AND TRUST COMPANY, TULSA, OK
Debtor	ROSENE, ROBERT and OTHERS
Filing No.	11101721020180
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2011-10-17
Latest Info Received	11/02/11

Collateral	Inventory including proceeds and products - Account(s) including proceeds and products - Chattel paper including proceeds and products - General intangibles(s) including proceeds and products
Type	Original
Sec. Party	BANK OF OKLAHOMA NATIONAL ASSOCIATION, TULSA, OK
Debtor	SEMINOLE ENERGY SERVICES LLC and OTHERS
Filing No.	2005003741830

Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2005-03-29
Latest Info Received	04/12/05

Type	Amendment
Sec. Party	BANK OF OKLAHOMA NATIONAL ASSOCIATION, TULSA, OK
Debtor	SEMINOLE ENERGY SERVICES LLC
Filing No.	2009007335029
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2009-07-21
Latest Info Received	07/27/09
Original UCC Filed Date	2005-03-29
Original Filing No.	2005003741830

Type	Amendment
Sec. Party	BANK OF OKLAHOMA NATIONAL ASSOCIATION, TULSA, OK
Debtor	SEMINOLE ENERGY SERVICES LLC and OTHERS
Filing No.	2009008324937
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2009-08-19
Latest Info Received	08/24/09
Original UCC Filed Date	2005-03-29
Original Filing No.	2005003741830

Type	Termination
Sec. Party	BANK OF OKLAHOMA NATIONAL ASSOCIATION, TULSA, OK
Debtor	SEMINOLE ENERGY SERVICES LLC and OTHERS
Filing No.	13041520368680
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2013-04-15
Latest Info Received	04/19/13
Original UCC Filed Date	2005-03-29
Original Filing No.	2005003741830

Collateral	Account(s) and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds
Type	Original
Sec. Party	BP CANADA ENERGY MARKETING CORP, HOUSTON, TX BP CORPORATION NORTH AMERICA INC, HOUSTON, TX BP ENERGY COMPANY, HOUSTON, TX
Debtor	SEMINOLE ENERGY SERVICES LLC
Filing No.	2005001652122
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

Date Filed	2005-02-09
Latest Info Received	02/23/05

Type	Continuation
Sec. Party	BP CORPORATION NORTH AMERICA INC. BP ENERGY COMPANY, HOUSTON, TX BP CANADA ENERGY MARKETING CORP.
Debtor	SEMINOLE ENERGY SERVICES LLC
Filing No.	10010520008750
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2010-01-05
Latest Info Received	01/26/10
Original UCC Filed Date	2005-02-09
Original Filing No.	2005001652122

Type	Assignment
Assignee	INTERNATIONAL BANK OF COMMERCE, TULSA, OK
Debtor	LAKESHORE ENERGY SERVICES LLC
Filing No.	13041520368660
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2013-04-15
Latest Info Received	04/26/13
Original UCC Filed Date	2003-06-24
Original Filing No.	2003007675939

Type	Continuation
Sec. Party	OKLAHOMA NATIONAL ASSOCIATION, TULSA, OK
Debtor	SEMINOLE ENERGY SERVICES LLC
Filing No.	09120120133370
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2009-12-01
Latest Info Received	01/26/10
Original UCC Filed Date	2005-03-29
Original Filing No.	E2005003741830

Type	Original
Sec. Party	SHELL ENERGY NORTH AMERICA US L P, HOUSTON, TX
Debtor	SEMINOLE ENERGY SERVICES LLC
Filing No.	2008013395233
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2008-12-04
Latest Info Received	12/11/08

Type	Continuation
Sec. Party	BANK OF OKLAHOMA NATIONAL ASSOCIATION AS COLLATERA, TULSA, OK
Debtor	SEMINOLE ENERGY SERVICES LLC
Filing No.	2006010354526
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
Date Filed	2006-08-25
Latest Info Received	09/06/06
Original UCC Filed Date	2001-12-06
Original Filing No.	2001010546322

Government Activity

Activity summary

Borrower (Dir/Guar)	NO
Administrative Debt	NO
Contractor	YES
Grantee	NO
Party excluded from federal program(s)	NO

Possible candidate for socio-economic program consideration

Labour Surplus Area	N/A
Small Business	YES (2013)
8(A) firm	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

History & Operations

Currency: Shown in USD unless otherwise indicated

Company Overview

Company Name:	SEMINOLE ENERGY SERVICES, L.L.C.
Street Address:	1323 E 71st St Ste 300 Tulsa , OK 74136
Phone:	918 492-2840
URL:	http://www.seminoleenergy.com
History	Is clear
Operations	Profitable
Present management control	15 years
Annual Sales	1,558,201,000

History

The following information was reported: **10/24/2012**

Officer(s): ROBERT ROSENE JR, MEMBER
JOHN GREENE, MEMBER

The officers identified by (+)

The Oklahoma Secretary of State's business registrations file showed that Seminole Energy Services, L.L.C. was registered as a Limited Liability Company on July 20, 1998.
Ownership information provided verbally by Derek Chesbro, Acctg Mgr, on Oct 20 2011.
Business started 1998 by present control.

RECENT EVENTS :

On August 19, 2009, sources stated that NGAS Resources, Inc., Lexington, KY, announced that it has closed the sale of its remaining 50% interest in 485 miles of Appalachian gas gathering facilities to Seminole Energy Services, L.L.C., Tulsa, OK, for $22 million on August 18, 2009. The purchase price was paid $7.5 million at closing, with the balance of $14.5 million payable by SES in monthly installments through December 2011. The gas gathering system spans parts of southeastern Kentucky, eastern Tennessee and western Virginia, and interconnects with Spectra Energy Partners' East Tennessee Interstate pipeline network. NGAS retained long-term operating rights and firm capacity rights of 30,000 Mcf per day in the gathering system. Terms were not disclosed.
Effective May 31, 2008, Seminole Energy Services, LLC acquired Unimark, LLC.
Effective January 1, 2008, Seminole Energy Services, LLC acquired Lakeshore Energy Services, LLC.
ROBERT ROSENE JR born 1954. 1998-present active here.
JOHN GREENE. 1998-present active here.

Operations

10/24/2012

	Provides gas transmission or distribution (100%).
Description:	Has 15000 account(s). Terms are Net 10 days. Sells to commercial concerns. Territory : Regional.
	Nonseasonal.
Employees:	159 which includes partners and 5 part-time. 68 employed here.
Facilities:	Rents premises on 3rd floor of a multi story building.
Location:	Suburban business section on main street.
Subsidiaries:	This business has multiple subsidiaries; detailed information is available in D & B's linkage or family tree products.

SIC & NAICS

SIC:
Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.
The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.
4923 0000 Gas transmission and distribution
NAICS:

221210 Natural Gas Distribution

Financials

Currency: Shown in USD unless otherwise indicated

Company Financials: D&B

10/24/2012

One-year Statement Comparative:

	Fiscal Consolidated Dec 31 2010
Current Assets	281,205,000
Current Liabilities	241,295,000
Current Ratio	1.17
Working Capital	39,910,000
Other Assets	160,561,000
Net Worth	171,682,000
Sales	2,009,245,000

Long Term Liab	28,789,000
Net Profit (Loss)	23,575,000

Statement Update

05/06/2013
Fiscal Consolidated statement dated DEC 31 2012:

Assets		Liabilities	
Cash	16,294,000	Accounts Payable & Accrued Expenses	189,994,000
Accts Rec	192,377,000	L.T. Liab-(1yr)	2,902,000
Inventory	10,618,000	Derivative Instruments	13,075,000
Mktble Securities	14,061,000	Deferred Revenue	1,155,000
Broker Margin Deposits	5,416,000		
Other Current Assets/Def Charges	2,142,000		
Curr Assets	240,908,000	**Curr Liabs**	207,126,000
Fixt & Equip	65,233,000	Derivative Instruments	1,403,000
Goodwill/Intangible Assets-Net	46,171,000	Long-Term Debt	5,804,000
Investments-Other	22,268,000	Def. Credits/Income	14,078,000
Other Assets & Deferred Charges	10,121,000	COMMON STOCK	148,439,000
		ACCUM OTHER COMPREHENSIVE INCOME	124,000
		NONCONTROLLING INTERESTS	7,727,000
Total Assets	384,701,000	**Total Liabilities + Equity**	384,701,000

From JAN 01 2012 to DEC 31 2012 annual sales $1,558,201,000; gross profit $1,558,201,000; operating expenses $1,542,349,000. Operating income $15,852,000; other income $2,144,000; other expenses $1,881,000; net income $16,115,000.
Prepared from statement(s) by Accountant: Grant Thornton LLP, Tulsa, OK.
ACCOUNTANTS OPINION "A review of the accountant's opinion as submitted by the subject company indicates the financial statement meets generally accepted accounting principles and the audit contains no qualifications. ".
Explanations
The net worth of this company includes intangibles.

Additional Financial Data

Fiscal Consolidated statement dated DEC 31 2011

Assets		Liabilities	
Cash	20,279,000	Accounts Payable & Accrued Liabs	197,005,000
Accts Rec	193,581,000	L.T. Liab-(1yr)	2,902,000
Inventory	10,971,000	Derivative Instruments	43,383,000
Mktble Securities	48,493,000	Deferred Revenue	1,155,000
Broker Margin Deposits	29,406,000		
Assets Held For Sale	3,264,000		
Other Current Assets & Def Charges	3,090,000		
Curr Assets	**309,084,000**	**Curr Liabs**	**244,445,000**
Fixt & Equip	70,741,000	Derivative Instruments	6,798,000
Goodwill & Intangible Assets-Net	52,001,000	Long-Term Debt	23,706,000
Investments-Other	26,689,000	Def. Credits/Income	15,233,000
Other Assets & Deferred Charges	8,842,000	COMMON UNITHOLDERS	169,361,000
		ADJUSTMENTS	7,814,000

Total Assets	**467,357,000**	**Total Liabilities + Equity**	**467,357,000**

From JAN 01 2011 to DEC 31 2011 annual sales $2,021,519,000. Gross profit $2,021,519,000; operating expenses $1,996,741,000. Operating income $24,778,000; other income $8,432,000; other expenses $6,252,000. Net income $26,958,000.

Prepared from statement(s) by Accountant: Grant Thornton LLP, Tulsa, Oklahoma.

ACCOUNTANTS OPINION

A review of the accountant's opinion as submitted by the subject company indicates the financial statement meets generally accepted accounting principles and the audit contains no qualifications.

Explanations

The net worth of this company includes intangibles; Adjustments consists of accumulated other comprehensive income and noncontrolling interests in consolidated subsidiaries.

As of October 24, 2012, attempts to contact the management of this business have been unsuccessful. Outside sources confirmed operation and location.

Request Financial Statements

Requested financials are provided bySEMINOLE ENERGY SERVICES, L.L.C.and are not DUNSRight certified.

Key Business Ratios

Statement Date	Dec 31 2012
Based on this Number of Establishments	11

Industry Norms Based On 11 Establishments

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales %	1.0	6.9	4
Return on Net Worth %	10.3	6.4	1
Short-Term Solvency			
Current Ratio	1.2	1.1	2
Quick Ratio	1.0	0.4	1
Efficiency			
Assets to Sales %	24.7	316.1	1
Sales / Net Working Capital	46.1	8.3	1
Utilization			
Total Liabilities / Net Worth (%)	146.1	127.8	3

Associations

All Credit Files with Same D-U-N-S® Number as this D&B Live Report

Company Name	Type	Status	Date Created
Seminole Energy - Mid Atlantic	Account - #100-34519	No Action Recommended	11/13/2012 01:13 PM CST
"Seminole Energy Services, LLC"	Account - #101095	No Action Recommended	11/13/2012 01:13 PM CST

Detailed Trade Risk Insight™

Detailed Trade Risk Insight provides detailed updates on over 1.5 billion commercial trade experiences collected from more than 260 million unique supplier/purchaser relationships.

Days Beyond Terms - Past 3 & 12 Months

3 months from May 13 to Jul 13

0
Days

Dollar-weighted average of **12** payment experiences reported from **9** companies

12 months from Aug 12 to Jul 13

2
Days

Dollar-weighted average of **28** payment experiences reported from **16** companies

Derogatory Events Last 12 Months from Jul 12 to Jun 13

No Derogatory trade Event has been reported on this company for the past 13 Months

Total Amount Current and Past Due - 12 month trend from Jul 12 to Jun 13

Status	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total	83,301	60,727	177,211	167,696	135,690	129,487	183,759	113,479	98,550	74,344	46,311	69,669
Current	82,894	60,727	177,211	102,927	135,342	129,475	183,163	113,479	98,550	74,344	46,311	69,669
1-30 Days Past Due	109	-	-	64,769	348	12	584	-	-	-	-	-
31-60 Days Past Due	181	-	-	-	-	-	12	-	-	-	-	-
61-90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-
90+ Days Past Due	117	-	-	-	-	-	-	-	-	-	-	-

Lakeshore Energy Services, LLC

Exhibit C-8 Bankruptcy Information

Nothing to report

Lakeshore Energy Services, LLC

Exhibit C-9 Merger Information

Nothing to report.

Lakeshore Energy Services, LLC

Exhibit D-1 Operations

Lakeshore Energy is a full service marketing company. We assist our customers in the development of energy programs and are active in the management of those programs. We typically purchase gas for our customers at the local distribution company "city gate" on a firm basis from nationally recognized major producers like BP, Coral, CIMA to name a few. The nominating and scheduling of the gas is handled by Lakeshore's Operations Department, all of whom have significant pipeline and distribution company experience. Accounts are monitored daily to ensure compliance with the distribution company tariffs. We have been providing natural gas transportation services to our Michigan customer base for nearly nine years and have **never** been assessed a penalty, or failed to perform.

Lakeshore Energy Services, LLC

Exhibit D-2 Operations Expertise.

Please refer to the previous discussion on Exhibit D-1, Operations. Also attached to this exhibit are the biographies of Key Personnel.

Charles T Galvin
Personal Biography

Mr. Galvin is the General Manager of Lakeshore Energy Services, LLC and Director of Business Development for its parent, Seminole Energy Services, LLC . In this capacity, he has day to day management responsibilities as well as overseeing the gas acquisitions, marketing, and risk management activities of the Company. Lakeshore Energy, formed in August 2002, is an energy marketing company providing natural gas and electricity commodities and related energy services to commercial, industrial and residential customers in Michigan and Ohio.

From February 2001 to August 2002 **CoEnergy Trading Company**

Mr. Galvin reported to the President of CoEnergy Trading Company and had responsibility for Special Projects Coordination. His responsibilities included the management of a Customer Choice book of business having sales to approximately 47,000 small commercial and residential customers. He was also responsible for managing the supply and transportation of the Company's Ohio based commercial and industrial customers.

From January 1998 to January 2001 **Team Energy, Inc**

Mr. Galvin was the Vice President and Chief Operating Officer of TEAM Energy, Inc. a company he co-owned. TEAM Energy specialized in transportation and storage management for industry as well as other marketing companies. TEAM Energy was managing three residential programs behind three different Local Distribution Companies (LDC) totally nearly 60,000 accounts and about 18 Bcf/year. Mr. Galvin was also responsible for pipeline and LDC nominations, balancing, etc for the industrial and LDC accounts held by TEAM.

From September 1992 to December 1998 **Premier Gas Company**

Mr. Galvin was Vice-President of Midwest Sales and Marketing for Premier Gas Company. Premier Gas Company was the marketing affiliate of the Tulsa, OK based Samson Oil and Gas Company. In this capacity Mr. Galvin was responsible for wholesale transactions and asset optimization with a focus on Michigan and Wisconsin LDC's. Mr. Galvin led Premier's entry into the Midwest markets and built the business from zero to over 4 Bcf in less than 2 years.

From October 1978 to August 1992 **ANR Pipeline Company**

Mr. Galvin held various positions of increasing responsibility for ANR Pipeline Company. When Mr. Galvin left ANR he was the Director of Marketing. His main responsibilities included the negotiation of long term storage and transportation contracts with the Michigan and Wisconsin LDC's as well as industrial customers with fuel switching capabilities.

Eric J. Rillo

Personal Biography

- **April, 2006 to date** **Lakeshore Energy Services**
  Eric J. Rillo is the Manager of East Coast Choice Operations for Lakeshore Energy Services. Eric is responsible for the supervision and coordination of data transfer between Lakeshore Energy and Local Distribution Companies. He also supervises the Contract Administration and Choice Help Desk to ensure Lakeshore Energy is in full compliance with the Public Service Commissions' rules, regulations and guidelines. Eric has held key positions at Lakeshore Energy that built his knowledge of the retail function. These positions include: Contract Administrator, Customer Choice Help Desk, Gas Scheduling and Gas Choice Operations Coordinator.

- **September 2001 – December 2005** **Michigan State University**
  Eric J. Rillo attended Michigan State University where he received his Bachelor's Degree in Advertising from the College of Communication Arts and Sciences.

Charles E. Galvin

Personal Biography

- **May, 2005 to date** **Lakeshore Energy Services**
  Charles E. Galvin is the Director of Gas Choice for Lakeshore Energy Services. Charles is responsible for the supervision of its Marketing and Advertising, Customer Service, Regulatory Affairs, and Gas Supply management including, but not limited to: purchases, daily and monthly balancing, storage management, optimization, and the projection of future requirements. Charles has gained experience by holding key positions at Lakeshore, considered to be the building blocks of a strong understanding of the retail function. These positions include: Gas Scheduling, Account Management and Contract Administration.

- **September 2001– April 2005** **Michigan State University**
  Charles E. Galvin attended Michigan State University where he obtained a Bachelor of Arts in Marketing from the Eli Broad College of Business.

Ken Koslowski

Personal Biography

November 2008 – Present **Lakeshore Energy Services**

Ken Koslowski is the Director of Gas Supply and Operations for Lakeshore Energy Services. In this capacity he provides work direction in retail account management scheduling, daily balancing, invoicing, receivable functions, and gas buying functions for the organization.

2006 – 2008 **Charlevoix Energy Trading**

Procured gas supply needs for the customer base which included daily and long term deals.

Charlevoix Energy was purchased by the Seminole Energy group and Ken was offered a position with Lakeshore Energy Services

2002-2005 **Premier Energy Marketing LLC**

Billing Manger Electric choice entity in the state of Michigan

Responsible for all billing, accounts receivable aspects for 700+ electrical meters which included commercial, industrial as school systems as the primary customer base.

Company was sold to Constellation Energy

2001 – 2002 **Frito Lay Corporation**

Sales representative which included inventory control and product delivery

1979 – 2001 **MCN Energy**

Ken held numerous staff/management positions within the Controller's Activity on the regulated side of the organization, MichCon.

Asset Manager with MCN Investment group a non-regulated entity which included Income planning/forecasting, hedging activities and special projects as required.

Lakeshore Energy Services, LLC

Exhibit D-3 Key Personnel

A Personal Biography summarizing the background of the following individuals is attached to Exhibit D-2, Operations Expertise.

Charles T. Galvin
General Manager and Director of Business Development
galvin@lakeshoreenergy.com
248-824-2049

Eric J. Rillo
Manager, East Coast Operations
rillo@lakeshoreenergy.com
248-824-2043

Ken Koslowski
Director of Supply & Operations
kkoslowski@lakeshoreenergy.com
248-824-2120

Charles E Galvin
Director of Gas Choice Programs
galvin2@lakeshoreenergy.com
248-824-2045