MARTIN MIDSTREAM PARTNERS LP
Form 10-K/A
March 05, 2015

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

FORM 10-K/A
(Amendment No. 1)

Mark One ý	Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 2014
OR	
o	Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____.
Commission file number 000-50056
MARTIN MIDSTREAM PARTNERS L.P.
(Exact name of registrant as specified in its charter)

Delaware	05-0527861
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

4200 Stone Road Kilgore, Texas 75662
(Address of principal executive offices) (Zip Code)

903-983-6200
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Units representing limited partnership interests	NASDAQ Global Select Market

Securities Registered Pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ý No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes o No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements the past 90 days.

Yes ý No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý

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

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No ý

As of June 30, 2014, 30,639,432 common units were outstanding. The aggregate market value of the common units held by non-affiliates of the registrant as of such date approximated $1,051,991,075 based on the closing sale price on that date. There were 35,449,662 of the registrant's common units outstanding as of March 2, 2015.

DOCUMENTS INCORPORATED BY REFERENCE: None.

EXPLANATORY NOTE

Martin Midstream Partners L.P. (the “Partnership”) is filing this Amendment No. 1 on Form 10-K/A (“Amendment No. 1”) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which was originally filed with the Securities and Exchange Commission on March 2, 2015 (the “Original Filing”), to amend Item 15 (a) (2), Exhibits and Financial Statement Schedules which includes the financial statements of the Partnership's previously significant unconsolidated entity, Cardinal Gas Storage Partners, LLC ("Cardinal"). The financial statements of Cardinal are being amended to correct the Independent Auditor's Report of PricewaterhouseCoopers LLP to remove references to the audit of the Cardinal consolidated statement of financial position as of December 31, 2012 and statement of operations, of members' capital and of cash flows for the year ended December 31, 2011 because those periods were not included in the financial statements, and to add an emphasis of matter related to the inclusion of unaudited financial information of Cardinal for the period from January 1, 2014 through August 29, 2014.

The consent of PricewaterhouseCoopers LLP, independent accountants for Cardinal, is also filed as exhibit 23.2 to this Amendment No. 1 to the Form 10-K.

In addition, this Amendment No. 1 includes new Exhibits 31.1, 31.2, 32.1 and 32.2, certifications of the Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a-14(a) and (b).

Except as described above, no other amendments are being made to the Form 10-K. This Amendment No. 1 does not intend to update or modify the disclosure contained in the Partnership's Form 10-K in any way other than as required to reflect the items discussed above and does not reflect events occurring after the March 2, 2015 filing of the Partnership's Form 10-K. Accordingly this Form 10-K/A should be read in conjunction with the Partnership's other filings.

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements, Schedules

(1) The following financial statements of Martin Midstream Partners L.P. are included in Part II, Item 8:

Reports of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2014 and 2013
Consolidated Statements of Operations for the years ended December 31, 2014, 2013 and 2012
Consolidated Statements of Comprehensive Income for the years ended December 31, 2014, 2013 and 2012
Consolidated Statements of Changes in Capital for the years ended December 31, 2014, 2013 and 2012
Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012
Notes to the Consolidated Financial Statements

(2) Financial Statements of Cardinal Gas Storage Partners for the period January 1, 2014 to August 29, 2014 and years ended December 31, 2013 and 2012, an affiliate accounted for by the equity method, which constituted a significant subsidiary.

(b) Exhibits

The Exhibit Index attached to this report is incorporated by reference into this Item 15(b).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, we have duly caused this Report to be signed on our behalf by the undersigned, thereunto duly authorized representative.

Martin Midstream Partners L.P.
(Registrant)
By: Martin Midstream GP LLC
It's General Partner
Date: March 5, 2015 By: /s/ Ruben S. Martin
Ruben S. Martin
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 5th day of March, 2015.

Signature	Title
/s/ Ruben S. Martin Ruben S. Martin	President, Chief Executive Officer and Director of Martin Midstream GP LLC (Principal Executive Officer)
/s/ Robert D. Bondurant Robert D. Bondurant	Executive Vice President, Director, and Chief Financial Officer of Martin Midstream GP LLC (Principal Financial Officer, Principal Accounting Officer)
/s/ Alexander W.F. Black Alexander W.F. Black	Director of Martin Midstream GP LLC
/s/ James M. Collingsworth James M. Collingsworth	Director of Martin Midstream GP LLC
/s/ Sean P. Dolan Sean P. Dolan	Director of Martin Midstream GP LLC
/s/ Byron R. Kelley Byron R. Kelley	Director of Martin Midstream GP LLC
/s/ C. Scott Massey C. Scott Massey	Director of Martin Midstream GP LLC

Exhibit Number	Exhibit Name
3.1	Certificate of Limited Partnership of Martin Midstream Partners L.P. (the “Partnership”), dated June 21, 2002 (filed as Exhibit 3.1 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.2	Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated November 25, 2009 (filed as Exhibit 10.1 to the Partnership's Amendment to Current Report on Form 8-K/A (SEC File No. 000-50056), filed January 19, 2010, and incorporated herein by reference).
3.3	Amendment No. 2 to the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated January 31, 2011 (filed as Exhibit 3.1 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed February 1, 2011, and incorporated herein by reference).
3.4	Amendment No. 3 to the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated October 2, 2012 (filed as Exhibit 10.5 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed October 9, 2012, and incorporated herein by reference).
3.5	Certificate of Limited Partnership of Martin Operating Partnership L.P. (the “Operating Partnership”), dated June 21, 2002 (filed as Exhibit 3.3 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.6	Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated November 6, 2002 (filed as Exhibit 3.2 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed November 19, 2002, and incorporated herein by reference).
3.7	Certificate of Formation of Martin Midstream GP LLC (the “General Partner”), dated June 21, 2002 (filed as Exhibit 3.5 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.8	Amended and Restated Limited Liability Company Agreement of the General Partner, dated August 30, 2013 (filed as Exhibit 3.1 to the Partnership's Current Report on Form 8-K (Reg. No. 000-50056), filed September 3, 2013, and incorporated herein by reference).
3.9	Certificate of Formation of Martin Operating GP LLC (the “Operating General Partner”), dated June 21, 2002 (filed as Exhibit 3.7 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.10	Limited Liability Company Agreement of the Operating General Partner, dated June 21, 2002 (filed as Exhibit 3.8 to the Partnership's Registration Statement on Form S-1 (Reg. No. 333-91706), filed July 1, 2002, and incorporated herein by reference).
3.11	Certificate of Formation of Arcadia Gas Storage, LLC, dated June 26, 2006 (filed as Exhibit 3.11 to the Partnership’s Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.12	Company Agreement of Arcadia Gas Storage, LLC, dated December 27, 2006 (filed as Exhibit 3.12 to the Partnership’s Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.13	Amendment to the Company Agreement of Arcadia Gas Storage, LLC, dated September 5, 2014 (filed as Exhibit 3.13 to the Partnership’s Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.14	Certificate of Formation of Cadeville Gas Storage LLC, dated May 23, 2008 (filed as Exhibit 3.14 to the Partnership’s Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.15	Limited Liability Company Agreement of Cadeville Gas Storage LLC, dated May 23, 2008 (filed as Exhibit 3.15 to the Partnership’s Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.16	

	First Amendment to the Limited Liability Company Agreement of Cadeville Gas Storage LLC, dated April 16, 2012 (filed as Exhibit 3.16 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.17	Second Amendment to the Limited Liability Company Agreement of Cadeville Gas Storage LLC, dated September 5, 2014 (filed as Exhibit 3.17 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.18	Certificate of Formation of Monroe Gas Storage Company, LLC, dated June 14, 2006 (filed as Exhibit 3.18 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).

3.19	Amended and Restated Limited Liability Company Agreement of Monroe Gas Storage Company, LLC, dated May 31, 2011 (filed as Exhibit 3.19 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.20	First Amendment to the Amended and Restated Limited Liability Company Agreement of Monroe Gas Storage Company, LLC, dated September 5, 2014 (filed as Exhibit 3.20 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.21	Certificate of Formation of Perryville Gas Storage LLC, dated May 23, 2008.(filed as Exhibit 3.21 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.22	Limited Liability Company Agreement of Perryville Gas Storage LLC, dated June 16, 2008 (filed as Exhibit 3.22 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.23	First Amendment to the Limited Liability Company Agreement of Perryville Gas Storage LLC, dated April 14, 2010 (filed as Exhibit 3.23 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.24	Second Amendment to the Limited Liability Company Agreement of Perryville Gas Storage LLC, dated September 5, 2014 (filed as Exhibit 3.24 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.25	Certificate of Formation of Cardinal Gas Storage Partners LLC, dated April 2, 2008 (filed as Exhibit 3.25 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.26	Third Amended and Restated Limited Liability Company Agreement of Cardinal Gas Storage Partners LLC (F/K/A Redbird Gas Storage LLC) dated October 27, 2014 (filed as Exhibit 3.26 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
3.27	Certificate of Formation of Redbird Gas Storage LLC, dated May 24, 2011 (filed as Exhibit 3.27 to the Partnership's Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2015, and incorporated herein by reference).
3.28	Second Amended and Restated LLC Agreement of Redbird Gas Storage LLC, dated as of October 2, 2012. (filed as Exhibit 10.6 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed November 5, 2012, and incorporated herein by reference).
3.29	Certificate of Merger of Cardinal Gas Storage Partners LLC with and into Redbird Gas Storage LLC, dated October 27, 2014 (filed as Exhibit 3.27 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
4.1	Specimen Unit Certificate for Common Units (contained in Exhibit 3.2).
4.2	Specimen Unit Certificate for Subordinated Units (filed as Exhibit 4.2 to Amendment No. 4 to the Partnership's Registration Statement on Form S-1 (SEC File No. 333-91706), filed October 25, 2002, and incorporated herein by reference).
4.3	Indenture (including form of 7.250% Senior Notes due 2021), dated February 11, 2013, by and among the Partnership, Martin Midstream Finance Corp., the Guarantors named therein and Wells Fargo Bank, National Association, as trustee (filed as Exhibit 4.1 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed February 12, 2013, and incorporated herein by reference).
4.4	Second Supplemental Indenture, to the Indenture dated February 11, 2013 dated September 30, 2014, by and among the Partnership, Martin Midstream Finance Corp., the Guarantors named therein and Wells Fargo Bank National Association, as trustee (filed as Exhibit 4.4 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014 and incorporated herein by reference).
4.5	Third Supplemental Indenture, to the Indenture dated February 11, 2013 dated October 27, 2014, by and among the Partnership, Martin Midstream Finance Corp., the Guarantors named therein and Wells Fargo

	Bank National Association, as trustee (filed as Exhibit 4.5 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014 and incorporated herein by reference).
10.1	Third Amended and Restated Credit Agreement, dated March 28, 2013, among the Partnership, the Operating Partnership, Royal Bank of Canada and the other Lenders set forth therein (filed as Exhibit 10.1 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed April 3, 2013 and incorporated herein by reference).
10.2	First Amendment to Third Amended and Restated Credit Agreement, dated as of July 12, 2013, among the Partnership, the Operating Partnership, Royal Bank of Canada and the other Lenders as set forth therein (filed as Exhibit 10.2 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed May 5, 2014 and incorporated herein by reference).

10.3	Second Amendment to Third Amended and Restated Credit Agreement, dated as of May 5, 2014, among the Partnership, the Operating Partnership, Royal Bank of Canada and the other Lenders as set forth therein (filed as Exhibit 10.2 to the Partnership's Current Report on Form 8-K/A (SEC File No. 000-50056), filed May 6, 2014 and incorporated herein by reference)
10.4	Third Amendment to Third Amended and Restated Credit Agreement, dated June 27, 2014, among the Partnership, the Operating Partnership, Royal Bank of Canada and the other Lenders as set forth therein (filed as Exhibit 10.1 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed July 1, 2014, and incorporated herein by reference).
10.5	Omnibus Agreement, dated November 1, 2002, by and among Martin Resource Management Corporation, the General Partner, the Partnership and the Operating Partnership (filed as Exhibit 10.3 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed November 19, 2002, and incorporated herein by reference).
10.6	Amendment No. 1 to Omnibus Agreement, dated as of November 25, 2009, by and among Martin Resource Management Corporation, the General Partner, the Partnership and the Operating Partnership (filed as Exhibit 10.3 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed December 1, 2009, and incorporated herein by reference).
10.7	Amendment No. 2 to Omnibus Agreement, dated October 1, 2012, by Martin Resource Management Corporation, the General Partner, the Partnership and the Operating Partnership (filed as Exhibit 10.4 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed October 9, 2012, and incorporated herein by reference).
10.8	Motor Carrier Agreement, dated January 1, 2006, by and between the Operating Partnership and Martin Transport, Inc. (filed as Exhibit 10.9 to the Partnership's Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2011, and incorporated herein by reference).
10.9	Membership Interests Purchase Agreement, dated August 10, 2014, by and among Energy Capital Partners and its affiliated funds and Redbird Gas Storage LLC (filed as Exhibit 10.1 to the Partnership's Current Report on Form 8-K (Sec File No. 000-50056), filed August 12, 2014, and incorporated herein by reference).
10.10	2014 Amended and Restated Tolling Agreement, dated October 28, 2014, by and between the Operating Partnership and Cross Oil Refining & Marketing, Inc. (filed as Exhibit 10.5 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed October 29, 2014, and incorporated herein by reference).
10.11	Marine Transportation Agreement, dated January 1, 2006, by and between the Operating Partnership and Midstream Fuel Service, L.L.C. (filed as Exhibit 10.10 to the Partnership's Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2011, and incorporated herein by reference).
10.12	Product Storage Agreement, dated November 1, 2002, by and between Martin Underground Storage, Inc. and the Operating Partnership (filed as Exhibit 10.8 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed November 19, 2002, and incorporated herein by reference).
10.13	Marine Fuel Agreement, dated November 1, 2002, by and between Martin Fuel Service LLC and the Operating Partnership (filed as Exhibit 10.9 to the Partnership's Current Report on Form 8-K (SEC No. 000-50056), filed November 19, 2002, and incorporated herein by reference).
10.14†	Martin Midstream Partners L.P. Amended and Restated Long-Term Incentive Plan (filed as Exhibit 10.1 to the Partnership's Current Report on Form 8-K (SEC No. 000-50056), filed January 26, 2006, and incorporated herein by reference).
10.15†	Form of Restricted Common Unit Grant Notice (filed as Exhibit 10.2 to the Partnership's Current Report on Form 8-K (SEC No. 000-50056), filed January 26, 2006, and incorporated herein by reference).
10.16	Purchaser Use Easement, Ingress-Egress Easement, and Utility Facilities Easement dated November 1, 2002, by and between MGSLLC and the Operating Partnership (filed as Exhibit 10.13 to the Partnership's Current Report on Form 8-K/A (SEC No. 000-50056), filed November 19, 2002, and incorporated herein

	by reference).
10.17	Amended and Restated Terminal Services Agreement by and between the Operating Partnership and Martin Fuel Service LLC ("MFSLLC"), dated October 27, 2004 (filed as Exhibit 10.1 to the Partnership's Current Report on Form 8-K (SEC No. 000-50056), filed October 28, 2004, and incorporated herein by reference).
10.18	Lubricants and Drilling Fluids Terminal Services Agreement by and between the Operating Partnership and MFSLLC, dated December 23, 2003 (filed as Exhibit 10.4 to the Partnership's Amendment No. 1 to Current Report on Form 8-K/A (SEC No. 000-50056), filed January 23, 2004, and incorporated herein by reference).
10.19(1)	Second Amended and Restated Sales Agency Agreement, dated August 5, 2013, by and between the Operating Partnership and Martin Product Sales LLC (filed as Exhibit 10.2 to the Partnership's Quarterly Report on Form 10-Q (SEC No. 000-50056) filed November 4, 2013).

10.20†	Martin Resource Management Corporation Purchase Plan for Units of the Partnership, effective July 1, 2006, (filed as Exhibit 10.1 to the Partnership's registration statement on Form S-8 (SEC File No. 333-140152), filed January 23, 2007, and incorporated herein by reference).
10.21	Form of Partnership Indemnification Agreement (filed as Exhibit 10.1 to the Partnership’s Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed November 6, 2008, and incorporated herein by reference).
10.22	Amended and Restated Common Unit Purchase Agreement, dated as of November 24, 2009, by and between the Partnership and Martin Resource Management (filed as Exhibit 10.4 to the Partnership’s Current Report on Form 8-K (SEC File No. 000-50056), filed December 1, 2009, and incorporated herein by reference).
10.23	Supply Agreement dated, as of October 2, 2012, by and between the Partnership and Cross Oil & Refining Marketing Inc. (filed as Exhibit 10.7 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed November 5, 2012, and incorporated herein by reference).
10.24	Noncompetition Agreement dated, as of October 2, 2012, by and among the Partnership, Cross Oil Refining & Marketing, Inc., and Martin Resource Management Corporation (filed as Exhibit 10.8 to the Partnership's Quarterly Report on Form 10-Q (SEC File No. 000-50056), filed November 5, 2012, and incorporated herein by reference).
10.25	Purchase Price Reimbursement Agreement, dated October 2, 2012, by Martin Resource Management Corporation to and for the benefit of the Operating Partnership (filed as Exhibit 10.2 to the Partnership's Current Report on Form 8-K (SEC File No. 000-50056), filed October 9, 2012, and incorporated herein by reference).
10.26	Lubricants Terminalling Services Agreement, dated January 1, 2015, by and between the Operating Partnership and Martin Energy Services LLC (filed as Exhibit 10.26 to the Partnership’s Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2015, and incorporated herein by reference).
10.27	Fuel Terminalling Services Agreement, dated January 1, 2015, by and between the Operating Partnership and Martin Energy Services LLC (filed as Exhibit 10.27 to the Partnership’s Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2015, and incorporated herein by reference).
21.1	List of Subsidiaries (filed as Exhibit 21.1 to the Partnership’s Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2015, and incorporated herein by reference).
23.1	Consent of KPMG LLP (filed as Exhibit 23.1 to the Partnership’s Annual Report on Form 10-K (SEC File No. 000-50056), filed March 2, 2015, and incorporated herein by reference).
23.2*	Consent of PricewaterhouseCoopers LLP.
31.1*	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551, this Exhibit is furnished to the SEC and shall not be deemed to be “filed.”
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551, this Exhibit is furnished to the SEC and shall not be deemed to be “filed.”
101	Interactive Data: the following financial information from Martin Midstream Partners L.P.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013, formatted in Extensible Business Reporting Language: (1) the Consolidated Balance Sheets; (2) the Consolidated Statements of Income; (3) the Consolidated Statements of Cash Flows; (4) the Consolidated Statements of Capital; (5) the Consolidated Statements of Other Comprehensive Income; and (6) the Notes to Consolidated Financial Statements, tagged as blocks of text.
*	Filed or furnished herewith.
†	As required by Item 15(a)(3) of Form 10-K, this exhibit is identified as a compensatory plan or arrangement.

(1) Material has been redacted from this exhibit and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, which has been granted.

Financial Statement Schedule
Pursuant to Item 15(a)(2)

Cardinal Gas Storage Partners, LLC
and Subsidiaries
Consolidated Financial Statements
The period January 1, 2014 through August 29, 2014 (unaudited)
and the years ended December 31, 2013 and 2012

Cardinal Gas Storage Partners, LLC and Subsidiaries
The period January 1, 2014 through August 29, 2014 (unaudited)
and the years ended December 31, 2013 and 2012

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Independent Auditor's Report

To the Members of Cardinal Gas Storage Partners LLC

We have audited the accompanying consolidated financial statements of Cardinal Gas Storage Partners LLC and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2013, and the related consolidated statements of operations, of members’ capital and of cash flows for each of the two years in the period ended December 31, 2013.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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 our 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, we consider internal control relevant to the Company'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 Company'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 consolidated financial position of Cardinal Gas Storage Partners LLC and its subsidiaries at December 31, 2013, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying balance sheet of Cardinal Gas Storage Partners LLC and its subsidiaries as of August 29, 2014, and the related consolidated statements of operations, of members’ capital and of cash flows for the period from January 1, 2014 through August 29, 2014 were not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on them.

/s/PricewaterhouseCoopers LLP
March 28, 2014

PricewaterhouseCoopers LLP, 1000 Louisiana, Suite 5800, Houston, TX 77002
T: (713) 356 4000, F: (713) 356 4717, www.pwc.com/us

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Cardinal Gas Storage Partners, LLC and Subsidiaries
Consolidated Statements of Financial Position
August 29, 2014 (unaudited) and December 31, 2013
(Dollars in thousands)

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	$3,178	$7,260
Restricted cash	17,566	14,892
Accounts receivable, net	3,901	4,193
Value of derivative instruments, current	809	—
Prepaid expenses and other current assets	1,496	1,384
Total current assets	26,950	27,729
Property, plant and equipment, net	611,769	622,794
Debt issuance costs, net	6,735	8,003
Value of derivative instruments	17	1,562
Intangible assets, net	783	1,420
Other assets	118	308
Total assets	$646,372	$661,816
Liabilities and Members' Capital		
Current liabilities		
Accounts payable and accrued liabilities	$6,714	$6,372
Current portion of long term debt	12,420	12,420
Total current liabilities	19,134	18,792
Long term debt	269,666	295,261
Other long term liabilities	595	1,179
Total liabilities	289,395	315,232
Commitments and contingencies (Note 4)		
Members' capital	356,977	346,584
Total liabilities and members' capital	$646,372	$661,816

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

Cardinal Gas Storage Partners, LLC and Subsidiaries
Consolidated Statements of Operations
Period Ended August 29, 2014 (unaudited) and Years Ended December 31, 2013 and 2012
(Dollars in thousands)

	2014	2013	2012
Revenues			
Firm capacity revenues	$41,290	$47,427	$29,962
Hub services revenues	3,117	2,449	905
Fuel charges	2,081	2,659	628
Professional service fees	—	227	504
Total revenues	46,488	52,762	31,999
Expenses			
Operating expenses	18,267	14,285	8,701
Depreciation and amortization	12,038	18,752	14,346
General and administrative	3,109	7,998	3,634
Impairment losses	—	129,384	580
Loss on abandoned project	—	—	1,259
Loss (gain) on sale/disposal of assets	2,274	921	(1)
Loss (gain) on natural gas sold	111	20	(211)
Total expenses	35,799	171,360	28,308
Income (loss) from operations	10,689	(118,598)	3,691
Other income (expense)			
Gain (loss) on derivative instruments	(745)	110	(4,735)
Royalty income	9	—	—
Interest income	1	3	3
Interest expense	(8,043)	(9,798)	(4,910)
Total other expense	(8,778)	(9,685)	(9,642)
Net income (loss)	$1,911	$(128,283)	$(5,951)

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

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Cardinal Gas Storage Partners, LLC and Subsidiaries
Consolidated Statements of Members' Capital
Period Ended August 29, 2014 (unaudited) and Years Ended December 31, 2013 and 2012
(Dollars in thousands)

	ECP	Redbird	Total
Members' capital at December 31, 2011	$336,403	$86,532	$422,935
Contributions	27,299	30,280	57,579
Distributions	(9,076)	(8,190)	(17,266)
Net loss	(2,820)	(3,131)	(5,951)
Members' capital at December 31, 2012	351,806	105,491	457,297
Contributions	5,887	15,878	21,765
Distributions	(2,456)	(1,739)	(4,195)
Net loss	(74,089)	(54,194)	(128,283)
Members' capital at December 31, 2013	281,148	65,436	346,584
Contributions	5,635	3,385	9,020
Distributions	(313)	(225)	(538)
Net income	1,009	902	1,911
Members' capital at August 29, 2014	$287,479	$69,498	$356,977

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

Cardinal Gas Storage Partners, LLC and Subsidiaries
Consolidated Statements of Cash Flows
Period Ended August 29, 2014 (unaudited) and Years Ended December 31, 2013 and 2012
(Dollars in thousands)

	2014	2013	2012
Cash flows from operating activities:			
Net income (loss)	$1,911	$(128,283)	$(5,951)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
(Gain) loss on derivative instruments	745	(110)	4,735
Depreciation and amortization expense	12,038	18,752	14,346
Amortization of debt issuance cost	1,268	1,901	1,639
Impairment losses	—	129,384	580
Loss on abandoned project	—	—	1,259
Loss on disposal of assets	2,274	921	—
Provision for (recovery of) doubtful accounts	—	2	(16)
Changes in operating assets and liabilities:			
Accounts receivable	292	(2,744)	5,532
Prepaid expenses and other current assets	(112)	(1,057)	76
Other noncurrent assets	190	(308)	—
Accounts payable and accrued liabilities	1,286	2,052	(6,106)
Deferred revenue	—	—	(17)
Other noncurrent liabilities	(585)	1,179	—
Net cash provided by operating activities	19,307	21,689	16,077
Cash flows from investing activities:			
Settlement of derivative instrument	—	160	(2,459)
Derivative instrument	(8)	—	(3,591)
Acquisition of a business and related adjustments	—	—	316
Capital expenditures	(3,981)	(131,857)	(131,873)
Proceeds from sale of fixed asset	385	4,897	—
Restricted cash	(2,674)	(2,128)	(2,026)
Net cash used in investing activities	(6,278)	(128,928)	(139,633)
Cash flows from financing activities:			
Proceeds from long term debt	—	118,117	102,695
Repayment of debt	(25,593)	(25,316)	(11,729)
Cash paid for financing costs	—	—	(5,071)
Contributions from members	9,020	21,765	57,579
Distributions to members	(538)	(4,195)	(17,266)
Net cash provided by (used in) financing activities	(17,111)	110,371	126,208
Net increase (decrease) in cash and cash equivalents	(4,082)	3,132	2,652
Beginning of year	7,260	4,128	1,476
End of year	$3,178	$7,260	$4,128
Supplemental disclosure:			
Cash paid for interest, net of capitalized interest	$5,834	$7,086	$3,976
Noncash investing activities:			
Change in capital expenditures included in accounts payable and accrued liabilities	(945)	(17,567)	14,389

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

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Cardinal Gas Storage Partners, LLC and Subsidiaries
Notes to Consolidated Financial Statements
August 29, 2014 (unaudited) and December 31, 2013
(Dollars in thousands, except where otherwise indicated)

1. Business Description, Formation of Company and Acquisitions

Cardinal Gas Storage Partners LLC (the “Company”) was formed on May 1, 2008, as a Delaware limited liability company with Energy Capital Partners (“ECP”) and Martin Resource Management Corporation (“MRMC”) as the two members. In April 2011, Redbird Gas Storage LLC (“Redbird”) was formed as a joint venture between MRMC and Martin Midstream Partners (“MMLP”). In October 2012, MMLP acquired the MRMC interest in Redbird. As a result of this transaction, Redbird became a wholly owned subsidiary of MMLP. As of August 29, 2014, ECP had a 57.8% ownership and Redbird had a 42.2% ownership in the Company.

The Company focuses on the development, construction, operation, and management of natural gas storage facilities. The Company has four natural gas storage facilities in operation. Arcadia Gas Storage LLC (“Arcadia”), located in Bienville Parish, Louisiana is in service with approximately 17.5 bcf of working gas storage capacity. Monroe Gas Storage LLC (“Monroe”), located in Monroe County, Mississippi, is in operation with a current working gas capacity of approximately 7.0 bcf. Cadeville Gas Storage LLC (“Cadeville”), located in Ouachita Parish, Louisiana was placed into operation during 2013 with working gas capacity of 17.0 bcf. Perryville Gas Storage LLC (“Perryville”), located in Franklin Parish, Louisiana was placed into operation during 2013 with working gas capacity of 8.7 bcf. These facilities provide producers, end users, local distribution companies, pipelines and energy marketers with high deliverability storage services and hub services.

The Company maintains two classes of member units, Category A units and Category B units. Category B Unit holders do not receive loss allocations; however, they do participate in income resulting from certain triggering events, including the sale of assets or the sale of the Company. The Board approved 7% to be allocated as Category B units; however, due to departed employees during 2012 and 2013, only 6.46% is currently outstanding as of August 29, 2014. Income is allocated first to Category A members until certain conditions are met; thereafter, 93.54% and 6.46% to Category A and Category B members, respectively.

Under the LLC agreement, each Category A member appoints two managers to the Board. If either member fails to hold a 30%-interest in the Company, one manager position would be transferred to the other member.
The wholly owned subsidiaries of the Company are Arcadia Gas Storage Holding LLC, Cadeville Gas Storage Holding LLC, Perryville Gas Storage Holding LLC, MGS Holding LLC, and International Gas Consulting LLC.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements and the accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements include the accounts of the Company and the subsidiaries on a consolidated basis. All intercompany transactions have been eliminated.

Management’s Estimates and Assumptions

The preparation of consolidated financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Actual results could differ from these estimates.

Subsequent Events

The Company has performed an evaluation of subsequent events through March 2, 2015, which is the date the financial statements were made available for issuance.

Cash and Cash Equivalents

The Company considers cash and highly liquid investments with a maturity of three months or less, at the time of purchase, to be cash equivalents.

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Restricted Cash

At August 29, 2014, the Company held $17.6 million in restricted cash for the primary purpose of making future principal reduction payments under the terms of a loan agreement. At December 31, 2013, the Company held $14.9 million in restricted cash of which $11.5 million of this balance was restricted under the terms of a loan agreement for the primary purpose of making future principal reduction payments, $2.7 million was restricted for the purpose of funding development costs, and $0.7 million was restricted for distributions to members under the terms of the partnership agreement. The 2013 distribution was made to Redbird on January 31, 2014. The ECP distribution was held to offset future contributions and is reflected within accrued liabilities as of December 31, 2013.

Accounts Receivable and Bad Debt

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. As of August 29, 2014 and December 31, 2013, all receivables were considered collectible and no allowance for doubtful accounts was recorded.

Inventory

Inventory consists of natural gas received as a result of fuel revenue and certain balancing agreements and is stated at the lower of weighted average cost or market. The inventory balance as of August 29, 2014 and December 31, 2013 is reflected within other current assets on the statements of financial position.

Revenue Recognition

The Company provides various types of natural gas storage services to customers. Revenues from these services are classified as firm capacity revenue, hub services revenue, and fuel charges. In addition, the Company provided consulting services for natural gas storage projects. Revenues from these consulting services are classified as professional service fees.

Firm capacity revenues consist of firm storage reservation revenues which are contractually obligated monthly capacity reservation fees. These fees are paid to the Company and recognized in revenue over the term of the contract regardless of the actual storage capacity utilized.

Hub service revenue consist of fees from (i) "interruptible" storage services pursuant to which customers receive only limited assurance regarding the availability of capacity in the Company's storage facilities and pay fees based on actual utilization of assets, (ii) "park and loan" services, (iii) "wheeling and balancing" services pursuant to which customers pay fees for the right to move a volume of gas through our facilities from an interconnection point to another and true up their deliveries of gas to, or takeaways of gas from, our facilities, and (iv) firm storage cycling revenues for the use of injection and withdrawal services based on the volume of natural gas nominated for injection and/or withdrawal. The interruptible fees are recognized in revenue over the term of the contract. The park and loan, wheeling and balancing and firm cycling fees are recognized in revenue in the period the volumes are nominated. A portion of our revenues related to these activities may include fuel collections.

Fuel charges consist of the small portion of a customer's natural gas nominated for injection retained by the Company as compensation for fuel use. These fees are reflected as revenue when received. Any excess fuel collected is carried as inventory until sold.

Professional service fees consist of consulting services and are recognized as the services are performed.

Property and Equipment

Property and equipment are recorded at cost. The costs of major renewals and betterments are capitalized; repair and maintenance costs are expensed as incurred. The Company capitalizes interest related to the debt facility used for funding development as well as certain general and administrative costs associated with employees that are deemed to be dedicated to capitalized projects in process. When assets are sold or retired, the cost and related accumulated depreciation are removed from the appropriate accounts, and the resulting gain or loss is included in current operations. Leasehold improvements are capitalized and amortized over the lesser of their estimated useful lives or the applicable lease term.

(Dollars in thousands, except where otherwise indicated)

Depreciation of property and equipment is provided over the estimated useful lives of the property as follows:

	Straight Line
Storage, surface and pipeline facilities	20 to 50-year
Office equipment	5 to 7-year
Automobiles	5-year

Impairment of Long-lived Assets

The Company ensures its long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an evaluation were required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine whether a write-down is required. If this review indicates that the assets will not be recoverable, the carrying value of the Company's assets would be reduced to their estimated market value.
During the winter of 2013 and early 2014, the Company determined that the Monroe facility was not able to perform at the previously calculated 9 bcf of working gas capacity. The facility was determined to have working gas capacity of 7 bcf. Based on the asset's capability, an impairment of the Monroe fixed assets was calculated using a discounted cash flow model and recorded in the amount of $129.4 million in 2013 on the consolidated statements of operations.

Debt Issuance Costs

Costs incurred for debt borrowings are capitalized and amortized over the life of the associated debt utilizing the effective interest rate method. When debt is retired before its scheduled maturity date, any remaining transaction-related costs associated with that debt are expensed. Total amortization for the period ended August 29, 2014 was approximately $1.3 million. Total amortization for the years ended December 31, 2013 and 2012 was approximately $1.9 million and $1.6 million, of which approximately $0.6 million and $1.1 million were capitalized during the period of construction, respectively. No amortization was capitalized in 2014.

Income Taxes

The Company's taxable income (loss) is reported on the respective income tax returns of its members. With respect to a franchise or income tax imposed by a state or local municipality, these taxes are accounted for under the asset and liability method.

The amount of Texas margin tax for the period ended August 29, 2014 and years ended December 31, 2013 and 2012 was immaterial. No Louisiana franchise tax was due for any of these periods.

Derivative Instruments and Hedging Activities

The Company records its derivative instruments on the balance sheet as an asset or liability measured at fair value and changes in fair value are recognized currently in earnings unless specific hedge accounting criteria are met. If a derivative qualifies for hedge accounting, changes in the fair value can be offset against the change in the fair value of the hedged item through earnings or recognized in other comprehensive income until such time as the hedged item is recognized in earnings.

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Derivative instruments not designated as hedges are marked-to-market with all market value adjustments recorded in the consolidated statements of operations. As of August 29, 2014, the Company has not elected hedge accounting for any of its derivative instruments. Fair value changes for these derivative instruments have been recorded in the consolidated statements of operations.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, trade receivables, trade payables, long-term debt and derivative instruments. Management considers the carrying values of cash and cash equivalents, trade receivables and trade payables to be representative of their respective fair values because of their short-term maturities or expected settlement dates. The carrying value of outstanding amounts under the revolving credit facility and term debt approximate fair value due to the floating interest rate. Derivative instruments are recorded at fair value in the accompanying statements of financial position.

The authoritative guidance related to fair value defines a hierarchy of inputs to valuation techniques based upon whether those inputs reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair value hierarchy:

Level 1	Inputs utilize quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs utilize data points other than quoted prices included in Level 1 that are observable such as quoted prices, interest rates and yield curves.
Level 3	Inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability.

The Company performed an analysis on its derivative instruments and recorded a net asset related to its derivative instruments of approximately $0.8 million and $1.6 million at August 29, 2014 and December 31, 2013, respectively, within Level 2 of the fair value hierarchy. Refer to Note 9 for more information on these instruments.

The Company does not have any assets or liabilities classified within Level 3 of the fair value hierarchy. The carrying amounts reflected in the statements of financial position for other current assets and accrued expenses approximate fair value due to their short-term maturities.

Asset Retirement Obligations and Environmental Liabilities

GAAP guidance establishes accounting requirements for retirement obligations associated with tangible long-lived assets including (i) the timing of the liability recognition, (ii) initial measurement of the liability, (iii) allocation of asset retirement cost to expense, (iv) subsequent measurement of the liability and (v) financial statement disclosures. GAAP guidance also requires that the cost for asset retirement should be capitalized as part of the cost of the related long-lived asset and subsequently allocated to expense using a systematic and rational method. The Company assets have contractual or regulatory obligations to perform remediation when the assets are abandoned. These assets, with regular maintenance, will continue to be in service for many years to come. It is not possible to predict when demands for our services will cease and we do not believe that such demand will cease for the foreseeable future. Accordingly, the Company believes the date when these assets will be abandoned is indeterminate. With no reasonably determinable abandonment date, the Company cannot reasonably estimate the fair value of the associated asset retirement obligation. The Company will record an asset retirement obligation in the period in which sufficient information becomes available for us to reasonably determine the settlement date.

The Company's policy is to accrue for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed probable.

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The Company has not identified any environmental remediation obligations as of August 29, 2014.

Pad Gas Lease

The Company has a lease agreement with Credit Suisse executed on June 12, 2009 for the lease of 3.6 bcf of natural gas to use as pad gas for the storage facility at Monroe. The lease agreement expires on January 1, 2015. The Company is required to begin returning the natural gas to Credit Suisse upon expiration of the lease and to have all 3.6 bcf of the leased gas returned by the end of February 2015.

Share-Based Payments

The Company recognizes compensation expense for all stock-based compensation based on the fair value of the awards granted, net of estimated forfeitures, at the date of grant. The Company maintained one class of membership interests that were granted to employees of the Company. Category B membership interests, totaling 7.0% of the total membership interests, were granted to employees in various dates in 2008, 2009, and 2010. However, due to departed employees during 2012 and 2013, only 6.46% is held by Category B Unit holders as of August 29, 2014. Category B membership interests vest over an average service period of four years. Prior to Category B membership interests receiving profit allocations or equity distributions, certain future triggering events must occur. No compensation expense has been recorded as the category B membership interests have an initial threshold value of $0.

Capitalization of Interest

Interest on borrowed funds is capitalized on projects during construction based on the approximate average interest rate of the Company’s debt. The Company capitalized $2.7 million and $3.5 million during the years ended December 31, 2013 and 2012, respectively. No interest was capitalized in the period ended August 29, 2014.

3. Property, Plant and Equipment

A summary of property, plant and equipment as of August 29, 2014 and December 31, 2013 is as follows:

	2014	2013
Operating plant	$604,030	$609,699
Construction in progress	25,421	19,536
Base gas	32,457	32,457
Land	3,315	3,315
Office equipment	910	861
Automobiles	673	620
	666,806	666,488
Accumulated depreciation	(55,037)	(43,694)
	$611,769	$622,794

Depreciation expense for the period ended August 29, 2014 and years ended December 31, 2013 and 2012 was $11.4 million, $16.9 million and $11.1 million, respectively.

On April 1, 2013, Arcadia sold 1.22 bcf of base gas for $4.9 million, reducing the total base gas from 2.22 bcf to 1.0 bcf. This sale was made in order to reduce the amount of capital invested in base gas through entering into a low-turn storage agreement with Cadeville. The historical cost of the nondepreciable base gas asset was $5.8 million, resulting in a loss on the sale of assets of $0.9 million.

In February 2014, Perryville incurred damage to its first cavern hanging string, an uncemented 8-5/8” tubing string set near the bottom of the cavern that allows for fresh water injection and withdrawal through the tubing. Because this restricts access to the cavern and could cause operational issues in the future, measures were taken to cut and dispose of the damaged string, replacing it with new materials. The total loss on disposal for this damaged hanging string was $2.5 million.

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In March 2014, it was discovered that Arcadia incurred damage to the hanging string in the second cavern. The hanging string was cut and disposed but was not replaced. The total loss on disposal for this damaged hanging string was $0.1 million.

In May 2013, Monroe entered into an agreement to construct an interconnect for Atmos Energy Corporation. This uni-directional interconnect pipeline would be fully funded by Atmos, a firm storage customer at Monroe. Construction was completed and the asset placed in operation in March 2014. The total cost of the interconnect was $0.4 million and is included in long term assets in the consolidated statement of financial position and as a gain on investment in the consolidated statement of operations.

4. Commitments and Contingencies

Leases

The Company has noncancelable operating leases for office space and office equipment. Rental payments for the period ended August 29, 2014 and each of the years ended December 31, 2013 and 2012 was $0.5 million. Future minimum noncancelable lease payments by year as of August 29, 2014, are as follows:

2014	$171
2015	227
2016	55
2017	28
2018	29
Thereafter	50
Total commitments	$560

Litigation

The Company may be subject to claims and litigation arising in the normal course of its business. The Company believes that any current or potential claims or proceedings arising in the normal course of its business will not have a material, adverse effect on its financial position, results of operations or cash flows.

5. Intangible Assets

In connection with the Monroe acquisition in 2011, the Company acquired certain intangible assets. A summary of intangible assets as of August 29, 2014 and December 31, 2013 is as follows:

	Estimated Lives	2014	2013
Pad Gas Lease	4 years	$3,388	$3,388
Ad Valorem Tax Contract	8 years	1,611	1,611
Gas Storage Contracts	1 to 2 years	4,351	4,351
FERC Permit	50 years	500	500
		9,850	9,850
Accumulated amortization		(9,067)	(8,430)
		$783	$1,420

Amortization expense for intangible assets was $0.6 million, $1.8 million and $3.2 million for the period ended August 29, 2014, and years ended December 31, 2013 and 2012, respectively. The estimated future aggregate amortization expense of intangible assets as of August 29, 2014, is set forth below:

(Dollars in thousands, except where otherwise indicated)

2014	$319
2015	10
2016	10
2017	10
2018	10
Thereafter	424
	$783

6. Concentrations

Concentration of Credit Risk

As of August 29, 2014, the Company had cash deposits with financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation. Management believes that any credit risk associated with excess deposits in these financial institutions is minimal.

The Company's principal customers for natural gas storage are natural gas pipeline and natural gas marketing companies. These concentrations of customers may affect the Company's overall credit risk in that certain customers may be similarly affected by changes in economic, regulatory, or other factors. Where exposed to credit risk, the Company analyzes the counterparties' financial condition prior to entering into an agreement, obtains additional financial assurance where possible through guarantees and letters of credit, establishes credit limits, and monitors the appropriateness of those limits on an ongoing basis.

Gas Storage Inventory

At August 29, 2014 and December 31, 2013, the value of gas storage inventory held for others was approximately $110.8 million and $192.9 million, respectively. This balance represents the volume of stored natural gas valued at August 29, 2104 and December 31, 2013, respectively, utilizing the closing prices of various published delivery points. Because the Company does not take title to the gas, the Company's gas storage inventory and park transactions are not recorded in the consolidated statements of financial position.

Significant Customers

Significant customers are those that individually account for more than 10% of the Company's consolidated revenues or accounts receivables. For the period ended August 29, 2014, three customers accounted for approximately 30%, 25% and 12% of the Company's total revenues. At August 29, 2014, four customers accounted for approximately 42%, 14%, 12% and 12% of the Company's accounts receivable. For the year ended December 31, 2013, four customers accounted for approximately 26%, 16%, 14% and 12% of the Company's total revenues. At December 31, 2013, four customers accounted for approximately 41%, 14%, 11% and 11% of the Company's accounts receivable. For the year ended December 31, 2012, four customers accounted for approximately 24%, 16%, 15%, and 12% of the Company's total revenues.

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8. Long Term Debt

A summary of long term debt at August 29, 2014 and December 31, 2013 is as follows:

	2014	2013
Construction loan - Arcadia	$63,816	$69,641
Base gas revolver - Arcadia	13,747	13,747
Construction loan - Perryville	90,360	100,079
Base gas revolver - Perryville	15,575	15,575
Construction loan - Cadeville	98,588	108,639
	282,086	307,681
Less: Current portion	(12,420)	(12,420)
	$269,666	$295,261

On June 30, 2008, Arcadia entered into a $118 million multibank nonrecourse construction and term loan agreement comprised of a $92.5 million construction loan and $25.5 million base gas revolver ("Arcadia facility"). The Arcadia facility matures in 2016. The base gas loan is interest only. The construction loan converted to a five-year term note upon substantial completion of the construction in September 2011. Arcadia began making principal payments on the term loan in 2012. The credit facilities are collateralized with a perfected first priority security interest in the Arcadia assets.

Prior to conversion, the interest rate on the Arcadia construction loan was based on LIBOR, plus 3.25%, set on the date of each advance. Upon conversion to a term loan in September 2011, the interest rate was based on LIBOR, plus 3.00%, set on the date of each advance. Upon the second anniversary of the conversion date, which occurred in September 2013, the interest rate was based on LIBOR, plus 3.25%, set on the date of each advance. The interest rate as of August 29, 2014 was approximately 3.41%.

The interest rate on the base gas revolver fluctuates based on LIBOR, plus 3.25%, set on the date of each advance. The interest rate as of August 29, 2014 was approximately 3.41%.

On May 12, 2010, Perryville entered into a $125 million multibank construction and term loan agreement comprised of a $105 million construction loan and $20 million base gas revolver ("Perryville facility"). The Perryville facility matures in 2018. The base gas loan is interest only. Upon conversion to a term loan at substantial completion in July 2013, the interest rate on the loan was based on LIBOR, plus 3.50%, set on the date of each advance. The interest rate as of August 29, 2014 was approximately 3.66%. The credit facilities are collateralized with a perfected first security interest in the Perryville assets.

In May 2010, Perryville entered into interest rate caps effectively capping LIBOR to 4.0% through 2014 and 6.0% thereafter through 2015. The notional amount changes on a stated monthly basis starting in October 2011 and expires in December 2015. The maximum notional amount is $125 million.

On April 19, 2012, Cadeville entered into a construction and term loan agreement for an aggregate principal amount up to $115 million ("Cadeville facility"). The Cadeville facility matures in 2018. Upon conversion to a term loan at substantial completion in July 2013, the interest rate was based on LIBOR, plus 2.75%, set on the date of each advance. The interest rate as of August 29, 2014 was approximately 2.91%.

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Maturities of long term debt are as follows as of August 29, 2014:

2014	$6,210
2015	12,420
2016	80,734
2017	8,721
2018	174,001
Thereafter	—
	$282,086

9. Derivative Instruments

The Company enters into derivative contracts such as cash flow swaps and call options in an effort to reduce commodity price risk and interest rate fluctuations. Cash flow swaps exchange a variable price for a fixed price, while a call option places a limit on the commodity price of a future purchase or the interest rate applied to debt.
The components of gain (loss) on derivative instruments for the period ended August 29, 2014 and the years ended December 31, 2013 and 2012 are as follows:

	2014	2013	2012
Interest rate	$(47)	$691	$(245)
Natural gas	(698)	(581)	(4,490)
Gain (loss) on derivative instruments	$(745)	$110	$(4,735)

A summary of derivative instruments at August 29, 2014 and December 31, 2013 is as follows:

Transaction Type	Settlement Date	Pricing Terms	Quantity	2014	2013
Natural gas call option	2,345,498 MMBTU on January 31, 2015; 1,286,242 MMBTU on February 15, 2015	Fixed price of $4.50/MMBTU settled against Henry Hub Natural Gas Index	3,631,740 MMBTU	$809	$—
Current assets fair value of derivatives				809	—
Natural gas call option	2,345,498 MMBTU on January 31, 2015; 1,286,242 MMBTU on February 15, 2015	Fixed price of $4.50/MMBTU settled against Henry Hub Natural Gas Index	3,631,740 MMBTU	—	1,507
Interest rate cap	$115 million on December 31, 2015	Fixed rate of 2.00% settled against LIBOR, quarterly LIBOR resets	$115 million	17	52
Interest rate cap	$125 million on December 31, 2015	Cap rate of 4.00% settled monthly through 2014, and Cap rate of 6.00% for 2015	$125 million	—	3
Non-current assets fair value of derivatives				17	1,562

Net fair value of derivatives	$826	$1,562

In December 2010, Arcadia entered into an interest rate swap fixing LIBOR at 1.46% for $35 million notional, accreting by $25 million at December 31, 2011, which settled at $60 million notional at December 31, 2013. In February 2014,

Cardinal Gas Storage Partners, LLC and Subsidiaries
Notes to Consolidated Financial Statements
August 29, 2014 (unaudited) and December 31, 2013
(Dollars in thousands, except where otherwise indicated)

Arcadia paid $8,000 to enter into an interest rate cap for $35 million notional effectively capping LIBOR at 1.00%. The interest rate cap is classified in value of derivative instruments on the consolidated statement of financial position. The cash payment is reflected in the consolidated statements of cash flows, and the change in value of the cap is reflected on the consolidated statements of operations.
On April 19, 2012, Cadeville entered into an interest rate cap agreement effectively capping LIBOR at 2.00% for 100% of the projected outstanding notional under the construction facility. The notional amount changes on a stated monthly basis starting in April 2012 and expires in April 2016. The maximum notional amount is $115 million.
In January 2012, the Company sold natural gas call options for a gain of $0.1 million. These call options had a strike price of $5.00 per mmbtu, a notional quantity of 3,000,000 mmtbu and were scheduled to settle in three equal increments of 1,000,000 mmbtu in March 2014, April 2014, and May 2014. The Company received a cash payment of $0.8 million resulting from this sale which is reflected in the consolidated statements of cash flows. The change in value of the call options is reflected on the consolidated statements of operations.
In July 2011, Perryville sold call options entered into in May 2010 with a strike price of $6.00 and a notional quantity of 4,000,000 mmbtu and purchased call options with a strike price of $5.00 and a notional quantity of 2,500,000 mmbtu. Perryville made a cash payment of $0.6 million for this transaction. These swaps settled in April and May 2013. The change in value of the call options is reflected on the consolidated statements of operations.

On April 19, 2012, Cadeville entered into natural gas call options, settled monthly at the Columbia Gulf Mainline, with a strike price of $4.00 per mmbtu and a notional quantity of 4,000,000 mmbtu. The call options settled in three equal installments of 1,333,333 mmbtu in March, April, and May 2013. The change in value is reflected in derivative instruments on the consolidated statements of operations.
On June 1, 2012, Monroe entered into natural gas call options, settled monthly against Henry Hub, with a strike price of $4.50 per mmbtu and a notional quantity of 3,631,740 mmbtu. These call options settled in two increments of 2,345,498 mmbtu and 1,286,242 mmbtu on January 31, 2015 and February 28, 2015, respectively. The change in value is reflected in derivative instruments on the consolidated statements of operations, and the value of the derivative as of August 29, 2014 and December 31, 2013 is reflected in short term and long term assets, respectively, on the consolidated statements of financial position.
On July 5, 2012, Monroe entered into natural gas call options, settled against Henry Hub, with a strike price of $4.50 per mmbtu and a notional quantity of 2,500,000 mmbtu. These call options settled in two increments of 1,250,000 mmbtu on January 31, 2013 and February 28, 2013. The change in value is reflected in derivative instruments on the consolidated statements of operations.
On July 5, 2012, Monroe entered into natural gas call options, settled against the NYMEX Natural Gas Index, with a strike price of $5.00 per mmbtu and a notional quantity of 2,000,000 mmbtu. These call options settled on January 31, 2013. The change in value is reflected in derivative instruments on the consolidated statements of operations.

9. Member and Related Party Transactions

The Company maintained one class of membership interests that was granted to employees of the Company. Category B membership interests totaling 6.46% of the total membership interests were granted to employees in various dates in 2008, 2009 and 2010. Category B membership interests vest over an average service period of four years. Category B membership participation to receive profit allocations or equity distribution is restricted by certain future triggering events.
MRMC provides payroll processing, IT services, and other general administrative support services to the Company under a Master Services Agreement that expires on April 30, 2016. The Company may terminate the agreement upon 30 days' notice and MRMC may terminate the agreement only if specific events occur during the term of the agreement. The service fee for the period ended August 29, 2014 and each of the years ending December 31, 2013 and

2012 was $0.2 million.

The Company also pays to MRMC a direct cost fee equal to the actual amount incurred that directly benefits the Company. The most significant ongoing portion of the fee is for salary, wages, taxes, and benefits paid by MRMC to the employees of the Company.

The Company paid $13.3 million, $13.2 million and $10.3 million to MRMC under the Master Services Agreement for the period ended August 29, 2014 and years ending December 31, 2013 and 2012, respectively.

Arcadia entered into a Letter Agreement regarding Arcadia's Brine Pond and SWD Wells with Martin Underground Storage, Inc. ("MUS") effective February 12, 2014. The agreement sets forth a sharing of costs for certain repairs and improvements to the Arcadia Brine Pond and connecting the Arcadia Brine Pond to the Martin Brine Pond for bidirectional flow and shared use of the brine. Under the agreement, MUS will contribute 56.67% and Arcadia will contribute 43.33% of the total project cost.

Arcadia entered into a Brine Facilities Lease Agreement with Martin Product Sales LLC ("MPS") effective February 2012 and renewed annually. The agreement allows Arcadia to lease the brine facilities from MPS to process its brine for sale for a monthly rental fee.

The Company entered into a Shared Water Well Services Agreement with MUS effective May 1, 2008, that expires on April 30, 2016. The agreement permits the Company to utilize the fresh water wells owned by MUS to meet the Company's reasonable operation needs. Costs are shared proportionally on water usage.

10. Subsequent Events

On August 29, 2014, Redbird purchased all of the outstanding Term A membership interests of Cardinal from ECP for cash of approximately $120 million. Concurrent with the closing of the transaction, all of the Cardinal subsidiary project level financing was retired. On October 27, 2014, Redbird purchased all of the outstanding Term B membership interests for cash of $1 million. As a result of the acquisition, Redbird owns 100% of the outstanding membership interests in Cardinal. Cardinal merged with and into Redbird, and Redbird subsequently changed its name to Cardinal.

The pad gas lease with Credit Suisse was terminated in December 2014 when Monroe purchased the leased 3.6 bcf of pad gas from Credit Suisse for $13 million.