UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K/A

Amendment No. ~~1~~3

(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

Commission File No. 0-16203

PAR PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**84-1060803** **(I.R.S. Employer Identification No.)**
800 Gessner Road, Suite 875 **Houston, Texas** **(Address of principal executive offices)**	**77024** **(Zip Code)**

Registrant's telephone number, including area code: (281) 899-4800

Securities registered under Section 12(b) of the Act: None

Securities registered under to Section 12(g) of the Act: Common stock, par value $0.01 per share

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

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 ☐ No ☒

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

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

Indicate by check mark 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. ☐

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

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

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

Indicate by check mark whether the registrant has filed all document and reports required to be filed by Sections 12, 13 or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

The aggregate market value of voting common equity held by non-affiliates of the registrant was approximately $55,000,000 based on the closing price of the common stock on the OTCQB Marketplace of $16.30 per share as of June 28, 2013. As of March 26, 2014, 30,159,039 shares of registrant’s Common Stock, $0.01 par value, were issued and outstanding.

Documents Incorporated By Reference

None.

EXPLANATORY NOTE

Par Petroleum Corporation (the “Company,” “we,” “our,” and “us”) is filing this Amendment No. ~~1~~3 to Annual Report on Form 10-K/A (this “Amended Form 10-K”) to amend its Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as originally filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 31, 2014~~ (the ~~, and amended by Amendment No. 1on Form 10-K/A filed with the SEC on April 29, 2014 and Amendment No. 2 on Form 10-K/A filed with the SEC on May 30, 2014 (collectively, the “Original Form 10-K”), solely ~~to (i) correct the date of the report of EKS&H LLLP, with respect to the consolidated balance sheet of Par Petroleum Corporation and subsidiaries as of December 31, 2012 and the related consolidated statements of operations and comprehensive loss, changes~~ in ~~equity, and cash flows for the period~~response to comments received from ~~September 1, 2012 through December 31, 2012 (~~the staff of the SEC. In response to the comments, the ~~“EKS&H Report”) and (ii) include the information required by Items 10 through 14 of Part III of Form 10-K (the “Part III Information”). The EKS&H Report, which appeared on page F-3 of the Original Form 10-K, was incorrectly dated “March 27, 2012, except for Note 14, as to which the date is March 31, 2014” instead of “March 27, 2013, except for Note 14, as to which the date is March 31, 2014.” The Part III Information was previously omitted from~~Company amended the Original Form 10-K to (i) expand its disclosure regarding the compensation paid to a consulting firm for the services of two named executive officers during the years ended December 31, 2012 and 2013, (ii) explain the differences in ~~reliance on General Instruction G(3) to Form 10-K, which permits ~~the salaries received during 2013 by the ~~information in Part III to be incorporated by reference from an amendment to~~named executive officers and (iii) file as exhibits its employment offer letters and award notices of restricted stock with certain named executive officers and its agreement with Conway MacKenzie Management Services, LLC. In addition, the ~~Original Form 10-K filed no later than 120 days after~~Company has amended the ~~end of ~~summary of William Monteleone’s employment arrangement to correct an error in the ~~fiscal year covered by the Original Form 10-K. The Company is filing this Amended Form 10-K to include the Part III Information. The reference on the cover of the Original Form 10-K to the incorporation by reference from an amendment to the Original Form 10-K is hereby deleted.~~disclosure regarding his annual salary.

In accordance with Rule 12b-15 under the Securities and Exchange Act of 1934, as amended, Item ~~8 of Part II of the Original Form 10-K, Items 10 through 14~~11 of Part III of the Original Form 10-K, and Item 15 of Part

IV of the Original Form 10-K are hereby amended and restated in their entirety. This Amended Form 10-K does not amend or otherwise update any other information in the Original Form 10-K. Accordingly, this Amended Form 10-K should be read in conjunction with the Original Form 10-K and with our subsequent filings with the SEC. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Original Form 10-K.

PART III

~~**Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**~~

~~Financial statements begin on page F-1. There are no financial statement schedules since they are either not applicable or the information is included in the notes to the financial statements.~~

~~**PART III**~~

~~**Item 10. Directors and Executive Officers and Corporate Governance**~~

~~**Executive Officers and Directors**~~

~~Our current executive officers and members of our Board of Directors (the "Board"), and their respective ages, are as follows:~~

~~Name~~	~~Age~~	~~Position~~
~~William Monteleone~~	~~30~~	~~Chairman of the Board of Directors and Chief Executive Officer~~
~~Jacob Mercer(1)~~	~~38~~	~~Director~~
~~Benjamin Lurie(1)~~	~~31~~	~~Director~~
~~Michael R. Keener(2)~~	~~54~~	~~Director~~
~~L. Melvin Cooper(2)~~	~~60~~	~~Director~~
~~Peter Coxon~~	~~50~~	~~Chief Operating Officer~~
~~Christopher Micklas~~	~~46~~	~~Chief Financial Officer~~
~~Brice Tarzwell~~	~~65~~	~~Chief Legal Officer~~

~~(1) Member of the Compensation Committee.~~
~~(2) Member of the Audit Committee.~~

~~*William Monteleone* has served as a director since August 2012 and as the Company's Chief Executive Officer since June 2013. Mr. Monteleone joined Equity Group Investments ("EGI") as an Associate in 2008 and has continued serving EGI in a limited role since becoming our Chief Executive Officer. Previously, Mr. Monteleone worked for Banc of America Securities LLC from 2006 to 2008 where he was involved in a variety of debt capital raising transactions, including leveraged buyouts, corporate-to-corporate acquisitions and other debt financing activities. At EGI, he is responsible for evaluating potential new investments and monitoring existing investments. In addition to our Board, Mr. Monteleone serves on the Board of Directors for the following privately held companies: Wapiti Oil and Gas, LLC and Kuwait Energy Company. Mr. Monteleone graduated magna cum laude from Vanderbilt University with a bachelor's degree. Mr. Monteleone was elected to the Board pursuant to the Stockholders Agreement described under " Corporate Governance" below.~~

~~*Jacob Mercer* has served as a director since August 2012. Mr. Mercer joined Whitebox Advisors, LLC ("Whitebox") in October 2007 and is a Senior Portfolio Manager focusing on distressed and high yield investments. Previously, Mr. Mercer worked for Xcel Energy (XEL) from July 2005 to October 2007 as Assistant Treasurer and Managing Director. Prior to that, he worked at Piper Jaffray as a Senior Credit Analyst and Principal and at Voyageur Asset Management as a Credit Analyst. In addition, Mr. Mercer served as a Logistics Officer in the United States Army. Mr. Mercer holds a BA in both Business Management and Economics from St. John's University. He holds the Chartered Financial Analyst designation. Mr. Mercer also serves on the Board of Directors for the following privately held companies: ES Purchaser LLC, since January 2012, Sunshine Enterprises Ltd., since November 2011, Platinum Energy Solutions since October 2013 and Piceance Energy, LLC since September 2013. Mr. Mercer also has served on the Board of Directors of Ceres Global Ag Corp. since September 2013. Mr. Mercer was elected to the Board pursuant to the Stockholders Agreement described under " Corporate Governance" below.~~

~~*Benjamin Lurie* has served as a director since August 2012. Mr. Lurie is an Associate at EGI having joined in 2011. Prior to joining the firm in 2011, Mr. Lurie worked at Lurie Investments evaluating and developing new and existing business opportunities ranging from technology to services to real estate from January 2006 to December 2010. At EGI, Mr. Lurie is responsible for evaluating potential new investments and monitoring existing investments. He holds a master's degree in business administration from INSEAD, and a postgraduate certificate from the United Nations University. He received dual bachelor's degrees from the University of Wisconsin-Madison. He holds the Charted Financial Analyst designation. Mr. Lurie was elected to the Board pursuant to the Stockholders Agreement described under " Corporate Governance" below.~~

~~*Michael Keener* has served as a director since August 2012. Mr. Keener has over 30 years of experience in the energy sector. Since January 2011, Mr. Keener has served as a Principal of KP Energy, providing mezzanine debt, private equity and direct asset ownership primarily with exploration and production companies in North America. Prior to joining KP Energy, Mr. Keener worked as a Managing Director in the energy team of Imperial Capital LLC from October 2009 until December 2010. From February 2003 until their acquisition by Imperial Capital in October 2009, Mr. Keener served as Principal and Managing Director of Petrobridge Investment Management, LLC. From 1981 to 2003, Mr. Keener served in a number of roles in Royal Dutch Shell PLC including as Director and Vice President of Shell Capital and Financial Advisor to Shell Offshore. Mr. Keener also has served on the Board of Directors of Dune Energy (OTC Bulletin Board: DUNR) since January 2012. Mr. Keener holds a degree in Business Administration from Bloomsburg University and a Masters of Business Administration from Loyola University. Mr. Keener has extensive financial and operating experience, and his background, prior experiences, professional credentials and expertise qualify him to serve as one of our Audit Committee financial experts and a director.~~

~~*L. Melvin Cooper* has served as a director since August 2012 and as the chairman of the audit committee of the Board since October 2012. Currently, Mr. Cooper serves as the Senior Vice President and Chief Financial Officer of Forbes Energy Services Ltd. (NASDAQ Global Market: FES), a public company in the energy services industry. Prior to joining Forbes in 2007, Mr. Cooper served as Senior Vice President and Chief Financial Officer of Cude Oilfield Contractors, Inc., beginning in 2007. From 2004 to 2007, Mr. Cooper served as President of SpectraSource Corporation, a supplier of products and services to the new home building industry. From 2000 to 2004, Mr. Cooper served as President of Cerqa, the supply chain management division of Nationwide Graphics, Inc., a national printing and supply chain management company where Mr. Cooper formerly served as Senior Vice President and Chief Financial Officer. Mr. Cooper has also served as President or CFO of various companies involved in telecommunications, nutritional supplements, water purification, scrap metal, drilling fluids, and natural gas marketing. In 2011, Mr. Cooper received the Board Leadership Fellow designation from the National Association of Corporate Directors ("NACD") where he is also a member of the Board of Directors of the NACD Houston area Tri-City Chapter. Mr. Cooper earned a degree in accounting from Texas A&M University-Kingsville (formerly Texas A&I) in 1975. Mr. Cooper has been a Certified Public Accountant since May 1977. Mr. Cooper's extensive experience in the energy industry as well as his financial background brings significant additional operating, financial and management experience to the Board.~~

~~*Peter Coxon* has served as the Company's Chief Operating Officer since June 2013, and has served as the President of Texadian Energy, Inc., a wholly owned subsidiary of the Company formerly known as SEACOR Energy Inc. prior to its acquisition by us, since January 2013. From March 2007 until December 2012, Mr. Coxon was the President of SEACOR Energy Inc. and prior to that Mr. Coxon was the Vice President of SEACOR Holdings, where he led SEACOR's vessel design and construction, chartering, IT, business development and M&A activities. Mr. Coxon has also served as the President of Illinois Corn Processing Holdings LLC and Vice President of Illinois Corn Processing LLC. Mr. Coxon previously served on the boards of directors of multiple companies, and as a director representing the American Hotel & Motel Association in Washington. Earlier in his career, Mr. Coxon worked for the Atlantic Richfield Company (ARCO), where he was involved in a variety of domestic and international upstream, downstream, and transportation assignments. He holds two post-graduate degrees from the~~

~~Massachusetts Institute of Technology as well as an MBA in finance from the University of Southern California, and is a graduate of the United States Coast Guard Academy and served as an officer in the U.S. Coast Guard.~~

~~*Christopher Micklas* has served as the Company's Chief Financial Officer since December 2013. Mr. Micklas served in the Chief Operating Office of Global LNG Finance at BG Group Plc from 2010 to November 2013, as Chief Financial Officer of Ennis Paint from 2008 to 2010 and in various roles with Shell Oil Company from 2001 to 2008, including most recently as Finance Director, US Downstream from 2006 to 2008.~~

~~*Brice Tarzwell* has served as the Company's Chief Legal Officer since June 2013. Prior to that, he was a partner at Bracewell & Giuliani LLP for six years. Previously, Mr. Tarzwell was a partner at Winstead PC. He holds a bachelor's degree from Arizona State University and a juris doctorate from the University of Oklahoma College of Law.~~

~~Code of Ethics~~

~~The Board has adopted a code of business conduct and ethics. The code applies to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), directors and consultants. The full text of our code of business conduct and ethics is posted on our website at www.ppetrol.com/Governance. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website.~~

~~Corporate Governance~~

~~The Board is composed of five members. Under our stockholders agreement dated effective August 31, 2012 (the "Stockholders Agreement"), certain of our stockholders have the right to designate members of the Board.~~

~~Whitebox and its affiliates may designate two individuals in the two-year period following our emergence from bankruptcy on August 31, 2012 (the "Emergence Date"), and after such two-year period, Whitebox may designate two (2) individuals so long as Whitebox or its affiliates hold at least ten percent (10%) of the outstanding shares of our common stock and one (1) individual so long as Whitebox or its affiliates hold at least five percent (5%) but less than ten percent (10%) of the outstanding shares of our common stock (collectively, the "Whitebox Designees"). In the event that Whitebox or its affiliates no longer hold at least five percent (5%) of the outstanding shares of our common stock, the Whitebox Designees shall be designated by holders of a majority of the outstanding shares of our common stock.~~

~~Zell Credit Opportunities Fund, L.P. ("ZCOF") and its affiliates may designate two individuals designated by ZCOF in the two-year period following the Emergence Date, and after such two-year period, ZCOF may designate two (2) individuals so long as ZCOF or its affiliates hold at least ten percent (10%) of the outstanding shares of our common stock and one (1) individual so long as ZCOF or its affiliates hold at least five percent (5%) but less than ten percent (10%) of the outstanding shares of our common stock (collectively, the "ZCOF Designees"). In the event that ZCOF or its affiliates no longer hold at least five percent (5%) of the outstanding shares of our common stock, the ZCOF Designees shall be designated by holders of a majority of the outstanding shares of our common stock.~~

~~One individual (the "Independent Designee") shall be designated jointly by Whitebox, ZCOF and Waterstone Capital Management, L.P. ("Waterstone"), so long as Whitebox, ZCOF and Waterstone and/or their affiliates collectively hold at least twenty percent (20%) of the outstanding shares of our common stock, which Independent Designee shall not be an affiliate of Whitebox, ZCOF or Waterstone. In the event that Whitebox, ZCOF and Waterstone are no longer collectively holders of at least twenty percent (20%) of the outstanding shares of our common stock, then the Independent Designee shall be designated by holders of a majority of the then outstanding shares of our common stock. In addition, in the event that any of Whitebox, ZCOF or Waterstone (together with its affiliates) individually no longer holds at least five percent (5%) of the shares of our common stock, then such~~

~~person shall no longer be entitled to jointly designate the Independent Designee, which Independent Designee shall thereafter be designated by the remaining persons who are still entitled to appoint the Independent Designee.~~

~~To the extent that any of the above as to Whitebox, ZCOF or Waterstone shall not be applicable, any member of the Board who would otherwise have been designated in accordance with the terms thereof shall instead be voted upon by all of our stockholders entitled to vote thereon in accordance with our certificate of incorporation.~~

~~Messrs. Monteleone and Lurie are the ZCOF Designees, Messrs. Mercer and Cooper are the Whitebox Designees and Mr. Keener is the Independent Designee.~~

~~The Board has established the Audit and Compensation Committees as its standing committees. During 2013, the members of the Audit Committee were Messrs. Keener and Cooper. The Board has determined that Messrs. Keener and Cooper are both audit committee financial experts under Item 407(d) of Regulation S-K of the SEC. Under applicable rules promulgated by the SEC and the New York Stock Exchange (although our common stock is not listed on the New York Stock Exchange), all of the members of the Audit and Compensation Committees are independent. During 2013, the members of the Compensation Committee were Messrs. Monteleone, Mercer and Lurie until Mr. Monteleone was appointed Chief Executive Officer, and thereafter the members of the Compensation Committee were Messrs. Mercer and Lurie.~~

~~Our bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to the Board at our Annual Meeting of Stockholders. We do not have a formal policy concerning stockholder nominations of individuals to stand for election to the Board, other than the provisions contained in our bylaws and the Stockholders Agreement. Since our emergence from bankruptcy and except as provided in the Stockholders Agreement, we have not received any recommendations from stockholders requesting that the Board consider a candidate for inclusion among the slate of nominees in any year, and therefore we believe that no formal policy, in addition to the provisions contained in our bylaws and the Stockholders Agreement, concerning stockholder recommendations is needed.~~

~~Our bylaws provide that nominations for the election of directors may be made by any stockholder entitled to vote in the election of directors. To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not less than ninety days nor more than one hundred twenty days prior to the date of the meeting; provided, however, that in the event that public disclosure of the date of the meeting is first made less than one hundred days prior to the date of the meeting, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such public disclosure of the date of the meeting was made. To be in proper written form, a stockholder's notice regarding nominations of persons for election to the Board must set forth (a) as to each proposed nominee, (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class or series and number of shares of our capital stock which are owned beneficially or of record by the nominee and (iv) any other information relating to the nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice, (i) the name and record address of such stockholder, (ii) the class or series and number of shares of our capital stock which are owned beneficially or of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.~~

~~**Section 16(a) Beneficial Ownership Reporting Compliance**~~

~~Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our executive officers, directors and persons who beneficially own more than ten percent (10%) of a registered class of our equity securities, to file initial reports of ownership of our securities and reports of changes in ownership of our securities with the SEC.~~

~~Based solely on a review of the copies of such reports furnished to us by our officers, directors, and persons who beneficially own more than ten percent (10%) of our common stock, and their written representations that such reports accurately reflect all reportable transactions, the following reports were not timely filed for fiscal year 2013: Randall Ludden was late in filing one Form 3, William Haywood was late in filing one Form 3 and one Form 4 disclosing one transaction, Waterstone Market Neutral Master Fund, Ltd. was late in filing one Form 4 disclosing two transactions, Whitebox Advisors LLC was late in filing one Form 4 disclosing one transaction and William Monteleone was late in filing one Form 4 disclosing one transaction.~~

Item 11. Executive Compensation

In connection with our emergence from bankruptcy on August 31, 2012, John T. Young, Jr. was engaged as our Chief Executive Officer until June 2013 and R. Seth Bullock was engaged as our Chief Financial Officer until December 2013. Messrs. Young and Bullock were our only executive officers until the assembly of our management team during 2013. Messrs. Young and Bullock ~~a~~were also employees of Conway MacKenzie Management Services, LLC ("Conway MacKenzie"), with whom we ha~~ve~~d a management and financial advisory services agreement dated November 8, 2011. During 2013, we hired Messrs. Monteleone, Coxon, Micklas and Tarzwell to serve as our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Legal Officer, respectively.

The current members of the Compensation Committee of the Board did not serve on the Compensation Committee prior to our emergence from bankruptcy on the Emergence Date. Pursuant to the charter of the Compensation Committee adopted subsequent to our emergence from bankruptcy, it is the duty of the Compensation Committee to, among other things, develop and approve our compensation philosophy and objectives, review and determine the amount and mix of total compensation of our executive officers, develop, administer and review our employment agreements, incentive plans and other compensation programs, and oversee the risk assessment of our compensation arrangements.

We have recently completed the assembly of our management team and are in the process of developing our compensation philosophies and compensation objectives and policies.

Summary Compensation

The following table sets forth information regarding compensation earned during the last two fiscal years by our Chief Executive Officer, our Chief Operating Officer, our Senior Vice President and Chief Legal Officer and our former Chief Executive Officer (the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Non-Equity IncentivePlan Compensation ($)	All Other Compensation ($)(2)	Total ($)
William Monteleone - Chief Executive Officer (3)	2013	$ 61,364	-	-	-	$ 15,000	$ 76,364
Peter Coxon - Chief Operating Officer (4)	2013	$290,143	$839,983	$328,378	-	$ 36,285	$1,494,789

Brice Tarzwell - Chief Legal Officer (4)	2013	$145,833	-	-	-	$ 521	$ 146,354
John T. Young – Former Chief Executive Officer (5)	2013	-	-	-	-	$ -	$ -
	2012	-	-	-	-	$ -	$ -
R. Seth Bullock - Former Chief Financial Officer (6)	2013	-	-	-	-	$ -	$ -
	2012	-	-	-	-	$ -	$ -

(1) These amounts shown represent the aggregate grant date fair value for stock awards granted to the Named Executive Officers computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in “Note 14 – Stockholders’ Equity” to our audited financial statements for the fiscal year ended December 31, 2013 included in our 2013 Annual Report on Form 10-K filed with the SEC on March 31, 2014.

(2) Amounts represent matching contributions made by the Company under its 401(k) plan and $15,000 in living expenses for Mr. Monteleone.

(3) Mr. Monteleone was appointed our Chief Executive Officer on June 17, 2013~~.~~ although he was not compensated for that position until September of 2013. See “- Employment Agreements.” The information regarding compensation earned by Mr. Monteleone as our Chief Executive Officer in this table does not include compensation paid to him for services as a non-employee director before ~~such appointment~~September 2013, which is reflected in the “Director Compensation” table below.

(4) Messrs. Coxon and Tarzwell were appointed our Chief Operating Officer and Chief Legal Officer, respectively, on June 17, 2013 and June 3, 2013. Mr. Coxon’s compensation includes all amounts paid to him during 2013, including in his capacity as President of Texadian Energy, Inc.

(5) During 2012 prior to July 19, 2012, Mr. Young served as our Chief Restructuring Officer pursuant to our agreement with Conway MacKenzie as described above. Mr. Young was appointed as our Chief Financial Officer on July 19, 2012 and then as our Chief Executive Officer effective August 31, 2012 upon our emergenc~~y~~e from bankruptcy. We paid Conway MacKenzie for the services provided by Mr. Young as described above, and as such, he did not receive any salary or other compensation directly from us. Mr. Young resigned from all positions with us effective as of June 17, 2013. During 2012 and 2013, we paid Conway MacKenzie $930,833 and $179,392 respectively, for services rendered to us by Mr. Young based on approximately 1,692 and 326 hours provided, respectively, at the rate of $550 per hour.

(6) From July 2012 through August 2012, Mr. Bullock served as our Treasurer pursuant to our agreement with Conway MacKenzie as described above. Mr. Bullock was appointed as our Chief Financial Officer effective August 31, 2012 upon our emergence from bankruptcy. We paid Conway MacKenzie for the services provided by Mr. Bullock as described above, and as such, he did not receive any salary or other compensation directly from us. Mr. Bullock resigned from all positions with us effective as of December 9, 2013. During 2012 and 2013, we paid Conway MacKenzie $1,007,261 and $866,844 respectively, for services rendered to us by Mr. Bullock based on approximately 2,518 and 2,167 hours provided, respectively, at the rate of $400 per hour.

Narrative Disclosure to Summary Compensation Table

See “– Employment Agreements” below for a discussion of the employment arrangements with our Named Executive Officers. See the footnotes to the Summary Compensation Table for narrative disclosure with respect to that table.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information with respect to the market value of all unvested share awards held by each Named Executive Officer as of December 31, 2013.

	Stock Awards	
Name	Number of shares or units	Market value of number

	of stock that have not vested (#)	of shares or units of stock that have not vested ($) (1)
William Monteleone	25,898	$ 577,547
Peter Coxon	109,578	$ 2,443,611
Brice Tarzwell	10,868	$ 242,356

(1) Market value based on closing price of $22.30 on December 31, 2013, as adjusted for the one-for-ten (1:10) reverse stock split of the Company's common stock, effective for trading purposes on January 29, 2014.

Employment Agreements

On September 25, 2013, the Company entered into an "at will" employment arrangement with William Monteleone, the Company's Chief Executive Officer. Mr. Monteleone is entitled to receive an annual base salary of $2~~5~~00,000 paid no less frequently than on a semi-monthly basis in accordance with Company payroll practices. Mr. Monteleone's compensation will be reviewed annually. Mr. Monteleone is also eligible for an annual performance bonus as may be awarded in the sole discretion of the Board.

On September 25, 2013, Mr. Monteleone was granted $250,000 in restricted Company common stock pursuant to the 2012 Long Term Incentive Plan (the "Plan"). In addition, Mr. Monteleone was granted $250,000 in restricted Company common stock under the Plan on December 31, 2013. In each case, the actual number of shares granted was determined based on the average volume weighted average price of the Company's common stock for the 60 days immediately preceding the date of grant. Subject to the terms thereof, these restricted stock grants will vest ratably over a 5-year period on each anniversary of the date of grant with 100% accelerated vesting for certain events such as a change in control of the Company.

Mr. Monteleone is also eligible to participate in any benefit plans that may be offered from time to time by the Company to its employees generally and in the Company's 401(k) plan, in each case subject to his satisfaction of the applicable eligibility provisions. Mr. Monteleone is also entitled to airfare between Chicago and Houston and $2,500/month of living expenses.

On December 31, 2012, the Company entered into an "at will" employment arrangement with Peter Coxon, the Company's Chief Operating Officer. Mr. Coxon is entitled to receive an annual base salary of $250,000 paid no less frequently than on a semi-monthly basis in accordance with the Company's payroll practices. Mr. Coxon's compensation will be reviewed annually. On March 14' 2014, Mr. Coxon's base salary was increased to $350,000. In connection with his salary increase, Mr. Coxon was paid $40,143 as additional salary for 2013.

On December 31, 2012, Mr. Coxon was granted $1,500,000 in restricted Company common stock under the Plan. The actual number of shares granted was determined based on the average volume weighted price of the Company's common stock for the 60 days immediately preceding the date of grant. The restricted stock grant vests ratably over a 5-year period on each anniversary of the grant with 100% accelerated vesting for certain events such as a change in control of the Company.

For the year ended December 31, 2013, Mr. Coxon was also eligible to participate in a 20% profit sharing program focusing on our commodity marketing and logistics business with the allocation of his bonus determined upon his performance and contributions to the profitability of that segment. In March 2014, he received a bonus payment of $839,983 related to 2013 performance.

Mr. Coxon is also eligible to participate in any benefit plans that may be offered from time to time by the Company to its employees generally and in the Company's 401(k) plan, in each case subject to his satisfaction of the applicable eligibility provisions.

On May 22, 2013, the Company entered into an "at will" employment arrangement with Mr. Tarzwell, pursuant to which Mr. Tarzwell is entitled to receive an annual base salary of $250,000 paid in accordance with Company payroll practices. Mr. Tarzwell is also eligible for an annual performance bonus, based on the discretion of the Compensation Committee of the Board.

On May 22, 2013, Mr. Tarzwell was granted $175,000 in restricted Company common stock under the Plan. In addition, Mr. Tarzwell will be granted $175,000 in restricted Company common stock under the Plan upon completing one year of employment. In each case, the actual number of shares granted will be determined based on the average volume weighted average price of the Company's common stock for the 60 days immediately preceding the date of grant. Subject to the terms thereof, these restricted stock grants will vest on the 24-month anniversary of the commencement of Mr. Tarzwell's employment with 100% accelerated vesting for certain events such as a change in control of the Company.

Mr. Tarzwell is also eligible to participate in any benefit plans that may be offered from time to time by the Company to its employees generally and in the Company's 401(k) plan, in each case subject to his satisfaction of the applicable eligibility provisions.

Potential Payments upon Termination or Change in Control

The shares of restricted stock granted to Messrs. Monteleone, Coxon and Tarzwell under the Plan will automatically vest in their entirety upon certain events such as a change of control or a termination of their employment due to death, disability or without cause.

The following tables further describe the potential payments upon termination or a change in control for Messrs. Monteleone, Coxon and Tarzwell.

William Monteleone
Chief Executive Officer

Executive Benefits and Payments Upon Termination(1)	Voluntary Termination ($)	For cause terminated ($)	Involuntary Not for Cause Termination ($)	Death or Disability ($)	Retirement ($)	After a Change in Control ($)
Long-Term Equity Incentives						
Restricted Stock (Unvested and Accelerated)(2)	-	-	577,547	577,547	-	577,547
Total	-	-	577,547	577,547	-	577,547

Peter Coxon
Chief Operation Officer

Executive Benefits and Payments Upon Termination(1)	Voluntary Termination ($)	For cause terminated ($)	Involuntary Not for Cause Termination ($)	Death or Disability ($)	Retirement ($)	After a change in Control ($)
Long-Term Equity Incentives						
Restricted Stock (Unvested and Accelerated)(2)	-	-	2,443,611	2,443,611	-	2,443,611
Total	-	-	2,443,611	2,443,611	-	2,443,611

Brice Tarzwell
Chief Legal Officer and Senior Vice President

Executive Benefits and Payments Upon Termination(1)	Voluntary Termination ($)	For cause terminated ($)	Involuntary Not for Cause Termination ($)	Death or Disability ($)	Retirement ($)	After a change in Control ($)

Long-Term Equity Incentives						
Restricted Stock (Unvested and Accelerated)(2)	-	-	242,356	242,356	-	242,356
Total	-	-	242,356	242,356	-	242,356

(1) For purposes of this analysis, the Company assumed the effective date of termination is December 31, 2013 and that the price per share of our common stock on the date of termination is $22.30 per share, the closing price on December 31, 2013 as adjusted for the one-for-ten (1:10) reverse stuck split of our common stock effective for trading purposes on January 24, 2014.

(2) Pursuant to the terms of the Plan and incentive agreements thereunder, under "Involuntary Not for Cause Termination," "Death or Disability" or "After a Change in Control," all restrictions and conditions on shares of restricted stock will be deemed satisfied and will be fully vested on the date of termination of employment or the date immediately preceding a "change in control."

Director Compensation

The following table sets forth a summary of the compensation that we paid to our non-employee directors in 2013:

Name	Fees Earned or Paid In Cash ($)	Stock Awards ($)(1)	Total ($)
Jacob Mercer	-	-	$ -
Benjamin Lurie (2)	-	$ 90,323	$ 90,323
Michael Keener	$ 55,000	$ 27,470	$ 82,470
L. Melvin Cooper	$ 65,000	$ 27,470	$ 92,470
Will Monteleone (3)	-	$ 76,198	$ 76,198

(1) These amounts reflect the aggregate grant date fair value, calculated in accordance with FASB ASC Topic 718, of awards pursuant to the Incentive Plan. Assumptions used in the calculation of these amounts are included in "Note 14– Stockholders' Equity" to our audited financial statements for the fiscal year ended December 31, 2013 included in our 2013 Annual Report on Form 10-K filed with the SEC on March 31, 2014.

(2) Mr. Lurie elected to receive his annual retainer in shares of common stock, rather than cash, and as such, an additional 3,418 shares of common stock were issued to him in lieu of cash.

(3) Mr. Monteleone was appointed our Chief Executive Officer on June 17, 2013. The information regarding compensation earned by Mr. Monteleone as a non-employee director in this table does not include compensation paid to him for services as our Chief Executive Officer, which is reflected in the "Summary Compensation" table above. Mr. Monteleone elected to receive his annual retainer in shares of common stock, rather than cash, and as such, an additional 2,756 shares of common stock were issued to him in lieu of cash. Mr. Monteleone did not receive any compensation for his service as a director after his appointment as our Chief Executive Officer.

In December 2012, we approved a compensation plan for our non-employee directors. Our non-employee directors receive an annual retainer of $50,000, paid quarterly in cash or shares of our common stock at the election of the director. In addition, the Chairman of the Audit Committee receives an additional annual retainer of $15,000 and the members of the Audit Committee (other than the Chairman) receive an annual retainer of $5,000, such retainers paid quarterly in cash or shares of our common stock at the election of the director. There are no fees for the members of any other committee or for attendance at meetings. Our non-employee directors are also entitled to receive an annual grant of restricted stock at the end of each calendar year with a target value of $75,000, with the number of shares determined by the 60-day volume weighted average share price as of the day prior to December 31 of that calendar year. Mr. Mercer waived his right to receive any of the compensation described in this paragraph in

2013. Mr. Keener and Mr. Cooper both received awards of 2,289 shares of common stock for their service in 2013. Messrs. Monteleone and Lurie elected to receive their annual retainer in shares of common stock, rather than cash, and as such, an additional 2,756 shares and 3,418 shares of common stock were issued to each of them during 2013.

Narrative Disclosure of Compensation Policies and Practices as Related to Risk Management

In accordance with the requirements of Regulation S-K, Item 402(s), to the extent that risks may arise from our compensation policies and practices that are reasonably likely to have a material adverse effect on us, we are required to discuss those policies and practices for compensating our employees (including employees that are not named executive officers) as they relate to our risk management practices and the possibility of incentivizing risk-taking. We have determined that the compensation policies and practices established with respect to our employees are not reasonably likely to have a material adverse effect on us and, therefore, no such disclosure is necessary.

~~Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters~~

~~Security Ownership of Certain Beneficial Owners and Management~~

~~The following table sets forth certain information regarding the beneficial ownership of common stock as of March 31, 2014 of (i) each person who is known by us to own beneficially more than five percent of our outstanding shares of common stock, (ii) each Named Executive Officer, (iii) each of our directors and (iv) all of our directors and executive officers as a group. Unless otherwise noted, the mailing address of each person or entity named below who is known by us to beneficially own more than five percent (5%) of our outstanding shares of common stock is 800 Gessner Road, Suite 875, Houston, Texas 77024.~~

~~Beneficial holders~~	**~~Amount and Nature of Beneficial Ownership~~**~~[1]~~	
	~~Number~~	**~~Percentage~~**
~~5% Stockholders:~~		
~~Zell Credit Opportunities Master Fund, L.P. [2]~~	~~10,118,853~~	~~33.1%~~
~~Whitebox Advisors, LLC[3]~~	~~7,453,812~~	~~24.4%~~
~~Waterstone Capital Management, L.P. [4]~~	~~1,842,892~~	~~6.1%~~
~~IQC Management, LLC [5]~~	~~1,798,561~~	~~6.0%~~
~~Directors and Named Executive Officers:~~		
~~L. Melvin Cooper~~	~~5,822~~	~~*~~
~~Peter Coxon~~	~~126,124~~	~~*~~
~~Michael R. Keener~~	~~5,822~~	~~*~~
~~Benjamin Lurie~~	~~10,766~~	~~*~~
~~Jacob Mercer~~	~~7,012~~	~~*~~
~~Christopher Micklas~~	~~13,433~~	~~*~~
~~William Monteleone~~	~~32,469~~	~~*~~
~~Brice Tarzwell~~	~~12,093~~	~~*~~

~~John Young~~	~~—~~	~~—~~
~~All directors and executive officers as a group (8) persons)~~	~~213,541~~	~~0.7%~~

~~* Denotes less than 1% beneficially owned.~~

~~(1) Based on 30,156,038 shares outstanding as of March 31, 2014.~~

~~(2) Information based solely upon the Schedule 13D jointly filed with the SEC on September 30, 2013 by ZCOF, Chai Trust Company, LLC and ZCOF Par Petroleum Holdings, L.L.C. Includes 395,933 shares of common stock issuable upon exercise of a warrant issued to ZCOF Par Petroleum Holdings, L.L.C. ZCOF and Chai Trust Company, LLC share voting and dispositive power over all of the shares. The address of these entities is Two North Riverside Plaza, Suite 600, Chicago, Illinois 60606.~~

~~(3) Information based solely upon the Schedule 13D/A jointly filed with the SEC on October 3, 2013 by Whitebox, Whitebox Asymetric Advisors, LLC, Whitebox Asymmetric Partners, L.P., Whitebox Multi-Strategy Advisors, LLC, Whitebox Multi-Strategy Partners, L.P., Whitebox Credit Arbitrage Advisors, LLC, Whitebox Credit Arbitrage Partners, L.P., Whitebox Concentrated Convertible Arbitrage Advisors, LLC, Whitebox Concentrated Convertible Arbitrage Partners, L.P., Pandora Select Advisors, LLC, Pandora Select Partners, L.P., Whitebox Special Opportunities Advisors, LLC., Whitebox Special Opportunities Fund, LP – Series O, Whitebox Institutional Partners, LP., and Whitebox Tactical Opportunities Fund, a series of Whitebox Mutual Funds a Delaware Statutory Trust. Includes 332,657 shares of common stock issuable upon exercise of a warrant issued to WB Delta, LTD. The address of Whitebox is 3033 Excelsior Blvd., Minneapolis, MN 55416.~~

~~(4) This information is based solely on the Schedule 13G/A jointly filed with the SEC on February 13, 2014 by Waterstone, Waterstone Capital Offshore Advisors, LP, Waterstone Asset Management, LLC and Shawn Bergerson. The address of these entities is 2 Carlson Parkway, Suite 260, Plymouth, Minnesota 55447.~~

~~(5) This information is based solely on the Schedule 13G jointly filed with the SEC on January 13, 2014 by IQC Management LLC, whose address is 394 Pacific Ave, 2nd Floor, San Francisco, CA 94111.~~

~~Plan Information~~

~~Our sole equity-based compensation is the Plan, which has been approved by the Board and by our stockholders. See "Note 14 Stockholders' Equity" to our consolidated financial statements included in our 2013 Annual Report on Form 10-K filed with the SEC on March 31, 2014 for a summary of the material terms of the Plan. The following table sets forth the number of shares of our common stock subject to outstanding awards under the Plan, and the number of shares remaining available for future award grants under the Plan as of December 31, 2013:~~

~~Plan Category~~	~~Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) (1)~~	~~Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)~~	~~Number of Securities Remaining Available for Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)~~
~~Equity compensation plans approved by security holders~~	~~—~~	~~—~~	~~1,025,336~~
~~Equity compensation plans not approved~~	~~—~~	~~—~~	~~—~~

by security holders				
	–	—	—	–
Total	–	—	—	1,025,336

(1) The total number of shares of our common stock that were initially available for awards under the plan was and 1,600,000. As of December 31, 2013, 545,028 shares of restricted stock were issued under the Plan as of December 31, 2013.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Transactions

Services Agreements

On September 17, 2013 (but effective January 1, 2013), we entered into letter agreements (the “Services Agreements”) with Equity Group Investments, an affiliate of ZCOF (“EGI”), and with Whitebox. Pursuant to the Services Agreements, EGI and Whitebox agreed to provide us with ongoing strategic, advisory and consulting services that may include, (i) advice on financing structures and our relationship with lenders and bankers, (ii) advice regarding public and private offerings of debt and equity securities, (iii) advice regarding asset dispositions, acquisitions or other asset management strategies, (iv) advice regarding potential business acquisitions, dispositions or combinations involving us or our affiliates, or (v) such other advice directly related or ancillary to the above strategic, advisory and consulting services as may be reasonably requested by us.

EGI and Whitebox will not receive a fee for the provision of the strategic, advisory or consulting services set forth in the Services Agreements, but may be periodically reimbursed by us, upon request, for (i) travel and out of pocket expenses, provided that in the event that such expenses exceed $50,000 in the aggregate with respect to any single proposed matter, EGI or Whitebox, as applicable, will obtain our consent prior to incurring additional costs, and (ii) provided that we provide prior consent to their engagement with respect to any particular proposed matter, all reasonable fees and disbursements of counsel, accountants and other professionals incurred in connection with EGI’s or Whitebox’s, as applicable, services under the Services Agreements. In consideration of the services provided by EGI and Whitebox under the Services Agreements, we agreed to indemnity each of them for certain losses incurred by them relating to or arising out of the Services Agreements or the services provided thereunder. To date, neither EGI nor Whitebox has received any compensation under the Services Agreements.

The Services Agreements have a term of one year and will be automatically extended for successive one-year periods unless terminated, by either party, at least 60 days prior to any extension date.

Delayed Draw Term Loan Credit Agreement

Certain of our stockholders are lenders under the Loan Agreement and the New Tranche B Loans. For a description of the terms and conditions of the Loan Agreement and the New Tranche B Loans, see “Note 10 – Debt – Delayed Draw Term Loan Credit Agreement” and “Amendment to the Loan Agreement” to our consolidated financial statements included in Item 8 herein.

Warrant Issuance Agreement

Certain of our stockholders who were lenders under the Loan Agreement received Warrants exercisable for shares of common stock in connection with such loan. For a description of the terms and conditions of the Warrants, see “Note 10 – Debt – Warrant Issuance Agreement” to our consolidated financial statements included in Item 8 herein.

~~*Stockholders Agreement*~~

~~Pursuant to the Stockholders Agreement, certain of our stockholders have the right to elect members of the Board, as described under "Part III — Item 10. Directors and Executive Officers and Corporate Governance — Corporate Governance."~~

~~*Review, Approval or Ratification of Transactions with Related Persons*~~

~~The Board has recognized that transactions between us and certain related persons present a heightened risk of conflicts of interest. In order to ensure that we act in the best interests of our stockholders, the Board has delegated the review and approval of related party transactions to the Audit Committee in accordance with our written Audit Committee Charter. After its review, the Audit Committee will only approve or ratify transactions that are fair to us and not inconsistent with the best interests of us and our stockholders. Any director who may be interested in a related party transaction shall recuse himself from any consideration of such related party transaction~~

~~In addition, under the Stockholders Agreement, in the two years following the Emergence Date, we may not consummate either (i) a merger, stock issuance, sale of all or substantially all assets, change of entity, or any similar transaction pursuant to which not all holders of our securities entitled to vote for members of the Board are treated equally or (ii) a transaction with an affiliate, without prior approval from either (1) a majority of such securities not held by Whitebox, ZCOF and Waterstone or their affiliates (the "Required Majority") or (2) the Independent Designee. If such transaction is approved by the Independent Designee without the approval of the Required Majority, we may not consummate any such transaction unless it also receives an opinion from an investment bank or other similar financial advisor that the contemplated transaction is fair, from a financial point of view, to us; provided, however, that such opinion shall only be required (i) for any transaction with a value in excess of $45 million or (ii) for any transaction with an affiliate with a value in excess of $7.5 million. Notwithstanding the foregoing, no such opinion shall be required for any capital contributions used solely to support Par Piceance Energy Equity LLC's potential $60 million in additional capital contributions to Piceance Energy LLC in accordance with the Piceance Energy LLC Agreement, if the timing of such capital contributions makes obtaining such opinion impractical. Certain other identified transactions are also excluded from the above requirements.~~

~~Director Independence~~

~~Our Board has determined each of our directors, except Mr. Monteleone, qualifies as independent directors under applicable rules promulgated by the SEC and the New York Stock Exchange listing standards and has concluded that none of these directors has a material relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.~~

~~Item 14. Principal Accounting Fees and Services.~~

~~KPMG LLP ("KPMG") served as our independent registered public accountants for the period from January 1, 2012 through the Emergence Date. In connection with our emergence from bankruptcy, and as of the Emergence Date, the Audit Committee of the Board engaged EKS&H LLLP ("EKS&H") as our independent registered public accountants for the four months ending December 31, 2012, to audit our consolidated financial statements for the four months ending December 31, 2012, including the review of our quarterly reporting for the one-month period from September 1, 2012 through September 30, 2012, included in the quarter ending September 30, 2012. On December 6, 2013, the Audit Committee of the Board approved of the engagement of Deloitte & Touche LLP ("Deloitte") to serve as our new independent registered public accounting firm and to perform the audit of our consolidated financial statements as of and for the year ended December 31, 2013.~~

~~During those periods in fiscal years 2013 and 2012, Deloitte, EKS&H and KPMG provided services in the following categories and amounts:~~

	~~Deloitte~~	~~EKS&H~~		~~KPMG~~
	~~Fiscal Year Ended December 31, 2013~~	~~Period from 1-Jan through September 30, 2013~~	~~Period from September 1 through December 31, 2012~~	~~Period from January 1 Through December 31, 2012~~
~~Audit fees~~ [~~(1)~~]	~~$ 778,100~~	~~$ 439,570~~	~~$ 150,000~~	~~$ 348,000~~
~~Audit-related fees~~ [~~(2)~~]	~~85,000~~	~~39,069~~	~~6,305~~	~~45,444~~
~~Tax fees~~ [~~(3)~~]	~~—~~	~~—~~	~~—~~	~~1,175,202~~
~~All other fees~~ [~~(4)~~]	~~—~~	~~117,000~~	~~—~~	
~~Total~~	~~$ 863,100~~	~~$ 595,639~~	~~$ 156,305~~	~~$ 1,568,646~~

~~(1) *Audit Fees.* Fees for audit services are for the audits of our annual financial statements and reviews of our quarterly financial statements.~~

~~(2) *Audit Related Fees.* Fees for audit related services are for services reasonably related to the performance of the audit or review of our financial statements and audits of separate financial statements of various consolidated entities.~~

~~(3) *Tax Fees.* Fees for tax services are for services related to tax compliance, tax advice and tax planning.~~

~~(4) *Other fees.* Fees primarily related to the Texadian acquisition.~~

~~**Audit Committee Pre-Approval Policy**~~

~~Our independent registered public accounting firms may not be engaged to provide non-audit services that are prohibited by law or regulation to be provided by it, nor may our independent registered public accounting firms be engaged to provide any other non-audit service unless it is determined that the engagement of the principal accountant provides a business benefit resulting from its inherent knowledge of us while not impairing its independence. Our Audit Committee must pre-approve permissible non-audit services. During each of the periods ended in fiscal years 2013 and 2012, our Audit Committee approved 100% of the non-audit services provided to us by our independent registered public accounting firms.~~

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements.

(2) Financial Statement Schedules. None.
(3) Exhibits.

INDEX TO EXHIBITS

2.1 Third Amended Joint Chapter 11 Plan of Reorganization of Delta Petroleum Corporation and Its Debtor Affiliates dated August 13, 2012. Incorporated by reference to Exhibit 2.1 to the company's Current Report on Form 8-K filed on September 7, 2012.****

2.2 Contribution Agreement, dated as of June 4, 2012, among Piceance Energy, LLC, Laramie Energy, LLC and the company. Incorporated by reference to Exhibit 2.2 to the company's Current Report on Form 8-K filed on June 8, 2012.****

2.3 Purchase and Sale Agreement dated as of December 31, 2012, by and among the company, SEACOR Energy Holdings Inc., SEACOR Holdings Inc., and Gateway Terminals LLC. Incorporated by reference to Exhibit 2.1 to the company's Current Report on Form 8-K filed on January 3, 2013.****

2.4 Membership Interest Purchase Agreement dated as at June 17, 2013, by and among Tesoro Corporation, Tesoro Hawaii, LLC and Hawaii Pacific Energy, LLC. Incorporated by reference to Exhibit 2.4 to the company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, filed on August 14, 2013.****

3.1 Amended and Restated Certificate of Incorporation of the company. Incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K filed on September 7, 2012.

3.2 Certificate of Amendment to the Certificate of Incorporation of the company dated effective September 25, 2013. Incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K filed on September 27, 2014.

3.3 Certificate of Amendment to Amended and Restated Certificate of Incorporation of the company dated January 23, 2014. Incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K filed on January 23, 2014.

3.4 Amended and Restated Bylaws of the company. Incorporated by reference to Exhibit 3.2 to the company's Current Report on Form 8-K filed on September 7, 2012.

4.1 Form of the company's Common Stock Certificate. Incorporated by reference to Exhibit 4.1 to the company's Annual Report on Form 10-K filed on March 31, 2014.

4.2 Stockholders Agreement effective as of August 31, 2012, by and among the company, Zell Credit Opportunities Master Fund, L.P., Waterstone Capital Management, L.P., Pandora Select Partners, LP, Iam Mini-Fund 14 Limited, Whitebox Multi-Strategy Partners, LP, Whitebox Credit Arbitrage Partners, LP, HFR RVA Combined Master Trust, Whitebox Concentrated Convertible Arbitrage Partners, LP and Whitebox Asymmetric Partners, LP. Incorporated by reference to Exhibit 4.2 to the company's Current Report on Form 8-K filed on September 7, 2012.

4.3 Registration Rights Agreement effective as of August 31, 2012, by and among the company, Zell Credit Opportunities Master Fund, L.P., Waterstone Capital Management, L.P., Pandora Select Partners, LP, Iam Mini-Fund 14 Limited, Whitebox Multi-Strategy Partners, LP, Whitebox Credit Arbitrage Partners, LP, HFR RVA Combined Master Trust, Whitebox Concentrated Convertible Arbitrage Partners, LP and Whitebox Asymmetric Partners, LP. Incorporated by reference to Exhibit 4.3 to the company's Current Report on Form 8-K filed on September 7, 2012.

4.4 Warrant Issuance Agreement dated as of August 31, 2012, by and among the company and WB Delta, Ltd., Waterstone Offshore ER Fund, Ltd., Prime Capital Master SPC, GOT WAT MAC Segregated Portfolio, Waterstone Market Neutral MAC51, Ltd., Waterstone Market Neutral Master Fund, Ltd., Waterstone MF Fund, Ltd., Nomura Waterstone Market Neutral Fund, ZCOF Par Petroleum Holdings, L.L.C. and Highbridge International, LLC. Incorporated by reference to Exhibit 4.4 to the company's Current Report on Form 8-K filed on September 7, 2012.

4.5 Form of Common Stock Purchase Warrant dated as of June 4, 2012. Incorporated by reference to Exhibit 4.5 to the company's Current Report on Form 8-K filed on September 7, 2012.

4.6+ Par Petroleum Corporation 2012 Long Term Incentive Plan. Incorporated by reference to Exhibit 4.1 to the company's Registration Statement on Form S-8 filed on December 21, 2012~~.*~~.

10.1 Delayed Draw Term Loan Credit Agreement dated as of August 31, 2012, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jefferies Finance LLC, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K filed on September 7, 2012.

10.2 First Amendment to Delayed Draw Term Loan Credit Agreement, Joinder, Waiver, Consent and Omnibus Amendment Agreement dated as of September 28, 2012, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jefferies Finance LLC, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K filed on March 27, 2013.

10.3 Waiver and Second Amendment to Delayed Draw Term Loan Credit Agreement, Joinder, Waiver, Consent and Omnibus Amendment Agreement dated as of November 29, 2012, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jefferies Finance LLC, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed on March 27, 2013.

10.4 Third Amendment to Delayed Draw Term Loan Credit Agreement, Joinder, Waiver, Consent and Omnibus Amendment Agreement dated as of December 28, 2012, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jefferies Finance LLC, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K filed on January 3, 2013.

10.5 Fourth Amendment to Delayed Draw Term Loan Credit Agreement dated as of April 19, 2013, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jefferies Finance LLC, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K filed on April 22, 2013.

10.6 Fifth Amendment to Delayed Draw Term Loan Credit Agreement dated as of June 4, 2013, by and among the company, the Guarantors party thereto, the lenders party thereto and Jeffries Finance LLC, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.2 to the company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, filed on August 14, 2013.

10.7 Sixth Amendment to Delayed Draw Term Loan Agreement dated as of June 12, 2013, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jeffries Finance, LLC, as administrative agent for the Lenders, Incorporated by reference 10.2 to the company's Current Report on Form 8-K filed on June 17, 2013.

10.8 Seventh Amendment to Delayed Draw Term Loan Agreement dated as of June 17, 2013, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jeffries Finance, LLC, as administrative agent for the Lenders, Incorporated by reference 10.3 to the company's Current Report on Form 8-K filed on June 17, 2013.

10.9 Eighth Amendment to Delayed Draw Term Loan Agreement dated as of June 14, 2013, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jeffries Finance, LLC, as administrative agent for the Lenders, Incorporated by reference 10.1 to the company's Current Report on Form 8-K filed on June 24, 2013.

10.10 Ninth Amendment to Delayed Draw Term Loan Agreement dated as of August 1, 2013, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jeffries Finance, LLC, as administrative agent for the Lenders, Incorporated by reference 10.10 to the company's Registration Statement on Form S-1 filed on November 22, 2013.

10.11 Tenth Amendment to Delayed Draw Term Loan Agreement dated as of September 25, 2013, by and among the company, the Guarantors party thereto, the Lenders party thereto and Jeffries Finance, LLC, as administrative agent for the Lenders, Incorporated by reference 10.8 to the company's Current Report on Form 8-K filed on September 27, 2014.

10.12 Eleventh Amendment to Delayed Draw Term Loan Agreement dated as of January 23, 2014, by and among the company, the Guarantors party thereto, ZCOF Par Petroleum Holdings, L.L.C. and Jeffries Finance, LLC, as administrative agent for the Lenders, Incorporated by reference 10.1 to the company's Current Report on Form 8-K filed on January 23, 2014.

10.13 Amended and Restated Limited Liability company Agreement for Piceance Energy, LLC. Incorporated by reference to Exhibit 10.2 to the company's Current Report on Form 8-K filed on September 7, 2012.

10.14 Credit Agreement dated as of June 4, 2012 among Piceance Energy, LLC, the financial institutions party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Wells Fargo Bank, National Association, as syndication agent. Incorporated by reference to Exhibit 10.3 to the company's Current Report on Form 8-K filed on September 7, 2012.

10.15 First Amendment to Credit Agreement dated August 31, 2012, by and among Piceance Energy, LLC, the financial institutions party thereto, and JPMorgan Chase Bank, N.A. Incorporated by reference to Exhibit 10.4 to the company's Current Report on Form 8-K filed on September 7, 2012.

10.16 Wapiti Recovery Trust Agreement dated August 27, 2012, by and among the company, DPCA LLC, Delta Exploration company, Inc., Delta Pipeline, LLC, DLC, Inc., CEC, Inc., Castle Texas Production Limited Partnership, Amber Resources company of Colorado, Castle Exploration company, Inc. and John T. Young. Incorporated by reference to Exhibit 10.5 to the company's Current Report on Form 8-K filed on September 7, 2012.

10.17 Delta Petroleum General Recovery Trust Agreement dated August 27, 2012, by and among the company, DPCA LLC, Delta Exploration company, Inc., Delta Pipeline, LLC, DLC, Inc., CEC, Inc., Castle Texas Production Limited. Partnership, Amber Resources company of Colorado, Castle Exploration company, Inc. and John T. Young. Incorporated by reference to Exhibit 10.6 to the company's Current Report on Form 8-K filed on September 7, 2012.

10.18 Pledge Agreement dated August 31, 2012, by Par Piceance Energy Equity LLC in favor of Jefferies

Finance LLC. Incorporated by reference to Exhibit 10.7 to the company’s Current Report on Form 8-K filed on September 7, 2012.

10.19 Intercreditor Agreement dated August 31, 2012, by and among JP Morgan Chase Bank, N.A., as administrative agent for the First Priority Secured Parties (as defined therein), Jefferies Finance LLC, as administrative agent for the Second Priority Secured Parties (as defined therein), the company and Par Piceance Energy Equity LLC. Incorporated by reference to Exhibit 10.8 to the company’s Current Report on Form 8-K filed on September 7, 2012.

10.20 Pledge and Security Agreement, dated August 31, 2012, by the company and certain of its subsidiaries in favor of Jefferies Finance LLC. Incorporated by reference to Exhibit 10.9 to the company’s Current Report on Form 8-K filed on September 7, 2012.

10.21 Letter of Credit Facility Agreement dated as of December 27, 2012, by and between the company and Compass Bank. Incorporated by reference to Exhibit 10.2 to the company’s Current Report on Form 8-K filed on January 3, 2013.

10.22± Form of Indemnification Agreement between the company and its Directors and Executive Officers. Incorporated by reference to Exhibit 10.1 to the company’s Current Report on Form 8-K filed on October 19, 2012~~.*~~.

10.23 Uncommitted Credit Agreement dated as of June 12, 2013, by and among Texadian Energy, Inc., Texadian Energy Canada Limited and BNP Paribas. Incorporated by reference to Exhibit 10.1 to the company’s Current Report on Form 8-K filed in June 17, 2013.

10.24 Common Stock Purchase Agreement dated effective as of September 10, 2013, by and among the company and the Purchasers party thereto. Incorporated by reference to Exhibit 10.1 to the company’s Current Report on Form 8-K filed in September 13, 2013.

10.25 Letter Agreement dated as of September 17, 2013 but effective as of January 1, 2013, by and between Whitebox Advisors, LLC and the company. Incorporated by reference to Exhibit 10.18 to the company’s Quarterly Report on Form 10-Q filed on November 14, 2013.

10.26 Letter Agreement dated as of September 17, 2013 but effective as of January 1, 2013, by and between Equity Group Investments and the company. Incorporated by reference to Exhibit 10.17 to the company’s Quarterly Report on Form 10-Q filed on November 14, 2013.

10.27 Framework Agreement dated as of September 25, 2013, by and among Hawaii Pacific Energy, LLC, Tesoro Hawaii, LLC and Barclays Bank PLC. Incorporated by reference to Exhibit 10.1 to the company’s Quarterly Report on Form 80K filed on September 27, 2013.

10.28 Storage and Services Agreement dated as of September 25, 2013, by and among Tesoro Hawaii, LLC and Barclays Bank PLC. Incorporated by reference to Exhibit 10.2 to the company’s Current Report on Form 8-K filed on September 27, 2013.

10.29 Agency and Advisory Agreement dated as of September 25, 2013, by and among Tesoro Hawaii, LLC and Barclays Bank PLC. Incorporated by reference to Exhibit 10.3 to the company’s Current Report on Form 8-K filed on September 27, 2013.

10.30 Inventory First Lien Security Agreement dated as of September 25, 2013, by and among Tesoro Hawaii, LLC and Wells Fargo Bank, N.A, as inventory collateral agent. Incorporated by reference to Exhibit 10.4 to the company’s Current Report on Form 8-K filed on September 27, 2013.

10.31 First Lien Mortgage dated as of September 25, 2013, by and among Tesoro Hawaii, LLC and Wells Fargo Bank, N.A, as inventory collateral agent. Incorporated by reference to Exhibit 10.5 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.32 Intercreditor Agreement dated as of September 25, 2013, by and among Barclays Bank PLC, Wells Fargo Bank, N.A, as inventory collateral agent, Deutsche Bank AG New York Branch, as ABL loan collateral agent and as administrative agent pursuant to the ABL Credit Agreement, Hawaii Pacific Energy, LLC, and Tesoro Hawaii, LLC. Incorporated by reference to Exhibit 10.6 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.33 Membership Interests First Lien Pledge Agreement dated as of September 25, 2013, by and between Hawaii Pacific Energy, LLC and Wells Fargo Bank, N.A, as inventory collateral agent. Incorporated by reference to Exhibit 10.7 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.34 ABL Credit Agreement dated as of September 25, 2013, by and among Tesoro Hawaii, LLC and other borrowers party thereto, Hawaii Pacific Energy, LLC, the Lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and ABL loan collateral agent. Incorporated by reference to Exhibit 10.9 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.35 ABL Loan Second Lien Security Agreement dated as of September 25, 2013, by and between Tesoro Hawaii, LLC and Wells Fargo Bank, National Association, as inventory collateral agent. Incorporated by reference to Exhibit 10.10 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.36 ABL Loan First Lien Security Agreement dated as of September 25, 2013, by and between Tesoro Hawaii, LLC and Deutsche Bank AG New York Branch, as ABL loan collateral agent. Incorporated by reference to Exhibit 10.11 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.37 Second Lien Mortgage dated as of September 25, 2013, by and between Tesoro Hawaii, LLC and Deutsche Bank AG New York Branch, as collateral agent. Incorporated by reference to Exhibit 10.12 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.38 Membership Interests Second Lien Pledge Agreement dated as of September 25, 2013, by and between Hawaii Pacific Energy, LLC and Deutsche Bank AG New York Branch, as ABL loan collateral agent. Incorporated by reference to Exhibit 10.13 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.39 Inventory Second Lien Security Agreement dated as of September 25, 2013, by and between Tesoro Hawaii, LLC and Deutsche Bank AG New York Branch, as collateral agent. Incorporated by reference to Exhibit 10.14 to the company's Current Report on Form 8-K filed on September 27, 2013.

10.40 Environmental Agreement dated as of September 25, 2013, by and among Tesoro Corporation, Tesoro Hawaii, LLC and Hawaii Pacific Energy, LLC. Incorporated by reference to Exhibit 10.16 to the company's Quarterly Report on Form 10-Q filed on November 14, 2013.

10.41 Credit Agreement dated as of November 14, 2013, by and among the company, the Lenders party thereto and Bank of Hawaii, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K filed on November 19, 2013.

10.42 Interim Management and Financial Advisory Services Agreement between Delta Petroleum Corporation and Conway MacKenzie Management Services, LLC dated November 8, 2011.***

10.43+ Employment Offer Letter with William Monteleone dated September 25, 2013.***

10.44+ Employment Offer Letter with Peter Coxon dated December 27, 2012.***

10.45+	Employment Offer Letter with Brice Tarzwell dated May 22, 2013.***
10.46+	Award Notice of Restricted Stock with William Monteleone dated December 31, 2012.***
10.47+	Award Notice of Restricted Stock with William Monteleone dated September 25, 2013.***
10.48+	Award Notice of Restricted Stock with William Monteleone dated December 31, 2013.***
10.49+	Award Notice of Restricted Stock with Peter Coxon dated December 31, 2013.***
10.50+	Award Notice of Restricted Stock with Brice Tarzwell dated June 3, 2013.***
14.1	Par Petroleum Corporation Code of Business Conduct and Ethics for Employees, Executive Officers and Directors, effective October 15, 2012. Incorporated by reference to Exhibit 14.1 to the company's Current Report on Form 8-K filed on October 19, 2012.
21.1	Subsidiaries of the Registrant. Incorporated by reference to Exhibit 21.1 to the company's Annual Report on Form 10-K filed on March 31, 2014.
23.1	Consent of Deloitte & Touche LLP. Incorporated by reference to Exhibit 23.1 to the company's Annual Report on Form 10-K/A filed on ~~March 31~~May 30, 2014.
23.2	Consent of EKS&H LLLP~~***~~. Incorporated by reference to Exhibit 23.2 to the company's Annual Report on Form 10-K/A filed on May 30, 2014.
23.3	Consent of KPMG LLP. Incorporated by reference to Exhibit 23.3 to the company's Annual Report on Form 10-K/A filed on ~~March 31~~May 30, 2014.
23.4	Consent of Netherland, Sewell & Associates, Inc. Incorporated by reference to Exhibit 23.4 to the company's Annual Report on Form 10-K/A filed on ~~March 31~~May 30, 2014.

31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ***
31.2	Certification 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~~.***~~. Incorporated by reference to Exhibit 32.1 to the company's Annual Report on Form 10-K/A filed on May 30, 2014.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350~~.***~~. Incorporated by reference to Exhibit 32.2 to the company's Annual Report on Form 10-K/A filed on May 30, 2014.**
99.1	Report of Netherland, Sewell & Associates, Inc. regarding the registrants Proved Reserves as of December 31, 2013. Incorporated by reference to Exhibit 99.1 to the company's Annual Report on Form 10-K filed on March 31, 2014.
99.2	Agreement of Settlement and Release dated September 19, 2012, by and between The Wapiti Recovery Trust and Wapiti Oil & Gas, L.L.C. Incorporated by reference to Exhibit 99.1 to the company's Current Report on Form 8-K filed on September 25, 2013.
101.INS	XBRL Instance Document. Incorporated by reference to Exhibit 101.INS to the company's Annual

Report on Form 10-K/A filed on May 30, 2014.**

101.SCH	XBRL Taxonomy Extension Schema Documents. Incorporated by reference to Exhibit 101.SCH to the company's Annual Report on Form 10-K/A filed on May 30, 2014.**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. Incorporated by reference to Exhibit 101.CAL to the company's Annual Report on Form 10-K/A filed on May 30, 2014.**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. Incorporated by reference to Exhibit 101.LAB to the company's Annual Report on Form 10-K/A filed on May 30, 2014.**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. Incorporated by reference to Exhibit 101.PRE to the company's Annual Report on Form 10-K/A filed on May 30, 2014.**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. Incorporated by reference to Exhibit 101.DEF to the company's Annual Report on Form 10-K/A filed on May 30, 2014.**

~~*~~+	Management contracts and compensatory plans.
**	These interactive data files are furnished and deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.
***	Filed herewith.
****	Schedules and similar attachments to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The company will furnish supplementally a copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

~~**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**~~

~~To the Board of Directors and Stockholders of~~
~~Par Petroleum Corporation~~
~~Houston, Texas~~

~~We have audited the accompanying consolidated balance sheet of Par Petroleum Corporation and subsidiaries (the "Company") as of December 31, 2013, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit. We did not audit the financial statements of Piceance Energy, LLC, an equity method investee of the Company. The Company's investment in Piceance Energy, LLC constitutes 12% of consolidated total assets as of December 31, 2013, and the Company's interest in the net loss of Piceance Energy, LLC constitutes 4% of consolidated net loss for the year ended December 31, 2013. The financial statements of Piceance Energy, LLC were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Piceance Energy, LLC, is based solely on the report of the other auditors.~~

~~We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 audit and the report of the other auditors provide a reasonable basis for our opinion.~~

~~In our opinion, based on our audit and the report of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Par Petroleum Corporation and subsidiaries as of December 31, 2013, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.~~

~~/s/ DELOITTE & TOUCHE LLP~~

~~Houston, Texas~~
~~March 31, 2014~~

~~Report of Independent Registered Public Accounting Firm~~

~~To the Members of~~
~~Piceance Energy, LLC~~
~~Denver, Colorado~~

~~We have audited the balance sheet of Piceance Energy, LLC (the "company") as of December 31, 2013, and the related statements of operations, members' equity, and cash flows for the year then ended, and the related notes to the financial statements (not separately included herein). 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 audit.~~

~~We conducted our audits in accordance with the standards of the Public company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 financial statements referred to above present fairly, in all material respects, the financial position of Piceance Energy, LLC as of December 31, 2013 and the results of its operations and its cash flows for the year then ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America.~~

~~/s/ EKS&H LLLP~~
~~EKS&H LLLP~~

~~February 28, 2014~~
~~Denver, Colorado~~

~~Report of Independent Registered Public Accounting Firm~~

~~The Board of Directors and Stockholders~~
~~Par Petroleum Corporation~~

~~We have audited the accompanying consolidated balance sheet of Par Petroleum Corporation and subsidiaries (the "company") as of December 31, 2012 (Successor), and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the period from September 1, 2012 through December 31, 2012 (Successor). 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 audit.~~

~~We conducted our audit in accordance with the standards of the Public company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 audit provides a reasonable basis for our opinion.~~

~~In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Par Petroleum Corporation and subsidiaries as of December 31, 2012 (Successor), and the results of their operations and their cash flows for the period from September 1, 2012 through December 31, 2012 (Successor), in conformity with accounting principles generally accepted in the United States of America.~~

~~As discussed in Notes 1 and 2 to the financial statements, the company entered into a plan of reorganization and emerged from bankruptcy on August 31, 2012. As a result of the reorganization, the company applied fresh start accounting and the consolidated financial statements for the period after the reorganization date are presented on a different cost basis than that for the periods before the reorganization and, therefore, are not comparable.~~

~~/s/ EKS&H LLLP~~
~~EKS&H LLLP~~

~~Denver, Colorado~~
~~March 27, 2013, except for Note 14, as to which the date is March 31, 2014~~

~~Report of Independent Registered Public Accounting Firm~~

~~The Board of Directors and Stockholders~~
~~Delta Petroleum Corporation~~

~~We have audited the accompanying consolidated statements of operations, changes in stockholders' equity and cash flows of Par Petroleum Corporation (formerly Delta Petroleum Corporation) and subsidiaries (the Predecessor) for the period from January 1, 2012 through August 31, 2012. These consolidated financial statements are the~~

responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audit in accordance with the standards of the Public company Accounting Oversight Board (United States). 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Par Petroleum Corporation (formerly Delta Petroleum Corporation) and subsidiaries (the Predecessor) for the period from January 1, 2012 through August 31, 2012, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Predecessor filed a petition for reorganization under Chapter 11 of the United States Bankruptcy Code on December 16, 2011. The Predecessor's plan of reorganization became effective and the Predecessor emerged from bankruptcy protection on August 31, 2012. In connection with its emergence from bankruptcy, the company adopted the guidance for fresh start accounting in conformity with FASB ASC Topic 852, Reorganizations, effective as of August 31, 2012. Accordingly, the company's consolidated financial statements prior to August 31, 2012 are not comparable to its consolidated financial statements for periods after August 31, 2012.

/s/ KPMG LLP
KPMG LLP

Denver, Colorado
March 27, 2013

PAR PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	December 31, 2013	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 38,061	$ 6,185
Restricted cash	802	23,970
Trade accounts receivable	122,913	17,730
Inventories	389,075	10,466
Prepaid and other current assets	7,522	1,575
Total current assets	558,373	59,926
Property and equipment		
Property, plant and equipment	107,623	1,415
Proved oil and gas properties, at cost, successful efforts method of accounting	4,949	4,804
Total property and equipment	112,572	6,219
Less accumulated depreciation, depletion and amortization	(3,968)	(373)
Property and equipment, net	108,604	5,846
Long-term assets		

~~Investments in unconsolidated affiliate~~		~~101,796~~		~~104,434~~
~~Intangible assets, net~~		~~11,170~~		~~8,809~~
~~Goodwill~~		~~20,603~~		~~7,756~~
~~Assets held for sale~~		~~—~~		~~2,800~~
~~Other long-term assets~~		~~26,539~~		~~11~~
~~Total assets~~	~~$~~	~~827,085~~	~~$~~	~~189,582~~
~~LIABILITIES AND STOCKHOLDERS' EQUITY~~				
~~Current liabilities~~				
~~Current maturities of long-term debt~~	~~$~~	~~3,250~~	~~$~~	~~35,000~~
~~Obligations under supply and exchange agreements~~		~~390,839~~		~~—~~
~~Accounts payable~~		~~28,870~~		~~25,329~~
~~Other accrued liabilities~~		~~31,956~~		~~981~~
~~Accrued settlement claims~~		~~3,793~~		~~8,667~~
~~Total current liabilities~~		~~458,708~~		~~69,977~~
~~Long-term liabilities~~				
~~Long-term debt~~		~~94,030~~		~~7,391~~
~~Derivative liabilities~~		~~17,336~~		~~10,945~~
~~Long-term capital lease obligations~~		~~1,526~~		~~—~~
~~Deferred tax liability~~		~~216~~		~~—~~
~~Contingent consideration liability~~		~~11,980~~		~~—~~
~~Other liabilities~~		~~6,473~~		~~512~~
~~Total liabilities~~		~~590,269~~		~~88,825~~
~~Commitments and contingencies (Note 13)~~				
~~Stockholders' Equity~~				
~~Preferred stock, $0.01 par value: 3,000,000 shares authorized, none issued~~		~~—~~		~~—~~
~~Common stock, $0.01 par value; 500,000,000 shares and 300,000,000 shares authorized at December 31, 2013 and 2012, respectively, 30,151,000 shares and 15,008,092 shares issued at December 31, 2013 and 2012, respectively~~		~~301~~		~~150~~
~~Additional paid-in capital~~		~~315,975~~		~~109,446~~
~~Accumulated deficit~~		~~(79,460)~~		~~(8,839)~~
~~Total stockholders' equity~~		~~236,816~~		~~100,757~~
~~Total liabilities and stockholders' equity~~	~~$~~	~~827,085~~	~~$~~	~~189,582~~

~~See accompanying notes to consolidated financial statements.~~

~~PAR PETROLEUM CORPORATION AND SUBSIDIARIES~~
~~CONSOLIDATED STATEMENTS OF OPERATIONS~~
~~(In thousands, except per share amounts)~~

	~~Successor~~		~~Predecessor~~
	~~Year Ended December 31, 2013~~	~~September 1 through December 31, 2012~~	~~January 1, 2012 through August 31, 2012~~
~~Revenues~~			

~~Refining, distribution and marketing revenues~~	~~$ 778,126~~	~~$ —~~	~~$ —~~
~~Commodity marketing and logistics revenues~~	~~100,149~~	~~—~~	~~—~~
~~Oil and gas sales~~	~~7,739~~	~~2,144~~	~~23,079~~
~~Total operating revenues~~	~~886,014~~	~~2,144~~	~~23,079~~
~~Operating expenses~~			
~~Cost of revenues~~	~~848,924~~	~~—~~	~~—~~
~~Operating expense, excluding depreciation, depletion and amortization expense shown separately below~~	~~27,251~~	~~—~~	~~—~~
~~Lease operating expense~~	~~5,627~~	~~1,684~~	~~9,038~~
~~Transportation expense~~	~~—~~	~~—~~	~~6,963~~
~~Production taxes~~	~~49~~	~~4~~	~~979~~
~~Exploration expense~~	~~—~~	~~—~~	~~2~~
~~Dry hole costs and impairments~~	~~—~~	~~—~~	~~151,347~~
~~Depreciation, depletion and amortization~~	~~5,982~~	~~401~~	~~16,041~~
~~Trust litigation and settlements~~	~~6,206~~	~~—~~	~~—~~
~~General and administrative expense~~	~~21,494~~	~~4,520~~	~~9,386~~
~~Acquisition and integration costs~~	~~9,794~~	~~556~~	~~—~~
~~Total operating expenses~~	~~925,327~~	~~7,165~~	~~193,756~~
~~Operating loss~~	~~(39,313)~~	~~(5,021)~~	~~(170,677)~~
~~Other income and (expense):~~			
~~Interest expense and financing costs, net~~	~~(19,471)~~	~~(1,056)~~	~~(6,852)~~
~~Other income~~	~~808~~	~~86~~	~~516~~
~~Change in value of common stock warrants~~	~~(10,114)~~	~~(4,280)~~	
~~Gain on derivative instruments, net~~	~~410~~	~~—~~	~~—~~
~~Loss from unconsolidated affiliates~~	~~(2,941)~~	~~(1,325)~~	~~(20)~~
~~Total other expense~~	~~(31,308)~~	~~(6,575)~~	~~(6,356)~~
~~Loss before income taxes and reorganization items~~	~~(70,621)~~	~~(11,596)~~	~~(177,033)~~
~~Income tax benefit~~	~~—~~	~~(2,757)~~	~~—~~
~~Loss before reorganization items~~	~~(70,621)~~	~~(8,839)~~	~~(177,033)~~
~~Reorganization items~~			
~~Professional fees and administrative costs~~	~~—~~	~~—~~	~~22,354~~
~~Changes in asset fair values due to fresh start accounting adjustments~~	~~—~~	~~—~~	~~14,765~~
~~Gain on settlement of senior debt~~	~~—~~	~~—~~	~~(166,144)~~
~~Gain on settlement of liabilities~~	~~—~~	~~—~~	~~(2,571)~~
~~Net loss~~	~~$ (70,621)~~	~~$ (8,839)~~	~~$ (45,437)~~
~~Basic loss per common share~~	~~$ (3.57)~~	~~$ (0.56)~~	~~$ (1.57)~~
~~Diluted loss per common share~~	~~$ (3.57)~~	~~$ (0.56)~~	~~$ (1.57)~~
~~Weighted average number of shares outstanding:~~			
~~Basic~~	~~19,740~~	~~15,734~~	~~28,841~~
~~Diluted~~	~~19,740~~	~~15,734~~	~~28,841~~

See accompanying notes to consolidated financial statements.

PAR PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Accumulated Deficit	Total Equity
Balance, January 1, 2012 (Predecessor)	28,841	$ 288	$ 1,641,390	$ (1,591,453)	$ 50,225
Net loss	—	—	—	(45,437)	(45,437)
Forfeitures	(58)	—	—	—	—
Stock-based compensation	—	—	1,895	—	1,895
Balance, August 31, 2012 (Predecessor)	28,783	288	1,643,285	(1,636,890)	6,683
Cancellation of predecessor common stock	(28,783)	(288)	288	—	—
Elimination of predecessor accumulated deficit	—	—	(1,636,890)	1,636,890	—
Issuance of common stock and fresh start accounting upon emergence from Chapter 11	14,766	148	102,731	—	102,879
Balance, August 31, 2012 (Successor)	14,766	148	109,414	—	109,562
Stock issued to settle bankruptcy claims	20	—	—	—	—
Stock-based compensation	222	2	32	—	34
Net loss	—	—	—	(8,839)	(8,839)
Balance, December 31, 2012 (Successor)	15,008	150	109,446	(8,839)	100,757
Stock issued in a private transaction, net of offering cost of $830	14,388	144	199,026	—	199,170
Stock issued to settle bankruptcy claims	209	2	2,603	—	2,605
Stock issued through exercise of warrants	184	2	3,739	—	3,741
Stock-based compensation	362	3	1,161	—	1,164
Net loss	—	—	—	(70,621)	(70,621)
Balance, December 31, 2013 (Successor)	30,151	$ 301	$ 315,975	$ (79,460)	$236,816

See accompanying notes to consolidated financial statements.

PAR PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Successor		Predecessor
	Year Ended December 31, 2013	September 1 through	January 1 through

		~~December 31, 2012~~	~~August 31, 2012~~
~~CASH FLOWS FROM OPERATING ACTIVITIES:~~			
~~Net loss~~	~~$ (70,621)~~	~~$ (8,839)~~	~~$ (45,437)~~
~~Adjustments to reconcile net loss to cash provided by (used in) operating activities:~~			
~~Depreciation, depletion, amortization and accretion~~	~~5,982~~	~~401~~	~~16,041~~
~~Non cash interest expense~~	~~16,742~~	~~1,056~~	~~2,989~~
~~Change in asset values due to fresh - start accounting adjustments~~	~~—~~	~~—~~	~~14,765~~
~~Gain on extinguishment of senior debt~~	~~—~~	~~—~~	~~(166,144)~~
~~Gain on settlement of liabilities~~	~~—~~	~~—~~	~~(2,188)~~
~~(Gain) loss on property sales~~	~~(50)~~	~~(82)~~	~~126~~
~~Dry hole costs and impairments~~	~~—~~	~~—~~	~~151,347~~
~~Stock-based compensation~~	~~1,161~~	~~34~~	~~1,895~~
~~Change in value of common stock warrants~~	~~10,114~~	~~4,280~~	~~—~~
~~Loss from unconsolidated affiliates~~	~~2,941~~	~~1,325~~	~~20~~
~~Deferred income tax expense (benefit)~~	~~179~~	~~(2,757)~~	~~—~~
~~Other~~	~~—~~	~~—~~	~~(699)~~
~~Net changes in operating assets and liabilities:~~			
~~Trade accounts receivable~~	~~(45,698)~~	~~(2,234)~~	~~3,472~~
~~Prepaids and other current assets~~	~~(2,569)~~	~~(538)~~	~~(1,378)~~
~~Inventories~~	~~40,141~~	~~—~~	~~—~~
~~Accounts payable~~	~~15,829~~	~~2,718~~	~~(4,187)~~
~~Supply and exchange agreements~~	~~(13,061)~~	~~—~~	~~—~~
~~Settlement liability~~	~~1,898~~	~~—~~	~~—~~
~~Accrued reorganization costs~~	~~—~~	~~—~~	~~9,116~~
~~Other accrued liabilities~~	~~1,335~~	~~—~~	~~—~~
~~Net cash used in operating activities~~	~~(35,677)~~	~~(4,636)~~	~~(20,262)~~
~~CASH FLOWS FROM INVESTING ACTIVITIES:~~			
~~Capital expenditures~~	~~(7,768)~~	~~—~~	~~(1,613)~~
~~Acquisitions, net of cash acquired~~	~~(559,279)~~	~~(17,439)~~	~~—~~
~~Proceeds from asset sales~~	~~2,850~~	~~—~~	~~74,209~~
~~Proceeds from sale of other fixed assets~~	~~—~~	~~39~~	~~26~~
~~Capitalized drilling costs paid to operator~~	~~(303)~~	~~(415)~~	~~—~~
~~Proceeds from sale of unconsolidated affiliates~~	~~—~~	~~125~~	~~—~~
~~Net cash (used in) provided by investing activities~~	~~(564,500)~~	~~(17,690)~~	~~72,622~~
~~CASH FLOWS FROM FINANCING ACTIVITIES:~~			
~~Funding of purchase of HIE from supply and exchange agreements~~	~~378,238~~	~~—~~	~~—~~
~~Proceeds from sale of common stock, net of offering costs~~	~~199,170~~	~~—~~	~~—~~
~~Proceeds from exercise of common stock warrants~~	~~18~~	~~—~~	~~—~~
~~Proceeds from borrowings~~	~~159,800~~	~~35,000~~	~~23,000~~
~~Repayments of borrowings~~	~~(121,909)~~	~~—~~	~~(59,535)~~
~~Payment of deferred loan costs~~	~~(2,264)~~	~~—~~	~~—~~

Fund distribution agent account	—	—	(21,805)
Proceeds from (funding of) Wapiti and General Recovery Trusts	—	2,446	(2,000)
Recoveries from bankruptcy settlements	—	5,183	—
Restricted cash released from (held to) secure letter of credits	19,000	(19,000)	—
Net cash provided by (used in) financing activities	632,053	23,629	(60,340)
Net increase (decrease) in cash and cash equivalents	31,876	1,303	(7,980)
Cash at beginning of period	6,185	4,882	12,862
Cash at end of period	$ 38,061	$ 6,185	$ 4,882
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest and financing costs	$ 2,186	$ —	$ 3,745
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Stock issued used to settle bankruptcy claims	$ 2,605	$ —	$ —
Interest payable capitalized to principal balance	$ 6,096	$ —	$ —
Non-cash additions to property, plant and equipment	$ —	$ 209	$ —

See accompanying notes to consolidated financial statements.

PAR PETROLEUM CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 1 - Overview

We are a diversified energy holding company based in Houston, Texas (OTCQB:PARR). We were created through the successful reorganization of Delta Petroleum in August 2012. The reorganization converted approximately $265 million of unsecured debt to equity and allowed us to preserve significant tax attributes. Currently, we operate in three segments: (i) refining, distribution and marketing, (ii) natural gas and oil operations and (iii) commodity marketing and logistics operations.

Our refining, distribution and marketing segment consists of a refinery in Kapolei, Hawaii. The refinery produces ultra-low sulfur diesel, gasoline, jet fuel, marine fuel and other associated refined products primarily for consumption in Hawaii. Our refinery logistics assets include refined products terminals, pipelines, a single point mooring and other associated logistics assets. In addition, we distribute products though 31 branded retail outlets located across the islands of Oahu, Maui and Hawaii. The refining, distribution and marketing segment was established through the acquisition of Hawaii Independent Energy, LLC (“HIE”) (formerly known as Tesoro Hawaii, LLC (“Tesoro Hawaii”)) in September 2013 for approximately $75 million in cash, plus net working capital and inventories and certain contingent earn out payments of up to approximately $40 million (the “HIE Acquisition”). As part of the purchase price, we also funded $24.3 million of start-up expenses and for a major overhaul of a co-generation turbine used at the refinery prior to closing.

Our natural gas and oil operations consist primarily of a 33.34% interest in Piceance Energy, LLC (“Piceance Energy”) (Note 3 - Investment in Piceance Energy). Piceance Energy is a joint venture with Laramie Energy II, LLC (“Laramie”), who owns the remaining interest and manages the day to day operations of the joint venture. Laramie

~~is a Denver-based company primarily focused on finding and developing natural gas reserves from unconventional gas reservoirs within the Rocky Mountain region. Piceance Energy was formed and capitalized in August 2012 when we and Laramie Energy contributed oil and natural gas assets, surface real estate, and other related assets located in the Piceance Basin geological province of Colorado to the joint venture entity.~~

~~Our commodity marketing and logistics segment focuses on sourcing, marketing, transportation and distribution of crude oil and refined products. Our logistics capability consists of historical pipeline shipping status, a rail car fleet, and expertise in contracted chartering of tows and barges, with the capability of moving crude oil from land-locked locations in the Western U.S. and Canada to the refining hubs in the Midwest, the Gulf Coast, and the East Coast regions of the U.S. The commodity marketing and logistics operations segment was established through the acquisition of Texadian Energy, Inc. ("Texadian") (formerly known as SEACOR Energy, Inc.) in December 2012 for approximately $14 million in cash, plus approximately $3 million in working capital.~~

~~As a result of these transactions, our results of operations for any period after December 31, 2013 will not be comparable to any prior period.~~

~~On January 23, 2014, we amended and restated our certificate of incorporation to implement a one-for-ten (1:10) reverse stock split of our issued and outstanding common stock, par value $0.01 per share. All references in the financial statements to the number of shares of common stock or warrants, price per share and weighted average number of common stock outstanding prior to the 1:10 reverse stock split have been adjusted to reflect this stock split on a retroactive basis, unless otherwise noted. No adjustments have been made to the share or per share amounts of our Predecessor (see Note 20 - Subsequent Events).~~

~~To generate earnings and cash flows from operations, the Company's refining, distribution and marketing segment is primarily dependent upon processing crude oil and selling refined petroleum products at margins sufficient to cover fixed and variable costs and other expenses. Crude oil and refined petroleum products are commodities and factors largely out of the Company's control can cause prices to vary over time.~~

~~Note 2 - Summary of Significant Accounting Policies~~

~~Principles of Consolidation and Basis of Presentation~~

~~The consolidated financial statements include the accounts of Par Petroleum Corporation and its consolidated subsidiaries. All inter-company balances and transactions have been eliminated in consolidation. We do not have any off-balance sheet financing arrangements (other than operating leases) or any unconsolidated special purpose entities.~~

~~Our wholly-owned subsidiaries include Hawaii Pacific Energy, LLC ("Hawaii Pacific Energy") which acquired all of the outstanding membership interests of HIE on September 25, 2013 (see Note 4 – Acquisitions and Dispositions), Par Piceance Energy, LLC, which owns our investment in Piceance Energy (see Note 3 – Investment in Piceance Energy) and Texadian, which we acquired on December 31, 2012 (see Note 4 – Acquisitions and Dispositions). Certain amounts from prior periods have been reclassified to conform to the current presentation.~~

~~Use of Estimates~~

~~The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include fair value of assets and liabilities recorded in connection with the application of fresh-start reporting or acquisitions, natural gas and oil reserves, depletion and impairment of natural gas and oil properties, income taxes and the valuation allowances related to deferred tax assets, bad debts, derivatives, asset retirement obligations, contingencies and litigation accruals. Actual results could differ from these estimates.~~

~~PAR PETROLEUM CORPORATION AND SUBSIDIARIES~~
~~Notes to Consolidated Financial Statements~~

~~Fresh-Start Reporting and the Effects of the Plan~~

~~Certain companies qualify for fresh-start reporting in connection with their emergence from bankruptcy. Fresh-start reporting is appropriate on the emergence from bankruptcy if the reorganization value of the assets of the emerging entity immediately before the date of confirmation is less than the total of all post-petition liabilities and allowed claims, and if the holders of existing voting shares immediately before confirmation receive less than 50 percent of the voting shares of the emerging entity. We met these requirements on August 31, 2012 and adopted fresh-start reporting resulting in the creation of a new reporting entity.~~

~~The bankruptcy court issued a confirmation order approving our plan of reorganization (the "Plan") on August 15, 2012 and we met the requirements of the Plan on August 31, 2012. Under the requirements of fresh-start reporting, we have adjusted our assets and liabilities to their estimated fair values as of August 31, 2012 in conformity with the guidance for the acquisition method of accounting for business combinations. The net effect of all fresh-start adjustments, including the effects of implementing the plan, resulted in a gain of approximately $154 million, which is reflected in the 2012 Predecessor Period. The application of the fresh-start reporting provisions created a new reporting entity having no retained earnings nor accumulated deficit.~~

~~Our fresh-start adjustments consisted primarily of (i) estimates of the fair value of our minority interest in Piceance Energy and (ii) of the fair value of our remaining existing fixed assets and liabilities. A description of the adjustments and amounts is provided in Note 19 — Reorganization under Chapter 11, Fresh-Start Reporting and the Effects of the Plan.~~

~~Cash and Cash Equivalents~~

~~Cash and cash equivalents consist of demand deposits and funds invested in highly liquid short-term investments with original maturities of three months or less.~~

~~Restricted Cash~~

~~Restricted cash consists of cash not readily available for general purpose cash needs. Restricted cash relates to bankruptcy matters and cash held at commercial banks to support letter of credit facilities.~~

~~Allowance for Doubtful Accounts~~

~~We establish provisions for losses on trade receivables if it becomes probable we will not collect all or part of the outstanding balances. We review collectability and establish or adjust our allowance as necessary using the specific identification method. As of December 31, 2013 and 2012, we had no significant allowance for doubtful accounts.~~

~~Refined Product Exchanges~~

~~We enter into exchange and supply contracts whereby we agree to deliver a particular quantity and quality of refined products at a specified location and date to a particular counterparty and to receive from the same counterparty a particular quantity and quality of refined products at a specified location on the same or another specified date. The exchange receipts and deliveries are nonmonetary transactions with the exception of associated grade or location differentials that are settled in cash each month. These transactions are not recorded as revenue because they involve the exchange of refined product inventories held for sale in the ordinary course of business to~~

~~facilitate sales to customers. The exchange transactions are recognized at the carrying amount of the inventory transferred plus or minus any cash settlement due to grade or location differentials.~~

~~Inventories~~

~~Commodity inventories are stated at the lower of cost or market value using the first-in, first-out accounting method. We value merchandise along with spare parts, materials and supplies at average cost.~~

~~HIE acquires substantially all of its crude oil from Barclays Bank PLC ("Barclays") under supply and exchange agreements as described in Note 9 – Supply and Exchange Agreements. The crude oil remains in the legal title of Barclays and is stored in HIE's storage tanks governed by a storage agreement. Legal title to the crude oil passes to HIE at the tank outlet. After processing, Barclays takes title to the refined products when the refined products enter the tanks which are then stored in HIE's storage tanks until sold to HIE's retail locations or to third parties. We record the inventory owned by Barclays on our behalf as inventory with a corresponding accrued liability on our balance sheet because we maintain the risk of loss until the refined products are sold to third parties.~~

~~Investment in Unconsolidated Affiliate~~

~~We account for our investment in unconsolidated affiliate using the equity method as we have the ability to exert significant influence, but do not control the operating and financial policies. Our proportionate share of net income (loss) of these entities is recorded as income (loss) from unconsolidated affiliates in the consolidated statements of operations. Investment in unconsolidated affiliate is reviewed for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable.~~

~~At December 31, 2013 and 2012, our investment in unconsolidated affiliates consisted of our ownership interest in Piceance Energy (see Note 3 – Investment in Piceance Energy.)~~

~~Property, Plant and Equipment (Other than Natural Gas and Oil Properties)~~

~~We capitalize the cost of additions, major improvements and modifications to property, plant and equipment. The cost of repairs and normal maintenance of property, plant and equipment is expensed as incurred. Major improvements and modifications of property, plant and equipment are those expenditures that either extend the useful life, increase the capacity or improve the operating efficiency of the asset, or improve the safety of our operations. We compute depreciation of property, plant and equipment using the straight-line method, based on the estimated useful life of each asset as follows:~~

~~Assets~~	~~Lives in Years~~
~~Refining~~	~~8 to 47~~
~~Logistic~~	~~3 to 30~~
~~Retail~~	~~14 to 18~~
~~Corporate~~	~~3 to 7~~
~~Software~~	~~3~~

~~We record property under capital leases at the lower of the present value of minimum lease payments using our incremental borrowing rate or the fair value of the leased property at the date of lease inception. We depreciate leasehold improvements and property acquired under capital leases over the shorter of the lease term or the economic life of the asset.~~

~~We review property, plant and equipment and other long-lived assets whenever events or changes in business circumstances indicate the carrying value of the assets may not be recoverable. Impairment is indicated when the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying value. If this occurs, an impairment loss is recognized for the difference between the fair value and carrying value. Factors that indicate potential impairment include: a significant decrease in the market value of the asset, operating or cash flow losses associated with the use of the asset and a significant change in the asset's physical condition or use.~~

~~**Natural Gas and Oil Properties**~~

~~We account for our natural gas and oil exploration and development activities using the successful efforts method of accounting. Under such method, costs of productive exploratory wells, development dry holes and productive wells and undeveloped leases are capitalized. Natural gas and oil lease acquisition costs are also capitalized. Exploration costs, including personnel costs, certain geological or geophysical expenses and delay rentals for natural gas and oil leases, are charged to expense as incurred. Exploratory drilling costs are initially capitalized, then evaluated quarterly and charged to expense if and when the well is determined not to have found reserves in commercial quantities. The sale of a partial interest in a proved property is accounted for as a cost recovery and no gain or loss is recognized as long as this treatment does not significantly affect the units-of-production amortization rate. A gain or loss is recognized for all other sales of producing properties.~~

~~Unproved properties with significant acquisition costs are assessed quarterly on a property-by-property basis and any impairment in value is charged to expense. If the unproved properties are determined to be productive, the related costs are transferred to proved oil and natural gas properties and are depleted. Proceeds from sales of partial interests in unproved leases are accounted for as a recovery of cost without recognizing any gain or loss until all costs have been recovered.~~

~~Depreciation, depletion and amortization of capitalized acquisition, exploration and development costs is computed using the units-of-production method by individual fields (common reservoirs) using proved producing natural gas and oil reserves as the related reserves are produced. Associated leasehold costs are depleted using the unit-of-production method based on total proved natural gas and oil reserves as the related reserves are produced.~~

~~Our natural gas and oil assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable.~~

~~**Goodwill and Other Intangible Assets**~~

~~Goodwill represents the amount the purchase price exceeds the fair value of net assets acquired in a business combination. Goodwill is not amortized, but is tested for impairment. We assess the recoverability of the carrying value of goodwill during the fourth quarter of each year or whenever events or changes in circumstances indicate that the carrying amount of the goodwill of a reporting unit may not be fully recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the qualitative assessment indicates that it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value, a two-step quantitative test is required. If required, we will review the carrying value of the net assets of the reporting unit to the estimated fair value of the reporting unit. If the carrying value exceeds the estimated fair value of the reporting unit, an impairment indicator exists and an estimate of the impairment loss is calculated.~~

~~Our intangible assets include relationships with suppliers and shippers, favorable railcar leases, trade names and trademarks. These intangible assets will be amortized over their estimated useful lives on a straight line basis. We evaluate the carrying value of our intangible assets when impairment indicators are present or when circumstances indicate that impairment may exist. When we believe impairment indicators may exist, projections of the undiscounted future cash flows associated with the use of and eventual disposition of the intangible assets are prepared. If the projections indicate that their carrying values are not recoverable, we reduce the carrying values to their estimated fair values.~~

~~Asset Retirement Obligations~~

~~We record asset retirement obligations ("AROs") in the period in which we have a legal obligation, whether by government action or contractual arrangement, to incur these costs and can make a reasonable estimate of the liability. Our AROs arise from our refining, distribution and marketing business' refinery and retail operations, as well as plugging and abandonment of wells within our natural gas and oil operations. AROs are calculated based on the present value of the estimated removal and other closure costs using our credit-adjusted risk-free rate. When the liability is initially recorded, we capitalize the cost by increasing the book value of the related long-lived tangible asset. The liability is accreted to its estimated settlement value with accretion expense recognized in depreciation, depletion and amortization expense on our consolidated statement of operations and the related capitalized cost is depreciated over the asset's useful life. We recognize a gain or loss at settlement for any difference between the settlement amount and the recorded liability, which is recorded as a loss on asset disposals and impairments in our statements of consolidated operations. We estimate settlement dates by considering our past practice, industry practice, management's intent and estimated economic lives.~~

~~We cannot currently estimate the fair value for certain AROs primarily because we cannot estimate settlement dates (or range of dates) associated with these assets. These AROs include hazardous materials disposal (such as petroleum manufacturing by-products, chemical catalysts, and sealed insulation material containing asbestos), and removal or dismantlement requirements associated with the closure of our refining facility, terminal facilities or pipelines, including the demolition or removal of certain major processing units, buildings, tanks, pipelines or other equipment.~~

~~Environmental Matters~~

~~We capitalize environmental expenditures that extend the life or increase the capacity of facilities as well as expenditures that prevent environmental contamination. We expense costs that relate to an existing condition caused by past operations and that do not contribute to current or future revenue generation. We record liabilities when environmental assessments and/or remedial efforts are probable and can be reasonably estimated. Cost estimates are based on the expected timing and extent of remedial actions required by governing agencies, experience gained from similar sites for which environmental assessments or remediation have been completed and the amount of our anticipated liability considering the proportional liability and financial abilities of other responsible parties. Usually, the timing of these accruals coincides with the completion of a feasibility study or our commitment to a formal plan of action. Estimated liabilities are not discounted to present value and environmental expenses are recorded in operating expenses in our consolidated statements of operations.~~

~~Derivatives and Other Financial instruments~~

~~We periodically enter into commodity price risk transactions to manage our exposure to natural gas and oil price volatility. These transactions may take the form of non-exchange traded fixed price forward contracts and exchange traded futures contracts, collar agreements, swaps or options. The purpose of the transactions is to provide a measure of stability to our cash flows in an environment of volatile commodity prices.~~

~~Our commodity marketing and logistics segment enters into fixed-price forward purchase and sale contracts for crude oil. The contracts typically contain settlement provisions in the event of a failure of either party to fulfill its commitments under the contract. Our policy is to fulfill or accept the physical delivery of the product, even if shipment is delayed, and it will not net settle. Should we not designate a contract as a normal purchase or normal sale then the contract would be accounted for at fair value on our consolidated balance sheets and marked to market each reporting period with changes in fair value being charged to earnings. As of December 31, 2013, we have~~

~~elected the normal purchase normal sale exemption for all outstanding contracts. As a result, we did not recognize the unrealized gains or losses related to these contracts in our consolidated financial statements. As of December 31, 2012, we did not elect this exemption for our open contracts which were settled in the first quarter of 2013.~~

~~In addition, from time to time we may have other financial instruments, such as warrants or embedded debt features, that may be classified as liabilities when either (a) the holders possess rights to net cash settlement, (b) physical or net equity settlement is not in our control, or (c) the instruments contain other provisions that cause us to conclude that they are not indexed to our equity. Such instruments are initially recorded at fair value and subsequently adjusted to fair value at the end of each reporting period through earnings.~~

~~As a part of the Plan of Reorganization, we issued warrants (see Note 10 – Debt) that are not considered to be indexed to our equity. Accordingly, these warrants are accounted for as liabilities. In addition, our former delayed draw term loan facility contained certain puts that were required to be accounted for as embedded derivatives. The warrant liabilities and embedded derivatives are accounted for at fair value with changes in fair value reported in change in value of common stock warrants and loss on derivative instruments, net respectively, on our consolidated statement of operations.~~

~~**Accrued Settlement Claims**~~

~~We accrued an estimate of the settlement liability relating to claims resulting from our bankruptcy (See Note 13 – Commitments and Contingencies). Professional fees relating to the settlement of bankruptcy claims are charged to earnings in the period incurred.~~

~~**Income Taxes**~~

~~We use the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the results of operations in the period that includes the enactment date. The realizability of deferred tax assets is evaluated quarterly based on a "more likely than not" standard, and to the extent this threshold is not met, a valuation allowance is recorded.~~

~~We recognize the impact of an uncertain tax position only if it is more likely than not of being sustained upon examination by the relevant taxing authority based on the technical merits of the position. As a general rule, our open years for Internal Revenue Service ("IRS") examination purposes are 2010, 2011, and 2012. However, since we have net operating loss carryforwards, the IRS has the ability to make adjustments to items that originate in a year otherwise barred by the statute of limitations in order to re-determine tax for an open year to which those items are carried. Therefore, in a year in which a net operating loss deduction is claimed, the IRS may examine the year in which the net operating loss was generated and adjust it accordingly for purposes of assessing additional tax in the year the net operating loss deductions was claimed. Any penalties or interest as a result of an examination will be recorded in the period assessed.~~

~~**Stock Based Compensation**~~

~~We recognize the cost of share-based payments over the period the employee provides service, generally the vesting period, and include such costs in general and administrative expense in the consolidated statements of operations. The fair value of equity instruments issued to employees is measured on the grant date and recognized over the service period on a straight-line basis.~~

~~Revenue Recognition~~

~~We recognize revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met. These transactions include sale and purchase transactions entered into with the same counterparty that are deemed to be in contemplation with one another.~~

~~Natural Gas and Oil.~~ ~~Revenues are recognized when title to the products transfers to the purchaser. We follow the "sales method" of accounting for our natural gas and oil revenue and recognize sales revenue on all natural gas or oil sold to our purchasers, regardless of whether the sales are proportionate to our ownership in the property. A liability is recognized only to the extent that we have an imbalance on a specific property greater than the expected remaining proved reserves. As of December 31, 2013 and 2012, our aggregate natural gas and oil imbalances were not material to our consolidated financial statements.~~

~~Commodity Marketing and Logistics.~~ ~~We earn revenues from the sale and transportation of oil and the rental of rail cars. Accordingly, revenues and related costs from sales of oil are recorded when title transfers to the buyer. Transportation revenues are recognized when title passes to the customer, which is when risk of ownership transfers to the purchaser, and physical delivery occurs. Revenues from the rental of railcars are recognized ratably over the lease periods.~~

~~Refining, Distribution and Marketing.~~ ~~We recognize revenues upon delivery of goods or services to a customer. For goods, this is the point at which title and risk of loss is transferred and when payment has either been received or collection is reasonably assured. Revenues for services are recorded when the services have been provided. We include transportation fees charged to customers in revenues in our statements of consolidated operations, while the related transportation costs are included in cost of sales. Federal excise and state motor fuel taxes, which are remitted to governmental agencies through our refining segment and collected from customers in our retail segment, are included in both revenues and cost of sales in our statements of consolidated operations.~~

~~Loss Per Share~~

~~Basic loss per share ("EPS") is computed by dividing net loss by the sum of the weighted average number of common shares outstanding, and the weighted average number of shares issuable under the Warrants (see Note 16 - Loss Per Share). The Warrants are included in the calculation of basic EPS because they are issuable for minimal consideration. Non-vested restricted stock is excluded from the computation of basic EPS as these shares are not considered earned until vesting occurs.~~

~~Foreign Currency Transactions~~

~~We may, on occasion, enter into transactions denominated in currencies other than our functional currency ("U.S. $"). Gains and losses resulting from changes in currency exchange rates between the functional currency and the currency in which a transaction is denominated are included in other income (expense) in the accompanying consolidated statement of operations in the period in which the currency exchange rates change.~~

~~Note 3 - Investment in Piceance Energy~~

~~We account for our 33.34% ownership interest in Piceance Energy using the equity method of accounting because we are able to exert significant influence but do not control the operating and financial policies. The Piceance Energy LLC Agreement provides that its sole manager may make a written capital call such that each member shall make additional capital contributions up to an aggregate combined total capital contribution of $60 million ($20 million to our interest), if approved by a majority of its board. If any member does not fund its share of the capital call, its interest may be reduced or diluted by the amount of the shortfall. In addition, Piceance Energy has a $400 million secured revolving credit facility secured by a lien on its natural gas and oil properties and related assets with a borrowing base currently set at $120 million. As of December 31, 2013, the balance outstanding on the revolving credit facility was approximately $90.2 million. We are guarantors of Piceance Energy's credit facility, with recourse limited to the pledge of our equity interests of Par Piceance Energy. Under the terms of its credit facility, Piceance Energy is generally prohibited from making future cash distributions to its owners, including us.~~

~~The change in our equity investment in Piceance Energy is as follows (in thousands):~~

	~~Year Ended December 31, 2013~~	~~September 1 through December 31, 2012~~
~~Beginning balance~~	~~$ 104,434~~	~~$ 105,344~~
~~Loss from unconsolidated affiliates~~	~~(3,516)~~	~~(1,325)~~
~~Accretion of basis difference~~	~~575~~	~~—~~
~~Capitalized drilling costs obligation paid~~	~~303~~	~~415~~
~~Ending balance~~	~~$ 101,796~~	~~$ 104,434~~

~~Summarized financial information for Piceance Energy is as follows (in thousands):~~

	~~December 31, 2013~~	~~December 31, 2012~~
~~Assets~~		
~~Current assets~~	~~$ 5,901~~	~~$ 6,275~~
~~Non-current assets~~	~~454,402~~	~~460,991~~
~~Current liabilities~~	~~(13,040)~~	~~(11,826)~~
~~Non-current liabilities~~	~~(96,738)~~	~~(94,369)~~

	~~Year Ended December 31, 2013~~	~~September 1 through December 31, 2012~~
	~~100%~~	~~100%~~
~~Oil, natural gas and natural gas liquids revenues~~	~~$ 61,091~~	~~$ 19,391~~
~~Loss from operations~~	~~(6,765)~~	~~(2,095)~~
~~Net loss~~	~~(10,546)~~	~~(3,975)~~

~~The net loss for the year ended December 31, 2013 includes $26.6 million and $770 thousand in DD&A expense and losses on derivative instruments, respectively. The net loss for the period from September 1 through December 31, 2012 include $8.5 million and $917 thousand of DD&A expense and losses on derivative instruments, respectively.~~

~~At December 31, 2013 and 2012, our equity in the underlying net assets of Piceance Energy exceeded the carrying value of our investment by approximately $15.1 million and $15.9 million, respectively. This difference arose due to lack of control and marketability discounts and we attributed it to natural gas and oil properties and will amortize the difference over 15 years based on the estimate of proved reserves at the date Piceance Energy was formed.~~

~~**PAR PETROLEUM CORPORATION AND SUBSIDIARIES**~~
~~**Notes to Consolidated Financial Statements**~~

~~**Note 4 – Acquisitions and Dispositions**~~

~~We made our acquisitions in furtherance of our growth strategy that focuses on the acquisition of income producing businesses in order to monetize our net operating loss carryforwards.~~

~~***Texadian Energy, Inc.***~~

~~On December 31, 2012, we acquired Texadian, an indirect wholly owned subsidiary of SEACOR Holdings Inc., for $14 million plus estimated net working capital of approximately $3 million at closing resulting in approximately $17 million of cash paid at closing. Texadian operates an oil transportation, distribution and marketing business with significant logistics capabilities. The purchase price for the acquisition was funded with a combination of cash and additional borrowings under the Tranche B Loan (see Note 10 – Debt). During 2013, the purchase price was reduced by $1.3 million due to funds received from SEACOR Holdings, Inc. for certain employee-related benefits.~~

~~The purchase was accounted for as a business combination whereby the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. Goodwill recognized in the transaction was attributable to opportunities expected to arise from combining our operations with Texadian's, and specifically utilization of our net operating loss carryforwards, as well as other intangible assets that do not qualify for separate recognition. In addition, we recorded certain other identifiable intangible assets. These include relationships with suppliers and shippers and favorable railcar leases. These intangible assets will be amortized over their estimated useful lives on a straight line basis, which approximates their consumptive life.~~

~~A summary of the fair value of the assets acquired and liabilities assumed is as follows (in thousands):~~

~~Intangible assets~~	~~$~~	~~8,809~~
~~Goodwill~~		~~6,990~~
~~Net non cash working capital~~		~~3,097~~
~~Deferred tax liabilities~~		~~(2,757)~~
~~Total, net of cash acquired~~	~~$~~	~~16,139~~

~~None of the goodwill or intangible assets are expected to be deductible for income tax reporting purposes. Acquisition costs of approximately $556 thousand are included in our consolidated statements of operations for the period ended December 31, 2012.~~

~~***Hawaii Independent Energy, LLC***~~

~~On June 17, 2013 (the "Execution Date"), our wholly owned subsidiary, Hawaii Pacific Energy, entered into a membership interest purchase agreement (the "HIE Purchase Agreement") with Tesoro Corporation, (the "Seller") and solely for the purpose set forth in the HIE Purchase Agreement, Tesoro Hawaii. Pursuant to the HIE Purchase Agreement, on September 25, 2013 (the "Effective Date"), Hawaii Pacific Energy purchased from the Seller all of the issued and outstanding units representing the membership interests in Tesoro Hawaii (the "Purchased Units"), and indirectly thereby also acquired Tesoro Hawaii's wholly owned subsidiary, Smiley's Super Service, Inc. Tesoro Hawaii owns and operates (i) a petroleum refinery located at the Campbell Industrial Park in Kapolei, Hawaii (the "Refinery"), (ii) certain pipeline assets, floating pipeline mooring equipment, and refined products terminals, and (iii) retail assets selling fuel products and merchandise on the islands of Oahu, Maui and Hawaii. Following the acquisition, Tesoro Hawaii was renamed Hawaii Independent Energy, LLC ("HIE").~~

Hawaii Pacific Energy acquired the Purchased Units for $75 million, paid in cash at the closing of the HIE Purchase Agreement, plus net working capital and inventories at closing and plus certain contingent earnout payments of up to $40 million. As a part of the purchase price, we also funded approximately $24.3 million of start-up expenses and for a major overhaul of a co-generation turbine used at the refinery prior to closing. The earnout payments, if any, are to be paid annually following each of the three calendar years beginning January 1, 2014 through the year ending December 31, 2016, in an amount equal to 20% of the consolidated annual gross margin of HIE in excess of $165 million during such calendar years, with an annual cap of $20 million. In the event that the Refinery ceases operations or in the event Hawaii Pacific Energy disposes of any facility used in the acquired business, Hawaii Pacific Energy's obligation to make earnout payments could be modified and/or accelerated as provided in the HIE Purchase Agreement. The purchase price was paid with a portion of the net proceeds from the sale of the shares of our common stock in a private transaction (see Note 14 - Stockholders' Equity), amounts received pursuant to the Supply and Exchange Agreements (see Note 9 - Supply and Exchange Agreements) and the ABL Facility (see Note 10 – Debt).

We accounted for the acquisition of HIE as a business combination whereby the purchase price has been preliminary allocated to the assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. Goodwill recognized in the transaction was attributable to opportunities expected to arise from combining our operations with HIE's, and utilization of our net operating loss carryforwards, as well as other intangible assets that do not qualify for separate recognition. In addition, we recorded certain other identifiable intangible assets. These include trade names and trademarks. These intangible assets will be amortized over their estimated useful lives on a straight line basis, which approximates their consumptive life.

A summary of the preliminary estimated fair value of the assets acquired and liabilities assumed is as follows (in thousands):

Inventory	$	418,750
Trade accounts receivable		59,485
Prepaids and other current assets		1,978
Property, plant and equipment		58,782
Land		39,800
Goodwill		13,613
Intangible assets		4,689
Accounts payable and other current liabilities		(18,154)
Contingent consideration liability		(11,980)
Other noncurrent liabilities		(6,384)
Total	$	560,579

We are continuing to evaluate certain liabilities assumed in the acquisition, including those related to employee benefits. We have recorded a preliminary estimate of the liability and expect to finalize the purchase price allocation during 2014.

The acquisition was partially funded from proceeds totaling approximately $378.2 million from the Supply and Exchange Agreements (see Note 9 - Supply and Exchange Agreements). None of the goodwill or intangible assets are expected to be deductible for income tax reporting purposes. Acquisition costs totaled approximately $7

~~million are included in acquisition and integration costs our consolidated statement of operations for the year ended December 31, 2013.~~

~~Pro Forma Effects of the Acquisitions~~

~~The unaudited pro forma financial information presented below assumes that the Texadian and HIE acquisitions occurred as of January 1, 2012 and combines the Predecessor and Successor periods to include a full year of results for the year ended December 31, 2012. We did not include any adjustments related to the application of fresh-start reporting for the year ended December 31, 2012.~~

	2013	2012
~~(in millions)~~		
~~Revenues~~	~~$ 2,986.8~~	~~$ 3,811.1~~
~~Net loss~~	~~$ (113.6)~~	~~$ (12.0)~~

~~Revenue and earnings for HIE subsequent to the acquisition are included in Note 17 - Segment Information.~~

~~Assets Contributed to Piceance Energy~~

~~At December 31, 2011, Delta's oil and gas assets were classified as held for use and no impairment charges resulted from the analysis performed at December 31, 2011 as the estimated undiscounted net cash flows exceeded carrying amounts for all properties. In August 2012, the Bankruptcy Court approved a plan of sale of substantially all of the Predecessor's assets and accordingly these assets were classified as held for sale and an impairment of approximately $151.3 million was recognized for the period from January 1, 2012 through August 31, 2012 to write-down these assets to fair value due to the application of fresh-start reporting. The assets were then contributed to Piceance Energy in accordance with our Plan of Reorganization.~~

~~Assets Held for Sale~~

~~As of December 31, 2012, we classified certain compressors as held for sale, which were recorded at the lower of cost or estimated net realizable value. On February 20, 2013, these compressors were sold for approximately $2.9 million resulting in a gain of $50 thousand.~~

~~Note 5 – Property, Plant and Equipment~~

~~Major classes of property, plant and equipment consist of the following (in thousands):~~

	December 31,	
	2013	2012
~~Land~~	~~$ 39,800~~	~~$ —~~
~~Buildings and equipment~~	~~65,878~~	~~—~~
~~Other~~	~~1,945~~	~~1,415~~
~~Property, plant and equipment~~	~~107,623~~	~~1,415~~
~~Proved oil and gas properties~~	~~4,949~~	~~4,804~~
~~Less: accumulated depreciation, depletion and amortization~~	~~(3,968)~~	~~(373)~~
	~~$ 108,604~~	~~$ 5,846~~

~~Note 6 – Asset Retirement Obligations~~

~~The following is a reconciliation of our AROs (in thousands):~~

	Successor		Predecessor
	Year Ended December 31, 2013	September 1 through December 31, 2012	January 1 through August 31, 2012
Asset retirement obligation – beginning of period	$ 512	$ 476	$ 3,799
Obligation acquired	2,601	—	—
Accretion expense	59	36	178
Change in estimate	—	—	437
Settlement upon transfer to – Piceance Energy	—	—	(3,938)
Asset retirement obligation – end of period	$ 3,172	$ 512	$ 476

~~As the result of the contribution of assets to Piceance Energy during the reorganization, approximately $3.9 million of our AROs was deemed settled as of the Emergence Date.~~

~~Note 7 - Inventories~~

~~The following is a summary of our inventory (in thousands):~~

	December 31, 2013			December 31, 2012
	Titled Inventory	Supply and Exchange Agreements	Total	Titled Inventory
Crude oil and feedstocks	$ —	$ 146,158	$146,158	$ 10,466
Refined products and blend stock	67,532	161,554	229,086	—
Spare parts, materials and supplies, and merchandise	13,831	—	13,831	—
	$ 81,363	$ 307,712	$389,075	$ 10,466

~~**PAR PETROLEUM CORPORATION AND SUBSIDIARIES**~~
~~**Notes to Consolidated Financial Statements**~~

~~Note 8 – Intangible assets~~

~~Our intangible assets consist of the following (in thousands):~~

		December 31,	
		2013	2012
~~Amortized intangible assets:~~			
~~Gross carrying amount:~~			
~~Supplier relationships~~	~~$~~	~~3,360~~	~~$ 3,360~~
~~Rail car leases~~		~~3,249~~	~~3,249~~
~~Historical shipper status~~		~~2,200~~	~~2,200~~
~~Trade names and trademarks~~		~~4,689~~	~~—~~
~~Subtotal~~		~~13,498~~	~~8,809~~
~~Accumulated amortization~~			
~~Supplier relationships~~		~~(258)~~	~~—~~
~~Rail car leases~~		~~(650)~~	~~—~~
~~Historical shipper status~~		~~(1,100)~~	~~—~~
~~Trade name and trademarks~~		~~(320)~~	~~—~~
~~Subtotal~~		~~(2,328)~~	~~—~~
~~Net:~~			
~~Supplier relationships~~		~~3,102~~	~~3,360~~
~~Rail car leases~~		~~2,599~~	~~3,249~~
~~Historical shipper status~~		~~1,100~~	~~2,200~~
~~Trade name and trademarks~~		~~4,369~~	~~—~~
~~Total amortized intangible assets, net~~	~~$~~	~~11,170~~	~~$ 8,809~~

~~Amortization expense was approximately $2.3 million for the year ended December 31, 2013. There was no amortization expense during 2012. Expected future amortization expense for each of the next five years and thereafter is as follows (in thousands):~~

~~Year Ended~~	~~Amount~~
~~2014~~	~~$ 3,571~~
~~2015~~	~~2,471~~
~~2016~~	~~2,151~~
~~2017~~	~~908~~
~~2018~~	~~258~~
~~Thereafter~~	~~1,811~~
	~~$ 11,170~~

~~During the year ended December 31, 2013 the changes in the carrying amount of goodwill for the year ended December 31, 2013 were as follows (in thousands):~~

~~Balance at beginning of period~~	~~$ 7,756~~
~~Additions~~	~~13,613~~
~~Texadian purchase price adjustments~~	~~(766)~~
~~Balance at end of period~~	~~$ 20,603~~

~~Note 9 – Supply and Exchange Agreements~~

~~HIE entered into several agreements with Barclays Bank PLC ("Barclays"), referred to collectively as the Supply and Exchange Agreements, on September 25, 2013 in connection with the acquisition of HIE. We entered into the Supply and Exchange Agreements for the purpose of managing our working capital and the crude oil and refined product inventory at the refinery.~~

~~Pursuant to the Supply and Exchange Agreements, Barclays holds title to all of the crude oil in the tanks at the refinery. Additionally, Barclays holds title to a majority of our refined product inventory in our tanks at the refinery. Barclays also prepaid us for certain inventory held at locations outside of our refinery. We hold title to the inventory during the refining process. Barclays sells the crude oil as it is discharged out of the refinery's tanks. We~~

~~exchange refined product owned by Barclays stored in our tanks for equal volumes of refined product produced by our refinery when we execute third party sales of refined product. We currently market and sell the refined product independently to third parties. The Supply and Exchange Agreements have an initial term of three years with two one-year renewal options.~~

~~As described in Note 2 – Summary of Significant Accounting Policies, we record the inventory owned by Barclays on our behalf because we maintain the risk of loss until the refined products are sold to third parties. Because we do not hold legal title to the crude oil inventory until it enters the refinery, we record a liability in an amount equal to the carrying value of the crude oil inventory. In accordance with the terms of the Supply and Exchange Agreements, the volume of refined products purchased by Barclays in connection with the acquisition of HIE is known as the "Block Volume". To the extent we have refined products inventory volumes at period-end in excess of the Block Volume, we record a liability for the Block Volume valued at the per barrel carrying value of the refined product inventory owned by Barclays. From time to time, we may sell refined product inventory that causes our refined product inventory to be less than the Block Volume. To the extent of this shortfall, we record a liability for the volumes that we would need to purchase at current market prices in order to meet the Block Volume requirement. The liability related to the Supply and Exchange Agreements is included in obligations under supply and exchange agreements on our consolidated balance sheet.~~

~~For the year ended December 31, 2013, we incurred approximately $3.7 million in handling fees related to the Supply and Exchange Agreements, which is included in cost of revenues on our consolidated statement of operations. For the year ended December 31, 2013, interest expense and financing costs, net includes $1.4 million of expense related to the Supply and Exchange Agreements.~~

~~Note 10 - Debt~~

~~Our debt is as follows (in thousands):~~

	~~December 31, 2013~~	~~December 31, 2012~~
~~Tranche B Loan~~	~~$ 19,480~~	~~$ 35,000~~
~~Delayed Draw Term Loan Agreement~~	~~—~~	~~13,465~~
~~ABL Facility~~	~~51,800~~	~~—~~
~~Retail Credit Agreement~~	~~26,000~~	~~—~~
~~Less: unamortized debt discount – warrants~~	~~—~~	~~(6,014)~~
~~Less: unamortized debt discount – embedded derivative~~	~~—~~	~~(60)~~
~~Total debt, net of unamortized debt discount~~	~~97,280~~	~~42,391~~
~~Less: current maturities~~	~~(3,250)~~	~~(35,000)~~
~~Long-term debt, net of current maturities and unamortized discount~~	~~$ 94,030~~	~~$ 7,391~~

~~Annual maturities of our long-term debt are due during the following years (in thousands):~~

~~Year~~	~~Amount Due~~
~~2014~~	~~$ 3,250~~
~~2015~~	~~2,600~~

~~2016~~		~~22,080~~
~~2017~~		~~54,400~~
~~2018~~		~~2,600~~
~~Thereafter~~		~~12,350~~
	~~$~~	~~97,280~~

~~Delayed Draw Term Loan Credit Agreement~~

~~Pursuant to the Plan, on the Emergence Date, we and certain of our subsidiaries (the "Guarantors" and, together with the company, the "Loan Parties") entered into a Delayed Draw Term Loan Credit Agreement (the "Loan Agreement") with Jefferies Finance LLC, as administrative agent (the "Agent") for the lenders party thereto from time to time, including WB Delta, Ltd., Waterstone Offshore ER Fund, Ltd., Prime Capital Master SPC, GOT WAT MAC Segregated Portfolio, Waterstone Market Neutral MAC51, Ltd., Waterstone Market Neutral Master Fund, Ltd., Waterstone MF Fund, Ltd., Nomura Waterstone Market Neutral Fund, ZCOF Par Petroleum Holdings, L.L.C. and Highbridge International, LLC (collectively, the "Lenders"), pursuant to which the Lenders agreed to extend credit to us in the form of term loans (each, a "Loan" and collectively, the "Loans") of up to $30 million. We borrowed $13 million on the Emergence Date in order to, along with the proceeds from the Contribution Agreement: (i) repay the loans and obligations due under the Predecessor's secured debtor-in-possession credit facility, and (ii) pay allowed but unpaid administrative expenses to the Debtors related to the Plan. During 2013, we borrowed an additional $17 million for general corporate use. In November 2013, we repaid in full and terminated all of our obligations under the Loan Agreement, other than the New Tranche B Loans described below. Included in interest expense and financing cost, net on the consolidated statements of operations is $6.1 million recorded as loss on extinguishment of debt related to the November 2013 repayment.~~

~~Amendment to the Loan Agreement~~

~~On December 28, 2012, in order to fund a portion of the purchase price for our acquisition of Texadian Energy, the Loan Parties entered into an amendment to the Loan Agreement with the Agent and the Lenders, pursuant to which certain lenders (the "Tranche B Lenders") agreed to extend additional borrowings to us (the "Tranche B Loan"). The total commitment of the Tranche B Loan of $35 million was drawn at closing. In addition to funding a portion of the purchase price of the acquisition of Texadian, the Tranche B Loan provided cash collateral for our former cash collateralized letter of credit facility. Pursuant to the Eighth Amendment to the Loan Agreement entered into on June 24, 2013, the Lenders refinanced and replaced the Tranche B Loan with new Tranche B Loans in the aggregate principal amount of $65 million (the "New Tranche B Loans"). The proceeds from the New Tranche B Loans were applied to prepay in full the Tranche B Loan, to make payments due under the membership interests purchase agreement in connection with the acquisition of HIE (the "HIE Purchase Agreement"), and for working capital and general corporate purposes.~~

~~On September 25, 2013 and in connection with the acquisition of HIE, we entered into a Tenth Amendment to the Loan Agreement pursuant to which the Lenders (i) consented to the consummation of the transactions contemplated by the HIE Purchase Agreement and the use of a portion of the proceeds from the Private Placement to fund a portion of the consideration for the acquisition of HIE and for certain other purposes, (ii) provided certain other consents in connection with the transactions contemplated by the HIE Purchase Agreement, (iii) increased the interest rate applicable to certain of the loans, and (iv) amended certain provisions of the Loan Agreement and the other loan documents in connection with the consummation of the transactions contemplated by the HIE Purchase Agreement and the Private Placement (see Note 14 – Stockholder's Equity).~~

~~The consent provided by the Lenders was conditioned on, among other things, (i) the repayment in full of the New Tranche B Loans owing to all Lenders except for ZCOF Par Petroleum Holdings, L.L.C., and a partial repayment of the New Tranche B Loans owing to ZCOF Par Petroleum Holdings, L.L.C. from a portion of the proceeds from the Private Placement and (ii) a portion of the proceeds from the Private Placement being used to consummate the transactions contemplated by the HIE Purchase Agreement.~~

~~The New Tranche B Loans bear interest (a) from June 24, 2013 through October 31, 2013 at a rate equal to 9.75% per annum payable, at the election of the company, either (i) in cash or (ii) in kind, and (b) from and after November 1, 2013, at a rate equal to 14.75% per annum payable either (i) in cash or (ii) in kind. Additionally, we agreed to pay the New Tranche B Lenders a nonrefundable exit fee equal to 2.5% of the aggregate amount of the New Tranche B Loans. The exit fee is earned in full and payable on the maturity date of the Tranche B Loans or, if earlier, the date on which the New Tranche B Loans are paid in full.~~

~~The New Tranche B Loans mature and are payable in full on August 31, 2016. We may prepay the New Tranche B Loans at any time, provided that any prepayment is in an integral multiple of $100,000 and not less than $100,000 or, if less, the outstanding principal amount of the New Tranche B Loans. Amounts to be applied to prepayment of New Tranche B Loans shall be applied (i) first, towards payment of interest then outstanding and fees then due, and (ii) second, towards payment of principal then outstanding.~~

~~The New Tranche B Loans are secured by a lien on substantially all of our assets and our subsidiaries, excluding Texadian, Texadian Energy Canada Limited (“Texadian Canada”), certain of our immaterial subsidiaries, and Hawaii Pacific Energy and its subsidiaries. All our obligations under the New Tranche B Loans are unconditionally guaranteed by the Guarantors.~~

~~ABL Facility~~

~~On September 25, 2013 and in connection with the with the acquisition of HIE, HIE and its subsidiary (the “ABL Borrowers”) and Hawaii Pacific Energy entered into an asset-based revolving credit facility (the “ABL Facility”) to provide the ABL Borrowers with a senior secured revolving credit facility of up to $125.0 million under which the ABL Borrowers may borrow amounts from time to time based on the available borrowing base as determined in accordance with the ABL Facility. The ABL Facility also allows the ABL Borrowers to use up to $50 million of availability under the ABL Facility for the issuances of letters of credit. The ABL Borrowers borrowed $15 million on September 25, 2013 under the ABL Facility in order to, in part, (i) fund the purchase price under the Purchase Agreement, and (ii) provide working capital to the ABL Borrowers. The proceeds from any future amounts borrowed pursuant to the ABL Facility will be used for general corporate purposes and to fund the working capital of the ABL Borrowers. As of December 31, 2013, the total capacity of the ABL Facility was $83.3 million.~~

~~Outstanding balances on the ABL Facility bear interest at the base rate specified below (“Base Rate”) plus a margin (based on a sliding scale of 1.00% to 1.50% depending on the borrowing base usage) or the adjusted LIBO rate specified below (“LIBO Rate”) plus a margin (based on a sliding scale of 2.00% to 2.50% depending on the borrowing base usage). The margin was 1.25% for Base Rate loans and 2.25% for LIBO Rate loans during 2013. The Base Rate is equal to the highest of (i) the prime lending rate of the ABL Agent, (ii) the Federal Funds Rate plus 0.5% per annum, and (iii) the LIBO Rate for a LIBO Rate loan denominated in dollars with a one-month interest period commencing on such day plus 1.00%. The effective weighted-average interest rate for 2013 was 3.13%.~~

~~The amounts borrowed pursuant the ABL Facility and all obligations arising under the ABL Facility are secured by a lien in favor of the ABL Agent on substantially all of HIE’s assets.~~

~~The ABL Borrowers agreed to pay commitment fees for the ABL Facility equal to 0.375% if the borrowing base usage is greater than 50% and 0.500% if the borrowing base usage is less than or equal to 50%. Outstanding letters of credit will be charged a participation fee at a per annum rate equal to the margin applicable to LIBO Rate loans, a facing fee and customary administrative fees.~~

~~PAR PETROLEUM CORPORATION AND SUBSIDIARIES~~
~~Notes to Consolidated Financial Statements~~

~~All loans and other obligations outstanding under the ABL Facility are payable in full on September 25, 2017.~~

~~The ABL Facility requires HIE and its subsidiaries and Hawaii Pacific Energy to comply with various affirmative and negative covenants affecting its business and operations, including compliance by HIE in certain circumstances with a minimum ratio of consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA"), as adjusted, to total fixed charges of 1.0 to 1.0.~~

~~HIE Retail Credit Agreement~~

~~On November 14, 2013 , HIE Retail, LLC ("HIE Retail"), our subsidiary, entered into a Credit Agreement (the "Retail Credit Agreement") in the form of a senior secured term loan of up to $30 million the ("Term Loan") and a senior secured revolving line of credit of up to $5 million (the "Revolver"). HIE Retail initially borrowed $26 million of the Term Loan at the closing and an additional $4 million of the Term Loan upon HIE Retail's compliance with certain liquor licensing requirements, if such requirements are satisfied prior to December 31, 2014, will be available. The proceeds of the Term Loan are available for general corporate purposes.~~

~~Loans made under the Retail Credit Agreement are secured by a first priority security interest in substantially all of the assets of HIE Retail consisting primarily of 31 distribution outlets, selling fuel products and merchandise on the islands of Oahu, Maui and Hawaii.~~

~~The Retail Credit Agreement requires HIE Retail to comply with various financial covenants that are measured on a quarterly basis commencing with the fiscal quarter ending March 31, 2014 and are calculated on a trailing four-quarter basis. Such covenants require HIE Retail to maintain a maximum Leverage Ratio (as defined in the Retail Credit Agreement) as follows:~~

~~Period (during and as of the last day of)~~	**~~Maximum Leverage Ratio~~**
~~2013 Fiscal Year~~	~~5.75 to 1.00~~
~~2014 Fiscal Year~~	~~5.50 to 1.00~~
~~2015 Fiscal Year~~	~~5.25 to 1.00~~
~~2016 Fiscal Year~~	~~5.00 to 1.00~~
~~2017 Fiscal Year, and at all times thereafter~~	~~4.75 to 1.00~~

~~HIE Retail is also required to maintain a Fixed Charge Coverage Ratio of 1.15:1.00.~~

~~Term Loan~~

~~Principal on the Term Loan will be repaid in 28 quarterly principal payments over the term through November 14, 2020.~~

~~The Term Loan will bear interest, at HIE Retail's election, at a rate equal to (i) 30, 90 and 180 day LIBOR plus the Applicable Margin (as specified below) for LIBOR Loans (as defined in the Retail Credit Agreement), or (ii) the primary interest rate established from time to time by the Agent in the ordinary course of its business plus the Applicable Margin. The effective interest rate for 2013 on the outstanding loan was 2.5%.~~

~~Interest is payable at the end of the selected interest period, but no less frequently than quarterly. The Applicable Margin for each fiscal quarter is the applicable rate per annum set forth below, such amount to be determined as of the last day of the immediately preceding fiscal quarter.~~

~~Level~~	**~~Leverage Ratio~~**	**~~Applicable Margin for LIBOR Loans~~**	**~~Applicable Margin for Base Rate Loans~~**

~~1~~	~~<4.00x~~	~~2 %~~	~~0 %~~
~~2~~	~~4.00x-5.00x~~	~~2.25 %~~	~~.25 %~~
~~3~~	~~>5.00x~~	~~2.5 %~~	~~.50 %~~

~~Initial pricing from the Effective Date until March 31, 2014 was set at Level 2.~~

~~Fifty percent of annual Excess Cash Flow (as defined in the Retail Credit Agreement) will be applied to the outstanding principal balance of the Term Loan beginning with Excess Cash Flow for fiscal year 2014 to the extent the leverage ratio is equal to or greater than 4.50:1.00.~~

~~Revolver~~

~~The Revolver matures on November 14, 2016. Letters of credit issued under the Revolver are not to expire beyond the maturity date of the Revolver.~~

~~Advances under the Revolver will bear interest, at HIE Retail's election, at a rate equal to (a) 30, 90 and 180 day LIBOR plus the Revolver Applicable Margin (as defined below) for LIBOR Loans, or (ii) the primary interest rate established from time to time by the Agent in the ordinary course of its business plus the Revolver Applicable Margin.~~

~~HIE Retail agreed to pay a fee (the "Unused Fee"), based on the leverage ratio on the last date of the immediately preceding quarter as set forth below, based on the unused portion of the Revolver and calculated on the average of the unused amount for the quarter. The Unused Fee is payable quarterly in arrears commencing on the November 14, 2013.~~

~~The Revolver Applicable Margin and the Unused Fee, for each quarter is determined, on the last date of the immediately preceding fiscal quarter:~~

~~Level~~	**~~Leverage Ratio~~**	**~~Unused Fee~~**	**~~Revolver Applicable Margin for LIBOR Loans~~**	**~~Revolver Applicable Margin for Base Rate Loans~~**
~~1~~	~~<4.00x~~	~~.25 %~~	~~1.75 %~~	~~.25 %~~
~~2~~	~~4.00x-5.00x~~	~~.375 %~~	~~2.00 %~~	~~0 %~~
~~3~~	~~>5.00x~~	~~.50 %~~	~~2.25 %~~	~~.25 %~~

~~Initial pricing from the Effective Date until March 31, 2014 was set at Level 2.~~

~~Commitment fees for Standby Letters of Credit issued under the Revolver are due quarterly in arrears and will be equal to 2.00% per annum on the letter of credit amount payable. Fees for the issuance and negotiation of Commercial Letters of Credit will be based on the Agent's standard fee schedule then in effect.~~

~~Texadian Uncommitted Credit Agreement~~

~~On June 12, 2013, Texadian and its wholly-owned subsidiary Texadian Canada entered into an uncommitted credit agreement to provide for loans and letters of credit, on an uncommitted and absolutely discretionary basis, in an aggregate amount at any one time outstanding not to exceed $50 million. Loans and letters of credit issued under the Uncommitted Credit Agreement are secured by a security interest in and lien on substantially all of Texadian's assets, including, but not limited to, cash, accounts receivable, and inventory, a pledge by Texadian of 65% of its~~

~~ownership interest in Texadian Canada, and a pledge by us of 100% of our ownership interest in Texadian. Texadian agreed to pay certain fees with respect to the loans and letters of credit made available to it under the Uncommitted Credit Agreement, including an up-front fee, an origination fee, a minimum compensation fee, a collateral audit fee, and fees with respect to letters of credit. The Uncommitted Credit Agreement requires Texadian to comply with various affirmative and negative covenants affecting its business, and Texadian must comply with certain financial maintenance covenants, including among other things, covenants regarding the minimum net working capital and minimum tangible net worth of Texadian. The Uncommitted Credit Facility does not permit, at any time, Texadian's consolidated leverage ratio to be greater than 5.00 to 1.00 or its consolidated gross asset coverage to be equal to or less than zero. As of December 31, 2013, we had $41.6 million of letters of credit outstanding related to this agreement.~~

~~Letter of Credit Facility~~

~~On December 27, 2012, we entered into a letter of credit facility agreement (the "Letter of Credit Facility"). The Letter of Credit Facility provided for a letter of credit facility in an aggregate principal amount of $30 million that was available for the issuance of cash-collateralized standby letters of credit for us or any of our subsidiaries.~~

~~In connection with the acquisition of Texadian, we issued an Irrevocable Standby Letter of Credit in favor of SEACOR Holdings, Inc. in the amount of $11.7 million (the "Irrevocable Standby Letter of Credit"). The Irrevocable Standby Letter of Credit secured SEACOR Holdings, Inc. in the event that certain letters of credit were drawn. Those letters of credit have been terminated and released. The Letter of Credit Facility was terminated on June 17, 2013.~~

~~Cross Default Provisions~~

~~Included within each of the our debt agreements are customary cross default provisions that require the repayment of amounts outstanding on demand should an event of default occur and not be cured within the permitted grace period, if any. As of December 31, 2013, we are in compliance with all of our credit agreements.~~

~~Warrant Issuance Agreement~~

~~Pursuant to the Plan of Reorganization, on the Emergence Date, we issued to the Lenders warrants (the "Warrants") to purchase up to an aggregate of 959,213 shares of our common stock (the "Warrant Shares"). In connection with the issuance of the Warrants, we also entered into a Warrant Issuance Agreement, dated as of the Emergence Date (the "Warrant Issuance Agreement"). Subject to the terms of the Warrant Issuance Agreement, the holders are entitled to purchase shares of common stock upon exercise of the Warrants at an exercise price of $0.10 per share of common stock (the "Exercise Price"), subject to certain adjustments from time to time as provided in the Warrant Issuance Agreement. The Warrants expire on the earlier of (i) August 31, 2022 or (ii) the occurrence of certain merger or consolidation transactions specified in the Warrant Issuance Agreement. A holder may exercise the Warrants by paying the applicable exercise price in cash or on a cashless basis.~~

~~The number of shares of our common stock issuable upon exercise of the Warrants and the exercise prices of the Warrants will be adjusted in connection with certain issuances or sales of shares of the company's common stock and convertible securities, or any subdivision, reclassification or combinations of common stock. Additionally, in the case of any reclassification or capital reorganization of the capital stock of the company, the holder of each Warrant outstanding immediately prior to the occurrence of such reclassification or reorganization shall have the right to receive upon exercise of the applicable Warrant, the kind and amount of stock, other securities, cash or other property that such holder would have received if such Warrant had been exercised.~~

~~From the Emergence Date through December 31, 2013, we issued an additional 228,735 shares of our common stock to settle bankruptcy matters. This entitled the Lenders to receive an additional 14,859 Warrant Shares through December 31, 2013. On December 12, 2013, Warrants to purchase 183,389 Warrant Shares were exercised. At December 31, 2013, Warrants to purchase an aggregate of 790,683 Warrant Shares were outstanding.~~

~~Based on certain anti-dilution provisions in the Warrant Issuance Agreement, we have concluded that the Warrants are not indexed to our equity. Accordingly, on the Emergence Date we estimated the fair value of the Warrants on the date of grant to be approximately $6.6 million and recorded the estimated fair value of the Warrants as a derivative liability with the offset to debt discount. The debt discount was being amortized over the life of the Loan Agreement, using the effective interest method until repayment of the delayed draw term loan in November 2013. Subsequent changes in the fair value of the Warrants are reflected in earnings (see Note 11 – Fair Value Measurements).~~

~~Note 11 - Fair Value Measurements~~

~~Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Fair value measurements are categorized with the highest priority given to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority given to unobservable inputs. The three levels of the fair value hierarchy are as follows:~~

- ~~Level 1 – Assets or liabilities for which the item is valued based on quoted prices (unadjusted) for identical assets or liabilities in active markets.~~
- ~~Level 2 – Assets or liabilities valued based on observable market data for similar instruments.~~
- ~~Level 3 – Assets or liabilities for which significant valuation assumptions are not readily observable in the market; instruments valued based on the best available data, some of which is internally developed, and considers risk premiums that a market participant would require.~~

~~The level in the fair value hierarchy within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. Our policy is to recognize transfers in and/or out of fair value hierarchy as of the end of the reporting period for which the event or change in circumstances caused the transfer. We have consistently applied the valuation techniques discussed below for the periods presented. We use data from peers as well as external sources in the determination of the volatility and risk free rates used in our fair value calculations. A sensitivity analysis is performed as well to determine the impact of inputs on the ending fair value estimate.~~

~~Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis~~

~~*Fresh-Start Reporting* — The fair value of the Successor was based on its estimated enterprise value post-bankruptcy using valuation techniques described in notes (a) through (e) below. The individual components consist of the estimated enterprise value of Piceance Energy and the sum of the estimated fair value of the assets we retained. The estimates of fair value of the net assets were reflected in the Successor's consolidated balance sheet as of August 31, 2012.~~

	~~Fair Value at August 31, 2012~~	~~Fair Value Technique~~
	~~(in thousands)~~	
~~Oil and gas properties~~		
~~Proved~~	~~$ 4,587~~	~~(a)(b)~~
~~Other assets~~		
~~Frac tanks~~	~~1,400~~	~~(c)~~
~~Compressors~~	~~2,800~~	~~(c)~~
~~Miscellaneous~~	~~39~~	~~(d)~~
~~Investment in Piceance Energy~~	~~105,344~~	~~(e)~~

~~(a)~~ ~~Certain proved property was valued using the cost valuation technique. A significant input in this measurement was the estimated cost of the properties. A change in that estimated cost would be directly correlated to change in the estimated fair value of the property. We consider this to be a Level 3 fair value measurement.~~

~~(b)~~ ~~The estimated fair value of our Point Arguello Unit offshore California was valued using a market valuation technique based on standalone bids received by third-parties during the sale process. We consider this to be a Level 2 fair value measurement.~~

~~(c)~~ ~~The estimated fair value of our frac tanks and compressor units was valued using a market valuation technique which was based on published listings of similar equipment or standalone bids received by third-parties. We consider these to be Level 2 fair value measurements.~~

~~(d)~~ ~~Miscellaneous assets (assets that we were unable to value using the income or market valuation techniques) were valued using the cost valuation technique. We consider this to be a Level 3 fair value measurement.~~

~~(e)~~ ~~The estimated fair value of our investment in Piceance Energy was based on its enterprise value and uses various valuation techniques including (i) an income approach based on proved developed reserves' future net income discounted back to net present value based on the weighted average cost of capital for comparable independent oil and natural gas producers, and (ii) a market multiple approach. Proved property was valued using the income approach. A discounted cash flow model was prepared based off of an independent reserve report with a discount rate of 10% applied to proved developed producing reserves, 15% to proved developed non-producing reserves and 20% to proved undeveloped reserves. The prices for oil and natural gas were forecasted based on NYMEX strip pricing adjusted for basis differentials. For the market multiple approach, we reviewed the transaction values of recent similar asset transactions and compared the purchase price per Mcfe of proved developed reserves and purchase price per Mcfe per day of net equivalent production of those transactions to the independent reserve report. Unproved acreage was valued using a cost approach based on recent sales of acreage in the area. Based on these valuations, the equity value of our 33.34% interest in Piceance Energy was estimated to be approximately $105.3 million on the Emergence date. We consider this to be a Level 3 fair value measurement.~~

~~*Purchase Price Allocation of Texadian* — The fair values of the assets acquired and liabilities assumed as a result of the Texadian acquisition were estimated as of the date of the acquisition using valuation techniques described in notes (a) through (f) described below.~~

	~~Fair Value at December 31, 2012~~	~~Fair Value Technique~~
	~~(in thousands)~~	
~~Net non-cash working capital~~	~~$ 3,631~~	~~(a)~~
~~Supplier relationship~~	~~3,360~~	~~(b)~~
~~Historical shipper status~~	~~2,200~~	~~(c)~~
~~Railcar leases~~	~~3,249~~	~~(d)~~
~~Goodwill~~	~~7,756~~	~~(e)~~
~~Deferred tax liabilities~~	~~(2,757)~~	~~(f)~~

	~~$~~	~~17,439~~

(a) ~~Current assets acquired and liabilities assumed were recorded at their net realizable value.~~

(b) ~~The estimated fair value of the supplier relationship was estimated using a form of the income approach, the Multiple-Period Excess Earnings Method. Significant inputs used in this model include estimated cash flows from the suppliers, customer growth and rates and a discount rate. An increase in the cash flows attributable to the supplier relationships would result in an increase in the value of such relationship, while an increase in the discount rate would result in a decrease in the value. We consider this to be a Level 3 fair value measurement.~~

(c) ~~The estimated fair value of the historical shipper status was estimated using a form of the income approach, the Greenfield Method. Significant inputs used in this model include estimated cash flows with and without the historical shipper status, and a discount rate. An increase in the cash flows attributable to the shipper would result in an increase in the value of such relationship, while an increase in the discount rate would result in a decrease in the value. We consider this to be a Level 3 fair value measurement.~~

(d) ~~The estimated fair value of the railcar leases was estimated using a form of the income approach, the Lost Income Method. Significant inputs used in this model include the cost of providing services with and without the favorable railcar leases and a discount rate. An increase in market rates of railcar leases would result in an increase in the value attributable to the acquired leases. We consider this to be a Level 3 fair value measurement.~~

(e) ~~The excess of the purchase price paid over the fair value of the identifiable assets acquired and liabilities assumed is allocated to goodwill.~~

(f) ~~A deferred tax liability has been recorded since the acquired intangible assets will not be deductible for tax purposes until the eventual sale of the company.~~

~~*Purchase Price Allocation of HIE* — The preliminary fair values of the assets acquired and liabilities assumed as a result of the HIE acquisition were estimated as of the date of the acquisition using valuation techniques described in notes (a) through (g) described below.~~

		~~Fair Value at September 25, 2013~~	**~~Fair Value Technique~~**
		~~(in thousands)~~	
~~Net working capital~~	~~$~~	~~462,059~~	~~(a)~~
~~Property, plant and equipment~~		~~58,782~~	~~(b)~~
~~Land~~		~~39,800~~	~~(c)~~
~~Trade names and trade marks~~		~~4,689~~	~~(d)~~
~~Goodwill~~		~~13,613~~	~~(e)~~
~~Contingent consideration liability~~		~~(11,980)~~	~~(f)~~
~~Other noncurrent liabilities~~		~~(6,384)~~	~~(g)~~
	~~$~~	~~560,579~~	

(a) ~~Current assets acquired and liabilities assumed were recorded at their net realizable value.~~

(b) ~~The estimated fair value of the property, plant and equipment was estimated using the cost approach. Under the cost approach, the total replacement cost of the property is determined based on industry sources with adjustments for regional factors. The total cost is then adjusted for depreciation based on the physical age of the assets and external obsolescence. We consider this to be a Level 3 fair value measurement.~~

~~(c) The estimated fair value of the land was estimated using the sales comparison approach. Under this approach, the sales prices of similar properties are adjusted to account for differences in land characteristics. We consider this to be a Level 3 fair value measurement.~~

~~(d) The estimated fair value of the trade names and trademarks was estimated using a form of the income approach, the Relief from Royalty Method. Significant inputs used in this model include estimated revenue attributable to the trade names and trademarks and a royalty rate. An increase in the estimated revenue or royalty rate would result in an increase in the value attributable to the trade names and trademarks. We consider this to be a Level 3 fair value measurement.~~

~~(e) The excess of the purchase price paid over the fair value of the identifiable assets acquired and liabilities assumed is allocated to goodwill.~~

~~(f) The estimated fair value of the liability for contingent consideration was estimated using Monte Carlo Simulation. Significant inputs used in the model include estimated future gross margin, annual gross margin volatility and a present value factor. An increase in estimated future gross margin, volatility or the present value factor would result in an increase in the liability. We consider this to be a Level 3 fair value measurement.~~

~~(g) Other noncurrent assets and liabilities are recorded at their estimated net present value as estimated by management.~~

~~Assets and Liabilities Measure at Fair Value on a Recurring Basis~~

~~Common stock warrants~~ ~~— We estimate the fair value of our outstanding Warrants using a Monte Carlo Simulation analysis, which is considered to be Level 3 fair value measurement. Significant inputs used in the Monte Carlo Simulation Analysis include:~~

	~~December 31,~~	
	~~2013~~	~~2012~~
~~Stock price~~	~~$ 22.30~~	~~$ 12.00~~
~~Initial exercise price~~	~~$ 0.1~~	~~$ 0.1~~
~~Term (years)~~	~~8.67~~	~~9.67~~
~~Risk-free rate~~	~~2.78 %~~	~~1.68 %~~
~~Expected volatility~~	~~52.9 %~~	~~75.0 %~~

~~The expected volatility is based on the 10-year historical volatilities of comparable public companies. Based on the Monte Carlo Simulation Analysis, the estimated fair value of the Warrants was $21.64 and $11.30 per share, or approximately $17.3 million and $10.9 million, as of December 31, 2013 and 2012, respectively. Since the Warrants were in the money upon issuance, we do not believe that changes in the inputs to the Monte Carlo Simulation Analysis will have a significant impact to the value of the Warrants other than changes in the value of our common stock. Increases in the value of our common stock will directly be correlated to increases in the value of the Warrants. Likewise, a decrease in the value of our common stock will result in a decrease in the value of the Warrants.~~

~~Debt Prepayment Derivative~~ ~~- Our Loan Agreement contained mandatory repayments subject to premiums as set forth in the agreement. Factors such as the sale of assets, distributions from our investment in Piceance Energy, issuance of additional debt or issuance of additional equity may result in a mandatory prepayment. We considered the contingent prepayment feature to be an embedded derivative which was bifurcated from the loan and accounted for as a derivative. The fair value of the embedded derivative was estimated using an income valuation technique and a Crystal Ball forecast. The fair value measurement is considered to be a Level 3 fair value measurement. We do~~

not believe that changes to the inputs in the model would have a significant impact on the valuation of the embedded derivative, other than a change to the estimate of the probability that a triggering event would occur. An increase in the probability of a triggering event occurring would cause an increase in the fair value of the embedded derivative. Likewise, a decrease in the probability of a triggering event occurring would cause a decrease in the value of the embedded derivative. At December 31, 2012, we estimated the fair value of the embedded derivative to be $145 thousand based on the probability of us repaying the loan prior to maturity. In November 2013, we repaid in full and terminated all of our obligations, including any repayment premiums, under this Loan Agreement (other than the new Tranche B loans described above) extinguishing the liability (see Note 10 – Debt).

Derivative instruments — With the acquisition of Texadian, we assumed certain open positions consisting of non-exchange traded fixed price physical contracts. These contracts were not treated as normal purchase or normal sales contracts and changes in fair value were recorded in earnings. In addition, we had certain exchange traded oil contracts that settled during the period and had no open positions as of December 31, 2013. The fair value of our commodity derivatives is measured using the closing market price at the end of the reporting period obtained from the New York Mercantile Exchange and from third party broker quotes and pricing providers. As of December 31, 2013, we had no open positions relating to these non-exchange traded fixed price physical contracts for which we have not elected the normal purchase or normal sale exception.

Contingent consideration liability — As described in Note 4, the purchase price for our acquisition of HIE may be increased pursuant to an earn out provision. The initial value of the contingent consideration was estimated to be approximately $12.0 million. The liability is re-measured at the end of each reporting period using the valuation technique as described above. We do not believe that there has been a material change in the liability from September 25, 2013 through December 31, 2013.

Financial Statement Impact

Our assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2012 and their placement with our consolidated balance sheet consist of the following (in thousands):

	Location on Consolidated Balance Sheet	Fair Value at December 31, 2013	Fair Value at December 31, 2012
Commodities — physical forward contracts	Prepaid and other current assets	$ —	$ (307)
Commodities — exchange traded futures	Prepaid and other current assets	—	542
Warrant derivatives	Derivative liabilities	(17,336)	(10,900)
Contingent consideration liability	Contingent consideration liability	(11,980)	—
Debt repayment derivative	Derivative liabilities	—	(45)

The following table summarizes the pre-tax effect resulting from changes in fair value of derivative instruments charged directly to earnings (in thousands):

			December 31, 2013	September 1 through December 31, 2012

	Income Statement Classification	Gain (loss) recognized in income	Gain (loss) recognized in income
Derivatives not designated as hedges:			
Warrants	Change in value of warrants	$ (10,114)	$ (4,280)
Debt repayment derivative	Interest expense and financing costs, net	45	—
Commodities - exchange traded futures	Gain on derivative instruments, net	104	—
Commodities - physical forward contracts	Gain on derivative instruments, net	306	—

~~Our assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2012 and their level within the fair value hierarchy is as follows (in thousands):~~

	December 31, 2013			
	Fair Value	Level 1	Level 2	Level 3
Liabilities				
Warrants derivative	$ (17,336)	$ —	$ —	$ (17,336)
Contingent consideration liability	(11,980)	—	—	(11,980)
	$ (29,316)	$ —	$ —	$ (29,316)

	December 31, 2012			
	Fair Value	Level 1	Level 2	Level 3
Assets				
Commodities – exchange traded futures	$ 542	$ 542	$ —	$ —
Liabilities				
Warrants derivative	$ (10,900)	$ —	$ —	$ (10,900)
Debt prepayment derivative	(45)	—	—	(45)
Commodities – physical forward contracts	(307)	—	(307)	—
	$ (11,252)	$ —	$ (307)	$ (10,945)

~~A rollforward of Level 3 derivative instruments measured at fair value on a recurring basis is as follows (in thousands):~~

Description	2013	2012
Balance, at beginning of period	$ (10,945)	$ (6,665)
Settlements	3,723	—
Acquired	(11,980)	—
Total unrealized losses included in earnings	(10,114)	(4,280)
Transfers	—	—
Balance, at end of period	$ (29,316)	$ (10,945)

~~The carrying value and fair value of long-term debt and other financial instruments as of December 31, 2013 and 2012 is as follows (in thousands):~~

	December 31, 2013	
	~~Carrying Value~~	~~Fair Value[1]~~
~~Tranche B~~	~~$ 19,480~~	~~$ 18,800~~
~~ABL Facility~~	~~51,800~~	~~51,800~~
~~HIE Retail Credit Agreement~~	~~26,000~~	~~26,000~~
~~Warrants~~	~~17,336~~	~~17,336~~
~~Contingent consideration liability~~	~~11,980~~	~~11,980~~

	December 31, 2012	
	~~Carrying Value~~	~~Fair Value[1]~~
~~Long-term debt~~	~~$ 7,391~~	~~$ 10,900~~
~~Warrants~~	~~10,900~~	~~10,900~~
~~Debt repayment derivative~~	~~45~~	~~45~~

~~(1) The fair values of these instruments are considered Level 3 measurements in the fair value hierarchy.~~

~~The fair value of all non-derivative financial instruments included in current assets, including cash and cash equivalents, restricted cash and trade accounts receivable, current liabilities and accounts payable approximate their carrying value due to their short term nature.~~

~~We estimate our long term debt's fair value using a discounted cash flow analysis and an estimate of the current yield of 5.72% and 5.72% as of December 31, 2013 and 2012, respectively, by reference to market interest rates for term debt of comparable companies.~~

~~PAR PETROLEUM CORPORATION AND SUBSIDIARIES~~
~~Notes to Consolidated Financial Statements~~

~~Note 12 – Defined Contribution Plans~~

~~We maintain several defined contribution plans for our employees. Eligible employees can enter the plans either immediately or after one year of service, depending on the plan. The plans permit employee contributions up to the IRS limits per year. For some plans, we contribute 3% of the employee's eligible compensation to the plan regardless of the employee's contribution. On all plans, we match a portion of all the employee's contributions up to 6% depending on the plan. In addition, we have a money purchase pension plan for certain eligible employees. Under this plan, we make contributions to employee directed investment accounts ranging from 5.5% to 8.5% of eligible compensation depending on the employee's age. For the year ended December 31, 2013, we made contributions to the plans totaling approximately $502 thousand. There were no such plans in place for the period from September 1, 2012 through December 31, 2012.~~

~~Note 13 - Commitments and Contingencies~~

~~Environmental Matters~~

~~Like other petroleum refiners and oil and gas exploration and production companies, our operations are subject to extensive and periodically changing federal and state environmental regulations governing air emissions,~~

~~wastewater discharges, and solid and hazardous waste management activities. Many of these regulations are becoming increasingly stringent, and the cost of compliance can be expected to increase over time.~~

~~Periodically, we receive communications from various federal, state, and local governmental authorities asserting violations of environmental laws and/or regulations. These governmental entities may also propose or assess fines or require corrective actions for these asserted violations. We intend to respond in a timely manner to all such communications and to take appropriate corrective action. We do not anticipate that any such matters currently asserted will have a material impact on our financial condition, results of operations, or cash flows.~~

~~***Regulation of Greenhouse Gases.*** The United States Environmental Protection Agency ("US EPA") has begun regulating greenhouse gases under the Clean Air Act Amendments of 1990 (the "Clean Air Act"). New construction or material expansions that meet certain greenhouse gas emissions thresholds will likely require that, among other things, a greenhouse gas permit be issued in accordance with the Clean Air Act regulations, and we will be required in connection with such permitting to undertake a technology review to determine appropriate controls to be implemented with the project in order to reduce greenhouse gas emissions.~~

~~Furthermore, the US EPA is currently developing refinery-specific greenhouse gas regulations and performance standards that are expected to impose, on new and modified operations, greenhouse gas emission limits and/or technology requirements. These control requirements may affect a wide range of refinery operations. Any such controls could result in material increased compliance costs, additional operating restrictions for our business, and an increase in cost of the products we produce, which could have a material adverse effect on our financial position, results of operations, and liquidity.~~

~~In 2007, the State of Hawaii passed Act 234, which required that greenhouse gas emissions be rolled back on a state wide basis to 1990 levels by the year 2020. Although delayed, the Hawaii Department of Health ("DOH") has issued regulations that would require each major facility to reduce CO2 emissions by 16% by 2020 relative to a calendar year 2010 baseline (the first year in which greenhouse gas emissions were reported to the US EPA under 40 CFR Part 98). Those rules are pending final approval by the Government of Hawaii. The refinery's capacity to reduce fuel use and greenhouse gas emissions is limited. However, the state's pending regulation allows, and the refinery should be able to demonstrate, that additional reductions are not cost-effective or necessary in light of the state's current greenhouse gas inventory and future year projection. The pending regulation allows for "partnering" with other facilities (principally power plants) which have already dramatically reduced greenhouse emissions or are on schedule to reduce CO2 emissions in order to comply with the state's Renewable Portfolio Standards.~~

~~***Fuel Standards.*** In 2007, the U.S. Congress passed the Energy Independence and Security Act ("EISA") which, among other things, set a target fuel economy standard of 35 miles per gallon for the combined fleet of cars and light trucks in the United States by model year 2020, and contained a second Renewable Fuel Standard (the "RFS2"). In August 2012, the US EPA and National Highway Traffic Safety Administration jointly adopted regulations that establish an average industry fuel economy of 54.5 miles per gallon by model year 2025. The RFS2 requires an increasing amount of renewable fuel usage, up to 36.0 billion gallons by 2022. In the near term, the RSF2 will be satisfied primarily with fuel ethanol blended into gasoline. The RSF2 may present production and logistics challenges for both the renewable fuels and petroleum refining and marketing industries in that we may have to enter into arrangements with other parties or purchase credits from the US EPA to meet our obligations to use advanced biofuels, including biomass-based diesel and cellulosic biofuel, with potentially uncertain supplies of these new fuels.~~

~~In October 2010, the EPA issued a partial waiver decision under the Clean Air Act to allow for an increase in the amount of ethanol permitted to be blended into gasoline from 10% ("E10") to 15% ("E15") for 2007 and newer light duty motor vehicles. In January 2011, the US EPA issued a second waiver for the use of E15 in vehicles model year 2001-2006. There are numerous issues, including state and federal regulatory issues, which need to be addressed before E15 can be marketed on a large scale for use in traditional gasoline engines. Since April 2006, the State of Hawaii has required that a minimum of 9.2% ethanol be blended into at least 85% of the gasoline pool, but the regulation also limited the amount of ethanol to no more than 10%. Consequently, unless either the state or federal regulations are revised, qualified Renewable Identification Numbers ("RINS") will be required to fulfill the federal mandate for renewable fuels.~~

~~In March 2014, the US EPA published a final Tier 3 gasoline standard that lowers the allowable sulfur level in gasoline to 10 ppm and also lowers the allowable benzene, aromatics and olefins content of gasoline. The effective date for the new standard, January 1, 2017, gives refiners nation-wide little time to engineer, permit and implement substantial modifications. Along with credit and trading options, potential capital upgrades for the refinery are being evaluated. The American Petroleum Institute and American Fuel and Petrochemical Association may challenge the final regulation.~~

~~There will be compliance costs and uncertainties regarding how we will comply with the various requirements contained in the EISA and other fuel-related regulations. We may experience a decrease in demand for refined petroleum products due to an increase in combined fleet mileage or due to refined petroleum products being replaced by renewable fuels.~~

~~Environmental Agreement~~

~~On September 25, 2013 (the "Closing Date"), Hawaii Pacific Energy (a wholly-owned subsidiary of Par created for purposes of the Tesoro Acquisition), Tesoro and HIE entered into an Environmental Agreement (the "Environmental Agreement"), which allocated responsibility for known and contingent environmental liabilities related to the acquisition of HIE, including the Consent Decree as described below.~~

~~Consent Decree~~~~. Tesoro is currently negotiating a consent decree with the US EPA and the United States Department of Justice concerning alleged violations of the federal Clean Air Act related to the ownership and operation of multiple facilities owned or formerly owned by Tesoro and its affiliates (the "Consent Decree"), including the Hawaii refinery. It is anticipated that the Consent Decree will be finalized sometime during 2014 and will require certain capital improvements to our refinery to reduce emissions of air pollutants.~~

~~It is not possible at this time to estimate the cost of compliance with the ultimate decree. However, Tesoro is responsible under the Environmental Agreement for reimbursing HIE for all reasonable third party capital expenditures incurred for the construction, installation and commissioning of such capital projects and for the payment of any fines or penalties imposed on HIE arising from the Consent Decree to the extent related to acts or omission of Tesoro or HIE prior to the Closing Date. Tesoro's obligation to reimburse HIE for such fines and penalties is not subject to a monetary limitation; however, the obligation relating to fines and penalties terminates on the third anniversary of the Closing Date.~~

~~Tank Replacements.~~ ~~Tesoro has agreed, at its expense, to replace the existing underground storage tanks at certain retail assets.~~

~~Indemnification.~~ ~~In addition to its obligation to reimburse us for capital expenditures incurred pursuant to the Consent Decree, Tesoro agreed to indemnify us for claims and losses arising out of related breaches of Tesoro's representations, warranties and covenants in the Environment Agreement, certain defined "corrective actions" relating to pre-existing environmental conditions, third-party claims arising under environmental laws for personal injury or property damage arising out of or relating to releases of hazardous materials that occurred prior to the Closing Date, any fine, penalty or other cost assessed by a governmental authority in connection with violations of environmental laws by HIE prior to the Closing Date, certain groundwater remediation work, the replacement of underground storage tanks located at certain retail assets, fines or penalties imposed on HIE by the Consent Decree related to acts or omissions of Tesoro prior to the Closing Date and to the Pearl City Superfund Site.~~

~~Tesoro's indemnification obligations are subject to certain limitations as set forth in the Environmental Agreement. These limitations include a cap of $15 million for certain of Tesoro's indemnification~~

~~obligations related to certain pre-existing conditions as well as certain restrictions regarding the time limits for submitting notice and supporting documentation for remediation actions.~~

~~Helicopter Litigation.~~

~~HIE is the defendant in a lawsuit styled *State of Hawaii Department of Transportation Airports Division et al. v. Tesoro Hawaii*, Civil No. 09-2253-09 JHC. In this matter, the insurance company for the State of Hawaii is seeking reimbursement of the attorney's fees and costs incurred by outside council to defend against Tesoro Hawaii's third-party complaints for contribution in three previously-settled underlying litigation matters. The underlying litigation was filed by three helicopter tour operators flying on the Island of Kauau. The helicopter tour operators allege bad jet fuel caused the formation of coking deposits in their engines which resulted in millions of dollars of repair costs and lost income. There were no in-flight issues.~~

~~Tesoro Hawaii filed third-party complaints against the State of Hawaii in each of the three underlying lawsuits alleging that any fuel issues arose from improper design and maintenance of the underground pipeline and dispensers owned and maintained by the State of Hawaii. The helicopter operators settled with the State of Hawaii, and Tesoro Hawaii and its aviation liability insurers subsequently settled with the helicopter operators.~~

~~The lawsuit alleges that the State of Hawaii was entitled to a defense and indemnity under the terms of its lease for the Tesoro Hawaii facility at the Lihue airport. The suit alleges defense costs of approximately $2 million in the underlying lawsuits. The State of Hawaii and its insurance company have since demanded $3.25 million. The issue at trial is ultimately whether Tesoro Hawaii owed a contractual duty to pay for the State of Hawaii's defense against Tesoro Hawaii's third-party complaints against the State of Hawaii for the State's own negligence. The case is set for a bench trial in September 2014.~~

~~There is a companion lawsuit by the State of Hawaii and its insurance company against Tesoro Hawaii's former liability insurer on the same issues. The Court previously held by way of a Motion for Summary Judgment that Tesoro Hawaii's insurer had a duty to defend the State of Hawaii against Tesoro Hawaii's third-party complaints. That matter is going to trial in July 2014 on the issue of damages only (e.g. the reasonable amount of attorney's fees and costs the State of Hawaii is entitled to for the defense of the third-Party Complaints in the underlying lawsuits).~~

~~We do not believe that any loss relating to this litigation is probable. However, should any loss become probable before the end of the measurement period, such loss would be reflected as a purchase price adjustment relating to the HIE Acquisition.~~

~~Recovery Trusts~~

~~On the date we emerged from bankruptcy, or the Emergence Date, two trusts were formed; the Wapiti Recovery Trust (the "Wapiti Trust") and the Delta Petroleum General Recovery Trust (the "General Trust," and together with the Wapiti Trust, the "Recovery Trusts"). The Recovery Trusts were formed to pursue certain litigation against third-parties or causes of action under the U.S. Bankruptcy Code, and other claims and potential claims that the Debtors hold against third parties. The Recovery Trusts were funded with $1.0 million each pursuant to the Plan.~~

~~In September 2012, the Wapiti Trust settled all causes of action against Wapiti Oil & Gas, LLC ("Wapiti Oil & Gas"). Wapiti Oil & Gas made a one-time cash payment in the amount of $1.5 million to the Wapiti Trust, as consideration for the release of claims against it. These proceeds were then distributed to us, along with funds remaining from the initial funding of the Wapiti Trust of approximately $1.0 million. The Wapiti Trust was liquidated during 2013.~~

~~The General Trust is pursuing all bankruptcy causes of action not otherwise vested in the Wapiti Trust, claim objections and resolutions, and all other responsibilities for winding-up the bankruptcy. The General Trust is overseen by a three person General Trust Oversight Board and our Chief Legal Officer is currently the trustee (the "Recovery Trustee"). Costs, expenses and obligations incurred by the General Trust are charged against assets in the General Trust. To conduct its operations and fulfill its responsibilities under the Plan and the trust agreements, the~~

~~Recovery Trustee may request additional funding from us. Any litigation pending at the time we emerged from Chapter 11 was transferred to the General Trust for resolution and settlement in accordance with the Plan and the order confirming the Plan. We are the beneficiary of the General Trust, subject to the terms of the trust agreement and the Plan. Since the Emergence Date, the General Trust has filed various claims and causes of action against third parties before the Bankruptcy Court, which actions are ongoing. Upon liquidation of the various claims and causes of action held by the General Trust, the proceeds, less certain administrative reserves and expenses, will be transferred to us. It is unknown at this time what proceeds, if any, we will realize from the General Trust's litigation efforts.~~

~~From the Emergence Date through December 31, 2013, the Recovery Trusts have released approximately $5.2 million to us, which is available for our general use, due to a negotiated reduction in certain fees and claims associated with the bankruptcy, as well as a favorable variance in actual expenses versus budgeted expenses. The entire $5.2 million was released prior to December 31, 2012.~~

~~Shares Reserved for Unsecured Claims~~

~~The Plan provides that certain allowed general unsecured claims be paid with shares of our common stock. On the Emergence Date, 112 claims totaling approximately $73.7 million had been filed in the bankruptcy. Pursuant to the Plan, between the Emergence Date and December 31, 2012, the Recovery Trustee settled 25 claims with an aggregate face amount of $6.6 million for approximately $259 thousand in cash and 20,275 shares of common stock. Pursuant to the Plan, during the year ended December 31, 2013, the Recovery Trustee settled an additional 59 claims with an aggregate face amount of $26.9 million for approximately $5.4 million in cash and 208,460 shares of common stock.~~

~~As of December 31, 2013, it is estimated that a total of 28 claims totaling approximately $40.2 million remain to be resolved by the Recovery Trustee. The largest remaining proof of claim was filed by the US Government for approximately $22.4 million relating to ongoing litigation concerning a plugging and abandonment obligation in Pacific Outer Continental Shelf Lease OCS-P 0320, comprising part of the Sword Unit in the Santa Barbara Channel, California. We believe the probability of issuing stock to satisfy the full claim amount is remote, as the obligations upon which such proof of claim is asserted are joint and several among all working interest owners, and the Predecessor company owned a 2.41934% working interest in the unit.~~

~~The settlement of claims is subject to ongoing litigation and we are unable to predict with certainty how many shares will be required to satisfy all claims. Pursuant to the Plan, allowed claims are settled at a ratio of 54.4 shares per $1,000 of claim. At December 31, 2013 and 2012, we have reserved approximately $3.8 million and $8.7 million, respectively, representing the estimated value of claims remaining to be settled which are deemed probable and estimable at period end. A summary of claims is as follows (in thousands, except number of filed claims):~~

	Emergence Date August 31, 2012		From Emergence Date through December 31, 2012					
	Filed Claims		Settled Claims				Remaining Filed Claims	
					Consideration			
	Count	Amount	Count	Amount	Cash	Stock	Count	Amount
U.S. Government Claims	3	$22,364	—	$ —	$ —	—	3	$ 22,364
Former Employee Claims	32	16,380	13	3,685	230	20	19	12,695

Macquarie Capital (USA) Inc.	1	8,672	—	—	—	—	1	8,672
Swann and BuzzardCreek RoyaltyTrust	1	3,200	—	—	—	—	1	3,200
Other Various Claims*	75	23,114	12	2,915	29	—	63	20,199
Total	112	$73,730	25	$ 6,600	$ 259	20	87	$ 67,130

	For the Year Ended December 31, 2013						
	Settled Claims					Remaining Filed Claims	
			Consideration				
	Count	Amount	Cash	Stock		Count	Amount
U.S. Government Claims	1	$ —	$ —	—		2	$ 22,364
Former Employee Claims	19	12,695	340	162		—	—
Macquarie Capital (USA) Inc.	1	8,672	2,500	—		—	—
Swann and Buzzard Creek Royalty Trust	1	3,200	2,000	—		—	—
Other Various Claims(1)	37	2,339	543	47		26	17,860
Total	59	$ 26,906	$ 5,383	209		28	$ 40,224

~~(1) Includes reserve for contingent/unliquidated claims in the amount of $10 million.~~

~~Capital Leases~~

~~Within our refining, distribution and marketing segment, we have capital lease obligations related primarily to the leases of five retail stations with initial terms of 17 years, with four 5-year renewal options. Minimum annual lease payments including interest, for capital leases are as follows (in thousands):~~

2014	$ 382
2015	382
2016	382
2017	382
2018	420
Thereafter	420
Total minimum lease payments	2,368
Less amount representing interest	634
Total minimum rental payments	$ 1,734

~~Operating Leases~~

~~Within our refining, distribution and marketing segment, we have various cancellable and noncancellable operating leases related to land, vehicles, office and retail facilities and other facilities used in the storage, transportation and sale of crude oil and refined products. The majority of the future lease payments relate to retail stations and facilities used in the storage, transportation and sale of crude oil and refined products. We have operating leases for most of our retail stations with primary terms of up to 32 years, and generally containing~~

~~renewal options and escalation clauses. Leases for facilities used in the storage, transportation and sale of crude oil and refined products have various expiration dates extending to 2027.~~

~~In addition, with our commodity marketing and logistics segment, we have various agreements to lease storage facilities, primarily along the Mississippi River, railcars, inland river tank barges and towboats and other equipment. These leasing agreements have been classified as operating leases for financial reporting purposes and the related rental fees are charged to expense over the lease term as they become payable. The leases generally range in duration of five years or less and contain lease renewal options at fair value. Our railcar leases contain an empty mileage indemnification provision whereby if the empty mileage exceeds the loaded mileage, we are charged for the empty mileage at the rate established by the tariff of the railroad on which the empty miles accrued.~~

~~Minimum annual lease payments extending to 2027, for operating leases to which we are legally obligated and having initial or remaining noncancellable lease terms in excess of one year are as follows (in thousands):~~

~~2014~~	~~$~~	~~22,724~~
~~2015~~		~~13,277~~
~~2016~~		~~12,362~~
~~2017~~		~~10,375~~
~~2018~~		~~9,244~~
~~Thereafter~~		~~25,614~~
~~Total minimum rental payments~~	~~$~~	~~93,596~~

~~Rent expense for the year ended December 31, 2013 and for the period from September 1, 2012 through December 31, 2012 was approximately $6.2 million and $61 thousand, respectively.~~

~~Major Customers~~

~~For the year ended December 31, 2013, no individual customer accounted for more than 10% of our consolidated revenue. For the period September 1, 2012 to December 31, 2012, we had one customer that accounted for 96% of our total oil and natural gas sales. During the period from January 1, 2012 to August 31, 2012, our Predecessor had two customers that accounted individually for 59% and 24%, respectively, of its total oil and natural gas sales.~~

~~Other~~

~~On April 22, 2013, Texadian entered into a terminaling and storage agreement whereby the operator will provide Texadian with storage facilities, access to a marine terminal and pipelines, and railcar offloading services. The initial term of the agreement is for a period of four years and Texadian's minimum commitment during the initial term is approximately $28 million.~~

~~Note 14 - Stockholders' Equity~~

~~Pursuant to the Plan, on the Emergence Date, (i) all shares of our common stock outstanding prior to the Effective Date were cancelled, (ii) each holder of our 7% senior unsecured notes due 2015 and our 3 3/4% senior convertible notes due 2037 received, in exchange for its total claim (including principal and interest), its pro rata portion of 14,573,608 shares of our common stock, (iii) each holder of an allowed general unsecured claim received, in exchange for its total claim, its pro rata portion of 191,973 shares of our common stock, and (iii) the Lenders under the Loan Agreement received warrants to purchase up to an aggregate of 959,213 shares of our common stock (which number of shares may be increased to an aggregate of 1,220,000 shares of our common stock pursuant to the terms of the Warrant Issuance Agreement).~~

~~**Amendments to the Certificate of Incorporation and Bylaws**~~

~~Pursuant to the Plan, on the Emergence Date, our certificate of incorporation and bylaws were amended and restated in their entirety.~~

~~Under the restated certificate of incorporation, the total number of all shares of capital stock that we are authorized to issue is 303 million shares, consisting of 300 million shares of common stock and 3 million shares of preferred stock, par value $0.01 per share. The restated certificate of incorporation contains restrictions on the transfer of certain of our securities in order to preserve the net operating loss carryovers, capital loss carryovers, general business credit carryovers, alternative minimum tax credit carryovers and foreign tax credit carryovers, as well as any "net unrealized built-in loss" within the meaning of Section 382 of the Code, of us or any direct or indirect subsidiary thereof.~~

~~On November 25, 2013, our amended and restated certificate of incorporation was further amended to (i) increase the authorized shares of Common Stock from 300,000,000 to 500,000,000 and (ii) revise certain provisions regarding approval by the company's Board of Directors of transfers of Common Stock by holders of five percent or more of the outstanding Common Stock.~~

~~**Preferred Stock**~~

~~As of December 31, 2013 and 2012, no shares of preferred stock were outstanding.~~

~~**Common Stock**~~

~~On December 31, 2012, a total of 3,052 shares of our common stock were issued to members of our Board of Directors in lieu of a cash fee for their service on the Board. We recognized compensation costs of approximately $33 thousand relating to these shares, which represent their estimated fair value on the date of grant based on the previous 20 days average trading price of our common stock which ranged from $10.00 to $12.00 per share of common stock. Due to our limited daily trading activity, we believe that this represents a more accurate reflection of the fair value of our common stock.~~

~~On September 13, 2013, we entered into a Common Stock Purchase Agreement pursuant to which we agreed to sell shares of our common stock at a price of $13.90 per share, as adjusted to reflect the one for ten reverse stock split effective for trading purposes on January 29, 2014 (the "Reverse Stock Split"), in a private placement transaction (the "Private Placement") in reliance upon an exemption from registration pursuant to Regulation D under the Securities Act of 1933. Certain purchasers, namely, ZCOF Par Petroleum Holdings, L.L.C., an affiliate of Zell Credit Opportunities Master Fund, L.P. ("ZCOF"), and affiliates of Whitebox Advisors, LLC ("Whitebox"), each owned 10% or more of the our common stock directly or through affiliates prior to the execution of the Common Stock Purchase Agreement and are deemed to be our affiliates as a result of such ownership. ZCOF and Whitebox have representatives on our board of directors.~~

~~On September 25, 2013, we completed the Private Placement and issued approximately 14.4 million shares of common stock resulting in aggregate gross proceeds to us of approximately $200 million. We did not engage any investment advisors with respect to the Private Placement, and no finders' fees or commissions were paid to any party in connection therewith. The proceeds from the Private Placement were used to fund a portion of the purchase price of the HIE acquisition.~~

~~During the year ended December 31, 2013, we issued approximately 208,512 shares of our common stock for settlement of bankruptcy claims, approximately 183,390 shares due to the exercise of Warrants and approximately 5,585 shares of unrestricted common stock to certain key employees and directors. We recognized compensation costs of approximately $90 thousand relating to these shares, which represent their estimated fair~~

~~value on the date of grant based on the previous 20 days average trading price of our common stock which ranged from $12.22 to $19.87 per share of common stock.~~

~~Registration Rights Agreements~~

~~Pursuant to the Plan, on the Effective Date, we entered into a registration rights agreement (the "Registration Rights Agreement") providing the stockholders party thereto (the "Stockholders") with certain registration rights.~~

~~The Registration Rights Agreement states that, among other things, at any time after the earlier of the consummation of a qualified public offering or 60 days after the Effective Date, any Stockholder or group of Stockholders that, together with its or their affiliates, holds more than fifteen percent of the Registrable Shares (as defined in the Registration Rights Agreement), will have the right to require us to file with the SEC a registration statement on Form S-1 or S-3, or any other appropriate form under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, for a public offering of all or part of its Registrable Shares (each a "Demand Registration"), by delivery of written notice to the company (each, a "Demand Request").~~

~~Within 90 days after receiving the Demand Request, we must file with the SEC the registration statement, on any form for which we then qualify and which is available for the sale of the Registrable Shares in accordance with the intended methods of distribution thereof, with respect to the Demand Registration. We are required to use commercially reasonable efforts to cause the registration statement to be declared effective as soon as practicable after such filing. We will not be obligated (i) to effect a Demand Registration within 90 days after the effective date of a previous Demand Registration, other than for a shelf registration, or (ii) to effect a Demand Registration unless the Demand Request is for a number of Registrable Shares with an expected market value that is equal to at least (x) $15 million as of the date of such Demand Request or is for one hundred percent of the demanding Stockholder's Registrable Shares with respect to any Demand Registration made on Form S-1 or (y) $5 million as of the date of such Demand Request with respect to any Demand Registration made on Form S-3.~~

~~Upon receipt of any Demand Request, we are required to give written notice, within ten (10) days of such Demand Registration, to all other holders of Registrable Shares, who will have the right to elect to include in such Demand Registration such portion of their Registrable Shares as they may request, subject to certain exceptions.~~

~~In addition, subject to certain exceptions, if we propose to register any class of common stock for sale to the public, we are required, subject to certain conditions, to include all Registrable Shares with respect to which we have received written requests for inclusion.~~

~~The rights of a holder of Registrable Shares may be transferred, assigned or otherwise conveyed on to any transferee or assignee of such Registrable Shares, subject to applicable state and federal securities laws and regulations, our Certificate of Incorporation and the Stockholders Agreement. We will be responsible for expenses relating to the registrations contemplated by the Registration Rights Agreement.~~

~~The registration rights granted in the Registration Rights Agreement are subject to customary indemnification and contribution provisions, as well as customary restrictions such as suspension periods and, if a registration is for an underwritten offering, limitations on the number of shares to be included in the underwritten offering imposed by the managing underwriter.~~

~~In connection with the closing of the sale of the Private Placement, we entered into an additional registration rights agreement with the purchasers of the shares. Under this registration rights agreement, we agreed to file a registration statement relating to the shares of common stock with the U.S. Securities and Exchange Commission~~

~~within 60 days after the closing date of the sale which would be declared effective within 180 days of the closing date of the sale. We also agreed to use commercially reasonable efforts to keep the registration statement effective until the earliest to occur of (i) the disposition of all registrable securities, (ii) the availability under Rule 144 of the Securities Act of 1933, as amended, for each holder of registrable securities to immediately freely resell such registrable securities without volume restrictions or (iii) the third anniversary of the effective date of the registration statement.~~

~~This registration rights agreement also provides the right for a holder or group of holders of more than $50 million of registrable securities to demand that we conduct an underwritten public offering of the registrable securities. However, the demanding holders are limited to a total of three such underwritten offerings, with no more than one demand request for an underwritten offering made in any 365 day period. Additionally, this registration rights agreement contains customary indemnification rights and obligations for both us and the holders of registrable securities.~~

~~If this registration statement (i) is not filed with the SEC on or prior to the applicable deadline (ii) is not declared effective by the SEC prior to the applicable deadline, or (iii) does not remain effective for the applicable effectiveness period described above then from the that date until cured, we must pay, as liquidated damages and not as a penalty, an amount in cash equal to 0.25% of the purchaser's allocated purchase price per calendar month, not to exceed 0.75% of the allocated purchase price. We will accrue an obligation for this registration rights agreement when it is probable that an obligation has been incurred and the amount can be reasonably determined.~~

~~Incentive Plan~~

~~On December 20, 2012, our Board of Directors (the "Board") approved the Par Petroleum Corporation 2012 Long Term Incentive Plan (the "Incentive Plan"). Under the Incentive Plan, the Board, or a committee of the Board, may issue up to 1.6 million shares of our common stock, or incentive stock options, nonstatutory stock options or restricted stock to our employee or directors, or other individuals providing services to us. In general, the terms of any award issue will be determined by the committee upon grant. In addition, in December 2012, we approved a new compensation plan for our directors. Our directors receive an annual retainer of $50 thousand, paid quarterly in cash or shares of our common stock at the election of the director. In addition, the Chairman of the Audit Committee receives an additional annual retainer of $15 thousand and the members of the Audit Committee (other than the Chairman) receive an annual retainer of $5 thousand, such retainers paid quarterly in cash or shares of our common stock at the election of the director. There are no fees for the members of any other committee or for attendance at meetings. Our directors are also entitled to receive an annual grant of restricted stock on the last day of each calendar year with a target value of $75 thousand, with the number of shares determined by the 60-day volume weighted average share price as of the day prior to the grant date.~~

~~On December 31, 2012, a total of 219,183 shares of restricted common stock were granted to members of the Board of Directors and certain employees. During the year ended December 31, 2013, an additional 355,481 shares of restricted stock were granted to certain employees. Restricted stock granted to members of the Board vests in full after one year from the date of grant, while most restricted stock granted to employees vests on a pro-rata basis over five years. For the year ended December 31, 2013, the following activity occurred under our Incentive Plan (in thousands, except per share amounts):~~

	~~Shares~~	~~Weighted-Average Grant Date Fair Value~~

~~Non vested balance, beginning of period~~	~~219~~	~~$~~	~~12.00~~
~~Granted~~	~~356~~		~~18.32~~
~~Vested~~	~~(51)~~		~~12.00~~
~~Forfeited~~	~~—~~		~~—~~
~~Non vested balance, end of period~~	~~524~~	~~$~~	~~16.29~~
~~Available for grant~~	~~1,025~~		

~~For the year ended December 31, 2013, we recognized compensation costs of approximately $1.2 million related to restricted stock awards. As of December 31, 2013, there is approximately $8.1 million of total unrecognized compensation costs related to restricted stock awards, which are expected to be recognized on a straight-line basis over a weighted average period of 4.37 years. The grant date fair value was estimated using the previous 20 days average trading price of our common stock.~~

~~Predecessor Stock Compensation Plans~~

~~On December 22, 2009, the Predecessor's stockholders approved its 2009 Performance and Equity Plan (the "2009 Plan"). On June 21, 2011, the Predecessor granted 489,227 shares of non-vested common stock to certain employees. The shares vested in full on the earlier of a change in control or July 1, 2012. In conjunction with this grant, the Predecessor agreed to establish a "floor" price for the value of the shares on the date of vesting equal to the value of the shares on the grant date ($5.50 per share). In the event that the market price of the shares on the date of vesting was lower than the floor price on the date of vesting, the difference would be paid to the employees in cash. The compensation expense for the shares consists of a fixed equity component ($5.50 per share) and a variable liability component (based on the difference between the market price of the shares, if lower, and the floor price of the shares), both of which are included as a component of general and administrative expense in the accompanying Predecessor consolidated statement of operations. The Predecessor recognized stock compensation expense of approximately $1.9 million for the period from January 1, 2012 through August 31, 2012, which is included in general and administrative expenses. Under the terms of the Plan, the Predecessor's stock compensation plans, and all awards issued under such plans, were canceled.~~

~~A summary of the stock option activity under the Predecessor's various plans and related information for the period from January 1 through August 31, 2012 follows:~~

	~~Period from January 1 through August 31, 2012~~						
	~~Options~~		~~Weighted-Average Exercise Price~~	~~Weighted-Average Remaining Contractual Term~~		~~Aggregate Intrinsic Value~~
~~Outstanding-beginning of year~~	~~150,300~~	~~$~~	~~75.00~~			
~~Granted~~	~~—~~		~~—~~			
~~Exercised~~	~~—~~		~~—~~			
~~Expired / canceled~~	~~(150,300)~~		~~(75.00)~~			
~~Outstanding-end of year~~	~~—~~	~~$~~	~~—~~	~~—~~	~~$~~	~~—~~
~~Exercisable-end of year~~	~~—~~	~~$~~	~~—~~	~~—~~	~~$~~	~~—~~

~~A summary of the restricted stock (nonvested stock) activity under the Predecessor's plan and related information for the period from January 1 through August 31, 2012 follows (in thousands, except share and per share amounts):~~

	~~Period from January 1 through August 31, 2012~~			
	~~Nonvested Stock~~	~~Weighted-Average Grant-Date Fair Value~~	~~Weighted-Average Remaining Contractual Term~~	~~Aggregate Intrinsic Value~~

~~Nonvested-beginning of year~~	~~558,301~~	~~$ 7.45~~	~~—~~	~~—~~
~~Granted~~	~~—~~	~~—~~	~~—~~	~~—~~
~~Vested~~	~~—~~	~~—~~	~~—~~	~~—~~
~~Expired / canceled~~	~~(558,301)~~	~~(7.45)~~	~~—~~	~~—~~
	~~—~~	~~—~~	~~—~~	~~—~~
~~Nonvested-end of year~~	~~—~~	~~$ —~~	~~—~~	~~$ —~~

~~Note 15 - Income Taxes~~

~~Under the Plan of Reorganization, our prepetition debt securities, primarily prepetition notes, were extinguished. Absent an exception, a debtor recognizes cancellation of debt income ("CODI") upon discharge of its outstanding indebtedness for an amount of consideration that is less than its adjusted issue price. Tax regulations provide that a debtor in a bankruptcy case may exclude CODI from income but must reduce certain of its tax attributes by the amount of any CODI realized as a result of the consummation of a plan of reorganization. The amount of CODI realized by a taxpayer is the adjusted issue price of any indebtedness discharged less the sum of (i) the amount of cash paid, (ii) the issue price of any new indebtedness issued and (iii) the fair market value of any other consideration, including equity, issued. As a result of the market value of our equity upon emergence from Chapter 11 bankruptcy proceedings, we were able to retain a significant portion of our NOLs and other "Tax Attributes" after reduction of the Tax Attributes for CODI realized on emergence from Chapter 11 and certain prior interest payments on debt converted to equity. Our NOLs have been reduced by approximately $225 million of CODI as a result of emergence from Chapter 11.~~

~~Pursuant to the Plan, on the Emergence Date, the existing equity interests of the Predecessor were extinguished. New equity interests were issued to creditors in connection with the terms of the Plan, resulting in an ownership change as defined under Section 382 of the Code. Section 382 generally places a limit on the amount of net operating losses and other tax attributes arising before the change that may be used to offset taxable income after the ownership change. We believe, however, that we will qualify for an exception to the general limitation rules. This exception under Code Section 382(l)(5) provides for substantially less restrictive limitations on our net operating losses; however the net operating losses are eliminated should another ownership change occur within two years. Our amended and restated certificate of incorporation places restrictions upon the ability of the equity interest holders to transfer their ownership in us. These restrictions are designed to provide us with the maximum assurance that another ownership change does not occur that could adversely impact our net operating loss carry forwards.~~

~~In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future results of operations, and tax planning strategies in making this assessment. Based upon the level of historical taxable income, significant book losses during the current and prior periods, and projections for future results of operations over the periods in which the deferred tax assets are deductible, among other factors, management concluded that we did not meet the "more likely than not" requirement of ASC 740 in order to recognize deferred tax assets and a valuation allowance has been recorded for the full amount of our net deferred tax assets at December 31, 2013 and 2012.~~

~~During the years ended December 31, 2013 and 2012, no adjustments were recognized for uncertain tax benefits.~~

~~Our net taxable income must be apportioned to various states based upon the income tax laws of the states in which we derive our revenue. Our NOL carry forwards will not always be available to offset taxable income apportioned to the various states. The states from which Texadian's revenues and HIE's revenues are derived are not the same states in which our NOLs were incurred; therefore we expect to incur state tax liabilities on the net income of Texadian's and HIE's operations.~~

~~During 2014 and thereafter, we will continue to assess the realizability of our deferred tax assets based on consideration of actual and projected operating results and tax planning strategies. Should actual operating results improve, the amount of the deferred tax asset considered more likely than not to be realizable could be increased.~~

~~Income tax expense (benefit) consisted of the following:~~

	Successor		Predecessor
		Period from September 1 through December 31, 2012	Period from January 1 through August 31, 2012
	Year Ended December 31, 2013		
Current:			
U.S. — Federal	$ —	$ —	$ —
U.S. — State	(179)	—	—
Deferred:			
U.S. — Federal	(14)	(2,757)	—
U.S. — State	193	—	—
Total	$ —	$ (2,757)	$ —

~~**PAR PETROLEUM CORPORATION AND SUBSIDIARIES**~~
~~**Notes to Consolidated Financial Statements**~~

~~Income tax expense was different from the amounts computed by applying U.S. Federal income tax rate of 35% to pretax income as a result of the following:~~

	Successor		Predecessor
		Period from September 1 through December 31, 2012	Period from January 1 through August 31, 2012
	Year Ended December 31, 2013		
Federal statutory rate	(35.0)%	(35.0)%	(35.0)%
State income taxes, net of federal benefit	0.1 %	—	—
Change in valuation allowance	21.7 %	(2.0)%	(33.0)
Professional fees related to bankruptcy reorganization	—	8.0 %	17.0 %
Revenue from Wapiti Trust settlement	—	5.0 %	—
Cancellation of debt tax attribute reduction	—	—	51.0 %
Permanent Items	4.1 %		
Provision to return adjustments	9.1 %	—	—
Actual income tax rate	— %	(24.0)%	— %

~~Deferred tax assets (liabilities) are comprised of the following at December 31, 2013 and 2012 (in thousands):~~

	2013	2012
Deferred tax assets:		
Net operating loss	$ 540,867	$ 450,195
Capital loss carry forwards	26,141	26,141
Property and equipment	34,683	23,045
Investment in Piceance Energy	32,138	45,172
Derivative instruments	—	1,498
Accrued bonuses	—	—
Trust liabilitiy	1,327	—
Other	1,183	1,506
Total deferred tax assets	636,339	547,557
Valuation allowance	(633,954)	(544,442)
Net deferred tax assets	$ 2,385	$ 3,115
Deferred tax liabilities:		
Property and equipment	$ 5	$ —
Texadian Energy intangibles	2,380	3,083
Prepaid insurance, marketable securities and other	—	32
State liabilities	216	—
Total deferred tax liabilities	$ 2,601	$ 3,115
Total deferred tax liability, net	$ (216)	$ —

~~We have net operating loss carryovers as of December 31, 2013 of $1.3 billion for federal income tax purposes. If not utilized, the tax net operating loss carryforwards will expire during 2027 through 2032. Our capital loss carryovers as of December 31, 2013 are $74.7 million. If not utilized, these carryovers will expire during 2015 and 2016. We also have Alternative Minimum Tax Credit Carryovers of $0.8 million. These credits do not expire; however, we must first generate regular taxable income before they can be used. We will not likely generate regular taxable income utilized our net operating loss carry over.~~

~~Note 16 - Loss Per Share~~

~~The following table sets forth the computation of basic and diluted loss per share (in thousands, except per share amounts):~~

	Successor		Predecessor
	Year Ended December 31, 2013	September 1 through December 31, 2012	January 1 through August 31, 2012
Net loss attributable to common stockholders	$ (70,621)	$ (8,839)	$ (45,437)
Basic weighted-average common shares outstanding	19,740	15,734	28,841
Add: dilutive effects of stock options and unvested stock grants [1]	—	—	—

Diluted weighted-average common stock outstanding	19,740	15,734	28,841
Basic loss per common share attributable to common stockholders:			
Net loss [(1)]	$ (3.57)	$ (0.56)	$ (1.57)
Diluted loss per common share attributable to common stockholders:			
Net loss [(1)]	$ (3.57)	$ (0.56)	$ (1.57)

(1) Entities with a net loss from continuing operations are prohibited from including potential common shares in the computation of diluted per share amounts. Therefore, we have utilized the basic weighted-average common shares outstanding to calculate both basic and diluted loss per share for all parties presented.

Weighted average potentially dilutive securities excluded from the calculation of diluted shares outstanding include the following (in thousands):

	Successor		Predecessor
	Year Ended December 31, 2013	Period from September 1 through December 31, 2012	Period from January 1 through August 31, 2012
Stock issuable upon conversion of convertible notes	—	—	379
Stock options	—	—	150
Non-vested restricted stock	523	—	558
Total potentially dilutive securities	523	—	1,087

Note 17 - Segment Information

Following our acquisitions of HIE and Texadian, we have three business segments: (i) Refining, Distribution and Marketing, (ii) Natural Gas and Oil Operations and (iii) Commodity Marketing and Logistics. Corporate and Other includes trust litigation and settlements and other administrative costs. Summarized financial information concerning reportable segments consists of the following (in thousands):

For the year ended December 31, 2013	Refining, Distribution and Marketing	Natural Gas and Oil Operations	Commodity Marketing and Logistics	Corporate and Other	Total
Sales and operating revenues	$ 778,126	$ 7,739	$ 100,149	$ —	$886,014
Depreciation, depletion, amortization and accretion	2,267	1,686	2,009	20	5,982
Operating income (loss)	(19,318)	246	9,126	(29,367)	(39,313)
Loss from unconsolidated affiliate					(2,941)
Interest expense and financing costs, net					(19,471)
Other income (expense)					808
Change in value of common stock warrants					(10,114)
Gain on derivative instruments					410
Loss before income taxes					(70,621)
Income tax benefit					—
Net loss					$(70,621)
Capital expenditures, including	$ 567,332	$ 471	$ (1,300)	$ 544	$567,047

~~acquisitions~~

~~Following our acquisition of Texadian, at December 31, 2012, we had two business segments: (i) Natural Gas and Oil Operations and (ii) Commodity Marketing and Logistics. For the period from September 1 through December 31, 2012, all of the operations as reported on our consolidated statement of operations related to Natural Gas and Oil Operations. For the period from September 1 through December 31, 2012, expenditures for long term assets, including goodwill and other intangible assets by segment were as follows (in thousands):~~

	Natural Gas and Oil Operations	Commodity Marketing and Logistics	Corporate and Other	Total
~~Capital expenditures, including acquisitions~~	~~$ 415~~	~~$ 17,439~~	~~$ —~~	~~$ 17,854~~

~~Total assets by segment were as follows (in thousands):~~

	Refining, Distribution and Marketing	Natural Gas and Oil Operations	Commodity Marketing and Logistics	Corporate and Other	Total
~~At December 31, 2013~~	~~$ 655,712~~	~~$ 109,316~~	~~$ 52,048~~	~~$ 10,009~~	~~$ 827,085~~
~~At December 31, 2012~~	~~$ —~~	~~$ 116,034~~	~~$ 62,754~~	~~$ 10,794~~	~~$ 189,582~~

~~Note 18 - Related Party Transactions~~

~~Certain of our stockholders who are lenders under the Loan Agreement received Warrants exercisable for shares of common stock in connection with such loan (see Note 10 - Debt).~~

~~Certain of our stockholders and their affiliates who are owners of 10% or more of our common shares participated in the Stock Sale (see Note 14 - Stockholders' Equity).~~

~~On September 17, 2013, we entered into letter agreements (the "Services Agreements") with Equity Group Investments, an affiliate of ZCOF ("EGI"), and Whitebox. Pursuant to the Services Agreements, EGI and Whitebox agreed to provide us with ongoing strategic, advisory and consulting services that may include, (i) advice on financing structures and our relationship with lenders and bankers, (ii) advice regarding public and private offerings of debt and equity securities, (iii) advice regarding asset dispositions, acquisitions or other asset management strategies, (iv) advice regarding potential business acquisitions, dispositions or combinations involving us or our affiliates, or (v) such other advice directly related or ancillary to the above strategic, advisory and consulting services as may be reasonably requested by us.~~

~~EGI and Whitebox will not receive a fee for the provision of the strategic, advisory or consulting services set forth in the Services Agreements, but may be periodically reimbursed by us, upon request, for (i) travel and out of pocket expenses, provided that in the event that such expenses exceed $50 thousand in the aggregate with respect to any single proposed matter, EGI or Whitebox, as applicable, will obtain our consent prior to incurring additional costs, and (ii) provided that we provide prior consent to their engagement with respect to any particular proposed~~

~~matter, all reasonable fees and disbursements of counsel, accountants and other professionals incurred in connection with EGI's or Whitebox's, as applicable, services under the Services Agreements. In consideration of the services provided by EGI and Whitebox under the Services Agreements, we agreed to indemnity each of them for certain losses incurred by them relating to or arising out of the Services Agreements or the services provided thereunder.~~

~~The Services Agreements have a term of one year and will be automatically extended for successive one-year periods unless terminated, by either party, at least 60 days prior to any extension date. There were no significant costs incurred related to this agreement during 2013.~~

~~Note 19 - Reorganization Under Chapter 11, Fresh-Start Reporting and the Effects of the Plan~~

~~In December 2011 and January 2012, Delta and its subsidiaries filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). Delta and its subsidiaries included in the bankruptcy petitions are collectively referred to as the "Debtors."~~

~~In March 2012, the Bankruptcy Court approved the procedures relating to plans of reorganization as well as asset sales. Following completion of the asset sales, the Debtors obtained approval from the Bankruptcy Court to proceed with Laramie Energy II, LLC ("Laramie") as the sponsor of a plan of reorganization (the "Plan"). In June 2012, Delta entered into a Contribution Agreement (the "Contribution Agreement") with a new joint venture formed by Delta and Laramie, Piceance Energy LLC ("Piceance Energy"), and Laramie to effect the transactions contemplated by Plan.~~

~~The Plan was declared effective on August 31, 2012 (the "Emergence Date"). On the Emergence Date, Delta consummated the transaction contemplated by the Contribution Agreement and each of Delta and Laramie contributed to Piceance Energy their respective assets in the Piceance Basin. Piceance Energy is owned 66.66% by Laramie and 33.34% by Delta. At the closing, Piceance Energy entered into a new credit agreement, borrowed $100 million under that agreement, and distributed approximately $72.6 million net of settlements to the company and approximately $24.9 million to Laramie. The company used its distribution to pay bankruptcy expenses and to repay its secured debt. The company also entered into a new credit facility and borrowed $13 million under that facility at closing, and used those funds primarily to pay bankruptcy claims and expenses.~~

~~Following the reorganization, Par retained its interest in the Point Arguello Unit offshore California and other miscellaneous assets and certain tax attributes, including significant net operating loss carryforwards. Based upon the Plan as confirmed by the Bankruptcy Court, Delta's creditors were issued approximately 14.8 million shares of common stock, and Delta's former stockholders received no consideration under the Plan.~~

~~Contemporaneously with the consummation of the Contribution Agreement, the company, through a wholly-owned subsidiary, entered into a Limited Liability company Agreement with Laramie that will govern the operations of Piceance Energy.~~

~~On the Emergence Date, Par adopted fresh-start reporting resulting in us becoming a new entity for financial reporting purposes. Accordingly, our consolidated financial statements for periods prior to August 31, 2012 reflect the operations of Delta prior to reorganization (hereinafter also referred to as the "Predecessor") and are not comparable to the consolidated financial statements presented on or after August 31, 2012. Fresh-start reporting was required upon emergence from Chapter 11 because (i) holders of voting shares immediately before confirmation of the Plan received less than 50% of the emerging entity and (ii) the reorganization value of our assets immediately before confirmation of the Plan was less than our post-petition liabilities and allowed claims. Fresh-start reporting results in a new basis of accounting and reflects the allocation of our estimated fair value to underlying assets and~~

~~liabilities. The effects of the implementation of the Plan and fresh-start adjustments are reflected in the results of operations of the Predecessor in the eight month period ended August 31, 2012. Our estimates of fair value are inherently subject to significant uncertainties and contingencies beyond our reasonable control. Accordingly, there can be no assurance that the estimates, assumptions, valuations, appraisals and financial projections will be realized, and actual results could vary materially. Moreover, the market value of our common stock may differ materially from the equity valuation for accounting purposes.~~

~~In the application of fresh-start reporting, a successor entity must determine a value to be assigned to the equity of the emerging company as of the date of adoption of fresh-start reporting, which for us is August 31, 2012, the date the Debtors emerged from Chapter 11. To facilitate this calculation, we first determined the enterprise value of the Successor and the individual components of the opening balance sheet. The most significant item is our 33.34% interest in Piceance Energy, the value of which was estimated to be approximately $105.3 million as of the Emergence Date. We also considered the fair value of the other remaining assets. See Note 11 - Fair Value Measurements for a detailed discussion of fair value and the valuation techniques.~~

~~The estimated enterprise value and the equity value are highly dependent on the achievement of the future financial results contemplated in the projections that were set forth in the Plan. The estimates and assumptions made in the valuation are inherently subject to significant uncertainties. The primary assumptions for which there is a reasonable possibility of the occurrence of a variation that would have significantly affected the reorganization value include the assumptions regarding our direct ownership of estimated proved reserves, our indirect ownership of estimated proved reserves through our equity ownership in Piceance Energy, operating expenses, the amount and timing of capital expenditures and the discount rate utilized.~~

~~Fresh-start reporting reflects the value of the Successor as determined in the confirmed Plan. Under fresh-start reporting, our asset values are remeasured and allocated based on their respective fair values in conformity with the acquisition method of accounting for business combinations. The reorganization values approximated the fair values of the identifiable net assets. Liabilities existing as of the Effective Date, other than deferred taxes and derivatives, were recorded at the present value of amounts expected to be paid using appropriate risk adjusted interest rates. Deferred taxes and derivatives were determined in conformity with applicable accounting standards. Predecessor accumulated depreciation, accumulated amortization and retained deficit were eliminated. Under the Plan, our priority non-tax claims and secured claims are unimpaired in accordance with the Bankruptcy Code. Each general unsecured claim and noteholder claims received its pro rata share of new common stock of Par in full satisfaction of its claims.~~

~~The following condensed consolidated balance sheet presents the implementation of the Plan and the adoption of fresh-start reporting as of the Effective Date. Reorganization adjustments have been recorded within the condensed consolidated balance sheet to reflect the effects of the Plan, including discharge of liabilities subject to compromise and the adoption of fresh-start reporting.~~

	~~August 31, 2012~~

	Predecessor	Plan of Reorganization Adjustments	Fresh Start Reporting Adjustments	Successor
		(in thousands)		
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,954	$ 74,167(a)	$ —	$ 4,882
		(45,035)(c)		
		(24,204)(d)		
		(2,000)(e)		
Trust assets	—	3,446(e)		3,446
Restricted cash	—	20,359(d)		20,359
Trade accounts receivable, net	3,708	(1,727)(a)	(1,981)(g)	—
Prepaid assets	4,777	—	(4,777)(g)	—
Prepaid reorganization costs	1,326	—	(1,326)(g)	—
Total current assets	11,765	—	—	28,687
Property and equipment				
Oil and gas properties				
Unproved	84	—	(84)(g)	—
Proved	759,755	(740,392)(a)	(14,776)(g)	4,587
Land	4,000	(4,000)(a)	—	—
Other	73,021	(47,493)(a)	(21,289)(g)	4,239
Total property and equipment	836,860	—	—	8,826
Less accumulated depreciation and depletion	(642,172)	607,603(a)	34,569(g)	—
Property and equipment, net	194,688	—	—	8,826
Long-term assets:				
Investments in unconsolidated affiliates	3,629	105,344(a)	(3,629)(g)	105,344
Other long-term assets	307	—	(253)(g)	54
Total long-term assets	3,936	—	—	105,398
Total assets	$ 210,389	—	—	$ 142,911
LIABILITIES AND EQUITY				
Current liabilities				
Liabilities not subject to compromise				
Debtor in possession financing	$ 56,535	(56,535)(c)	—	$ —
Accounts payable and other accrued liabilities	4,897	—	—	4,897
Other accrued liabilities	9,224	(2,685)(b)	—	2,640
		(1,500)(c)		
		(3,845)(d)		
		1,446(e)		
Accrued reorganization and trustee expense	70,656	—	—	7,537
Liabilities subject to compromise				
3 $^3/_4$% Senior notes	115,000	(115,000)(b)	—	—
7% Senior convertible notes	150,000	(150,000)(b)	—	—
Accounts payable and other accrued liabilities	17,203	(2,560)(a)	(1,981)(g)	12,336
		(3,526)(d)	3,200(g)	
Total current liabilities	352,859	—	—	19,873
Long-term liabilities				
Liabilities not subject to compromise				
Long—term debt	—	6,335(c)	—	6,335

~~Derivative liabilities~~	~~—~~	~~6,665(c)~~		~~6,665~~
~~Asset retirement obligations~~	~~4,414~~	~~(3,938)(a)~~		~~476~~
~~Total liabilities~~	~~357,273~~			~~33,349~~
~~Stockholders' equity~~				
~~Common stock~~	~~288~~	~~1,457(b)~~	~~(288)(f)~~	~~1,477~~
		~~20(d)~~		
~~Additional paid-in capital~~	~~1,643,285~~	~~100,084(b)~~	~~288(f)~~	~~108,085~~
		~~1,318(d)~~	~~(1,636,890)(h)~~	
~~Retained earnings (accumulated deficit)~~	~~(1,790,457)~~	~~166,144(b)~~	~~(14,765)(g)~~	~~—~~
		~~2,188(d)~~	~~1,636,890(h)~~	
~~Total stockholders' equity (deficit)~~	~~(146,884)~~			~~109,562~~
~~Total liabilities and equity (deficit)~~	~~$ 210,389~~			~~$ 142,911~~

~~**PAR PETROLEUM CORPORATION AND SUBSIDIARIES**~~
~~**Notes to Consolidated Financial Statements**~~

~~**Notes to Plan of Reorganization and Fresh Start Accounting Adjustments**~~

~~(a) Reflects the contribution of certain of our oil and gas assets and related prepaid expenses and asset retirement obligations to Piceance Energy in exchange for cash and a 33.34% interest in Piceance Energy.~~

~~(b) Reflects the extinguishment of secured debt in exchange for common stock of the Successor. On the Emergence Date, we issued 14,573,608 shares of our common stock and warrants to acquire 959,213 shares of our common stock to the holders of our secured debt or their affiliates. We estimated the fair value of our common stock to be $7.00 per share on the Emergence Date. Accordingly, we recorded a gain on the settlement of secured debt within Reorganization items of approximately $166.1 million on the Predecessor's consolidated statement of operations in the period from January 1, 2012 through August 31, 2012.~~

~~(c) Reflects the Successor drawing $13 million under the Loan Agreement (see Note 10 - Debt) to repay amounts outstanding under the DIP Credit Facility with those proceeds and cash from contribution of assets to Piceance Energy.~~

~~(d) Reflects the settlement of other claims with common stock of Successor and cash. On the Emergence Date, we issued 191,973 shares of our common stock to various creditors. We estimated the fair value of our common stock to be $7.00 per share on the Emergence Date. Accordingly, we recorded a gain on settlement of liabilities within Reorganization items of approximately $2.2 million on the Predecessor's consolidated statement of operations in the period from January 1, 2012 through August 31, 2012.~~

~~(e) Reflects the funding of the Recovery Trusts (see Note 13 - Commitments and Contingencies).~~

~~(f) Reflects the cancellation of Predecessor common stock.~~

~~(g) Reflects adjustments to remaining assets due to fresh-start reporting. On the Emergence Date, we adjusted the carrying value of our remaining assets to their estimated fair values. As a result of these adjustments, we recorded a loss for changes in asset fair values due to fresh-start reporting adjustments within Reorganization items of approximately $14.8 million on the Predecessor's consolidated statement of operations in the period from January 1, 2012 through August 31, 2012.~~

~~(h) Reflects the elimination of Predecessor's accumulated deficit.~~

~~Note 20 - Subsequent Events~~

~~On the January 23, 2014 and in connection with the consummation of the Reverse Stock Split as described in Note 1-Overview, we and certain of our subsidiaries entered into an Eleventh Amendment to our Loan Agreement pursuant to which the Lender consented to Fractional Share Cash Payments.~~

~~As a result of the Reverse Stock Split, every ten pre-split shares of Common Stock issued prior to January 29, 2014, the effective date of the reverse stock split for trading purposes, were exchanged for one post-split share of Common Stock, with fractional shares paid in cash at an amount equal to the product obtained by multiplying (a) the closing price of the Common Stock as reported on the OTCQB Marketplace on January 23, 2014, by (b) the fraction of one share owned by the stockholder. Further, the number of shares of Common Stock issued and outstanding was reduced from approximately 301,141,520 on January 23, 2014 to approximately 30,114,352. The number of authorized shares of Common Stock will remain at 500,000,000 and the par value of the Common Stock will remain at $0.01 per share. All references in the financial statements to the number of shares of common stock or warrants, price per share and weighted average number of common stock outstanding prior to the 1:10 reverse stock split have been adjusted to reflect this stock split on a retroactive basis, unless otherwise noted. No adjustments have been made to the share or per share amounts of our Predecessor.~~

~~Note 21- Disclosures About Capitalized Costs, Costs Incurred (Unaudited)~~

~~Capitalized costs related to oil and gas activities are as follows (in thousands):~~

	~~Successor~~		~~Predecessor~~
	~~December 31, 2013~~	~~December 31, 2012~~	~~August 31, 2012~~
~~Company:~~			
~~Unproved properties~~	~~$ —~~	~~$ —~~	~~$ 84~~
~~Proved properties~~	~~4,949~~	~~4,804~~	~~759,755~~
	~~4,949~~	~~4,804~~	~~759,839~~
~~Accumulated depreciation and depletion~~	~~(1,868)~~	~~(337)~~	~~(642,172)~~
	~~$ 3,081~~	~~$ 4,467~~	~~$ 117,667~~
~~Company's Share of Piceance Energy:~~			
~~Unproved properties~~	~~$ 15,763~~	~~$ 16,180~~	—
~~Proved properties~~	~~168,378~~	~~134,638~~	—
	~~184,141~~	~~150,818~~	—
~~Accumulated depreciation and depletion~~	~~(38,452)~~	~~(2,808)~~	—
	~~$ 145,689~~	~~$ 148,010~~	—

~~(1) The capitalized cost amounts presented are as of August 31, 2012 for the Predecessor and exclude adjustments resulting from the plan or reorganization and fresh-start reporting (see Note 19 – Reorganization Under Chapter 11, Fresh-Start Reporting and the Effects of the Plan).~~

~~Costs incurred in oil and gas activities including costs associated with assets retirement obligations, are as follows (in thousands):~~

	Successor		Predecessor
	Year Ended December 31, 2013	Period from September 1 through December 31, 2012	Period from January 1 through August 31, 2012
~~Company:~~			
~~Development costs incurred on proved undeveloped reserves~~	~~$ —~~	~~$ —~~	~~$ 1,613~~
~~Development costs—other~~	~~142~~	~~—~~	~~—~~
~~Total~~	~~$ 142~~	~~$ —~~	~~$ 1,613~~
~~Company's Share of Piceance Energy:~~			
~~Unproved properties acquisition costs~~	~~$ —~~	~~$ 206~~	
~~Proved properties acquisition costs (1)~~	~~—~~	~~32,519~~	
~~Development costs—other~~	~~6,380~~	~~291~~	
~~Total~~	~~$ 6,380~~	~~$ 33,016~~	

~~(1) Amount represents our share of proved oil and natural gas property acquired at inception of the formation of Piceance Energy, of which $24.2 million relates to oil and natural gas properties purchased from Delta contemplated as part the emergence from bankruptcy and $8.3 million relates oil and natural gas properties purchased from Laramie.~~

~~At December 31, 2011, the company had $8,770 of suspended exploratory well cost subject to evaluation. Upon the emergency from Bankruptcy on August 31, 2012 all capitalized oil and natural gas property costs, including suspended exploratory well cost, were transferred to Piceance in exchange for cash and a 33.34% equity interest in Piceance. For the period from September 1, 2012 through December 31, 2012 and for the year ended December 31, 2013 neither the company or Piceance incurred exploratory well costs so no amounts were capitalized or expensed during these respective periods. Accordingly, there were no suspended exploratory well costs at December 31, 2012 and 2013 that were being evaluated.~~

~~A summary of the results of operations for oil and gas producing activities, excluding general and administrative costs, is as follows:~~

	Successor		Predecessor
	Year Ended December 31, 2013	September 1 through December 31, 2012	January 1 through August 31, 2012
~~Company:~~			
~~Revenue:~~			
~~Oil and gas revenues~~	~~$ 7,739~~	~~$ 2,144~~	~~$ 23,079~~
~~Expenses:~~			
~~Production costs~~	~~5,696~~	~~1,688~~	~~16,980~~
~~Depletion and amortization~~	~~1,593~~	~~370~~	~~16,041~~
~~Exploration~~	~~—~~	~~—~~	~~2~~

Abandoned and impaired properties	—	—	151,347
Results of operations of oil and gas producing activities	$ 450	$ 86	$ (161,291)
Company's share of Piceance Energy:			—
Revenue:			—
Oil and gas revenues	$ 20,364	$ 6,464	—
Expenses:			—
Production costs	9,885	3,033	—
Depletion and amortization	8,855	2,808	—
Results of operations of oil and gas producing activities	$ 1,624	$ 623	—
Total Company and Piceance Energy income from operations of oil and gas producing activities	$ 2,074	$ 709	—

PAR PETROLEUM CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 22 - Information Regarding Proved Oil and Gas Reserves (Unaudited)

There are numerous uncertainties inherent in estimating quantities of proved crude oil and natural gas reserves. Crude oil and natural gas reserve engineering is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be precisely measured. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, testing and production subsequent to the date of the estimate may justify revision of such estimate. Accordingly, reserve estimates are often different from the quantities of crude oil and natural gas that are ultimately recovered.

Estimates of the company's oil and natural gas reserves and present values as of December 31, 2013 and 2012, and August 31, 2012 were prepared by Netherland, Sewell & Associates, Inc., independent reserve engineers.

A summary of changes in estimated quantities of proved reserves for the year ended December 31, 2013 and for respective periods in 2012 is as follows:

	Gas (MMcf)	Oil (MBbl)	NGLS (MBb1)	Total (MMcfe) [5]
Company:	—	—	—	—
Estimated Proved Reserves: Balance at January 1, 2012 (Predecessor) [1]	87,209	494	—	90,173
Revisions of quantity estimate	—	85	—	512
Sale/disposition of properties [2]	(82,357)	(235)	—	(83,770)
Production	(4,852)	(67)	—	(5,256)
Estimated Proved Reserves: Balance at August 31, 2012 (Successor)	—	277	—	1,659
Revisions of quantity estimate	456	31	—	643
Production	(10)	(22)	—	(139)
Estimated Proved Reserves: Balance at December 31, 2012 (Successor)	446	286	—	2,163
Revisions of quantity estimate	460	16	—	557
Extensions and discoveries	9	3	—	25
Production	(253)	(69)	—	(667)

Estimated Proved Reserves: Balance at December 31, 2013 (Successor)	662	236	—	2,078
Company's Share of Piceance Energy:				
Estimated Proved Reserves: Balance at September 1, 2012	—	—	—	—
Transfer from investees [3]	83,915	560	4,228	112,639
Revisions of quantity estimate	8,053	41	387	10,621
Extensions and discoveries	32,073	236	1,778	44,151
Production	(1,391)	(6)	(48)	(1,711)
Estimated Proved Reserves: Balance at December 31, 2012	122,650	831	6,345	165,700
Revisions of quantity estimate	72,436	174	2,818	90,387
Extensions and discoveries	3,599	(374)	(1,334)	(6,643)
Production	(12,088)	(47)	(428)	(14,935)
Estimated Proved Reserves: Balance at December 31, 2013	186,597	584	7,401	234,509
Total Estimated Proved Reserves: Balance at December 31, 2013	187,259	820	7,401	236,587
Proved developed reserves				
December 31, 2012	158	286	—	1,875
December 31, 2012 – Company Share of Piceance Energy	48,680	237	2,253	63,617
Total December 31, 2012	48,838	523	2,253	65,492
Proved undeveloped reserves				
December 31, 2012	288	—	—	288
December 31, 2012 – Company Share of Piceance Energy	73,970	594	4,092	102,083
Total December 31, 2012	74,258	594	4,092	102,371
Proved developed reserves				
December 31, 2013	662	236	—	2,078
December 31, 2013 – Company Share of Piceance Energy	45,072	165	1,627	55,829
Total December 31, 2013	45,734	401	1,627	57,907
Proved undeveloped reserves				
December 31, 2013	—	—	—	—
December 31, 2013 – Company Share of Piceance Energy	141,525	419	5,774	178,680
Total December 31, 2013	141,525	419	5,774	178,680

	CIG per Mbtu	WTI per Bbl
Base pricing, before adjustments for contractual differentials: [4]		
August 31, 2012	$ 2.75	$ 90.85
December 31, 2012	$ 2.56	$ 91.21
December 31, 2012 – Piceance	$ 2.56	$ 91.21
December 31, 2013	$ 3.53	$ 96.91
December 31, 2013 – Piceance	$ 3.53	$ 96.91

(1) At January 1, 2012, gas is based on 70,982 MMcf of natural gas and 4,057 MBbl of natural gas liquids, with liquids converted to gas using a ratio of 4 Mcf to 1 barrel.

(2) On August 31, 2012, substantially all of the reserves of the company were transferred to Piceance Energy

in exchange for a 33.34% equity ownership interest (See Note 3 - Investment in Piceance Energy).

(3) On August 31, 2012, certain reserves held by Delta Petroleum and by Laramie were transferred to Piceance Energy in exchange for a 33.34% and a 66.66% equity ownership interest, respectively (See Note 3 – Investment in Piceance Energy).

(4) Proved reserves are required to be calculated based on the 12-month, first day of the month historical average price in accordance with SEC rules. The prices shown above are base index prices to which adjustments are made for contractual deducts and other factors.

(5) MMcfe is based on a ratio of 6 Mcf to 1 barrel.

Future net cash flows presented below are computed using applicable prices (as summarized above) and costs and are net of all overriding royalty revenue interests.

	Successor		Predecessor
	December 31,		August 31,
	2013	2012	2012
	(in thousands)		(in thousands)
Company:			
Future net cash flows	$ 26,861	$ 30,444	$ 28,691
Future costs:			
Production	21,999	20,596	19,973
Development and abandonment	319	319	319
Income taxes[1]	—	—	—
Future net cash flows	4,543	9,529	8,399
10% discount factor	(1,006)	(1,519)	(1,176)
Standardized measure of discounted future net cash flows	$ 3,537	$ 8,010	$ 7,223
Company's Share of Piceance Energy:			
Future net cash flows	$ 984,205	$ 568,706	
Future costs:			
Production	430,506	199,277	
Development and abandonment	234,905	154,054	
Income taxes[1]	—	—	
Future net cash flows	318,794	215,375	
10% discount factor	(229,469)	(143,416)	
Standardized measure of discounted future net cash flows	$ 89,325	$ 71,959	
Total Company and Company share of equity investee in the standardized measure of discounted future net revenues	$ 92,862	$ 79,969	

[1] No income tax provision is included in the standardized measure calculation shown above as the company does not project to be taxable or pay cash income taxes based on its available tax assets and additional tax assets generated in the development of its reserves because the tax basis of its oil and gas properties and NOL carryforwards exceeds the amount of discounted future net earnings.

~~The principal sources of changes in the standardized measure of discounted net cash flows for the year ended December 31, 2013 and for the respective periods during 2012 are as follows (in thousands):~~

	Successor		
	December 31, 2013	Company Share of Piceance Energy December 31, 2013	Total 2013
~~Beginning of the year~~			
~~Beginning of the period~~	~~$ 8,010~~	~~$ 71,959~~	~~$ 79,969~~
~~Sales of oil and gas production during the period, net of production costs~~	~~(2,044)~~	~~(10,478)~~	~~(12,522)~~
~~Net change in prices and production costs~~	~~(3,833)~~	~~(2,588)~~	~~(6,421)~~
~~Changes in estimated future development costs~~	~~—~~	~~8,831~~	~~8,831~~
~~Extensions, discoveries and improved recovery~~	~~147~~	~~15,471~~	~~15,618~~
~~Revisions of previous quantity estimates, estimated timing of development and other~~	~~395~~	~~(4,948)~~	~~(4,553)~~
~~Previously estimated development and abandonment costs incurred during the period~~	~~—~~	~~3,142~~	~~3,142~~
~~Other~~	~~61~~	~~740~~	~~801~~
~~Accretion of discount~~	~~801~~	~~7,196~~	~~7,997~~
~~End of period~~	~~$ 3,537~~	~~$ 89,325~~	~~$ 92,862~~

	Successor			Predecessor
	Period from September 1, through December 31, 2012	Company Share of Piceance Energy September 1, through December 31, 2012	Total 2012	January 1, through August 31, 2012
~~Beginning of the year~~				~~$ 129,695~~
~~Beginning of the period~~	~~$ 7,223~~	~~$ —~~	~~$ 7,223~~	~~—~~
~~Transfer from investees~~	~~—~~	~~55,253~~	~~55,253~~	~~—~~
~~Sales of oil and gas production during the period, net of production costs~~	~~(456)~~	~~(3,639)~~	~~(4,095)~~	~~(5,954)~~
~~Net change in prices and production costs~~	~~(667)~~	~~(139)~~	~~(806)~~	~~378~~
~~Changes in estimated future development costs~~	~~—~~	~~5~~	~~5~~	~~—~~
~~Extensions, discoveries and improved recovery~~	~~763~~	~~569~~	~~1,332~~	~~—~~
~~Revisions of previous quantity estimates, estimated timing of development and other~~	~~648~~	~~13,708~~	~~14,356~~	~~(7,439)~~
~~Sales/disposition of reserves in place~~	~~—~~	~~—~~	~~—~~	~~(118,104)~~
~~Other~~	~~258~~	~~4,360~~	~~4,618~~	~~—~~
~~Accretion of discount~~	~~241~~	~~1,842~~	~~2,083~~	~~8,647~~
~~End of period~~	~~$ 8,010~~	~~$ 71,959~~	~~$79,969~~	~~$ 7,223~~

SIGNATURES

Pursuant to the requirements of Section~~-~~ 13 or 15(d) of the Securities Exchange of Act of 1934, the registrant has ~~duly~~ caused this Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston and State of Texas on the ~~29th~~___ day of ~~April~~June, 2014.

PAR PETROLEUM CORPORATION

By: /s/ William Monteleone.
William Monteleone, Chief Executive Officer

By: /s/ Christopher Micklas
Christopher Micklas, Chief Financial Officer