REFINITIV

DELTA REPORT

10-Q

AE - ADAMS RESOURCES & ENERGY,

10-Q - JUNE 30, 2023 COMPARED TO 10-Q - MARCH 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	717
CHANGES	138
DELETIONS	318
ADDITIONS	261

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023June 30, 2023

OR

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

For the transition period from ___ to ___.

Commission file number: 1-07908

ADAMS RESOURCES & ENERGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**74-1753147**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

17 South Briar Hollow Lane, Suite 100
Houston, Texas 77027
(Address of Principal Executive Offices, including Zip Code)

(713) 881-3600
(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.10 Par Value	AE	NYSE American LLC

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 þ No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes þ No ¨

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

Large accelerated filer	☐	Accelerated filer ☐
Non-accelerated filer	☐	Smaller reporting company ☐
Emerging growth company	☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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

A total of 2,534,685 shares of Common Stock were outstanding at May 1, 2023 August 1, 2023.

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ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
ASSETS	**ASSETS**			**ASSETS**		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	$ 42,135	$ 20,532	Cash and cash equivalents	$ 8,974	$ 20,532

Restricted cash	Restricted cash	8,847	10,535	Restricted cash	8,784	10,535
Accounts receivable, net of allowance for doubtful	Accounts receivable, net of allowance for doubtful			Accounts receivable, net of allowance for doubtful		
accounts of $85 and $88, respectively		158,126	189,039			
accounts of $78 and $88, respectively				accounts of $78 and $88, respectively	158,433	189,039
Inventory	Inventory	22,275	26,919	Inventory	26,523	26,919
Derivative assets		157	—			
Income tax receivable				Income tax receivable	469	—
Prepayments and other current assets	Prepayments and other current assets	3,028	3,118	Prepayments and other current assets	2,608	3,118
Total current assets	Total current assets	234,568	250,143	Total current assets	205,791	250,143
Property and equipment, net	Property and equipment, net	110,264	106,425	Property and equipment, net	111,834	106,425
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	7,414	7,720	Operating lease right-of-use assets, net	6,783	7,720
Intangible assets, net	Intangible assets, net	9,294	9,745	Intangible assets, net	8,837	9,745
Goodwill	Goodwill	6,428	6,428	Goodwill	6,673	6,428
Other assets	Other assets	3,595	3,698	Other assets	3,564	3,698
Total assets	Total assets	$ 371,563	$ 384,159	Total assets	$ 343,482	$ 384,159
LIABILITIES AND SHAREHOLDERS' EQUITY	**LIABILITIES AND SHAREHOLDERS' EQUITY**			**LIABILITIES AND SHAREHOLDERS' EQUITY**		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable	Accounts payable	$ 191,704	$ 204,391	Accounts payable	$ 162,787	$ 204,391
Accounts payable – related party	Accounts payable – related party	—	31	Accounts payable – related party	—	31
Derivative liabilities	Derivative liabilities	—	330	Derivative liabilities	30	330
Current portion of finance lease obligations	Current portion of finance lease obligations	5,221	4,382	Current portion of finance lease obligations	6,444	4,382
Current portion of operating lease liabilities	Current portion of operating lease liabilities	2,821	2,712	Current portion of operating lease liabilities	2,802	2,712
Current portion of long-term debt	Current portion of long-term debt	2,500	—	Current portion of long-term debt	2,500	—
Other current liabilities	Other current liabilities	16,627	19,214	Other current liabilities	14,011	19,214
Total current liabilities	Total current liabilities	218,873	231,060	Total current liabilities	188,574	231,060
Other long-term liabilities:	Other long-term liabilities:			Other long-term liabilities:		
Long-term debt	Long-term debt	21,250	24,375	Long-term debt	20,625	24,375

Asset retirement obligations	Asset retirement obligations	2,434	2,459	Asset retirement obligations	2,650	2,459
Finance lease obligations	Finance lease obligations	18,677	12,085	Finance lease obligations	20,693	12,085
Operating lease liabilities	Operating lease liabilities	4,595	5,007	Operating lease liabilities	3,986	5,007
Deferred taxes and other liabilities	Deferred taxes and other liabilities	14,579	15,996	Deferred taxes and other liabilities	15,233	15,996
Total liabilities	Total liabilities	280,408	290,982	Total liabilities	251,761	290,982
Commitments and contingencies (Note 16)	Commitments and contingencies (Note 16)			Commitments and contingencies (Note 16)		
Shareholders' equity:	Shareholders' equity:			Shareholders' equity:		
Preferred stock – $1.00 par value, 960,000 shares authorized, none outstanding	Preferred stock – $1.00 par value, 960,000 shares authorized, none outstanding	—	—	Preferred stock – $1.00 par value, 960,000 shares authorized, none outstanding	—	—
Common stock – $0.10 par value, 7,500,000 shares authorized, 2,534,685 and 2,495,484 shares outstanding, respectively	Common stock – $0.10 par value, 7,500,000 shares authorized, 2,534,685 and 2,495,484 shares outstanding, respectively	252	248	Common stock – $0.10 par value, 7,500,000 shares authorized, 2,534,685 and 2,495,484 shares outstanding, respectively	252	248
Contributed capital	Contributed capital	20,571	19,965	Contributed capital	20,943	19,965
Retained earnings	Retained earnings	70,332	72,964	Retained earnings	70,526	72,964
Total shareholders' equity	Total shareholders' equity	91,155	93,177	Total shareholders' equity	91,721	93,177
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	$ 371,563	$ 384,159	Total liabilities and shareholders' equity	$ 343,482	$ 384,159

See Notes to Unaudited Condensed Consolidated Financial Statements.

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ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	**2022**		**2023**	**2022**	**2023**	**2022**
Revenues:	**Revenues:**			**Revenues:**				
Marketing	Marketing	$ 608,476	$ 747,555	Marketing	$ 585,272	$ 962,516	$ 1,193,748	$ 1,710,071
Transportation	Transportation	26,445	26,690	Transportation	24,452	29,534	50,897	56,224
Pipeline and storage	Pipeline and storage	—	—	Pipeline and storage	249	—	249	—

Logistics and repurposing	Logistics and repurposing	15,241	—	Logistics and repurposing	14,793	—		30,034	—		
Total revenues	Total revenues	650,162	774,245	Total revenues	624,766	992,050		1,274,928	1,766,295		
Costs and expenses:	**Costs and expenses:**			**Costs and expenses:**							
Marketing	Marketing	604,494	735,647	Marketing	579,753	955,511		1,184,247	1,691,158		
Transportation	Transportation	22,413	20,865	Transportation	20,260	23,674		42,673	44,539		
Pipeline and storage	Pipeline and storage	938	554	Pipeline and storage	753	606		1,691	1,160		
Logistics and repurposing	Logistics and repurposing	13,125	—	Logistics and repurposing	13,202	—		26,327	—		
General and administrative	General and administrative	4,772	4,018	General and administrative	1,715	4,211		6,487	8,229		
Depreciation and amortization	Depreciation and amortization	7,050	5,013	Depreciation and amortization	7,303	5,088		14,353	10,101		
Total costs and expenses	Total costs and expenses	652,792	766,097	Total costs and expenses	622,986	989,090		1,275,778	1,755,187		
Operating (losses) earnings		(2,630)	8,148								
Operating earnings (losses)							**Operating earnings (losses)**	1,780	2,960	(850)	11,108
Other income (expense):	**Other income (expense):**			**Other income (expense):**							
Interest and other income	Interest and other income	204	24	Interest and other income	570	303		774	327		
Interest expense	Interest expense	(696)	(114)	Interest expense	(802)	(136)		(1,498)	(250)		
Total other (expense) income, net	Total other (expense) income, net	(492)	(90)	Total other (expense) income, net	(232)	167		(724)	77		
(Losses) Earnings before income taxes		(3,122)	8,058								
Income tax benefit (provision)		1,123	(1,968)								
Earnings (Losses) before income taxes							**Earnings (Losses) before income taxes**	1,548	3,127	(1,574)	11,185
Income tax (provision) benefit							Income tax (provision) benefit	(721)	(651)	402	(2,619)
Net (losses) earnings		$ (1,999)	$ 6,090								
Net earnings (losses)							**Net earnings (losses)**	$ 827	$ 2,476	$ (1,172)	$ 8,566
(Losses) Earnings per share:											
Basic net (losses) earnings per common share		$ (0.79)	$ 1.40								

Diluted net (losses) earnings per common share	$	(0.79)	$	1.39

Earnings (Losses) per share:								
Basic net earnings (losses) per common share	$	0.33	$	0.57	$	(0.46)	$	1.96
Diluted net earnings (losses) per common share	$	0.32	$	0.56	$	(0.46)	$	1.95

Dividends per common share	**Dividends per common share**	$	0.24	$	0.24	**Dividends per common share**	$	0.24	$	0.24	$	0.48	$ 0.48

See Notes to Unaudited Condensed Consolidated Financial Statements.

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ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Operating activities:				
Net (losses) earnings	$ (1,999)	$ 6,090	$ (1,172)	$ 8,566
Adjustments to reconcile net (losses) earnings to net cash provided by operating activities:				
Adjustments to reconcile net (losses) earnings to net cash used in operating activities:				
Depreciation and amortization	7,050	5,013	14,353	10,101
Gains on sales of property	(31)	(491)	(766)	(938)
Provision for doubtful accounts	(3)	(5)	(10)	(8)
Stock-based compensation expense	283	195	655	458
Change in contingent consideration liability			(2,566)	—

Deferred income taxes	Deferred income taxes	(1,424)	561	Deferred income taxes	(770)	(332)
Net change in fair value contracts	Net change in fair value contracts	(487)	(20)	Net change in fair value contracts	(300)	(630)
Changes in assets and liabilities:	**Changes in assets and liabilities:**			**Changes in assets and liabilities:**		
Accounts receivable	Accounts receivable	30,916	(74,660)	Accounts receivable	30,616	(129,837)
Accounts receivable/payable, affiliates	Accounts receivable/payable, affiliates	(31)	48	Accounts receivable/payable, affiliates	(31)	—
Inventories	Inventories	4,644	(23,440)	Inventories	396	(42,339)
Income tax receivable	Income tax receivable	—	1,284	Income tax receivable	(469)	6,424
Prepayments and other current assets	Prepayments and other current assets	90	684	Prepayments and other current assets	510	382
Accounts payable	Accounts payable	(12,653)	91,211	Accounts payable	(41,606)	121,144
Accrued liabilities	Accrued liabilities	(2,514)	(775)	Accrued liabilities	(2,564)	2,614
Other	Other	(134)	178	Other	116	217
Net cash provided by operating activities		23,707	5,873			
Net cash used in operating activities				Net cash used in operating activities	(3,608)	(24,178)
Investing activities:	**Investing activities:**			**Investing activities:**		
Property and equipment additions	Property and equipment additions	(1,900)	(3,694)	Property and equipment additions	(5,908)	(4,783)
Proceeds from property sales	Proceeds from property sales	441	856	Proceeds from property sales	1,444	1,374
Net cash used in investing activities	Net cash used in investing activities	(1,459)	(2,838)	Net cash used in investing activities	(4,464)	(3,409)
Financing activities:	**Financing activities:**			**Financing activities:**		
Borrowings under Credit Agreement	Borrowings under Credit Agreement	18,000	—	Borrowings under Credit Agreement	38,000	30,000
Repayments under Credit Agreement	Repayments under Credit Agreement	(18,625)	—	Repayments under Credit Agreement	(39,250)	(30,000)
Principal repayments of finance lease obligations	Principal repayments of finance lease obligations	(1,576)	(1,139)	Principal repayments of finance lease obligations	(3,247)	(2,306)
Net proceeds from sale of equity	Net proceeds from sale of equity	549	—	Net proceeds from sale of equity	549	283
Dividends paid on common stock	Dividends paid on common stock	(681)	(1,068)	Dividends paid on common stock	(1,289)	(2,126)
Net cash used in financing activities	Net cash used in financing activities	(2,333)	(2,207)	Net cash used in financing activities	(5,237)	(4,149)
Increase in cash and cash equivalents, including restricted cash		19,915	828			
Decrease in cash and cash equivalents, including restricted cash				**Decrease in cash and cash equivalents, including restricted cash**	(13,309)	(31,736)
Cash and cash equivalents, including restricted cash, at beginning of period	**Cash and cash equivalents, including restricted cash, at beginning of period**	31,067	107,317	**Cash and cash equivalents, including restricted cash, at beginning of period**	31,067	107,317

Cash and cash equivalents, including restricted cash, at end of period	**Cash and cash equivalents, including restricted cash, at end of period**	$ 50,982	$ 108,145	**Cash and cash equivalents, including restricted cash, at end of period**	$ 17,758	$ 75,581

See Notes to Unaudited Condensed Consolidated Financial Statements.

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ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except per share data)

		Common Stock	Contributed Capital	Retained Earnings	Total Shareholders' Equity		Common Stock	Contributed Capital	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 2023	**Balance, January 1, 2023**	$ 248	$ 19,965	$ 72,964	$ 93,177	**Balance, January 1, 2023**	$ 248	$ 19,965	$ 72,964	$ 93,177
Net losses		—	—	(1,999)	(1,999)					
Net loss						Net loss	—	—	(1,999)	(1,999)
Stock-based compensation expense	Stock-based compensation expense	—	283	—	283	Stock-based compensation expense	—	283	—	283
Vesting of restricted awards	Vesting of restricted awards	3	(3)	—	—	Vesting of restricted awards	3	(3)	—	—
Cancellation of shares withheld to cover	Cancellation of shares withheld to cover					Cancellation of shares withheld to cover				
taxes upon vesting of restricted awards	taxes upon vesting of restricted awards	—	(222)	—	(222)	taxes upon vesting of restricted awards	—	(222)	—	(222)
Shares sold under at-the-market	Shares sold under at-the-market					Shares sold under at-the-market				
offering program	offering program	1	548	—	549	offering program	1	548	—	549
Dividends declared:	Dividends declared:					Dividends declared:				
Common stock, $0.24/share	Common stock, $0.24/share	—	—	(608)	(608)	Common stock, $0.24/share	—	—	(608)	(608)
Awards under LTIP, $0.24/share	Awards under LTIP, $0.24/share	—	—	(25)	(25)	Awards under LTIP, $0.24/share	—	—	(25)	(25)
Balance, March 31, 2023	**Balance, March 31, 2023**	$ 252	$ 20,571	$ 70,332	$ 91,155	**Balance, March 31, 2023**	252	20,571	70,332	91,155
Net earnings						Net earnings	—	—	827	827

Stock-based compensation expense	Stock-based compensation expense	—	372	—	372
Dividends declared:	Dividends declared:				
Common stock, $0.24/share	Common stock, $0.24/share	—	—	(608)	(608)
Awards under LTIP, $0.24/share	Awards under LTIP, $0.24/share	—	—	(25)	(25)
Balance, June 30, 2023	**Balance, June 30, 2023**	$ 252	$ 20,943	$ 70,526	$ 91,721

	Common Stock	Contributed Capital	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 2022	$ 433	$ 16,913	$ 143,040	$ 160,386
Net earnings	—	—	6,090	6,090
Stock-based compensation expense	—	195	—	195
Vesting of restricted awards	2	(2)	—	—
Cancellation of shares withheld to cover taxes upon vesting of restricted awards	—	(86)	—	(86)
Dividends declared:				
Common stock, $0.24/share	—	—	(1,048)	(1,048)
Awards under LTIP, $0.24/share	—	—	(16)	(16)
Balance, March 31, 2022	$ 435	$ 17,020	$ 148,066	$ 165,521

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ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except per share data)

	Common Stock	Contributed Capital	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 2022	$ 433	$ 16,913	$ 143,040	$ 160,386
Net earnings	—	—	6,090	6,090
Stock-based compensation expense	—	195	—	195
Vesting of restricted awards	2	(2)	—	—
Cancellation of shares withheld to cover taxes upon vesting of restricted awards	—	(86)	—	(86)
Dividends declared:				
Common stock, $0.24/share	—	—	(1,048)	(1,048)
Awards under LTIP, $0.24/share	—	—	(16)	(16)

Balance, March 31, 2022	435	17,020	148,066	165,521
Net earnings	—	—	2,476	2,476
Stock-based compensation expense	—	263	—	263
Cancellation of shares withheld to cover				
taxes upon vesting of restricted awards	—	(24)	—	(24)
Shares sold under at-the-market				
offering program	1	282	—	283
Dividends declared:				
Common stock, $0.24/share	—	—	(1,049)	(1,049)
Awards under LTIP, $0.24/share	—	—	(18)	(18)
Balance, June 30, 2022	$ 436	$ 17,541	$ 149,475	$ 167,452

See Notes to Unaudited Condensed Consolidated Financial Statements.

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ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Basis of Presentation

Organization

Adams Resources & Energy, Inc. is a publicly traded Delaware corporation organized in 1973, the common shares of which are listed on the NYSE American LLC under the ticker symbol "AE". Through our subsidiaries, we are primarily engaged in crude oil marketing, truck and pipeline transportation of crude oil, terminalling and storage in various crude oil and natural gas basins in the lower 48 states of the United States ("U.S."). In addition, we conduct tank truck transportation of liquid chemicals, pressurized gases, asphalt and dry bulk primarily in the lower 48 states of the U.S. with deliveries into Canada and Mexico, and with twenty eighteen terminals across the U.S. We also recycle and repurpose off-specification fuels, lubricants, crude oil and other chemicals from producers in the U.S. Unless the context requires otherwise, references to "we," "us," "our," "Adams" or the "Company" are intended to mean the business and operations of Adams Resources & Energy, Inc. and its consolidated subsidiaries.

We operate and report in four business segments: (i) crude oil marketing, transportation and storage; (ii) tank truck transportation of liquid chemicals, pressurized gases, asphalt and dry bulk; (iii) pipeline transportation, terminalling and storage of crude oil; and (iv) interstate bulk transportation logistics of crude oil, condensate, fuels, oils and other petroleum products and recycling and repurposing of off-specification fuels, lubricants, crude oil and other chemicals. See Note 8 for further information regarding our business segments.

Basis of Presentation

Our results of operations for the three and six months ended March 31, 2023June 30, 2023 are not necessarily indicative of results expected for the full year of 2023. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments consisting of normal recurring accruals necessary for fair presentation. The condensed consolidated financial statements and the accompanying notes are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial statements and the rules of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures required by GAAP for complete annual financial statements have been omitted and, therefore, these interim financial statements should be read in conjunction with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K") filed with the SEC on March 16, 2023. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of our financial statements in conformity with GAAP requires management to use estimates and assumptions that affect the reported amount 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. We base our estimates and judgments on historical experience and on various other assumptions and information we believe to be reasonable under the circumstances. Estimates and assumptions about future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as the operating environment changes. While we believe the estimates and assumptions used in the preparation of these condensed consolidated financial statements are appropriate, actual results could differ from those estimates.

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Note 2. Summary of Significant Accounting Policies

Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash as reported in the unaudited condensed consolidated balance sheets that totals to the amounts shown in the unaudited condensed consolidated statements of cash flows at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Cash and cash equivalents	Cash and cash equivalents	$ 42,135	$ 20,532	Cash and cash equivalents	$ 8,974	$ 20,532
Restricted cash:	Restricted cash:			Restricted cash:		
Collateral for outstanding letters of credit (1)	Collateral for outstanding letters of credit (1)	357	892	Collateral for outstanding letters of credit (1)	356	892
Captive insurance subsidiary (2)	Captive insurance subsidiary (2)	8,490	9,643	Captive insurance subsidiary (2)	8,428	9,643
Total cash, cash equivalents and restricted cash shown in the unaudited condensed consolidated statements of cash flows	Total cash, cash equivalents and restricted cash shown in the unaudited condensed consolidated statements of cash flows	$ 50,982	$ 31,067	Total cash, cash equivalents and restricted cash shown in the unaudited condensed consolidated statements of cash flows	$ 17,758	$ 31,067

(1) Represents amounts that are held in a segregated bank account by Wells Fargo Bank as collateral for an outstanding letter of credit.
(2) $1.5 million of the restricted cash balance relates to the initial capitalization of our captive insurance company formed in late 2020, and the remainder represents amounts paid to our captive insurance company for insurance premiums.

Common Shares Outstanding

The following table reconciles our outstanding common stock for the periods indicated:

	Common shares
Balance, January 1, 2023	2,495,484
Vesting of restricted stock unit awards (see Note 13)	20,291
Vesting of performance share unit awards (see Note 13)	12,319
Shares withheld to cover taxes upon vesting of equity awards	(8,089)
Shares sold under at-the-market offering program	14,680
Balance, March 31, 2023	2,534,685
No activity	—
Balance, June 30, 2023	2,534,685

Earnings Per Share

Basic earnings (losses) per share is computed by dividing our net earnings (losses) by the weighted average number of common shares outstanding during the period. Diluted earnings (losses) per share is computed by giving effect to all potential common shares outstanding, including shares related to unvested restricted stock unit awards. Unvested restricted stock unit awards granted under the Adams Resources & Energy, Inc. 2018 Long-Term Incentive Plan, as amended and restated ("2018 LTIP"), or granted as employment inducement awards outside of the 2018 LTIP, are not considered to be participating securities as the holders of these shares do not have non-forfeitable dividend rights in the event of our declaration of a dividend for common shares (see Note 13 for further discussion).

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The calculation of basic and diluted earnings (losses) earnings per share was as follows for the periods indicated (in thousands, except per share data):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
(Losses) Earnings per share — numerator:						
Net (losses) earnings	$ (1,999)	$ 6,090				
Earnings (Losses) per share — numerator:						
Net earnings (losses)			$ 827	$ 2,476	$ (1,172)	$ 8,566
Denominator:						
Basic weighted average number of shares outstanding	2,517	4,359	2,535	4,371	2,526	4,365
Basic (losses) earnings per share	$ (0.79)	$ 1.40				
Basic net earnings (losses) per share			$ 0.33	$ 0.57	$ (0.46)	$ 1.96
Diluted (losses) earnings per share:						
Diluted earnings (losses) per share:						
Diluted weighted average number of shares outstanding:						
Common shares	2,517	4,359	2,535	4,371	2,526	4,365

Restricted stock unit awards (1)	Restricted stock unit awards (1)	—	24	Restricted stock unit awards (1)	14	21		—	22		
Performance share unit awards (1) (2)	Performance share unit awards (1) (2)	—	11	Performance share unit awards (1) (2)	12	12		—	12		
Total diluted shares	Total diluted shares	2,517	4,394	Total diluted shares	2,561	4,404		2,526	4,399		
Diluted (losses) earnings per share		$ (0.79)	$ 1.39								
Diluted net earnings (losses) per share							**Diluted net earnings (losses) per share**	$ 0.32	$ 0.56	$ (0.46)	$ 1.95

(1) For the three six months ended March 31, 2023 June 30, 2023, the effect of the restricted stock unit awards and the performance share unit awards on losses per share was anti-dilutive.

(2) The dilutive effect of performance share awards are included in the calculation of diluted earnings per share when the performance share award performance conditions have been achieved.

Equity At-The-Market Offerings

During the three six months ended March 31, 2023 June 30, 2023, we received net proceeds of approximately $0.6 million (net of offering costs to B. Riley Securities, Inc. of $27 thousand) from the sale of 14,680 of our common shares at an average price per share of approximately $40.74 in at-the-market offerings under our At Market Issuance Sales Agreement with B. Riley Securities, Inc. dated December 23, 2020.

Fair Value Measurements

The carrying amounts reported in the unaudited condensed consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable approximates fair value because of the immediate or short-term maturity of these financial instruments. Marketable securities are recorded at fair value based on market quotations from actively traded liquid markets. The fair value of the term loan under our credit agreement (see Note 11 for further information) is representative of the carrying value based upon the variable terms and management's opinion that the current rates available to us with the same maturity and security structure are equivalent to that of the debt.

A three-tier hierarchy has been established that classifies fair value amounts recognized in the financial statements based on the observability of inputs used to estimate these fair values. The hierarchy considers fair value amounts based on observable inputs (Levels 1 and 2) to be more reliable and predictable than those based primarily on unobservable inputs (Level 3). At each balance sheet reporting date, we categorize our financial assets and liabilities using this hierarchy.

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Fair value contracts consist of derivative financial instruments and are recorded as either an asset or liability measured at its fair value. Changes in fair value are recognized immediately in earnings unless the derivatives qualify for, and we elect, cash flow hedge accounting. We had no contracts designated for hedge accounting during any current reporting periods (see Note 12 for further information).

Income Taxes

Income taxes are accounted for using the asset and liability method. Under this approach, deferred tax assets and liabilities are recognized based on anticipated future tax consequences attributable to differences between financial statement carrying amounts of these items and their respective tax basis.

Inventory

Inventory consists of crude oil held in storage tanks and at third-party pipelines as part of our crude oil marketing and pipeline and storage operations. Crude oil inventory is carried at the lower of cost or net realizable value. At the end of each reporting period, we assess the carrying value of our inventory and make adjustments necessary to reduce the carrying value to the applicable net realizable value. Any resulting adjustments are a component of marketing costs and expenses or pipeline and storage expenses on our consolidated statements of operations.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for additions, improvements and other enhancements to property and equipment are capitalized, and minor replacements, maintenance and repairs that do not extend asset life or add value are charged to expense as incurred. When property and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in results of operations in operating costs and expenses for the respective period. Property and equipment, except for land, is depreciated using the straight-line method over the estimated average useful lives ranging from two to thirty-nine years.

We review our long-lived assets for impairment whenever there is evidence that the carrying value of these assets may not be recoverable. Any impairment recognized is permanent and may not be restored. Property and equipment is reviewed at the lowest level of identifiable cash flows. For property and equipment requiring impairment, the fair value is estimated based on an internal discounted cash flow model of future cash flows.

See Note 5 for additional information regarding our property and equipment.

Stock-Based Compensation

We measure all share-based payment awards, including the issuance of restricted stock unit awards and performance share unit awards to employees and board members, using a fair-value based method. The cost of services received from employees and non-employee board members in exchange for awards of equity instruments is recognized in the consolidated statements of operations based on the estimated fair value of those awards on the grant date and is amortized on a straight-line basis over the requisite service period. The fair value of restricted stock unit awards and performance share unit awards is based on the closing price of our common stock on the grant date. We account for forfeitures as they occur. See Note 13 for additional information regarding our 2018 LTIP.

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Note 3. Revenue Recognition

Revenue Disaggregation

The following table disaggregates our revenue by segment and by major source for the periods indicated (in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Crude Oil Marketing:	**Crude Oil Marketing:**			**Crude Oil Marketing:**				
Revenue from contracts with customers:	Revenue from contracts with customers:			Revenue from contracts with customers:				
Goods transferred at a point in time	Goods transferred at a point in time	$ 588,089	$ 736,034	Goods transferred at a point in time	$ 580,636	$ 952,325	$ 1,168,725	$ 1,688,359
Services transferred over time	Services transferred over time	44	—	Services transferred over time	292	—	336	—
Total revenues from contracts with customers	Total revenues from contracts with customers	588,133	736,034	Total revenues from contracts with customers	580,928	952,325	1,169,061	1,688,359
Other (1)	Other (1)	20,343	11,521	Other (1)	4,344	10,191	24,687	21,712
Total crude oil marketing revenue	Total crude oil marketing revenue	$ 608,476	$ 747,555	Total crude oil marketing revenue	$ 585,272	$ 962,516	$ 1,193,748	$ 1,710,071
Transportation:	**Transportation:**			**Transportation:**				

Revenue from contracts with customers:	Revenue from contracts with customers:			Revenue from contracts with customers:				
Goods transferred at a point in time	Goods transferred at a point in time	$ —	$ —	Goods transferred at a point in time	$ —	$ —	$ —	$ —
Services transferred over time	Services transferred over time	26,445	26,690	Services transferred over time	24,452	29,534	50,897	56,224
Total revenues from contracts with customers	Total revenues from contracts with customers	26,445	26,690	Total revenues from contracts with customers	24,452	29,534	50,897	56,224
Other	Other	—	—	Other	—	—	—	—
Total transportation revenue	Total transportation revenue	$ 26,445	$ 26,690	Total transportation revenue	$ 24,452	$ 29,534	$ 50,897	$ 56,224
Pipeline and storage: (2)	**Pipeline and storage:** (2)			**Pipeline and storage:** (2)				
Revenue from contracts with customers:	Revenue from contracts with customers:			Revenue from contracts with customers:				
Goods transferred at a point in time	Goods transferred at a point in time	$ —	$ —	Goods transferred at a point in time	$ —	$ —	$ —	$ —
Services transferred over time	Services transferred over time	—	—	Services transferred over time	249	—	249	—
Total revenues from contracts with customers	Total revenues from contracts with customers	—	—	Total revenues from contracts with customers	249	—	249	—
Other	Other	—	—	Other	—	—	—	—
Total pipeline and storage revenue	Total pipeline and storage revenue	$ —	$ —	Total pipeline and storage revenue	$ 249	$ —	$ 249	$ —
Logistics and repurposing:	**Logistics and repurposing:**			**Logistics and repurposing:**				
Revenue from contracts with customers:	Revenue from contracts with customers:			Revenue from contracts with customers:				
Goods transferred at a point in time	Goods transferred at a point in time	$ 8,154	$ —	Goods transferred at a point in time	$ 9,009	$ —	$ 17,163	$ —
Services transferred over time	Services transferred over time	7,087	—	Services transferred over time	5,784	—	12,871	—
Total revenues from contracts with customers	Total revenues from contracts with customers	15,241	—	Total revenues from contracts with customers	14,793	—	30,034	—
Other	Other	—	—	Other	—	—	—	—
Total logistics and repurposing revenue	Total logistics and repurposing revenue	$ 15,241	$ —	Total logistics and repurposing revenue	$ 14,793	$ —	$ 30,034	$ —

Subtotal:	Subtotal:			Subtotal:				
Total revenues from contracts with customers	Total revenues from contracts with customers	$ 629,819	$ 762,724	Total revenues from contracts with customers	$ 620,422	$ 981,859	$ 1,250,241	$ 1,744,583
Total other (1)	Total other (1)	20,343	11,521	Total other (1)	4,344	10,191	24,687	21,712
Total consolidated revenues	Total consolidated revenues	$ 650,162	$ 774,245	Total consolidated revenues	$ 624,766	$ 992,050	$ 1,274,928	$ 1,766,295

(1) Other crude oil marketing revenues are recognized under Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging*, and ASC 845, *Nonmonetary Transactions – Purchases and Sales of Inventory with the Same Counterparty*.

(2) All pipeline and storage revenue during the three months ended March 31, 2023 and 2022 was from an affiliated shipper, GulfMark Energy, Inc., our subsidiary, and was eliminated in consolidation.

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(2) All pipeline and storage revenue during the three and six months ended June 30, 2022 and for the period from January 1, 2023 to May 31, 2023 was from an affiliated shipper, GulfMark Energy, Inc., our subsidiary, and was eliminated in consolidation. During June 2023, we began earning revenue from an unaffiliated shipper.

Other Crude Oil Marketing Revenue

Certain of the commodity purchase and sale contracts utilized by our crude oil marketing business qualify as derivative instruments with certain specifically identified contracts also designated as trading activity. From the time of contract origination, these contracts are marked-to-market and recorded on a net revenue basis in the accompanying unaudited condensed consolidated financial statements.

Certain of our crude oil contracts may be with a single counterparty to provide for similar quantities of crude oil to be bought and sold at different locations. These contracts are entered into for a variety of reasons, including effecting the transportation of the commodity, to minimize credit exposure, and/or to meet the competitive demands of the customer. These buy/sell arrangements are reflected on a net revenue basis in the accompanying unaudited condensed consolidated financial statements.

Reporting these crude oil contracts on a gross revenue basis would increase our reported revenues as follows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2023	2022
Revenue gross-up	$ 286,702	$ 307,386

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue gross-up	$ 240,969	$ 419,081	$ 527,671	$ 726,467

Note 4. Prepayments and Other Current Assets

The components of prepayments and other current assets were as follows at the dates indicated (in thousands):

	March 31, 2023	December 31, 2022	June 30, 2023	December 31, 2022

Insurance premiums	Insurance premiums	$ 1,060	$ 1,220	Insurance premiums	$ 766	$ 1,220
Rents, licenses and other	Rents, licenses and other	1,968	1,898	Rents, licenses and other	1,842	1,898
Total prepayments and other current assets	Total prepayments and other current assets	$ 3,028	$ 3,118	Total prepayments and other current assets	$ 2,608	$ 3,118

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Note 5. Property and Equipment

The historical costs of our property and equipment and related accumulated depreciation and amortization balances were as follows at the dates indicated (in thousands):

		Estimated Useful Life in Years	March 31, 2023	December 31, 2022		Estimated Useful Life in Years	June 30, 2023	December 31, 2022
Tractors and trailers	Tractors and trailers	5 – 6	$ 126,789	$ 128,223	Tractors and trailers	5 – 6	$ 126,419	$ 128,223
Field equipment	Field equipment	2 – 5	24,725	24,676	Field equipment	2 – 5	24,964	24,676
Finance lease ROU assets (1)	Finance lease ROU assets (1)	3 – 6	34,113	25,106	Finance lease ROU assets (1)	3 – 6	37,890	25,106
Pipeline and related facilities	Pipeline and related facilities	20 – 25	20,362	20,362	Pipeline and related facilities	20 – 25	20,362	20,362
Linefill and base gas (2)	Linefill and base gas (2)	N/A	3,922	3,922	Linefill and base gas (2)	N/A	3,922	3,922
Buildings	Buildings	5 – 39	16,189	16,163	Buildings	5 – 39	16,189	16,163
Office equipment	Office equipment	2 – 5	2,964	2,937	Office equipment	2 – 5	2,964	2,937
Land	Land	N/A	2,309	2,309	Land	N/A	4,163	2,309
Construction in progress	Construction in progress	N/A	4,284	3,629	Construction in progress	N/A	4,823	3,629
Total	Total		235,657	227,327	Total		241,696	227,327
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization		(125,393)	(120,902)	Less accumulated depreciation and amortization		(129,862)	(120,902)
Property and equipment, net	Property and equipment, net		$ 110,264	$ 106,425	Property and equipment, net		$ 111,834	$ 106,425

(1) Our finance lease right-of-use ("ROU") assets arise from leasing arrangements for the right to use various classes of underlying assets including tractors, trailers, a tank storage and throughput arrangement and office equipment (see Note 15 for further information). Accumulated amortization of the assets presented as "Finance lease ROU assets" was $11.6 million $12.2 million and $9.9 million at March 31, 2023 June 30, 2023 and December 31, 2022, respectively.
(2) Linefill and base gas represents crude oil in the VEX pipeline and storage tanks we own, and the crude oil is recorded at historical cost.

Components of depreciation and amortization expense were as follows for the periods indicated (in thousands):

		Three Months Ended March 31, 2023	Three Months Ended March 31, 2022		Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Depreciation and amortization, excluding amounts under finance leases	Depreciation and amortization, excluding amounts under finance leases	$ 4,824	$ 3,613	Depreciation and amortization, excluding amounts under finance leases	$ 4,913	$ 3,639	$ 9,737	$ 7,252
Amortization of property and equipment under finance leases	Amortization of property and equipment under finance leases	1,775	1,208	Amortization of property and equipment under finance leases	1,933	1,261	3,708	2,469
Amortization of intangible assets	Amortization of intangible assets	451	192	Amortization of intangible assets	457	188	908	380
Total depreciation and amortization	Total depreciation and amortization	$ 7,050	$ 5,013	Total depreciation and amortization	$ 7,303	$ 5,088	$ 14,353	$ 10,101

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Note 6. Acquisition

On August 12, 2022, we entered into a purchase agreement with each of Scott Bosard, Trey Bosard and Tyler Bosard (collectively, the “Sellers”) to acquire all of the equity interests of Firebird Bulk Carriers, Inc. (“Firebird”) and Phoenix Oil, Inc. (“Phoenix”) for approximately $39.3 million, consisting of a cash payment of $35.4 million, 45,777 of our common shares valued at $1.4 million, of which 15,259 shares were issued immediately and 30,518 shares will be issued over a three year period, and contingent consideration valued at approximately $2.6 million. We funded the cash consideration using cash on hand at the time of acquisition. Pursuant to the purchase agreement, the purchase price is subject to customary post-closing adjustment provisions, including an earn-out payable to the Sellers to the extent the earnings before interest, taxes, depreciation and amortization (EBITDA) of Phoenix exceeds a specified threshold during the twelve full calendar months after the closing date of the acquisition.

Firebird is an interstate bulk motor carrier of crude oil, condensate, fuels, oils and other petroleum products. Firebird is headquartered in Humble, Texas, with six terminal locations throughout Texas, and operates 130 tractors and 209 trailers largely in the Eagle Ford basin. Phoenix is also headquartered in Humble, Texas, and recycles and repurposes off-specification fuels, lubricants, crude oil and other chemicals from producers in the U.S. Firebird and Phoenix have formed our new logistics and repurposing segment. We expect that this acquisition will offer us the opportunity to expand our value chain and market impact, with numerous synergies benefiting the combined companies.

We accounted for the acquisition of Firebird and Phoenix under the acquisition method in accordance with ASC 805, *Business Combinations*. The allocation of purchase consideration was based upon the estimated fair value of the tangible and identifiable intangible assets acquired and liabilities assumed in the acquisition.

The purchase price allocation is was subject to revision as acquisition-date fair value analyses are were completed and if additional information about facts and circumstances that existed at the acquisition date becomes became available. During the period ended June 30, 2023, we revised the fair value of certain tractors and trailers, resulting in a decrease in the amount allocated to property and equipment of $0.2 million and with a corresponding increase in goodwill. No other changes to the purchase price allocation occurred during the first half of 2023. The purchase price consideration, as well as the estimated fair values of the assets acquired and liabilities assumed, will be was finalized as soon as practicable, but no later than one year from during the closing second quarter of 2023.

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The following table presents the final purchase price allocation of the acquisition. No changes indentifiable assets acquired and liabilities assumed at the acquisition date of August 12, 2022 (in thousands):

Assets acquired:		
Cash and cash equivalents	$	2,203
Accounts receivable		4,653
Inventory		643
Other current assets		137
Property and equipment		24,809
Intangible assets		7,607
Goodwill		6,673
Other assets		458
Total assets acquired	$	47,183
Liabilities assumed:		
Accounts payable and other accrued liabilities	$	(1,696)
Deferred tax liabilities		(6,207)
Total liabilities assumed	$	(7,903)
Net assets acquired	$	39,280

During the second quarter of 2023, based upon a review of the contingent consideration calculation terms, we determined that no payment would be made to the Sellers, and as such, we adjusted our accrual of $2.6 million that had been recorded as part of the purchase price allocation occurred during allocation. The reversal of the first quarter accrual for the contingent consideration is included in general and administrative expense on our unaudited condensed consolidated statements of 2023. operations.

Unaudited Pro Forma Financial Information

The unaudited pro forma condensed consolidated results of operations in the table below are provided for illustrative purposes only and summarize the combined results of our operations and those of Firebird and Phoenix. For purposes of this pro forma presentation, the acquisition of Firebird and Phoenix is assumed to have occurred on January 1, 2022. The pro forma financial information for all periods presented also includes the estimated business combination accounting effects resulting from this acquisition, notably amortization expense from the acquired intangible assets and certain other integration related impacts. This unaudited pro forma financial information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisition had actually occurred on January 1, 2022, nor of the results of operations that may be obtained in the future (in thousands).

		Three Months Ended March 31, 2022
Revenues	$	792,984
Net earnings		9,725
Basic net earnings per common share	$	2.22
Diluted net earnings per common share	$	2.21

		Three Months Ended June 30, 2022		**Six Months Ended June 30, 2022**
Revenues	$	1,009,694	$	1,802,675
Net earnings		5,257		14,982
Basic net earnings per common share	$	1.20	$	3.42
Diluted net earnings per common share	$	1.19	$	3.39

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Note 7. Other Assets

Components of other assets were as follows at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Insurance collateral deposits	Insurance collateral deposits	$ 503	$ 463	Insurance collateral deposits	$ 503	$ 463
State collateral deposits	State collateral deposits	23	23	State collateral deposits	23	23
Materials and supplies	Materials and supplies	1,222	1,257	Materials and supplies	1,281	1,257
Debt issuance costs	Debt issuance costs	1,511	1,595	Debt issuance costs	1,427	1,595
Other	Other	336	360	Other	330	360
Total other assets	Total other assets	$ 3,595	$ 3,698	Total other assets	$ 3,564	$ 3,698

We have established certain deposits to support participation in our liability insurance program and remittance of state crude oil severance taxes and other state collateral deposits. Insurance collateral deposits are held by the insurance company to cover past or potential open claims based upon a percentage of the expected losses under the insurance programs. Insurance collateral deposits are invested at the discretion of our insurance carrier.

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Note 8. Segment Reporting

We operate and report in four business segments: (i) crude oil marketing, transportation and storage; (ii) tank truck transportation of liquid chemicals, pressurized gases, asphalt and dry bulk; (iii) pipeline transportation, terminalling and storage of crude oil; and (iv) interstate bulk transportation logistics of crude oil, condensate, fuels, oils and other petroleum products and recycling and repurposing of off-specification fuels, lubricants, crude oil and other chemicals.

Financial information by reporting segment was as follows for the periods indicated (in thousands):

		Reporting Segments							Reporting Segments					
		Crude oil marketing	Trans-portation	Pipeline and storage	Logistics and repurposing (1)	Other	Total		Crude oil marketing	Trans-portation	Pipeline and storage	Logistics and repurposing (1)	Other	Total
Three Months Ended March 31, 2023														
Three Months Ended June 30, 2023								**Three Months Ended June 30, 2023**						
Segment revenues (2)	Segment revenues (2)	$608,476	$ 26,530	$ 809	$ 16,747	$ —	$652,562	Segment revenues (2)	$ 585,272	$ 24,576	$ 894	$ 15,780	$ —	$ 626,522

Less: Intersegment revenues (2)	Less: Intersegment revenues (2)	—	(85)	(809)	(1506)	—	(2,400)	Less: Intersegment revenues (2)	—	(124)	(645)	(987)	—	(1,756)
Revenues	Revenues	$608,476	$ 26,445	$ —	$ 15,241	$ —	$650,162	Revenues	$ 585,272	$ 24,452	$ 249	$ 14,793	$ —	$ 624,766
Segment operating earnings (losses) (3)	Segment operating earnings (losses) (3)	1,907	901	(1,201)	535	—	2,142	Segment operating earnings (losses) (3)	3,351	1,056	(779)	(133)	—	3,495
Depreciation and amortization	Depreciation and amortization	2,075	3,131	263	1,581	—	7,050	Depreciation and amortization	2,168	3,136	275	1,724	—	7,303
Property and equipment additions (4) (5)	Property and equipment additions (4) (5)	275	167	971	460	27	1,900	Property and equipment additions (4) (5)	394	1,171	270	2,088	85	4,008
Three Months Ended March 31, 2022														
Three Months Ended June 30, 2022								**Three Months Ended June 30, 2022**						
Segment revenues (2)	Segment revenues (2)	$747,555	$ 26,718	$ 897	$ —	$ —	$775,170	Segment revenues (2)	$ 962,516	$ 29,593	$1,163	$ —	$ —	$ 993,272
Less: Intersegment revenues (2)	Less: Intersegment revenues (2)	—	(28)	(897)	—	—	(925)	Less: Intersegment revenues (2)	—	(59)	(1,163)	—	—	(1,222)
Revenues	Revenues	$747,555	$ 26,690	$ —	$ —	$ —	$774,245	Revenues	$ 962,516	$ 29,534	$ —	$ —	$ —	$ 992,050
Segment operating earnings (losses) (3)	Segment operating earnings (losses) (3)	10,120	2,868	(822)	—	—	12,166	Segment operating earnings (losses) (3)	5,111	2,937	(877)	—	—	7,171
Depreciation and amortization	Depreciation and amortization	1,788	2,957	268	—	—	5,013	Depreciation and amortization	1,894	2,923	271	—	—	5,088
Property and equipment additions (4) (5)	Property and equipment additions (4) (5)	3,124	535	27	—	8	3,694	Property and equipment additions (4) (5)	884	159	46	—	—	1,089
Six Months Ended June 30, 2023								**Six Months Ended June 30, 2023**						
Segment revenues (2)								Segment revenues (2)	$1,193,748	$ 51,106	$1,703	$ 32,527	$ —	$1,279,084
Less: Intersegment revenues (2)								Less: Intersegment revenues (2)	—	(209)	(1,454)	(2,493)	—	(4,156)
Revenues								Revenues	$1,193,748	$ 50,897	$ 249	$ 30,034	$ —	$1,274,928
Segment operating earnings (losses) (3)								Segment operating earnings (losses) (3)	5,258	1,957	(1,980)	402	—	5,637

Depreciation and amortization	Depreciation and amortization	4,243	6,267	538	3,305	—	14,353
Property and equipment additions (4) (5)	Property and equipment additions (4) (5)	669	1,338	1,241	2,548	112	5,908
Six Months Ended June 30, 2022	**Six Months Ended June 30, 2022**						
Segment revenues (2)	Segment revenues (2)	$1,710,071	$ 56,311	$ 2,060	$ —	$ —	$1,768,442
Less: Intersegment revenues (2)	Less: Intersegment revenues (2)	—	(87)	(2,060)	—	—	(2,147)
Revenues	Revenues	$1,710,071	$ 56,224	$ —	$ —	$ —	$1,766,295
Segment operating earnings (losses) (3)	Segment operating earnings (losses) (3)	15,231	5,805	(1,699)	—	—	19,337
Depreciation and amortization	Depreciation and amortization	3,682	5,880	539	—	—	10,101
Property and equipment additions (4) (5)	Property and equipment additions (4) (5)	4,008	694	73	—	8	4,783

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(1) On August 12, 2022, we acquired a transportation logistics and recycling and repurposing business, resulting in a new operating segment.

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(2) Segment revenues include intersegment amounts that are eliminated due to consolidation in operating costs and expenses in our unaudited condensed consolidated statements of operations. Intersegment activities are conducted at posted tariff rates where applicable, or otherwise at rates similar to those charged to third parties or rates that we believe approximate market at the time the agreement is executed.

(3) Our crude oil marketing segment's operating earnings included inventory valuation losses of $1.0 million and inventory liquidation gains of $8.7 million $1.5 million for the three months ended March 31, 2023June 30, 2023 and 2022, respectively. For the six months ended June 30, 2023 and 2022, our crude oil marketing segment's operating (losses) earnings included inventory valuation losses of $2.0 million and inventory liquidation gains of $7.2 million, respectively.

(4) Our segment property and equipment additions do not include assets acquired under finance leases during the three and six months ended March 31, 2023June 30, 2023 and 2022. See Note 15 for further information.

(5) Amounts included in property and equipment additions for Other are additions for computer or other office equipment and a company vehicle at our corporate headquarters, which were not attributed or allocated to any of our reporting segments.

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Segment operating earnings reflect revenues net of operating costs and depreciation and amortization expense and are reconciled to earnings (losses) earnings before income taxes, as follows for the periods indicated (in thousands):

		Three Months Ended March 31, 2023	Three Months Ended March 31, 2022		Three Months Ended June 30, 2023	Three Months Ended June 30, 2022		Six Months Ended June 30, 2023	Six Months Ended June 30, 2022		
Segment operating earnings	Segment operating earnings	$ 2,142	$ 12,166	Segment operating earnings	$ 3,495	$ 7,171		$ 5,637	$ 19,337		
General and administrative	General and administrative	(4,772)	(4,018)	General and administrative	(1,715)	(4,211)		(6,487)	(8,229)		
Operating (losses) earnings		(2,630)	8,148								
Operating earnings (losses)							Operating earnings (losses)	1,780	2,960	(850)	11,108
Interest and other income	Interest and other income	204	24	Interest and other income	570	303		774	327		
Interest expense	Interest expense	(696)	(114)	Interest expense	(802)	(136)		(1,498)	(250)		
(Losses) Earnings before income taxes		$ (3,122)	$ 8,058								
Earnings (Losses) before income taxes							Earnings (Losses) before income taxes	$ 1,548	$ 3,127	$ (1,574)	$ 11,185

Identifiable assets by business segment were as follows at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Reporting segment:	Reporting segment:			Reporting segment:		
Crude oil marketing	Crude oil marketing	$ 183,972	$ 215,813	Crude oil marketing	$ 193,478	$ 215,813
Transportation	Transportation	61,115	60,405	Transportation	58,276	60,405
Pipeline and storage	Pipeline and storage	26,480	25,815	Pipeline and storage	25,444	25,815
Logistics and repurposing	Logistics and repurposing	43,544	45,307	Logistics and repurposing	43,097	45,307
Cash and other (1)	Cash and other (1)	56,452	36,819	Cash and other (1)	23,187	36,819
Total assets	Total assets	$ 371,563	$ 384,159	Total assets	$ 343,482	$ 384,159

(1) Other identifiable assets are primarily corporate cash, corporate accounts receivable, properties and operating lease right-of-use assets not identified with any specific segment of our business.

Accounting policies for transactions between reportable segments are consistent with applicable accounting policies as disclosed herein.

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Note 9. Transactions with Affiliates

We enter into certain transactions in the normal course of business with affiliated entities. Activities with affiliates were as follows for the periods indicated (in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,			
		2023	2022		2023	2022		2023	2022		
KSA and affiliate billings to us	KSA and affiliate billings to us	$ —	$ 6	KSA and affiliate billings to us	$ —	$ —		$ —	$ 6		
Billings to KSA and affiliates	Billings to KSA and affiliates	5	5	Billings to KSA and affiliates	4	5		9	10		
Rentals paid to an affiliate of KSA	Rentals paid to an affiliate of KSA	137	114	Rentals paid to an affiliate of KSA	95	138		232	252		
Payments to KSA and affiliates for purchase of vehicles (1)		157	78								
Payments to an affiliate of KSA for purchase of vehicles (1)							Payments to an affiliate of KSA for purchase of vehicles (1)	—	—	157	78
Rentals paid to affiliates of Scott Bosard	Rentals paid to affiliates of Scott Bosard	140	—	Rentals paid to affiliates of Scott Bosard	140	—		280	—		

(1) Amounts paid to West Point Buick GMC are for the purchase of three and two pickup trucks during the three six months ended March 31, 2023 June 30, 2023 and 2022, respectively.

Affiliate transactions include included direct cost reimbursement for shared phone and administrative services from KSA Industries, Inc. ("KSA"), an affiliated entity. KSA was our largest shareholder until October 31, 2022 when we repurchased the common stock owned by it. An affiliate of KSA served on our Board of Directors through the date of our 2023 annual meeting. We lease our corporate office space in a building operated by 17 South Briar Hollow Lane, LLC, an affiliate of KSA. In addition, we purchase pickup trucks from West Point Buick GMC, an affiliate of KSA. KSA was our largest shareholder until October 31, 2022 when we repurchased the common stock owned by it. An affiliate of KSA served on our Board of Directors through the date of our 2023 annual meeting, when he retired. As of May 31, 2023, KSA and its affiliates are no longer related parties.

In connection with the acquisition of Firebird and Phoenix on August 12, 2022, we entered into four operating lease agreements for office and terminal locations with entities owned by Scott Bosard, one of the sellers, for periods ranging from two to five years.

Note 10. Other Current Liabilities

The components of other current liabilities were as follows at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Accrual for payroll, benefits and bonuses	Accrual for payroll, benefits and bonuses	$ 4,134	$ 6,435	Accrual for payroll, benefits and bonuses	$ 5,563	$ 6,435

Accrued automobile and workers' compensation claims	Accrued automobile and workers' compensation claims	5,269	5,579	Accrued automobile and workers' compensation claims	5,690	5,579
Contingent consideration for acquisition		2,566	2,566			
Contingent consideration for acquisition (see Note 6)				Contingent consideration for acquisition (see Note 6)	—	2,566
Accrued medical claims	Accrued medical claims	936	1,007	Accrued medical claims	1,085	1,007
Accrued taxes	Accrued taxes	2,185	2,208	Accrued taxes	496	2,208
Other	Other	1,537	1,419	Other	1,177	1,419
Total other current liabilities	Total other current liabilities	$ 16,627	$ 19,214	Total other current liabilities	$ 14,011	$ 19,214

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Note 11. Long-Term Debt

On October 27, 2022, we entered into a Credit Agreement credit agreement (the "Credit Agreement") with Cadence Bank, as administrative agent, swingline lender and issuing lender, and the other lenders party thereto (collectively, the "Lenders"). The Credit Agreement provides for (a) a revolving credit facility that allows for borrowings up to $60.0 million in aggregate principal amount from time to time (the "Revolving Credit Facility") and (b) a Term Loan in aggregate principal amount of $25.0 million (the "Term Loan"). The Revolving Credit Facility matures on October 27, 2027 unless earlier terminated.

At March 31, 2023 June 30, 2023, we had $23.8 million $23.1 million outstanding under the Term Loan at a weighted average interest rate of 6.81 7.71 percent, and $20.4 million letters of credit outstanding at a fee of 2.00 2.50 percent. No amounts were outstanding under the Revolving Credit Facility. The following table presents the scheduled maturities of principal amounts of our debt obligations at March 31, 2023 June 30, 2023 for the next five years, and in total thereafter (in thousands):

Remainder of 2023	Remainder of 2023	$ 1,875	Remainder of 2023	$ 1,250
2024	2024	2,500	2024	2,500
2025	2025	2,500	2025	2,500
2026	2026	2,500	2026	2,500
2027	2027	14,375	2027	14,375
Total debt maturities	Total debt maturities	$ 23,750	Total debt maturities	$ 23,125

At March 31, 2023 June 30, 2023, we were in compliance with all covenants under the Credit Agreement.

See Note 17 regarding information relating to an amendment to the Credit Agreement.

Note 12. Derivative Instruments and Fair Value Measurements

Derivative Instruments

In the normal course of our operations, our crude oil marketing segment purchases and sells crude oil. We seek to profit by procuring the commodity as it is produced and then delivering the material to the end users or the intermediate use marketplace. As typical for the industry, these transactions are made pursuant to the terms of forward month commodity purchase and/or sale contracts. Some of these contracts meet the definition of a derivative instrument, and therefore, we account for these contracts at fair value, unless the normal purchase and sale exception is applicable. These types of underlying contracts are standard for the industry and are the governing document for our crude oil marketing segment. None of our derivative instruments have been designated as hedging instruments.

At March 31, 2023 June 30, 2023, we had in place one commodity purchase and sale contract, three derivative instruments, entered into in March June 2023 for a total of 100,000 250,000 barrels of crude oil to be purchased and sold in April July 2023, and one commodity purchase contract, derivative instrument, entered into in 2022, for the purchase of 126,000 gallons of diesel fuel per month during January 2023 through December 2023.

At December 31, 2022, we had in place three commodity purchase and sale contracts, derivative instruments, entered into in 2022 for a total of 300,000 barrels of crude oil to be purchased and sold in January 2023, and one commodity purchase contract, derivative instrument, also entered into in 2022, for the purchase of 126,000 gallons of diesel fuel per month during January 2023 through December 2023.

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The estimated fair value of forward month commodity contracts (derivatives) derivatives instruments reflected in the accompanying unaudited condensed consolidated balance sheets were as follows at the dates indicated (in thousands):

	Balance Sheet Location and Amount			
	Current Assets	Other Assets	Current Liabilities	Other Liabilities
March 31, June 30, 2023				
Asset derivatives:				
Fair value forward hydrocarbon commodity derivative instruments				
contracts at gross valuation	$ 157	$ —	$ —	$ —
Liability derivatives:				
Fair value forward hydrocarbon commodity				
contracts at gross valuation	—	—	—	—
Less counterparty offsets	—	—	—	—
As reported fair value contracts	$ 157	$ —	$ —	$ —
December 31, 2022				
Asset derivatives:				
Fair value forward hydrocarbon commodity				
contracts at gross valuation	$ —	$ —	$ —	$ —
Liability derivatives:				
Fair value forward hydrocarbon commodity derivative instruments				
at gross valuation	—	—	30	—
Less counterparty offsets	—	—	—	—
As reported fair value contracts	$ —	$ —	$ 30	$ —
December 31, 2022				
Asset derivatives:				
Fair value forward derivative instruments				
at gross valuation	$ —	$ —	$ —	$ —
Liability derivatives:				
Fair value forward derivative instruments				
at gross valuation	—	—	330	—
Less counterparty offsets	—	—	—	—
As reported fair value contracts	$ —	$ —	$ 330	$ —

We only enter into commodity contracts derivative instruments with creditworthy counterparties and evaluate our exposure to significant counterparties on an ongoing basis. At March 31, 2023 June 30, 2023 and December 31, 2022, we were not holding nor have we posted any collateral to support our forward month fair value derivative activity. We are not subject to any credit-risk related trigger events. We have no other financial investment arrangements that would serve to offset our derivative contracts.

Forward month commodity contracts (derivatives) derivatives instruments reflected in the accompanying unaudited condensed consolidated statements of operations were as follows for the periods indicated (in thousands):

		Gains (losses)			Gains (losses)			
		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Revenues – marketing	Revenues – marketing	$ —	$ 19	Revenues – marketing	$ —	$ (14)	$ —	$ 5
Cost and expenses – marketing	Cost and expenses – marketing	(486)	—	Cost and expenses – marketing	187	625	(299)	625

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Fair Value Measurements

The following tables set forth, by level with the Level 1, 2 and 3 fair value hierarchy, the carrying values of our financial assets and liabilities at the dates indicated (in thousands):

		Fair Value Measurements Using						Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Counterparty Offsets	Total		Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Counterparty Offsets	Total
March 31, 2023												
June 30, 2023							**June 30, 2023**					
Derivatives:	Derivatives:						Derivatives:					
Current assets	Current assets	$ —	$ 157	$ —	$ —	$ 157	Current assets	$ —	$ —	$ —	$ —	$ —
Current liabilities	Current liabilities	—	—	—	—	—	Current liabilities	—	(30)	—	—	(30)
Net value	Net value	$ —	$ 157	$ —	$ —	$ 157	Net value	$ —	$ (30)	$ —	$ —	$ (30)
December 31, 2022	**December 31, 2022**						**December 31, 2022**					
Derivatives:	Derivatives:						Derivatives:					

Current assets	Current assets	$ —	$ —	$ —	$ —	$ —	Current assets	$ —	$ —	$ —	$ —	$ —
Current liabilities	Current liabilities	—	(330)	—	—	(330)	Current liabilities	—	(330)	—	—	(330)
Net value	Net value	$ —	$ (330)	$ —	$ —	$ (330)	Net value	$ —	$ (330)	$ —	$ —	$ (330)

These assets and liabilities are measured on a recurring basis and are classified based on the lowest level of input used to estimate their fair value. Our assessment of the relative significance of these inputs requires judgments.

When determining fair value measurements, we make credit valuation adjustments to reflect both our own nonperformance risk and our counterparty's nonperformance risk. When adjusting the fair value of derivative contracts for the effect of nonperformance risk, we consider the impact of netting and any applicable credit enhancements. Credit valuation adjustments utilize Level 3 inputs, such as credit scores, to evaluate the likelihood of default by us or our counterparties. At March 31, 2023June 30, 2023 and December 31, 2022, credit valuation adjustments were not significant to the overall valuation of our fair value contracts. As a result, applicable fair value assets and liabilities are included in their entirety in the fair value hierarchy.

Note 13. Stock-Based Compensation Plan

We have in place a long-term incentive plan in which any employee or non-employee director who provides services to us is eligible to participate. The 2018 LTIP, which is overseen by the Compensation Committee of our Board of Directors, provides for the grant of various types of equity awards, of which restricted stock unit awards and performance-based compensation awards have been granted. In May 2022, our shareholders approved an amendment and restatement of the 2018 LTIP, in which the maximum number of shares authorized for issuance under the 2018 LTIP was increased by 150,000 shares to a total of 300,000 shares, and the term of the 2018 LTIP was extended through February 23, 2032. After giving effect to awards granted and forfeitures made under the 2018 LTIP and assuming the potential achievement of the maximum amounts of the performance factors through March 31, 2023June 30, 2023, a total of 122,829123,362 shares were available for issuance.

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Compensation expense recognized in connection with equity-based awards was as follows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2023	**2022**
Compensation expense	$ 283	$ 195

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Compensation expense	$ 372	$ 263	$ 655	$ 458

At March 31, 2023June 30, 2023 and December 31, 2022, we had $92,400$117,700 and $140,300, respectively, of accrued dividend amounts for awards granted under the 2018 LTIP or as inducement awards.

Restricted Stock Unit Awards

The following table presents restricted stock unit award activity for the periods indicated:

Number of Shares	Weighted-Average Grant Date Fair Value per Share (1)	Number of Shares	Weighted-Average Grant Date Fair Value per Share (1)

Restricted stock unit awards at January 1, 2023	Restricted stock unit awards at January 1, 2023	70,244	$	31.89	Restricted stock unit awards at January 1, 2023	70,244	$	31.89
Granted (2)	Granted (2)	23,409	$	57.18	Granted (2)	23,409	$	57.18
Vested	Vested	(20,291)	$	29.76	Vested	(20,291)	$	29.76
Forfeited	Forfeited	(312)	$	44.59	Forfeited	(845)	$	45.67
Restricted stock unit awards at March 31, 2023		73,050	$	40.53				
Restricted stock unit awards at June 30, 2023					Restricted stock unit awards at June 30, 2023	72,517	$	40.49

(1) Determined by dividing the aggregate grant date fair value of awards by the number of awards issued.

(2) The aggregate grant date fair value of restricted stock unit awards issued during the first three six months of 2023 was $1.3 million based on grant date market prices of our common shares ranging from $37.56 to $58.05 per share.

Unrecognized compensation cost associated with restricted stock unit awards was approximately $1.5 million $1.3 million at March 31, 2023 June 30, 2023. Due to the graded vesting provisions of these awards, we expect to recognize the remaining compensation cost for these awards over a weighted-average period of 1.8 1.6 years.

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Performance Share Unit Awards

The following table presents performance share unit award activity for the periods indicated:

		Number of Shares		Weighted-Average Grant Date Fair Value per Share (1)		Number of Shares		Weighted-Average Grant Date Fair Value per Share (1)
Performance share unit awards at January 1, 2023	Performance share unit awards at January 1, 2023	30,687	$	28.59	Performance share unit awards at January 1, 2023	30,687	$	28.59
Granted (2)	Granted (2)	12,061	$	56.84	Granted (2)	12,061	$	56.84
Vested	Vested	(12,319)	$	24.96	Vested	(12,319)	$	24.96
Forfeited	Forfeited	—	$	—	Forfeited	—	$	—
Performance share unit awards at March 31, 2023		30,429	$	41.26				
Performance share unit awards at June 30, 2023					Performance share unit awards at June 30, 2023	30,429	$	41.26

(1) Determined by dividing the aggregate grant date fair value of awards by the number of awards issued.

(2) The aggregate grant date fair value of performance share unit awards issued during the first three six months of 2023 was $0.7 million based on grant date market prices of our common shares ranging from $38.42 to $58.05 per share and assuming a performance factor of 100 percent.

Unrecognized compensation cost associated with performance share unit awards was approximately $1.0 million $0.9 million at March 31, 2023 June 30, 2023. We expect to recognize the remaining compensation cost for these awards over a weighted-average period of 2.5 2.3 years.

Note 14. Supplemental Cash Flow Information

Supplemental cash flows and non-cash transactions were as follows for the periods indicated (in thousands):

		Three Months Ended March 31,			Six Months Ended June 30,	
		2023	2022		2023	2022
Cash paid for interest	Cash paid for interest	$ 636	$ 114	Cash paid for interest	$ 1,656	$ 250
Cash paid for federal and state income taxes	Cash paid for federal and state income taxes	2	—	Cash paid for federal and state income taxes	2,467	1,313
Cash refund for net operating loss (NOL) carryback under CARES Act				Cash refund for net operating loss (NOL) carryback under CARES Act	—	6,907
Non-cash transactions:	Non-cash transactions:			Non-cash transactions:		
Change in accounts payable related to property and equipment additions	Change in accounts payable related to property and equipment additions	52	—	Change in accounts payable related to property and equipment additions	52	—
Property and equipment acquired under finance leases	Property and equipment acquired under finance leases	9,007	—	Property and equipment acquired under finance leases	13,917	1,888

See Note 15 for information related to other non-cash transactions related to leases.

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Note 15. Leases

The following table provides the components of lease expense for the periods indicated (in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Finance lease cost:	Finance lease cost:			Finance lease cost:				
Amortization of ROU assets	Amortization of ROU assets	$ 1,774	$ 1,207	Amortization of ROU assets	$ 1,933	$ 1,261	$ 3,707	$ 2,469
Interest on lease liabilities	Interest on lease liabilities	238	80	Interest on lease liabilities	308	78	546	158
Operating lease cost	Operating lease cost	878	673	Operating lease cost	914	676	1,793	1,349
Short-term lease cost	Short-term lease cost	3,698	3,781	Short-term lease cost	3,440	3,802	7,138	7,583
Variable lease cost	Variable lease cost	5	6	Variable lease cost	6	4	11	10
Total lease expense	Total lease expense	$ 6,593	$ 5,747	Total lease expense	$ 6,601	$ 5,821	$ 13,195	$ 11,569

The following table provides supplemental cash flow and other information related to leases for the periods indicated (in thousands):

		Three Months Ended March 31,			Six Months Ended June 30,	
		2023	2022		2023	2022
Cash paid for amounts included in measurement of lease liabilities:	Cash paid for amounts included in measurement of lease liabilities:			Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases (1)	Operating cash flows from operating leases (1)	$ 777	$ 673	Operating cash flows from operating leases (1)	$ 1,576	$ 1,347
Operating cash flows from finance leases (1)	Operating cash flows from finance leases (1)	224	80	Operating cash flows from finance leases (1)	515	139
Financing cash flows from finance leases	Financing cash flows from finance leases	1,576	1,139	Financing cash flows from finance leases	3,247	2,306
ROU assets obtained in exchange for new lease liabilities:	ROU assets obtained in exchange for new lease liabilities:			ROU assets obtained in exchange for new lease liabilities:		
Finance leases	Finance leases	9,007	—	Finance leases	13,917	1,888
Operating leases	Operating leases	401	196	Operating leases	501	549

(1) Amounts are included in Other operating activities on the unaudited condensed consolidated statements of cash flows.

The following table provides the lease terms and discount rates for the periods indicated:

		Three Months Ended March 31,			Six Months Ended June 30,	
		2023	2022		2023	2022
Weighted-average remaining lease term (years):	Weighted-average remaining lease term (years):			Weighted-average remaining lease term (years):		
Finance leases	Finance leases	3.89	3.39	Finance leases	3.67	3.16
Operating leases	Operating leases	3.32	3.63	Operating leases	3.17	3.53
Weighted-average discount rate:	Weighted-average discount rate:			Weighted-average discount rate:		
Finance leases	Finance leases	4.6%	2.6%	Finance leases	5.0%	2.5%
Operating leases	Operating leases	4.1%	3.7%	Operating leases	4.1%	3.7%

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The following table provides supplemental balance sheet information related to leases at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Assets	**Assets**			**Assets**		

Finance lease ROU assets (1)	Finance lease ROU assets (1)	$ 22,496	$ 15,264	Finance lease ROU assets (1)	$ 25,663	$ 15,264
Operating lease ROU assets	Operating lease ROU assets	7,414	7,720	Operating lease ROU assets	6,783	7,720
Liabilities	**Liabilities**			**Liabilities**		
Current	*Current*			*Current*		
Finance lease liabilities	Finance lease liabilities	5,221	4,382	Finance lease liabilities	6,444	4,382
Operating lease liabilities	Operating lease liabilities	2,821	2,712	Operating lease liabilities	2,802	2,712
Noncurrent	*Noncurrent*			*Noncurrent*		
Finance lease liabilities	Finance lease liabilities	18,677	12,085	Finance lease liabilities	20,693	12,085
Operating lease liabilities	Operating lease liabilities	4,595	5,007	Operating lease liabilities	3,986	5,007

(1) Amounts are included in Property and equipment, net on the unaudited condensed consolidated balance sheets.

The following table provides maturities of undiscounted lease liabilities at March 31, 2023 June 30, 2023 (in thousands):

		Finance Lease	Operating Lease		Finance Lease	Operating Lease
Remainder of 2023	Remainder of 2023	$ 4,779	$ 2,330	Remainder of 2023	$ 3,962	$ 1,553
2024	2024	5,492	2,789	2024	7,277	2,826
2025	2025	6,625	1,061	2025	7,582	1,098
2026	2026	4,211	891	2026	4,754	904
2027	2027	4,643	570	2027	5,185	570
Thereafter	Thereafter	948	237	Thereafter	1,557	237
Total lease payments	Total lease payments	26,698	7,878	Total lease payments	30,317	7,188
Less: Interest	Less: Interest	(2,800)	(462)	Less: Interest	(3,180)	(400)
Present value of lease liabilities	Present value of lease liabilities	23,898	7,416	Present value of lease liabilities	27,137	6,788
Less: Current portion of lease obligation	Less: Current portion of lease obligation	(5,221)	(2,821)	Less: Current portion of lease obligation	(6,444)	(2,802)
Total long-term lease obligation	Total long-term lease obligation	$ 18,677	$ 4,595	Total long-term lease obligation	$ 20,693	$ 3,986

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The following table provides maturities of undiscounted lease liabilities at December 31, 2022 (in thousands):

	Finance Lease	Operating Lease
2023	$ 4,870	$ 2,958

2024	3,629	2,617
2025	4,652	962
2026	2,482	879
2027	2,179	570
Thereafter	—	237
Total lease payments	17,812	8,223
Less: Interest	(1,345)	(504)
Present value of lease liabilities	16,467	7,719
Less: Current portion of lease obligation	(4,382)	(2,712)
Total long-term lease obligation	$ 12,085	$ 5,007

Note 16. Commitments and Contingencies

Insurance

We have accrued liabilities for estimated workers' compensation and other casualty claims incurred based upon claim reserves plus an estimate for loss development and incurred but not reported claims. We self-insure a significant portion of expected losses relating to workers' compensation, general liability and automobile liability, with a self-insured retention of $1.0 million. Insurance is purchased over our retention to reduce our exposure to catastrophic events. Estimates are recorded for potential and incurred outstanding liabilities for workers' compensation, auto and general liability claims and claims that are incurred but not reported. Estimates are based on adjusters' estimates, historical experience and statistical methods commonly used within the insurance industry that we believe are reliable. We have also engaged a third-party actuary to perform a review of our accrued liability for these claims as well as potential funded losses in our captive insurance company. Insurance estimates include certain assumptions and management judgments regarding the frequency and severity of claims, claim development and settlement practices and the selection of estimated loss among estimates derived using different methods. Unanticipated changes in these factors may produce materially different amounts of expense that would be reported under these programs.

On October 1, 2020, we elected to utilize a wholly owned insurance captive to insure the self-insured retention for our workers' compensation, general liability and automobile liability insurance programs. All accrued liabilities associated with periods from October 1, 2017 through current were transferred to the captive.

We maintain excess property and casualty programs with third-party insurers in an effort to limit the financial impact of significant events covered under these programs. Our operating subsidiaries pay premiums to both the excess and reinsurance carriers and our captive for the estimated losses based on an external actuarial analysis. These premiums held by our wholly owned captive are currently held in a restricted account, resulting in a transfer of risk from our operating subsidiaries to the captive.

We also maintain a self-insurance program for managing employee medical claims in excess of employee deductibles. As claims are paid, the liability is relieved. We also maintain third party insurance stop-loss coverage for individual medical claims exceeding a certain minimum threshold. In addition, we maintain $1.3 million of umbrella insurance coverage for annual aggregate medical claims exceeding approximately $11.3 million.

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Our accruals for automobile, workers' compensation and medical claims were as follows at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Accrued automobile and workers' compensation claims	Accrued automobile and workers' compensation claims	$ 5,269	$ 5,579	Accrued automobile and workers' compensation claims	$ 5,690	$ 5,579
Accrued medical claims	Accrued medical claims	936	1,007	Accrued medical claims	1,085	1,007

Litigation

From time to time as incidental to our operations, we may become involved in various lawsuits and/or disputes. As an operator of an extensive trucking fleet, we are a party to motor vehicle accidents, worker compensation claims and other items of general liability as would be typical for the industry. We are presently unaware of any claims against us that are either outside the scope of insurance coverage or that may exceed the level of insurance coverage and could potentially represent a material adverse effect on our financial position, results of operations or cash flows.

Note 17. Subsequent Event

On August 2, 2023, we entered into Amendment No. 1 (the "Amendment") to the Credit Agreement. The Amendment (i) clarifies our ability to exclude crude oil inventory valuation losses (and, to the extent included in our consolidated net income, inventory liquidation gains) from the calculation of Consolidated EBITDA (as defined in the Credit Agreement) for purposes of the related financial covenants, (ii) provides for the exclusion of unusual and non-recurring losses and expenses from the calculation of Consolidated EBITDA, not to exceed ten percent (10%) of Consolidated EBITDA for the period, and (iii) amends the definition of Consolidated Funded Indebtedness (as defined in the Credit Agreement) to include letters of credit and banker's acceptances only to the extent such letters of credit or banker's acceptances have been drawn, for purposes of the Consolidated Total Leverage Ratio calculation (as defined in the Credit Agreement). The Amendment applies to our fiscal period ending June 30, 2023 and thereafter.

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

The following information should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and accompanying Notes included in this quarterly report on Form 10-Q and the Audited Consolidated Financial Statements and related Notes, together with our discussion and analysis of financial position and results of operations, included in our annual report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"), as filed on March 16, 2023 with the U.S. Securities and Exchange Commission ("SEC"). Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

Cautionary Statement Regarding Forward-Looking Information

This quarterly report on Form 10-Q contains various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and information that are based on our beliefs, as well as assumptions made by us and information currently available to us. When used in this document, words such as "anticipate," "project," "expect," "plan," "seek," "goal," "estimate," "forecast," "intend," "could," "should," "would," "will," "believe," "may," "potential" and similar expressions and statements regarding our plans and objectives for future operations are intended to identify forward-looking statements. Although we believe that our expectations reflected in such forward-looking statements are reasonable, we cannot give any assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions as described in more detail under Part I, Item 1A of our 2022 Form 10-K. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. You should not put undue reliance on any forward-looking statements. The forward-looking statements in this quarterly report speak only as of the date hereof. Except as required by federal and state securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or any other reason.

Overview of Business

Adams Resources & Energy, Inc., a Delaware corporation organized in 1973, and its subsidiaries are primarily engaged in crude oil marketing, truck and pipeline transportation of crude oil, terminalling and storage in various crude oil and natural gas basins in the lower 48 states of the United States ("U.S."). In addition, we conduct tank truck transportation of liquid chemicals, pressurized gases, asphalt and dry bulk primarily in the lower 48 states of the U.S. with deliveries into Canada and Mexico, and with twenty eighteen terminals across the U.S. We also recycle and repurpose off-specification fuels, lubricants, crude oil and other chemicals from producers in the U.S. Unless the context requires otherwise, references to "we," "us," "our" or the "Company" are intended to mean the business and operations of Adams Resources & Energy, Inc. and its consolidated subsidiaries.

We operate and report in four business segments: (i) crude oil marketing, transportation and storage; (ii) tank truck transportation of liquid chemicals, pressurized gases, asphalt and dry bulk; (iii) pipeline transportation, terminalling and storage of crude oil; and (iv) interstate bulk transportation logistics of crude oil, condensate, fuels, oils and other petroleum products and recycling and repurposing of off-spec fuels, lubricants, crude oil and other chemicals. See Note 8 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information regarding our business segments.

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Recent Developments

Land Purchase for Dayton Project

On May 4, 2023, we acquired approximately 10.6 acres of land in the Gulf Inland Industrial Park, located in Dayton, Texas, for approximately $1.8 million to build a new processing facility for Phoenix with rail spur and siding, product storage, and truck rack. Phoenix will build new infrastructure to service its existing customers and to create opportunities for growing the business. Phoenix will also relocate its headquarters from Humble, Texas to this new location.

Amendment to Credit Agreement

On August 2, 2023, we entered into Amendment No. 1 (the “Amendment”) to the credit agreement (“Credit Agreement”) with Cadence Bank, as administrative agent, swingline lender and issuing lender, and the other lenders party thereto. The Amendment (i) clarifies our ability to exclude crude oil inventory valuation losses (and, to the extent included in our consolidated net income, inventory liquidation gains) from the calculation of Consolidated EBITDA (as defined in the Credit Agreement) for purposes of the related financial covenants, (ii) provides for the exclusion of unusual and non-recurring losses and expenses from the calculation of Consolidated EBITDA, not to exceed ten percent (10%) of Consolidated EBITDA for the period, and (iii) amends the definition of Consolidated Funded Indebtedness (as defined in the Credit Agreement) to include letters of credit and banker’s acceptances only to the extent such letters of credit or banker’s acceptances have been drawn, for purposes of the Consolidated Total Leverage Ratio calculation (as defined in the Credit Agreement). The Amendment applies to our fiscal period ending June 30, 2023 and thereafter. See Note 11 and Note 17 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information.

Results of Operations

Crude Oil Marketing

Our crude oil marketing segment revenues, operating earnings and selected costs were as follows for the periods indicated (in thousands):

		Three Months Ended March 31,				Three Months Ended June 30,			Six Months Ended June 30,		
		2023	2022	Change (1)		2023	2022	Change (1)	2023	2022	Change (1)
Revenues	Revenues	$ 608,476	$ 747,555	(19 %)	Revenues	$ 585,272	$ 962,516	(39 %)	$ 1,193,748	$ 1,710,071	(30 %)
Operating earnings (2)	Operating earnings (2)	1,907	10,120	(81 %)	Operating earnings (2)	3,351	5,111	(34 %)	5,258	15,231	(65 %)
Depreciation and amortization	Depreciation and amortization	2,075	1,788	16 %	Depreciation and amortization	2,168	1,894	14 %	4,243	3,682	15 %
Driver compensation	Driver compensation	5,008	4,626	8 %	Driver compensation	5,092	4,616	10 %	10,100	9,242	9 %
Insurance	Insurance	1,786	1,734	3 %	Insurance	1,816	1,674	8 %	3,602	3,408	6 %
Fuel	Fuel	2,859	2,546	12 %	Fuel	2,572	3,458	(26 %)	5,431	6,004	(10 %)

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(1) Represents the percentage increase (decrease) from the prior year period.

(2) Operating earnings included inventory valuation losses of $1.0 million and inventory liquidation gains of $8.7 million $1.5 million for the three months ended March 31, 2023 June 30, 2023 and 2022, respectively, as discussed further below. For the six months ended June 30, 2023 and 2022, operating earnings included inventory valuation losses of $2.0 million and inventory liquidation gains of $7.2 million, respectively, as discussed further below

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Volume and price information were as follows for the periods indicated:

Three Months Ended	Three Months Ended	Six Months Ended

		March 31,			June 30,		June 30,	
		2023	2022		2023	2022	2023	2022
Field level purchase volumes – per day (1)	Field level purchase volumes – per day (1)			Field level purchase volumes – per day (1)				
Crude oil – barrels	Crude oil – barrels	94,030	90,385	Crude oil – barrels	92,152	94,876	93,086	92,643
Average purchase price	Average purchase price			Average purchase price				
Crude oil – per barrel	Crude oil – per barrel	$ 73.27	$ 92.70	Crude oil – per barrel	$ 70.27	$ 107.28	$ 71.78	$ 100.21

(1) Reflects the volume purchased from third parties at the field level of operations.

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Three Months Ended June 30, 2023 vs. Three Months Ended June 30, 2022. Crude oil marketing revenues decreased by $139.1 million $377.2 million during the three months ended March 31, 2023 June 30, 2023 as compared to the three months ended March 31, 2022 June 30, 2022, primarily as a result of a decrease in the market price of crude oil, which decreased revenues by approximately $162.7 million. This was partially offset by higher $359.9 million and lower overall crude oil volumes, which increased decreased revenues by approximately $23.6 million $17.3 million. The average crude oil price received was $92.70 $107.28 per barrel during the three months ended March 31, 2022 June 30, 2022, which decreased to $73.27 $70.27 per barrel during the three months ended March 31, 2023 June 30, 2023. Revenues from our volumes are mostly based upon the market price in our market areas, primarily in the Gulf Coast. The market price of crude oil decreased during the 2023 period as compared to was elevated in the 2022 period primarily as a result of a return of global crude oil demand in 2022 following the pandemic. In addition, the invasion of Ukraine by Russia also contributed to an increase in the market price of crude oil in the first half of 2022. In the second half of 2022 and continuing into 2023, weakness in the Chinese economy and concern over economic recession caused crude oil prices to fall, while still remaining historically high. fall.

Driver compensation increased by $0.4 million $0.5 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to an increase in driver pay higher volumes transported and a higher overall driver count in the 2023 period as compared to the same period in 2022. 2022, partially offset by lower volumes transported in the 2023 period.

Insurance costs increased by $0.1 million during the three months ended March 31, 2023 were consistent with June 30, 2023 as compared to the same period in 2022. The 2022, primarily due to an increase in insurance premiums and an overall higher overall driver count in the 2023 period, was partially offset in part by our safety performance during the current period. Fuel costs increased decreased by $0.3 million $0.9 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to higher lower fuel prices.

Depreciation and amortization increased by $0.3 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to the timing of purchases and retirements of tractors and other field equipment during 2022 and 2023.

Our crude oil marketing operating earnings decreased by $8.2 million $1.8 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily as a result of inventory valuation changes (as shown in the table below), a decrease in the average market price of crude oil, lower crude oil volumes and higher operating expenses in the 2023 period, period.

Six Months Ended June 30, 2023 vs. Six Months Ended June 30, 2022. Crude oil marketing revenues decreased by $516.3 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily as a result of a decrease in the market price of crude oil, which decreased revenues by approximately $522.0 million, partially offset by higher a slight increase in overall crude oil volumes, which increased revenues by approximately $5.7 million. The average crude oil price received was $100.21 per barrel during the six months ended June 30, 2022, which decreased to $71.78 per barrel during the six months ended June 30, 2023. The decrease in the market price of crude oil was primarily due to weakness in the Chinese economy and concern over economic recession caused crude oil prices to fall.

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Driver compensation increased by $0.9 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to an increase in driver pay in the 2023 period as compared to the same period in 2022.

Insurance costs increased by $0.2 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to an increase in insurance premiums and an overall higher overall driver count in the 2023 period as compared to the same period in 2022. Fuel costs decreased by $0.6 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to lower fuel prices in the current period.

Depreciation and amortization expense increased by $0.6 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to the timing of purchases and retirements of tractors and other field equipment during 2022 and 2023.

Our crude oil marketing operating earnings decreased by $10.0 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily as a result of inventory valuation changes (as shown in the table below), lower revenues due to lower crude oil prices and higher operating expenses in the 2023 period.

Field Level Operating Earnings (Non-GAAP Financial Measure). Inventory valuations and forward commodity contract (derivatives or mark-to-market) month derivative instrument valuations (mark-to-market) are two significant factors affecting comparative crude oil marketing segment operating earnings. As a purchaser and shipper of crude oil, we hold inventory in storage tanks and third-party pipelines. Generally, during periods of increasing crude oil prices, we recognize inventory liquidation gains while during periods of falling prices, we recognize inventory liquidation and valuation losses.

Crude oil marketing operating earnings can be affected by the valuations of our forward month commodity contracts (derivative instruments). derivative instruments. These non-cash valuations are calculated and recorded at each period end based on the underlying data existing as of such date. We generally enter into these derivative contracts to as part of a pricing strategy based on to protect crude oil purchases at the wellhead (field level). inventory value from market price fluctuations. The valuation of derivative instruments at period end requires the recognition of non-cash "mark-to-market" gains and losses.

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The impact of inventory liquidations and valuations and derivative valuations on our crude oil marketing segment operating earnings is summarized in the following reconciliation of our non-GAAP financial measure and provides management a measure of the business unit's performance without by removing the impact of inventory valuation and liquidation adjustments for the periods indicated (in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,			
		2023	2022		2023	2022		2023	2022		
As reported segment operating earnings	As reported segment operating earnings	$ 1,907	$ 10,120	As reported segment operating earnings	$ 3,351	$ 5,111		$ 5,258	$ 15,231		
Add (subtract):	Add (subtract):			Add (subtract):							
Inventory liquidation gains	Inventory liquidation gains	—	(8,717)	Inventory liquidation gains	—	—		—	(7,184)		
Inventory valuation losses	Inventory valuation losses	1,017	—	Inventory valuation losses	951	1,533		1,968	—		
Derivative valuation gains		(486)	(19)								
Derivative valuation losses (gains)							Derivative valuation losses (gains)	187	(611)	(299)	(630)

Field level operating earnings (1)	Field level operating earnings (1)	$ 2,438	$ 1,384	Field level operating earnings (1)	$ 4,489	$ 6,033		$ 6,927	$ 7,417		

(1) The use of field level operating earnings is unique to us, not a substitute for a GAAP measure and may not be comparable to any similar measures developed by industry participants. We utilize this data to evaluate the profitability of our operations.

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Field level operating earnings and field level purchase volumes depict our day-to-day operation of acquiring crude oil at the wellhead, transporting the product and delivering the product to market sales point. Field level operating earnings increased decreased during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022 primarily due to higher lower revenues resulting from lower crude oil volumes and prices in the 2023 period, partially offset by and higher operating expenses in the 2023 period. During the six months ended June 30, 2023, field level operating earnings decreased as compared to the same period in 2022 primarily due to lower revenues resulting from lower crude oil prices in the 2023 period, and higher fuel costs and higher driver compensation. operating expenses in the 2023 period.

We held crude oil inventory at a weighted average composite price as follows at the dates indicated (in barrels):

	March 31, 2023		December 31, 2022	
	Barrels	Average Price	Barrels	Average Price
Crude oil inventory	285,440	$ 74.46	328,562	$ 78.39

	June 30, 2023		December 31, 2022	
	Barrels	Average Price	Barrels	Average Price
Crude oil inventory	369,738	$ 70.49	328,562	$ 78.39

Prices received for crude oil have been volatile and unpredictable with price volatility expected to continue. See “Part I, Item 1A. *Risk Factors*” in our 2022 Form 10-K.

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Transportation

Our transportation segment revenues, operating earnings, selected costs and operating data were as follows for the periods indicated (in thousands):

		Three Months Ended March 31,				Three Months Ended June 30,			Six Months Ended June 30,		
		2023	2022	Change (1)		2023	2022	Change (1)	2023	2022	Change (1)
Revenues	Revenues	$ 26,445	$ 26,690	(1 %)	Revenues	$ 24,452	$ 29,534	(17 %)	$ 50,897	$ 56,224	(9 %)
Operating earnings	Operating earnings	$ 901	$ 2,868	(69 %)	Operating earnings	$ 1,056	$ 2,937	(64 %)	$ 1,957	$ 5,805	(66 %)
Depreciation and amortization	Depreciation and amortization	$ 3,131	$ 2,957	6 %	Depreciation and amortization	$ 3,136	$ 2,923	7 %	$ 6,267	$ 5,880	7 %

Driver commissions and wages	Driver commissions and wages	$ 3,727	$ 3,765	(1 %)	Driver commissions and wages	$ 3,569	$ 3,724	(4 %)	$ 7,296	$ 7,489	(3 %)
Insurance	Insurance	$ 2,180	$ 2,149	1 %	Insurance	$ 2,246	$ 2,164	4 %	$ 4,426	$ 4,313	3 %
Fuel	Fuel	$ 2,678	$ 2,802	(4 %)	Fuel	$ 2,174	$ 3,709	(41 %)	$ 4,852	$ 6,511	(25 %)
Maintenance expense	Maintenance expense	$ 1,387	$ 1,248	11 %	Maintenance expense	$ 1,258	$ 1,270	(1 %)	$ 2,645	$ 2,518	5 %
Mileage (000s)	Mileage (000s)	6,552	6,798	(4 %)	Mileage (000s)	6,296	6,863	(8 %)	12,848	13,661	(6 %)

(1) Represents the percentage increase (decrease) from the prior year period.

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Our revenue rate structure includes a component for fuel costs in which fuel cost fluctuations are largely passed through to the customer. Revenues, net of fuel costs, were as follows for the periods indicated (in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Total transportation revenue	Total transportation revenue	$ 26,445	$ 26,690	Total transportation revenue	$ 24,452	$ 29,534	$ 50,897	$ 56,224
Diesel fuel cost	Diesel fuel cost	(2,678)	(2,802)	Diesel fuel cost	(2,174)	(3,709)	(4,852)	(6,511)
Revenues, net of fuel costs (1)	Revenues, net of fuel costs (1)	$ 23,767	$ 23,888	Revenues, net of fuel costs (1)	$ 22,278	$ 25,825	$ 46,045	$ 49,713

(1) Revenues, net of fuel costs, is a non-GAAP financial measure and is utilized for internal analysis of the results of our transportation segment.

Three Months Ended June 30, 2023 vs. Three Months Ended June 30, 2022. Transportation revenues decreased by $0.2 million $5.1 million during the three months ended March 31, 2023 June 30, 2023 as compared to the three months ended March 31, 2022 June 30, 2022. Transportation revenues, net of fuel costs, decreased by $0.1 million $3.5 million during the three months ended March 31, 2023 June 30, 2023, as compared to the prior year period. These decreases in transportation revenues were primarily due to decreased transportation rates during the 2023 period as a result of a slight softening in the transportation market due to changes in demand, supply chain issues and inflation.

Driver commissions decreased by $0.2 million during the three months ended March 31, 2023 were consistent with June 30, 2023 as compared to the three months ended March 31, 2022 June 30, 2022, primarily due to lower mileage during the 2023 period, partially offset by an increase in driver pay in July 2022 and an increase in the number of drivers, partially offset by lower mileage during the 2023 period. 2022.

Fuel costs decreased by $0.1 $1.5 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily as a result of a decrease in the price of fuel and lower miles traveled during the 2023 period. Insurance costs remained relatively constant during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to consistent insurance premiums during the 2022 and 2023 periods. Maintenance expense increased by $0.1 million remained relatively constant during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to consistent repairs and maintenance to older tractors and trailers in our fleet and offset by escalating prices in parts, repairs and maintenance. maintenance between periods.

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Depreciation and amortization expense increased by $0.2 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily as a result of the timing of purchases of new tractors and trailers in 2022 and 2023.

Our transportation operating earnings decreased by $2.0 million $1.9 million for the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to lower revenues as a result of decreased transportation rates and higher depreciation and amortization expense, partially offset by lower fuel costs.

Six Months Ended June 30, 2023 vs. Six Months Ended June 30, 2022. Transportation revenues decreased by $5.3 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. Transportation revenues, net of fuel costs, decreased by $3.7 million during the six months ended June 30, 2023, as compared to the prior year period. These decreases in transportation revenues were primarily due to decreased transportation rates during the 2023 period as a result of a softening in the transportation market due to changes in demand, supply chain issues and inflation.

Driver commissions decreased by $0.2 million for the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to lower mileage during the 2023 period, partially offset by an increase in driver pay in July 2022.

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Fuel costs decreased by $1.7 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily as a result of a decrease in the price of fuel and lower miles traveled during the 2023 period. Insurance costs increased by $0.1 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to slightly higher insurance premiums during the 2023 period. Maintenance expense increased by $0.1 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to repairs and maintenance to older tractors and trailers in our fleet and escalating prices in parts, repairs and maintenance.

Depreciation and amortization expense increased by $0.4 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily as a result of the timing of purchases of new tractors and trailers in 2022 and 2023.

Our transportation operating earnings decreased by $3.8 million for the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to lower revenues as a result of decreased transportation rates and higher insurance costs and maintenance expense and other operating costs.

Pipeline and Storage

Our pipeline and storage segment revenues, operating losses and selected costs were as follows for the periods indicated (in thousands):

		Three Months Ended March 31,				Three Months Ended June 30,			Six Months Ended June 30,		
		2023	**2022**	**Change (1)**		**2023**	**2022**	**Change (1)**	**2023**	**2022**	**Change (1)**
Segment revenues (2)	Segment revenues (2)	$ 809	$ 897	(10 %)	Segment revenues (2)	$ 894	$ 1,163	(23 %)	$ 1,703	$ 2,060	(17%)
Less: Intersegment revenues (2)	Less: Intersegment revenues (2)	(809)	(897)	(10 %)	Less: Intersegment revenues (2)	(645)	(1,163)	(45 %)	(1,454)	(2,060)	(29%)
Revenues	Revenues	$ —	$ —	— %	Revenues	$ 249	$ —	— %	$ 249	$ —	—%
Operating losses	Operating losses	(1,201)	(822)	46 %	Operating losses	(779)	(877)	(11 %)	(1,980)	(1,699)	17%
Depreciation and amortization	Depreciation and amortization	263	268	(2 %)	Depreciation and amortization	275	271	1 %	538	539	—%
Insurance	Insurance	217	200	9 %	Insurance	217	200	9 %	434	400	9%

(1) Represents the percentage increase (decrease) from the prior year period.
(2) Segment revenues include intersegment revenues from our crude oil marketing segment, which are eliminated due to consolidation in our unaudited condensed consolidated statements of operations.

Volume information was as follows for the periods indicated (in barrels per day):

Three Months Ended	Three Months Ended	Six Months Ended

		March 31,			June 30,		June 30,	
		2023	2022		2023	2022	2023	2022
Pipeline throughput	Pipeline throughput	10,088	10,486	Pipeline throughput	8,560	13,281	9,320	11,891
Terminalling	Terminalling	10,395	10,948	Terminalling	10,785	13,704	10,591	12,334

During each of *Three Months Ended June 30, 2023 vs. Three Months Ended June 30, 2022*. Pipeline and storage revenues increased by $0.2 million during the three months ended March 31, 2023 and 2022, June 30, 2023 as compared to the three months ended June 30, 2022. During the three months ended June 30, 2022, all pipeline and storage segment revenues were earned from GulfMark, an affiliated shipper. shipper, while during the three months ended June 30, 2023, approximately a third of our pipeline and storage revenues, or $0.2 million, were earned from third party customers. All pipeline and storage revenues earned from GulfMark are eliminated in consolidation, with the offset to marketing costs and expenses in our unaudited condensed consolidated statements of operations. Segment Pipeline and storage revenues from GulfMark decreased by $0.1 million $0.5 million for the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to lower volumes transported by GulfMark during the current period.

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We are currently constructing a new pipeline connection between the VEX Pipeline System and the Max Midstream pipeline system, and we expect to complete construction and place the assets into commercial service during the second or third fourth quarter of 2023. In addition, we are exploring new connections with other pipeline systems, for new crude oil supply opportunities both upstream and downstream of the pipeline, to enhance the crude oil supply and take-away capability of the system.

Our pipeline and storage operating losses increased decreased by $0.4 million $0.1 million during the three months ended March 31, 2023 June 30, 2023 as compared to the 2022 period, primarily due to an increase in third party revenues in the 2023 period, partially offset by increases in operating salaries and wages and related personnel costs, materials and supplies, outside service costs and insurance costs in the 2023 period.

Six Months Ended June 30, 2023 vs. Six Months Ended June 30, 2022. Pipeline and storage revenues increased by $0.2 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. During the six months ended June 30, 2022, all pipeline and storage segment revenues were earned from GulfMark, an affiliated shipper, while during the six months ended June 30, 2023, approximately a third of our pipeline and storage revenues, or $0.2 million, were earned from third party customers. Pipeline and storage revenues from GulfMark decreased by $0.6 million for the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to lower volumes transported by GulfMark during the current period.

Our pipeline and storage operating losses increased by $0.3 million during the six months ended June 30, 2023 as compared to the 2022 period, primarily due to increases in operating salaries and wages and related personnel costs, materials and supplies, outside service costs and insurance costs in the 2023 period. period, partially offset by an increase in third party revenues.

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Logistics and Repurposing

Our logistics and repurposing segment revenues, operating (losses) earnings and selected costs were as follows for the period indicated (in thousands):

	Three Months E
	March 31,
	2023
Revenues	$ 1
Operating earnings	
Depreciation and amortization	
Driver commissions	
Insurance	
Fuel	
Maintenance expense	

	Three Months Ended June 30,	Six Months Ended June 30,
	2023	2023
Revenues	$ 14,793	$ 30,034
Operating (losses) earnings	(133)	402
Depreciation and amortization	1,724	3,305
Driver commissions	2,098	4,143
Insurance	640	1,208
Fuel	836	1,830
Maintenance expense	544	1,053

On August 12, 2022, we acquired all of the equity interests of Firebird and Phoenix. Firebird is an interstate bulk motor carrier of crude oil, condensate, fuels, oils and other petroleum products. Firebird has six terminal locations throughout Texas and owns 123 tractors and 216 trailers largely in the Eagle Ford basin. Phoenix recycles and repurposes off-specification fuels, lubricants, crude oil and other chemicals from producers in the U.S.

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General and Administrative Expense

General and administrative expense increased decreased by $0.8 million $2.5 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to higher an adjustment in the 2023 period of the $2.6 million contingent consideration accrual related to the Firebird and Phoenix acquisition in 2022 (see Note 6 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information) and lower salaries and wages and related personnel costs, partially offset by higher outside service costs, audit fees and banking fees primarily related to outstanding letters of credit.

General and administrative expense decreased by $1.7 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to an adjustment in the 2023 period of the $2.6 million contingent consideration accrual related to the Firebird and Phoenix acquisition in 2022 and lower salaries and wages and related personnel costs, partially offset by higher insurance costs, outside service costs, audit fees. fees and banking fees primarily related to outstanding letters of credit.

Interest Expense

Interest expense increased by $0.6 million $0.7 million during the three months ended March 31, 2023 June 30, 2023 as compared to the same period in 2022, primarily due to higher interest expense related to the outstanding Term Loan of $23.8 million $23.1 million under our credit agreement with Cadence Bank Credit Agreement (see Note 11 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information).

Interest expense increased by $1.2 million during the six months ended June 30, 2023 as compared to the same period in 2022, primarily due to higher interest expense related to the outstanding Term Loan of $23.1 million under our Credit Agreement (see Note 11 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information).

Income Taxes

Provision for (benefit from) income taxes is based upon federal and state tax rates, and variations in amounts are consistent with taxable income (loss) in the respective accounting periods.

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Liquidity and Capital Resources

Liquidity

Our primary sources of liquidity are (i) our cash balance, (ii) cash flow from operating activities, (iii) borrowings under our credit agreement and (iv) funds received from the sale of equity securities. Our primary cash requirements include, but are not limited to, (a) ordinary course of business uses, such as the payment of amounts related to the purchase of crude oil, and other expenses, (b) discretionary capital spending for investments in our business and (c) dividends to our shareholders. We believe we will have sufficient liquidity through our current cash balances, availability under our credit agreement, expected cash generated from future operations, and the ease of financing tractor and trailer additions through leasing arrangements (should the need arise) to meet our short-term and long-term liquidity needs for the reasonably foreseeable future. Our cash balance and cash flow from operating activities is dependent on the success of future operations. If our cash inflow subsides or turns negative, we will evaluate our investment plan accordingly and remain flexible.

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We maintain cash balances in order to meet the timing of day-to-day cash needs. Cash and cash equivalents (excluding restricted cash) and working capital, the excess of current assets over current liabilities, were as follows at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Cash and cash equivalents	Cash and cash equivalents	$ 42,135	$ 20,532	Cash and cash equivalents	$ 8,974	$ 20,532
Working capital	Working capital	15,695	19,083	Working capital	17,217	19,083

Our cash balance at March 31, 2023 increased June 30, 2023 decreased by 105 56 percent from December 31, 2022, as discussed further below.

We have in place a credit agreement (the "Credit Agreement") Credit Agreement with Cadence Bank. The Credit Agreement provides for (a) a revolving credit facility that allows for borrowings up to $60.0 million in aggregate principal amount from time to time, and (b) a term loan in aggregate principal amount of $25.0 million (the "Term Loan"). We may also obtain letters of credit under the revolving credit facility up to a maximum amount of $30.0 million, which reduces availability under the revolving credit facility by a like amount. Borrowings under the revolving credit facility may be, at our option, base rate loans (defined by reference to the higher of the prime rate, the federal funds rate or an adjusted term SOFR for a one month tenor plus one percent) or SOFR loans, in each case plus an applicable margin, the amount of which is determined by reference to our consolidated total leverage ratio, and is between 1 percent and 2 percent for base rate loans and between 2 percent and 3 percent for SOFR loans.

The term loan amortizes on a 10-year schedule with quarterly payments beginning December 31, 2022, and matures October 27, 2027. Proceeds of the term loan were used, together with additional cash on hand, to fund the repurchase of shares from the KSA and certain of its affiliates. The term loan bears interest at the SOFR loan rate plus the applicable margin for SOFR loans.

We are required to maintain compliance with certain financial covenants under the Credit Agreement, including a consolidated leverage ratio, an asset coverage ratio and a consolidated fixed charge coverage ratio. We were in compliance with these covenants as of March 31, 2023 June 30, 2023. See "Recent Developments" for further information regarding an amendment to the Credit Agreement in August 2023.

At March 31, 2023 June 30, 2023, we had $23.8 million $23.1 million of borrowings outstanding under the Credit Agreement, representing the remaining principal balance of the Term Loan, with a weighted average interest rate of 6.81 7.71 percent. We also had $20.4 million of letters of credit issued under the Credit Agreement at a fee of 2.00 2.50 percent per annum. No amounts were outstanding under the revolving credit facility. See Note 11 and Note 17 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information.

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We have in place an At Market Issuance Sales Agreement ("ATM Agreement") with B. Riley Securities, Inc., as agent (the "Agent"), in which we may offer to sell shares of our common stock through or to the Agent for cash from time to time. We filed a registration statement initially registering an aggregate of $20.0 million of shares of common stock for sale under the ATM Agreement. The total number of shares of common stock to be sold, if any, and the price at which the shares will be sold will be determined by us periodically in connection with any such sales, though the total amount sold may not exceed the limitations stated in the registration statement. During the three six months ended March 31, 2023 June 30, 2023, we received net proceeds of approximately $0.6 million (net of offering costs to the Agent of $27 thousand) from the sale of 14,680 of our common shares at an average price per share of approximately $40.74 under this agreement.

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We utilize cash from operations to make discretionary investments in our crude oil marketing, transportation, pipeline and storage and logistics and repurposing businesses. With the exception of operating and finance lease commitments primarily associated with storage tank terminal arrangements, leased office space, tractors, trailers and other equipment, and borrowings outstanding under our bank credit facility, our future commitments and planned investments can be readily curtailed if operating cash flows decrease. See "Material Cash Requirements" below for information regarding our operating and finance lease obligations.

The most significant item affecting future increases or decreases in liquidity is earnings from operations, and these earnings are dependent on the success of future operations. See "Part I, Item 1A. *Risk Factors*" in our 2022 Form 10-K.

Cash Flows from Operating, Investing and Financing Activities

Our consolidated cash flows from operating, investing and financing activities were as follows for the periods indicated (in thousands):

		Three Months Ended March 31,			Six Months Ended June 30,	
		2023	2022		2023	2022
Cash provided by (used in):	Cash provided by (used in):			Cash provided by (used in):		
Operating activities	Operating activities	$ 23,707	$ 5,873	Operating activities	$ (3,608)	$ (24,178)
Investing activities	Investing activities	(1,459)	(2,838)	Investing activities	(4,464)	(3,409)
Financing activities	Financing activities	(2,333)	(2,207)	Financing activities	(5,237)	(4,149)

Operating activities. Net cash flows provided by used in operating activities for the three six months ended March 31, 2023 increased June 30, 2023 decreased by $17.8 million $20.6 million as compared to the same period in 2022. The increase decrease in net cash flows from used in operating activities was primarily due to changes in our working capital accounts. Early payments received from customers increased decreased by approximately $5.4 million $24.6 million in the 2023 period, and while early payments made to suppliers decreased by approximately $4.9 million $7.9 million in the 2023 period. Crude oil inventory decreased by $4.6 million $0.4 million at March 31, 2023 June 30, 2023, primarily due to a decrease in the price of our crude oil inventory, which decreased from $78.39 per barrel at December 31, 2022 to $74.46 $70.49 per barrel at March 31, 2023 June 30, 2023, and a decrease partially offset by an increase of 13.1 12.5 percent in the number of barrels held in inventory.

At various times each month, we may make cash prepayments and/or early payments in advance of the normal due date to certain suppliers of crude oil within our crude oil marketing operations. Crude oil supply prepayments are recouped and advanced from month to month as the suppliers deliver product to us. In addition, in order to secure crude oil supply, we may also "early pay" our suppliers in advance of the normal payment due date of the twentieth of the month following the month of production. These "early payments" reduce cash and accounts payable as of the balance sheet date.

We also require certain customers to make similar early payments or to post cash collateral with us in order to support their purchases from us. Early payments and cash collateral received from customers increase cash and reduce accounts receivable as of the balance sheet date.

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Early payments received from customers and prepayments to suppliers were as follows at the dates indicated (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Early payments received	Early payments received	$ 50,672	$ 45,265	Early payments received	$ 20,666	$ 45,265
Prepayments to suppliers	Prepayments to suppliers	9,112	14,055	Prepayments to suppliers	6,130	14,055

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We rely heavily on our ability to obtain open-line trade credit from our suppliers especially with respect to our crude oil marketing operations. The timing of payments and receipts of these early pays received and paid can have a significant impact on our cash balance.

Investing activities. Net cash flows used in investing activities for the three six months ended March 31, 2023 decreased June 30, 2023 increased by $1.4 million $1.1 million as compared to the same period in 2022. This decrease increase was due to a decrease an increase of $1.8 million $1.1 million in capital spending for property and equipment (see following table), partially offset by a decrease an increase of $0.4 million $0.1 million in cash proceeds from the sales of assets.

Capital spending was as follows for the periods indicated (in thousands):

		Three Months Ended March 31, 2023	Three Months Ended March 31, 2022		Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Crude oil marketing (1)	Crude oil marketing (1)	$ 275	$ 3,124	Crude oil marketing (1)	$ 669	$ 4,008
Transportation (2)	Transportation (2)	167	535	Transportation (2)	1,338	694
Pipeline and storage (3)	Pipeline and storage (3)	971	27	Pipeline and storage (3)	1,241	73
Logistics and repurposing (4)	Logistics and repurposing (4)	460	—	Logistics and repurposing (4)	2,548	—
Other (5)	Other (5)	27	8	Other (5)	112	8
Capital spending	Capital spending	$ 1,900	$ 3,694	Capital spending	$ 5,908	$ 4,783

(1) 2023 amount relates to the purchase of various field equipment, and the 2022 amount relates to the purchase of 13 20 tractors and other field equipment.
(2) 2023 amount relates to the purchase of three tractors and various field equipment, and the 2022 amount relates to the purchase of three tractors, one trailer and other field equipment.
(3) 2023 amount relates to spending for the continued construction of a planned pipeline connection, which is expected to be placed in commercial service during the second or third quarter of 2023, and the 2022 amount relates to the purchase of field equipment.
(4) 2023 amount relates to the purchase of two approximately 10.6 acres of land in the Gulf Inland Industrial Park, located in Dayton, Texas, for approximately $1.8 million to build a new processing facility for Phoenix (see “Recent Developments” for further information), five tractors, 2 trailers and various field equipment.
(5) Other capital spending relates to the purchase of a company vehicle and office and computer equipment.

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Financing activities. Net cash used in financing activities was $2.3 million $5.2 million for the three six months ended March 31, 2023 June 30, 2023 as compared to $2.2 million $4.1 million for the three six months ended March 31, 2022 June 30, 2022. The increase in net cash flows used in financing activities of $0.1 million $1.1 million was primarily due to the following cash outflows and inflows:

- an increase in the 2023 period in net repayments under our credit agreement. Credit Agreement. During the three six months ended March 31, 2023 June 30, 2023, we made a principal payment payments of $0.6 million $1.3 million on the Term Loan. During the three six months ended March 31, 2023 June 30, 2023, we also borrowed and repaid $18.0 million $38.0 million under the revolving credit facility under our credit agreement, Credit Agreement, primarily for working capital purposes; purposes, while during the six months ended June 30, 2022, we borrowed and repaid $30.0 million under the revolving credit facility;
- an increase in the 2023 period of $0.4 million $0.9 million for principal repayments made for finance lease obligations (see "Material Cash Requirements" below for information regarding our finance lease obligations);
- an increase in the 2023 period in net proceeds from the sale of common shares under the ATM program. During the three six months ended March 31, 2023 June 30, 2023, we received net proceeds of approximately $0.6 million from the sale of 14,680 of our common shares, while during the six months ended June 30, 2022, we received net proceeds of approximately $0.3 million from the sale of 8,202 of our common shares; and

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- a decrease in the 2023 period in cash dividends paid on our common shares. During each of the three six months ended March 31, 2023 June 30, 2023 and 2022, we paid cash dividends of $0.24 $0.48 per common share, or totals of $0.7 million $1.3 million and $1.1 million $2.1 million, respectively. On October 31, 2022, the number of common shares outstanding decreased by 1.9 million as a result of the repurchase of shares from KSA and certain of its affiliates.

Material Cash Requirements

The following table summarizes our contractual obligations with material cash requirements at March 31, 2023 June 30, 2023 (in thousands):

			Payments due by period						Payments due by period			
Contractual Obligations	Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years	Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Credit Agreement (1)	Credit Agreement (1)	$ 29,470	$ 4,053	$ 7,596	$ 17,821	$ —	Credit Agreement (1)	$ 29,145	$ 4,211	$ 7,843	$ 17,091	$ —
Finance lease obligations (2)	Finance lease obligations (2)	26,698	6,181	11,942	8,575	—	Finance lease obligations (2)	30,317	7,622	14,176	8,519	—
Operating lease obligations (3)	Operating lease obligations (3)	7,878	3,058	3,369	1,270	181	Operating lease obligations (3)	7,188	3,014	2,956	1,090	128
Purchase obligations (4)	Purchase obligations (4)	15,981	15,981	—	—	—	Purchase obligations (4)	17,429	17,429	—	—	—
Total contractual obligations	Total contractual obligations	$ 80,027	$ 29,273	$ 22,907	$ 27,666	$ 181	Total contractual obligations	$ 84,079	$ 32,276	$ 24,975	$ 26,700	$ 128

(1) Represents scheduled future maturities for amounts due under the Term Loan under our Credit Agreement plus estimated cash payments for interest. Interest payments are based upon the principal amount of the amount outstanding and the applicable interest rate at March 31, 2023 June 30, 2023. See Note 11 and Note 17 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information about our Credit Agreement.

(2) Amounts represent our principal contractual commitments, including interest, outstanding under finance leases for certain tractors, trailers, tank storage and throughput arrangements and other equipment.

(3) Amounts represent rental obligations under non-cancelable operating leases and terminal arrangements with terms in excess of one year.

(4) Amount represents commitments to purchase 35 32 new tractors and 34 33 new trailers in our transportation business, 20 31 new tractors in our crude oil marketing business and 18 14 new tractors and two new trailers in our logistics and repurposing segment.

We maintain certain lease arrangements with independent truck owner-operators for use of their equipment and driver services on a month-to-month basis. In addition, we enter into office space and certain lease and terminal access contracts in order to provide tank storage and dock access for our crude oil marketing business. These storage and access contracts require certain minimum monthly payments for the term of the contracts.

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See Note 15 in the Notes to Unaudited Condensed Consolidated Financial Statements for further information regarding our finance and operating leases.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably expected to have a material current or future effect on our financial position, results of operations or cash flows.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 2 in the Notes to Unaudited Condensed Consolidated Financial Statements.

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Transactions with Affiliates

For more information regarding transactions with our affiliates during the three six months ended March 31, 2023 June 30, 2023 and 2022, see Note 9 in the Notes to Unaudited Condensed Consolidated Financial Statements.

Critical Accounting Policies and Use of Estimates

A discussion of our critical accounting policies and estimates is included in our 2022 Form 10-K. Certain of these accounting policies require the use of estimates. There have been no material changes to our accounting policies since the disclosures provided in our 2022 Form 10-K.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

There have been no other material changes to our "Quantitative and Qualitative Disclosures about Market Risk" that have occurred since the disclosures provided in our 2022 Form 10-K.

Item 4. *Controls and Procedures*

As of the end of the period covered by this quarterly report, our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 and 15d-15(e) of the Exchange Act. Based on this evaluation, as of the end of the period covered by this quarterly report, our Chief Executive Officer and our Chief Financial Officer concluded:

(i) that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow for timely decisions regarding required disclosures; and

(ii) that our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(e) under the Exchange Act) during the fiscal quarter ended March 31, 2023 June 30, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

From time to time as incidental to our operations, we may become involved in various lawsuits and/or disputes. As an operator of an extensive trucking fleet, we are a party to motor vehicle accidents, worker compensation claims and other items of general liability as would be typical for the industry. We are presently unaware of any claims against us that are either outside the scope of insurance coverage or that may exceed the level of insurance coverage and could potentially represent a material adverse effect on our financial position or results of operations.

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Item 1A. *Risk Factors*

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors and other cautionary statements described under the heading "Item 1A. *Risk Factors*" included in our 2022 Form 10-K and the risk factors and other cautionary statements contained in our other SEC filings, which could materially affect our businesses, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes in our Risk Factors from those disclosed in Item 1A of our 2022 Form 10-K or our other SEC filings.

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

None.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

None.

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Item 6. *Exhibits*

Exhibit Number	Exhibit
3.1	Certificate of Incorporation of Adams Resources & Energy, Inc., as amended (incorporated by reference to Exhibit 3.1 to Form 10-K for the fiscal year ended December 31, 2019).
3.2	Bylaws of Adams Resources & Energy, Inc., as amended (incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed on November 1, 2022).
10.1+*	Form of Employee Performance Share Unit Award Agreement for 2023 Awards under the Adams Resources & Energy, Inc. 2018 Long-Term Incentive Plan, as amended.
31.1*	Sarbanes-Oxley Section 302 certification of Executive Chairman pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Sarbanes-Oxley Section 302 certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Sarbanes-Oxley Section 906 certification of Executive Chairman pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Sarbanes-Oxley Section 906 certification of Chief Financial Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.CAL*	Inline XBRL Calculation Linkbase Document
101.DEF*	Inline XBRL Definition Linkbase Document
101.INS*	Inline XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.LAB*	Inline XBRL Labels Linkbase Document
101.PRE*	Inline XBRL Presentation Linkbase Document
101.SCH*	Inline XBRL Schema Document
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

____

* Filed or furnished (in the case of Exhibits 32.1 and 32.2) with this report.

+ Management compensatory plan or arrangement.

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SIGNATURES

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

ADAMS RESOURCES & ENERGY, INC.

(Registrant)

Date: May August 9, 2023

By: /s/ Kevin J. Roycraft

Kevin J. Roycraft

Chief Executive Officer

(Principal Executive Officer)

By: /s/ Tracy E. Ohmart

Tracy E. Ohmart

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

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Exhibit 10.1

2023 PERFORMANCE SHARE UNIT AWARD AGREEMENT

THIS PERFORMANCE SHARE UNIT AWARD AGREEMENT (this "Agreement") is made as of the 1st day of March 2023 (the "Grant Date"), between ADAMS RESOURCES & ENERGY, INC., a Delaware corporation ("Company"), and all of its Affiliates (collectively, the "Company"), and ___________ (the "Employee"). A copy of the Adams Resources & Energy, Inc. 2018 Long-Term Incentive Plan, as amended (the "Plan") is annexed to this Agreement and shall be deemed a part hereof as if fully set forth herein. Unless the context otherwise requires, all terms that are not defined in this Agreement but which are defined in the Plan shall have the same meaning given to them in the Plan when used herein.

1. **Award**. Pursuant to the Plan, as of the Grant Date, _____ Restricted Stock Units (the "Performance Share Units") shall be granted to Employee as a matter of separate inducement and not in lieu of any salary or other compensation for Employee's services, subject to the acceptance by the Employee of the terms and conditions of this Agreement.

2. **Performance Share Units**. The Employee hereby accepts the Performance Share Units when issued and agrees with respect thereto as follows:

(a) **Payment and Determination of Value**. Except as otherwise provided in Section 10 below, Company shall provide to the Employee one share of the Company's common stock, $0.10 par value per share for each Performance Share Unit on its scheduled vesting date. If any dividends are paid with respect to a share of the Company's common stock during the vesting period, an equivalent amount shall accrue and be held by the Company without interest until the Performance Share Units become vested, at which time such amount shall be paid to the Employee, or are forfeited, at which time such amount shall be forfeited.

(b) **Vesting**. An Employee's Performance Share Units shall become vested based on (i) continued service with the Company until the third (3rd) anniversary of the Vesting Commencement Date, and (ii) the attainment of the Performance Criteria specified on Exhibit A to this Agreement. Any portion of the Performance Share Units that does not become vested in accordance with the preceding provisions of this Section 2(b) and Exhibit A shall be forfeited to the Company for no consideration as of the date of the termination of the Employee's employment with the Company.

For purposes of this Agreement, the "Vesting Commencement Date" shall be March 1, 2023.

(c) **Termination of Employment**. If the Employee terminates his or her employment with the Company prior to the third (3rd) anniversary of the Vesting Commencement Date, then the Performance Share Units shall be forfeited to the Company for no consideration as of the date of the termination of the Employee's employment with the Company, except that:

(i) if the Employee is determined to be Disabled or in the event of the death of the Employee, all of the Employee's Performance Share Units shall become vested upon the later of (A) the completion of the Performance Period (as specified on Exhibit A), or (B) the date the Employee terminates employment with the Company, based upon the actual level of performance. In such case, Employee (or Employee's legal representative, or the person, if any, who acquired the Performance Share Units by bequest or inheritance or by reason of the death of Employee), shall be entitled to receive any payment with respect to the Performance Share Units in accordance with this Agreement; and

(ii) if the Employee's employment with the Company terminates by reason of retirement following the date on which such Employee has either (I) reached sixty (60) years of age, and completed at least ten (10) years of service as an employee of the Company, or (II) reached sixty-five (65) years of age, then the Performance Share Units shall become vested upon the later of (A) the completion of the Performance Period, or

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(B) the date the Employee terminates employment with the Company, based upon the actual level of performance, provided, however, that the Employee shall not receive such shares until their original scheduled vesting date.

Any payment made in connection with Section 2(c)(i) above shall be paid thirty (30) days after the Employee's termination date.

3. **Transfer Restrictions**. The Performance Share Units may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or otherwise disposed of by the Employee.

4. **Shareholder Rights**. The Employee shall not have any of the rights of a shareholder of the Company with respect to the Performance Share Units.

5. **Corporate Acts**. The existence of the Performance Share Units shall not affect in any way the right or power of the Board of Directors of the Company or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

6. **Withholding of Tax**. To the extent that the receipt of the Performance Share Units results in compensation income to the Employee for federal or state income tax purposes, the Employee may elect to either (i) deliver to the Company at the time of such receipt, as the case may be, such amount of money as the Company may require to meet its withholding obligation under applicable tax laws or regulations, or (ii) have the Company withhold a portion of the shares of the Company's common stock distributable to the Employee under this Agreement that does not exceed the amount of taxes to be withheld by reason of such resulting compensation income. If the Employee does not make a timely election regarding the manner this tax withholding obligation will be satisfied, then the Company shall withhold a portion of the shares of the Company's common stock distributable to the Employee under this Agreement that does not exceed the amount of taxes to be withheld by reason of such resulting compensation income.

7. **Employment Relationship**. For purposes of this Agreement, the Employee shall be considered to be in the employment of the Company as long as the Employee remains an employee of either the Company or an Affiliate (as such term is defined in the Plan). Nothing in the adoption of the Plan or the award of the Performance Share Units thereunder pursuant to this Agreement shall confer upon the Employee the right to continued employment by the Company or affect in any way the right of the Company to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Employee's employment by the Company shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Employee or the Company for any reason whatsoever, with or without cause. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee, and its determination shall be final.

8. **Notices**. Any notices or other communications provided for in this Agreement shall be sufficient if in writing. In the case of the Employee, such notices or communications shall be effectively delivered when hand delivered to the Employee at his or her principal place of employment or when sent by

registered or certified mail to the Employee at the last address the Employee has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered when sent by registered or certified mail to the Company at its principal executive offices.

9. **Entire Agreement; Amendment**. This Agreement replaces and merges all previous agreements and discussions relating to the same or similar subject matters between the Employee and the Company and constitutes the entire agreement between the Employee and the Company with respect to the subject matter of this Agreement. This Agreement may not be modified in any respect by any verbal statement, representation or agreement made by any employee, officer, or representative of the Company or by any written agreement unless signed by an officer of the Company who is expressly authorized by the Company to execute such document. In

addition, if it is subsequently determined by the Committee, in its sole discretion, that the terms and conditions of this Agreement and/or the Plan are not compliant with Code Section 409A, or any Treasury regulations or Internal Revenue Service guidance promulgated thereunder, this Agreement and/or the Plan may be amended by the Company accordingly.

10. **Code Section 409A**. If and to the extent any portion of any payment provided to the Employee under this Agreement in connection with the Employee's separation from service (as defined in Section 409A of Internal Revenue Code of 1986, as amended ("Code Section 409A") is determined to constitute "nonqualified deferred compensation" within the meaning of Code Section 409A and the Employee is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i), as determined by the Company in accordance with the procedures separately adopted by the Company for this purpose, by which determination the Employee, as a condition to accepting benefits under this Agreement and the Plan, agrees that he or she is bound, such portion of the shares of Company's common stock to be delivered on a vesting date shall not be delivered before the earlier of (i) the day that is six months plus one day after the date of separation from service (as determined under Code Section 409A) or (ii) the tenth (10th) day after the date of the Employee's death (as applicable, the "New Payment Date"). The shares that otherwise would have been delivered to the Employee during the period between the date of separation from service and the New Payment Date shall be delivered to the Employee on such New Payment Date, and any remaining shares will be delivered on their original schedule. If the Employee becomes Disabled and such disability does not satisfy the requirements of Code Section 409A, then the Employee's shares shall be delivered on the original scheduled vesting date. Neither the Company nor the Employee shall have the right to accelerate or defer the delivery of any such shares except to the extent specifically permitted or required by Code Section 409A. This Agreement is intended to comply with the provisions of Code Section 409A and this Agreement and the Plan shall, to the extent practicable, be construed in accordance therewith. Terms defined in this Agreement and the Plan shall have the meanings given such terms under Code Section 409A if and to the extent required to comply with Code Section 409A. In any event, the Company makes no representations or warranty and shall have no liability to the Employee or any other person if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Code Section 409A but not to satisfy the conditions of that section.

11. **Awards Subject to Plan**. The Employee acknowledges receipt of a copy of the Plan, and agrees that this award of Performance Share Units shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof, and to all of the terms and conditions of this Agreement. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

12. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Employee.

13. **Miscellaneous**. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Plan, including any amendments or supplements thereto, the terms of this Agreement shall be controlling.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Employee has agreed to and accepted the terms of this Agreement, all as of the date first above written.

COMPANY

ADAMS RESOURCES & ENERGY, INC.

By: ____________________________

Name: ____________________________

Title: ____________________________

EMPLOYEE

By: ____________________________

Exhibit A

2023 Performance Criteria

The Employee's Performance Share Units shall become vested based on the satisfaction of both the (i) the time vesting requirement described in Section 2(b)(i) of the Agreement, and (ii) the Performance Criteria described in this Exhibit A. The initial number of Performance Share Units specified in Section 1 of the Agreement shall be the "target" number of shares of Stock that may be delivered upon settlement of the Performance Share Units subject to the Agreement. This initial number of Performance Share Units shall be adjusted based on the attainment of the Performance Criteria described in Section 3 below.

1. Performance Period: The performance period shall be the period between January 1, 2023 and December 31, 2023.

2. Award Value: The Performance Share Units subject to this Agreement will be earned based on the Company's performance for the Performance Period. Following the end of the Performance Period, the Committee shall determine the number of Performance Share Units earned for the Performance Period.

3. Performance Criteria: Seventy-five percent (75%) of the Award shall be earned based on the Company's attainment of the Adjusted Pre-Tax Cash Flow ("APTCF") factor described in Section 3(a) below. Twenty-five percent (25%) of the Award shall be earned based on the Company's attainment of Adjusted Pre-Tax Earnings ("APTE") factor described in Section 3(b) below.

(a) Adjusted Pre-Tax Cash Flow – APTCF is defined as the Company's net earnings or losses during the Performance Period adjusted by: (i) income tax expense or benefit; (ii) depreciation and amortization expense; (iii) stock-based compensation expense; (iv) inventory liquidation gains; (v) inventory valuation losses; (vi) net changes in the fair value of contracts, as each such adjustment is reported in the Company's publicly filed financial statements for the fiscal year ending December 31, 2023; and (vii) any other adjustments the Company includes in the calculation of adjusted cash flow, as approved by the Company's Board of Directors and reported in the Company's earnings release. The Award Level for the APTCF factor for the Performance Period shall be determined based on the following table:

Performance Level	Adjusted Pre-Tax Cash Flow Amount	% of Target Performance Share Units Earned[1]
Maximum	$51,625,000	200%
Target	$41,300,000	100%
Threshold	$30,975,000	50%
<Threshold	<$30,975,000	0%

[1] Linear interpolation will be applicable to the percentages between the Performance Levels.

(b) Adjusted Pre-Tax Earnings – APTE shall be determined based on the Company's net earnings or losses during the Performance Period adjusted by: (i) income tax expense or benefit; (ii) stock-based compensation expense; (iii) inventory liquidation gains; (iv) inventory valuation losses; (v) net changes in the fair value of contracts, as each such adjustment is reported in the Company's publicly filed financial statements for the fiscal year ending December 31, 2023; and (vi) any other adjustments included by the Company in the calculation of its adjusted net earnings or losses, as approved by the Company's Board of Directors and reported in its earnings release. The Award Level for the APTE factor for the Performance Period shall be determined based on the following table:

Performance Level	Adjusted Pre-Tax Earnings Amount	% of Target Performance Share Units Earned[2]
Maximum	$17,500,000	200%
Target	$14,000,000	100%
Threshold	$10,500,000	50%
<Threshold	<$10,500,000	0%

(c) Forfeiture. Any portion of the Performance Share Units which are not earned at the end of the Performance Period shall be forfeited as of the last day of the Performance Period.

[2] Linear interpolation will be applicable to the percentages between the Performance Levels.

Exhibit 31.1

SARBANES-OXLEY SECTION 302 CERTIFICATION

I, Kevin J. Roycraft, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Adams Resources & Energy, Inc.;

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

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

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

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May August 9, 2023

By: /s/ Kevin J. Roycraft
Kevin J. Roycraft
Chief Executive Officer

Exhibit 31.2

SARBANES-OXLEY SECTION 302 CERTIFICATION

I, Tracy E. Ohmart, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Adams Resources & Energy, Inc.;

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

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

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

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

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

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

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

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

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

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

Date:	May August 9, 2023	By:	/s/ Tracy E. Ohmart
			Tracy E. Ohmart
			Chief Financial Officer

Exhibit 32.1

SARBANES-OXLEY SECTION 906 CERTIFICATION

CERTIFICATION OF KEVIN J. ROYCRAFT,
CHIEF EXECUTIVE OFFICER OF ADAMS RESOURCES & ENERGY, INC.

In connection with the quarterly report of Adams Resources & Energy, Inc. (the "Registrant") on Form 10-Q for the quarterly period ended March 31, 2023 June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin J. Roycraft, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date:	May August 9, 2023	By:	/s/ Kevin J. Roycraft
			Kevin J. Roycraft
			Chief Executive Officer

Exhibit 32.2

SARBANES-OXLEY SECTION 906 CERTIFICATION

CERTIFICATION OF TRACY E. OHMART,
CHIEF FINANCIAL OFFICER OF ADAMS RESOURCES & ENERGY, INC.

In connection with the quarterly report of Adams Resources & Energy, Inc. (the "Registrant") on Form 10-Q for the quarterly period ended March 31, 2023 June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tracy E. Ohmart, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date:	May August 9, 2023	By:	/s/ Tracy E. Ohmart
			Tracy E. Ohmart
			Chief Financial Officer

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