EXHIBIT C

U. S. Department of Justice

United States Trustee, Region 10
Central & Southern Districts of Illinois
Northern & Southern Districts of Indiana

101 West Ohio Street, Suite 1000
Indianapolis, Indiana 46204

317 / 226-6101
FAX 317 / 226-6356

Office of the United States Trustee - Region 10
Indianapolis, Indiana

Monthly Report
for
Debtors-in-Possession and Chapter 11 Trustees

Each month all Chapter 11 debtors must file two copies of this report with the Bankruptcy Clerk. The report must be filed with the attached reports identified below, ready for distribution to the U.S. Trustee no later than the 15th day of the month following the end of the calendar month covered by this report.

Debtor Name: KP Oil, Inc. For the month ended: September 30, 2004

Case Number: 04-11167-FJO-11 Date Bankruptcy filed: June 15, 2004

Required Documents	ATTACHED	SUBMITTED (Previously)
1. Monthly Income Statement (P&L1)	✓	
2. Monthly Cash Flow Report (CF1; 3 pages)	✓	
3. Statement of Operations (Coprept)	✓	
4. Other reports/documents as required by the U.S. Trustee		

The undersigned certifies under penalty of perjury that the information contained in this and accompanying reports is complete, true and correct to the best of my knowledge, information, and belief.

By: [signature] Dated: November 2, 20 04

Controller (Title) Debtor's telephone number 812-342-5700

Reports Prepared by: Shawn Moran (Name), Controller (Title)

MRR REV.September 3, 1992

OFFICE OF THE U.S. TRUSTEE - REGION 10
MONTHLY INCOME STATEMENT

As of July 31, 2004

Debtor Name KP OIL, INC.
Case Number 04-11167-FJO-11

See Attached.

	CURRENT MONTH	YEAR TO DATE
INCOME		
Gross Receipts or Sales less: returns or allowances	_____	_____
Costs of Goods	_____	_____
Beginning Inventory	_____	_____
Purchases	_____	_____
Other Costs (list)	_____	
less: ending inventory	_____	
Cost of Goods Sold	_____	_____
Gross Profit	_____	_____
Interest	_____	_____
Rents	_____	_____
Gain (Loss) from sale of property	_____	_____
Other Income	_____	_____
Total Income	_____	_____

GENERAL AND ADMINISTRATIVE EXPENSES

Compensation of Officers	_____	_____
Salaries & Wages	_____	_____
Repairs & Maintenance	_____	_____
Supplies	_____	_____
Bad Debts	_____	_____
Rents	_____	_____
Payroll Taxes	_____	_____
Other Taxes	_____	_____
Interest Expense		_____
Depreciation		_____
Insurance		_____
Travel & Entertainment		_____
Utilities & Telephone		_____
Professional & Legal		_____
Other Expenses (Attach Schedule)		_____
Total Expenses		_____
Net Profit (Loss)	_____	_____

P&L1(rev 9/3/92) (Accrual Method of accounting is required)

KP OIL
INCOME STATEMENT FOR SEPTEMBER 2004

	SEPTEMBER 2004
RENT INCOME	200,000
INTEREST INCOME	0
GAIN ON SALE OF ASSETS	0
TOTAL REVENUES	200,000
INTEREST EXPENSE	102,270
DEPRECIATION	34,833
AMORTIZATION EXPENSE	3,532
MANAGEMENT FEE	10,000
OTHER EXPENSES	633,469
TOTAL EXPENSES	784,104
INCOME BEFORE TAXES	(584,104)
STATE INCOME TAXES	5,100
FEDERAL INCOME TAXES	1,975
INCOME TAXES	7,075
NET INCOME	**(591,179)**

OFFICE OF THE U.S. TRUSTEE - REGION 10
MONTHLY CASH FLOW REPORT
AS OF September 30, 2004

Debtor Name. **KP OIL, INC.**
Case Number **04-11167-FJO-11**

Reconciled bank balance and cash on hand from last month (if this is the first report, insert the cash balance as of the petition date)	**6,302**	
CASH RECEIPTS		
from cash sales/receipts	200,000	
from collection of pre-petition accounts receivable		
from collection of post-petition accounts receivable		
from loans		
from contributions to capital or from gifts		
other receipts (itemize on a separate sheet) (dividends)		
TOTAL RECEIPTS (Do not include beginning bank balance)		200,000
CASH DISBURSEMENTS		
inventory purchases		
*net payments to officers/owners		
* net payments to other employees		
rent payments		
lease payments		
mortgage or note payments		
adequate protection payments		
insurance		
utilities/telephone		
** tax payments	-0-	
supplies		
outside labor		
travel/entertainment		
*** payments to attorneys		
*** payments to accountants		
*** payments to other professionals		
U.S. Trustee Quarterly Fee		
other expenses (payment to KBO pursuant to management agreement)	200,000	
TOTAL DISBURSEMENTS		
NET CASH FLOW (Total Receipts minus Total Disbursements)		200,000
Bank Balance and cash on hand at the end of the month (beginning balance + cash receipts - cash disbursements)		6,302

*** This figure is the actual cash paid. i.e. gross payroll less taxes withheld**

CF1(rev 9/3/92)

KP OIL
BALANCE SHEET SEPTEMBER 2004

	SEPTEMBER 2004
CASH	6,302
ACCTS RECEIVABLE	0
INTERCO RECEIVABLE	(1,505,628)
BAD DEBT RESERVE	0
OTHER RECEIVABLES	0
TOTAL RECEIVABLES	(1,505,628)
INVENTORY FIFO	0
LIFO RESERVE	0
NET INVENTORY	0
INTANGIBLES	269,563
OTHER	1,215,455
OTHER NON CURRENT ASSETS	1,485,018
GROSS FIXED ASSETS	29,547,628
ACCUM DEPRECIATION	(7,921,258)
NET FIXED ASSETS	21,626,370
TOTAL ASSETS	21,612,062
ACCTS PAYABLE TRADE	477,363
ACCTS PAYABLE EXCISE TAX	0
TOTAL ACCTS PAYABLE	477,363
PAYROLL TAXES PAYABLE	0
ACCRUED EXPENSES	18,500
OTHER ACCRUED TAXES	406,244
ACCRUED LIABILITIES	424,744
INTERCOMPANY LOAN	(6,000,000)
BANK BORROWING	13,766,241
SUBORDINATED DEBT	0
ALL OTHER LIABILITES	5,817,527
TOTAL LIABILITIES	14,485,875
COMMON STOCK	631,023
RETAINED EARNINGS	5,979,467
UNREALIZED HOLDING GAINS	515,697
TOTAL SHAREHOLDERS EQUITY	7,126,187
TOTAL LIABILITY & EQUITY	21,612,062

** This figure comes from page 2 of this form
*** Attach a copy of the court order authorizing such payments

OFFICE OF THE U.S. TRUSTEE - REGION 10
MONTHLY CASH FLOW REPORT
for the month ended September 30, 2004

STATUS OF TAXES

	BEGINNING *TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
** withholding				
**FICA-employee				
**FICA-employer				
unemployment				
income	4,939	1,975		6,914
other-list				
a. subtotal	9,939	1,975		6,914
STATE AND LOCAL				
withholding				
sales				
excise				
unemployment				
pother				
real property				
personal property				
other-list (income)	44,147	5,100		49,247
b. subtotal	44,147	5,100		49,247

TOTAL TAXES PAID - from a. & b. above -0-
(this sum is to be listed on page 1, as tax payments)

Explain the reason for any past due post-petition taxes: None

* the beginning tax liability should represent the liability from the prior month or, if this is the first operating report, this should be zero

** Attach photocopies of IRS Form 123 or your FTD coupon and payment receipt to verify payments or deposits.

OFFICE OF THE U.S. TRUSTEE - REGION 10
AGING SCHEDULES FOR RECEIVABLES & PAYABLES
for the month ended September 30, 2004

Accounts Receivable	Current 0-30 days	Past Due 31-60 days	Past Due 61-90 days	Past Due 91 & over days	
Pre-petition	-0-	-0-	-0-	-0-	
Post petition	-0-	-0-	-0-	-0-	
Totals	-0-	-0-	-0-	-0-	**-0-** ***(grand total)***
Accounts Payable	Current 0-30 days	Past Due 31-60 days	Past Due 61-90 days	Past Due 91 & over days	
Post-petition only	_____	_____	_____	_____	**-0-** ***(grand total)***
Notes or Leases Payable or adequate protection agreements (Post Petition only)	Current 0-30 days	Past Due 31-60 days	Past Due 61-90 days	Past Due 91 & over days	
List Creditor/Lessor					
None					

Post Petition Bank	**Bank Name**	**Account Number**	**Beginning Balance**	**Ending Balance**
operating	National City Bank	0758324821	6,302	**6,302**
payroll		_____	_____	_____
tax escrow		_____	_____	_____
other(s)				

U.S. Department of Justice

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Northern & Southern Districts of Indiana

101 East Ohio Street. Suite 1000 *317/226-6101*
Indianapolis, Indiana 46204 *FAX 317/226*

Office of the United States Trustee - Region 10
Indianapolis, Indiana

Statement of Operations
for the Month ended September 30, 2004

Debtor Name **KP OIL, INC.**

Case Number **04-11167-FJO-11**

1. What efforts have been made toward the presentation of a plan to creditors?
Debtors have proposed procedures for orderly liquidation of assets.

2. Has the Debtor in possession made any payments on the pre-petition unsecured debt since the since the filing of the bankruptcy?

__X__ NO
_____YES - If yes, then identify to whom the payment was made, the date paid, and the amount(s).

3. Provide a brief narrative' covering any significant events which occurred this past month.
A final order on DIP financing was entered by the Court. Statement of financial affairs and schedules of assets and liabilities were filed.

4. List the face value of accounts receivable as of the date that the bankruptcy was filed: $-0-. What amount of these receivables is considered uncollectible? $ -0-.

5. If assets have been sold this month in other than the ordinary course of business, provide the following information:

a. asset(s) sold: None
b. date of sale: _____
c. sales price: _____
d. net amount received: _____

Oprept REV.September 3, 1992

6. List payments made to principals, executives, or insiders (this includes draws or cash withdrawals by individuals or partners, dividends, lease payments on property owned by insider, loans, gross salaries, etc.)

Payee Name	Position	Amount	Explanation
None			

7. Schedule of insurance coverage.

Type of Policy	Expiration Date
See attached.	

Has any insurance coverage either been reduced or allowed to lapse during this month? If so, explain what changes have taken place.

No

If any insurance coverage will expire within 60 days from this report, explain what steps are being taken to renew existing policies or to acquire new insurance -coverage. Provide the United States-Trustee -with a new certificate.

Please see attached schedule of insurance.

8. Schedule of changes in personnel

		Full Time	Part Time
a.	Total number of employees at beginning of this period	-0-	
b.	Number hired during this period	-0-	
c.	Number terminated or resigned.	-0-	
d.	Total number of employees on payroll at the end of this period.	-0-	

General Insurance Summary

This insurance coverage covers Kiel Bros. Oil Co., Inc. and KP Oil, Inc. combined.

Type of Insurance	Description
Workers' Compensation	**Coverage A** - Statutory, **Coverage B** $1,000,000 Bodily Injury by Accident, $1,000,000 Bodily Injury by Disease - Policy Limit, $1,000,000 Bodily Injury by Disease - Each Employee, Coverage C - Covered States KY, IN, IL, **Deductibles** - N/A Bodily Injury by Accident - Each Accident, N/A Bodily Injury by Disease, N/A aggregate bodily injury
Work Comp - Collateral	Cash Account Collateral Payment
Commercial Auto	**Symbol 1 Liability** $1,000,000, **Symbol 2 Uninsured/Underinsured Motorists** - $1,000,000, **Symbol 2 Auto Medical Payments** - $5,000, **Personal Injury Protection (KY Only)** - Basic, **Hired/Non Owned Liability** - $1,000,000 **Deductibles** - $1,000 **Physical Damage** comprehensive - each auto, $1,000 collision - each auto, **Liability** - N/A - each accident (includes allocated loss adjustment expenses).
Commercial Property, Inland Marine, & EDP and General Liability	**General Liability -** $35,000 deductible each claim bodily injury and property damage, $1,000,000 each event limit, $2,000,000 aggregate per location, $2,000,000 products/completed operations limit, $1,000,000 personal injury limit, $1,000,000 advertising injury aggregate, $50,000 premises damage limit, General Policy Aggregate per Location - $10,000,000 - **Liquor Liability -** $4,000,000 total limit, $1,000,000 each person limit, **OH Stop Gap** - N/A Bodily Injury by accident each accident, N/A Bodily injury by disease - policy limit, N/A Bodily injury by disease - each employee, **Employee Benefits Liability (Claims made)** - N/A each wrongful act, N/A deductible, N/A aggregate limit, **Real and Personal Property Deductible** - $50,000, Earth Movement - 10%, Flood Excluded, **Accounts Receivable Deductible** - $5,000, **Valuable Papers Deductible** - $5,000, EDP - $5,000
Car Wash Claims	
Commercial Umbrella	$1,000,000 Each Occurrence, $1,000,000 General Aggregate Limit, $1,000,000 Products/Completed Operations Aggregate, $10,000 Self Insured Retention

The insurance coverages above were renewed on September 1, 2004. Such coverages are in effect through December 31, 2004.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 1st day of November, 2004, by first class United States Mail, postage prepaid, on the following:

Thomas W. Strattan
BP Products North America Inc.
28100 Torch Parkway, Suite 300
Warrenville, IL 60555

Robert Beal
Credit Manager
PepsiAmericas
3501 Algonquin Road
Rolling Meadows, IL 60008

Neal Mayes
Finance Manager
McLane Company, Inc.
4747 McLane Parkway
Temple, TX 76504

Bill Kaye
Coca-Cola Enterprises, Inc.
31 Rose Lane
East Rockaway, NY 11518

George E. Timmering, Sr.
4109 Manner Gate Drive
Louisville, KY 40220-3031

Greg Linneweber
VP & Treasurer
LinCo Services, Inc.
2610 LinCo Drive
Washington, IN 47501

Steven W. Poehler
Commercial Credit Manager
Marathon Ashland Petroleum LLC
539 S. Main Street, Room 1014-M
Findlay, OH 45840

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Joseph F. McGonigal
101 West Ohio Street, Suite 1000
Indianapolis, IN 46204

Scott L. Hazan
Otterbourg Steindler Houston & Rosen, PC
230 Park Avenue
New York, NY 10169

Jeffrey A. Hokanson
Ice Miller
One American Square, Box 82001
Indianapolis, IN 46282

/s/ Terry E. Hall