Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1993

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
HILCORP ENERGY COMPANY

P. O. BOX 61229, 1201 LOUISIANA
STREET, SUITE 1400
HOUSTON, TX 77002

2b Employer Identification Number (EIN)
76-0244942

2c Sponsor's telephone number
713-209-2400

2d Business code (see instructions)
211110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/28/2010	TONI GANZENMULLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/28/2010	TONI GANZENMULLER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

HILCORP ENERGY COMPANY

P. O. BOX 61229, 1201 LOUISIANA
STREET, SUITE 1400
HOUSTON, TX 77002

3b Administrator's EIN
76-0244942

3c Administrator's telephone number
713-209-2400

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	632
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	616
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	60
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	676
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	677
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	614
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	23
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500.
HILCORP ENERGY COMPANY

D Employer Identification Number (EIN)
76-0244942

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	409768	697	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
1564	1075

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

CFG INSURANCE SERVICES INC
ATTN COMMISSIONS
11140 ROCKVILLE PIKE
ROCKVILLE, MD 20852-3138

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
1564	1075	REFERRAL/SERVICE FEES	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	0
5	Current value of plan's interest under this contract in separate accounts at year end	5	767314

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ FLEXIBLE INVESTMENT ANNUITY

b	Balance at the end of the previous year			7b	616924
c	Additions: (1) Contributions deposited during the year	7c(1)	23442		
	(2) Dividends and credits	7c(2)	0		
	(3) Interest credited during the year	7c(3)	5847		
	(4) Transferred from separate account	7c(4)	111674		
	(5) Other (specify below)	7c(5)	2415		
	▶ LOAN PAYMENT				
	(6) Total additions			7c(6)	143378
d	Total of balance and additions (add **b** and **c(6)**)			7d	760302
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	43		
	(2) Administration charge made by carrier	7e(2)	3078		
	(3) Transferred to separate account	7e(3)	3214		
	(4) Other (specify below)	7e(4)	753967		
	▶ LOAN WITHDRAWAL, CONTRACT TERM/NOT MATURED				
	(5) Total deductions			7e(5)	760302
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HILCORP ENERGY COMPANY

D Employer Identification Number (EIN)
76-0244942

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MBG RETIREMENT INC.

76-0392127

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 51	NONE	21534	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12	NONE	7220	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

T. ROWE PRICE RPS, INC.

52-1714114

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 25 28 37 38 49 50 52 59 62 64 65	NONE	2602	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ALLIANZ NFJ SMALL CAP VALUE AD PO BOX 8050, BOSTON, MA 02266-8050	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN BEACON LG CAP VALUE 4151 AMON CARTER BLVD., MD 2450 FORT WORTH, TX 76155	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN EUROPACIFIC GROWTH R4 5300 ROBIN HOOD ROAD, NORFOLK, VA 23513-2407	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.35%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation		**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COHEN AND STEERS REAL ESTATE	COHEN AND STEERS CAPITAL MANAGEMENT INC., 280 PARK AVENUE, NEWYORK, NY 10017	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.05%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation		**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA ACORN INTL Z	ONE FINANCIAL CENTER, 14TH FLOOR, MAIL CODE MA5-515-14-01 BOSTON, MA 02111	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation		**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA MID CAP VALUE FUND Z	ONE FINANCIAL CENTER, 14TH FLOOR, MAIL CODE MA5-515-14-01 BOSTON, MA 02111	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.25%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
DODGE & COX INCOME 555 CALIFORNIA STREET, 40TH FLOOR, SAN FRANCISCO, CA 94104	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.08%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
GROWTH FUND OF AMERICA 5300 ROBIN HOOD ROAD, NORFOLK, VA 23513-2407	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MUNDER MIDCAP CORE GR FD P.O. BOX 9701, 101 SABIN STREET, PROVIDENCE, RI 02940	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.25%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER DEVELOP MARKETS, Y TWO WORLD FINANCIAL CENTER, 225 LIB 225 LIBERTY STREET, 11, NEW YORK, NY 10281	FEE FOR SHAREHOLDER SERVICING BASED UPON 0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
HILCORP ENERGY COMPANY

D Employer Identification Number (EIN)
76-0244942

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL U.S. PROPERTY SEPACT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-027	P	767314

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL INTL EM MKT SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-013	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINICIPAL MONEY MKT SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-024	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL SMALLCAP SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-014	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL GOVT&HQBND SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-007	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCP S&P 500 IDX SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-016	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL LIFETM 2010 SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-075	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL LIFETM 2020 SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-076	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL LIFETM 2030 SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-077	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL LIFETM 2040 SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-078	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE I SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-043	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL LIFETM 2050 SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-079	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM STR INC SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-080	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP GROWTH II SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-067	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP S&P 600 INDEX SA

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-028	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 INDEX SA

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-023	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN FIN GRP INC. STK SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-086	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP GROWTH I SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-070	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP GROWTH III SEP ACCT

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-074	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HILCORP ENERGY COMPANY

D Employer Identification Number (EIN)
76-0244942

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	153	0
(2) Participant contributions	1b(2)	368	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	526835	763866
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	13565485	767314
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1119521	24552814
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	616924	0
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	15829286	26083994
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	15829286	26083994

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	2294245	
	(B) Participants	2a(1)(B)	4167100	
	(C) Others (including rollovers)	2a(1)(C)	410602	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		6871947
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	33544	
	(F) Other	2b(1)(F)	5847	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		39391
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	427543	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		427543
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-1283882
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		4962741
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		11017740
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	731676	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		731676
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	31356	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		31356
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		763032
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		10254708
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HAM, LANGSTON & BREZINA, LLP **(2)** EIN: 76-0448495

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		10000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**	X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HILCORP ENERGY COMPANY

D Employer Identification Number (EIN)
76-0244942

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-0127290 52-1481931

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
WITH REPORT OF INDEPENDENT ACCOUNTANTS
as of and for the years ended December 31, 2009 and 2008

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

TABLE OF CONTENTS

	Page(s)
Report of Independent Accountants	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008	3
Notes to Financial Statements	4
Supplementary Schedule*:	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2009	13

* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

HLB HAM, LANGSTON & BREZINA, L.L.P.
11550 FUQUA, SUITE 475
HOUSTON, TEXAS 77034
PHONE (281) 481-1040
FAX (281) 481-8485
www.hlb-cpa.com

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Plan Administrator
Hilcorp Energy Company 401(K) Savings Plan:

We were engaged to audit the accompanying financial statements and supplemental schedule of Hilcorp Energy Company 401(K) Savings Plan (the "Plan") as of December 31, 2009 and 2008, and for the years then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by T. Rowe Price Trust Company (the "Trustee"), the Trustee of the Plan, and Principal Life Insurance Company (the "Custodian"), the Custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the Trustee and Custodian as of December 31, 2009 and 2008 and for the years then ended that the information provided to the Plan administrator by the Trustee and Custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee and Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ham, Langston & Brezina, L.L.P.

Houston, Texas
July 22, 2010

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

	2009	2008
Assets:		
Investments at fair value (See Notes 2 and 3)	$ 26,126,372	$ 15,871,143
Contributions receivable		
Employee	-	368
Employer	-	153
Total contributions receivable	-	521
Net assets available for benefits	$ 26,126,372	$ 15,871,664

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

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the years ended December 31, 2009 and 2008

	2009	2008
Investment income (loss):		
Interest income	$ 466,934	$ 90,109
Net appreciation (depreciation) in fair value of investments (See Notes 2 and 3)	3,678,859	(6,623,395)
Total investment income (loss)	4,145,793	(6,533,286)
Contributions:		
Employees	4,167,100	3,576,301
Employer	2,294,245	907,228
Rollovers from other plans	410,602	152,642
Total contributions	6,871,947	4,636,171
Total investment income (loss) and contributions	11,017,740	(1,897,115)
Deductions from net assets attributed to:		
Benefits and withdrawals	731,676	968,894
Custodian fees	31,356	15,748
Total deductions	763,032	984,642
Net increase (decrease) in net assets available for benefits	10,254,708	(2,881,757)
Net assets available for benefits, beginning of year	15,871,664	18,753,421
Net assets available for benefits, end of year	$ 26,126,372	$ 15,871,664

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

HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. **Description of Plan**

The following description of the Hilcorp Energy Company (the "Company") 401(k) Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective July 1, 1993 as a defined contribution plan covering all regular employees of the Company on the first of the month that coincides with or next following their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Administration

The Plan is administered by an administrator (the "Plan Administrator") appointed by the Company. Principal Life Insurance Company served as the Plan's Custodian (the "Custodian") and record keeper during 2008 and from January 1, 2009 through March 31, 2009. Effective April 1, 2009, T. Rowe Price Trust Company became the Trustee and recordkeeper of the Plan. The Plan Administrator was the trustee for participant loans until March 31, 2009.

Contributions

Effective April 1, 2009, participants may contribute up to 75% (100% prior to April 1, 2009) of their pretax eligible compensation not to exceed the limitation set forth in Section 402(g) ($16,500 and $15,500 in 2009 and 2008, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions, pre-tax contributions that exceed the annual elective deferral limit, during any calendar year ending with or after the participant's 50th birthday. Participants' total catch-up contributions during 2009 and 2008 cannot exceed $5,500 and $5,000, respectively, for each year. Participants may also rollover amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company may make a discretionary matching contribution. The percentage of the discretionary matching contribution, if any, shall be determined by the Company. During the years ended December 31, 2009 and 2008, the Company made discretionary matching contributions totaling $2,294,245 and $907,228, respectively. The Plan also provides for additional discretionary employer matching contributions, determined at the option of the Company's Board of Directors. No additional discretionary matching contributions were made during 2009 and 2008.

Participant Accounts

Each participant's account is credited with the participant's contributions and the Company's related contributions and Plan earnings. Income and loss is allocated to the participants' accounts based on the ratio of the account balance of the individual participant to the aggregate of all account balances of all participants in the fund within the Plan. Upon the occurrence of a distribution event, the benefit to which the participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

Vesting

Participants are immediately vested in their elective contributions, plus any earnings on such contributions. The vesting of certain discretionary employer contributions plus any earnings thereon is based on years of continuous service accrued by the participant while in covered employment. A participant vests at a rate of 20% per year until fully vested after five years of credited service.

Continued

1. **Description of Plan, continued**

Participant Loans

Participants may borrow from their fund accounts at a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of the participant's vested account balance reduced by any outstanding loan balance on the date the loan is made. Loan terms range from 1 to 5 years. The loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest payments are made by payroll withholdings according to the terms of the promissory note.

Benefit Payments

Upon termination of employment the vested interest in a participant's account may be distributed as a rollover to another Plan or lump-sum distribution.

Forfeited Accounts

All employer contributions credited to a participant's account, but not vested, are forfeited by the participant upon his/her termination from the Plan. Forfeitures are generally used to fund employer contributions or pay Plan expenses. During 2009 and 2008, forfeited non vested accounts of $29,490 and $20,823, respectively, were used to pay administrative expenses and reduce employer contributions. As of December 31, 2009 and 2008, total forfeitures available to reduce future employer contributions and/or administrative expenses were $39,106 and $19,959, respectively.

Administrative Expenses

The Plan is primarily responsible for payment of the Custodian expenses and fees. The Company may pay certain administrative expenses incurred in connection with the administration of the Plan. Expenses paid by the Company on behalf of the Plan during the years ended December 31, 2009 and 2008 were approximately $9,800 and $9,500, respectively.

2. **Summary of Significant Accounting Policies**

Financial Accounting Standards Board ("FASB") Codification

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification TM and the Hierarchy of Generally Accepted Accounting Principles* ("SFAS 168"). The FASB Accounting Standards Codification TM, ("Codification" or "ASC") became the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for all financial statements issued for interim and annual periods ending after September 15, 2009. On the effective date of SFAS 168, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification became non-authoritative.

Following SFAS 168, the FASB will no longer issue new standards in the form of Statements, FASB Staff Positions ("FSP"), FASB Interpretations ("FIN"), or Emerging Issues Task Force Abstracts ("EITF"); instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right; rather, these updates will serve only to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the Codification. SFAS 168 is incorporated in ASC Topic 105, *Generally Accepted Accounting Principles*. The Plan adopted SFAS 168 for the year ended December 31, 2009.

Continued

2. Summary of Significant Accounting Policies, continued

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options. These investment options are exposed to market risk, which generally means the risk of loss in the value of certain investment securities due to changes in interest rates, security and commodity prices and general market conditions. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities in the near term could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Investment Valuation

The Plan's investments are stated at fair value. Investments in pooled separate accounts are valued based on the quoted market prices of the underlying assets and the number of units owned by the Plan. Investments in registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Investments in the guaranteed interest accounts are stated at fair value since the guaranteed interest accounts are not considered fully benefit responsive. Participant loans are valued at their outstanding balances, which approximates fair value.

Net appreciation in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

Benefit Payments

Benefit payments are recorded when paid.

Recent Accounting Pronouncements

In September 2006, the FASB issued ASC Topic 820, *Fair Value Measurements and Disclosures* (formerly known as SFAS No. 157, *Fair Value Measurements*), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC Topic 820 was effective for the Plan in January 2008; however, its adoption did not have a material impact on the Plan's financial statements.

2. **Summary of Significant Accounting Policies, continued**

Recent Accounting Pronouncements, continued

In May 2009, the FASB issued ASC Topic 855, *Subsequent Events* (formerly known as SFAS No. 165, *Subsequent Events*), which establishes general standards of accounting for and disclosure of events that occur after the date of the Statement of Net Assets Available for Benefits but before financial statements are issued or available to be issued. ASC Topic 855 defines (i) the period after the date of the Statement of Net Assets Available for Benefits during which a reporting entity's management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the date of the Statement of Net Assets Available for Benefits in its financial statements, and (iii) the disclosures an entity should make about events or transactions that occurred after the date of the Statement of Net Assets Available for Benefits. ASC Topic 855 was effective for the Plan for the year ended December 31, 2009; however, its adoption did not have a significant impact on the Plan's financial statements.

3. **Investments**

The following table presents the Plan's investments. Investments that represent 5% or more of total plan assets are separately identified.

	2009	2008
Principal Money Market Account	$ -	$ 2,784,566
Principal International Emerging Markets	-	1,189,163
Principal Large Cap Stock Index	-	1,111,477
Principal International Small Company	-	1,097,394
Principal U.S. Property	-	1,077,427
Goldman Sachs Mid-Cap Value I	-	1,075,283
Principal Glob Inv Small Cap Stock Index	-	963,696
T. Rowe Price Retirement 2020 Fund	4,306,677	-
T. Rowe Price Retirement 2025 Fund	3,312,398	-
T. Rowe Price Retirement 2015 Fund	2,585,072	-
T. Rowe Price Summit Cash Reserve Fund	1,992,917	-
T. Rowe Price Retirement 2030 Fund	1,447,163	-
Investments less than 5%	12,482,145	6,572,137
Total investments	$ 26,126,372	$ 15,871,143

*Less than 5% of the Plan's net assets in period indicated

During the years ended December 31, 2009 and 2008, the Plan's investments (including realized gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2009	2008
Pooled Separate Accounts	$ (1,283,882)	$ (6,095,837)
Mutual Funds	4,962,741	(527,558)
Net appreciation (depreciation) in fair of investments	$ 3,678,859	$ (6,623,395)

Continued

4. **Fair Value Measurements**

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

Pooled separate accounts: Valued based on the quoted prices of the underlying securities and the number of units owned by the Plan.

Guaranteed investment contracts: Valued at fair value by discounting the cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Participant loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Continued

4. **Fair Value Measurements, continued**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blended funds	$ 13,466,420	$ -	$ -	$ 13,466,420
Growth funds	6,578,879	-	-	6,578,879
Money market funds	1,992,917	-	-	1,992,917
Bond funds	1,451,920	-	-	1,451,920
Value funds	1,062,678	-	-	1,062,678
Total mutual funds	24,552,814	-	-	24,552,814
Pooled separate accounts	-	-	767,314	767,314
Participant loans	-	-	806,244	806,244
Total assets at fair value	$ 24,552,814	$	$ 1,573,558	$ 26,126,372

	Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	$ 465,021	$ -	$ -	$ 465,021
Growth funds	323,505	-	-	323,505
Value funds	234,957	-	-	234,957
Blended funds	96,038	-	-	96,038
Total mutual funds	1,119,521	-	-	1,119,521
Pooled separate accounts:				
Blended funds	-	3,712,592	-	3,712,592
Money market funds	-	2,784,566	-	2,784,566
Fixed income funds	-	579,422	1,077,427	1,656,849
Value funds	-	2,480,456	-	2,480,456
Growth funds	-	1,940,251	-	1,940,251
Equity funds	-	963,696	-	963,696
Stock funds	-	27,075	-	27,075
Total pooled separate accounts	-	12,488,058	1,077,427	13,565,485
Guaranteed investment contracts	-	-	616,924	616,924
Participant loans	-	-	569,213	569,213
Total assets at fair value	$ 1,119,521	$12,488,058	$ 2,263,564	$ 15,871,143

Continued

4. **Fair Value Measurements, continued**

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009:

	Participant Loans	Guaranteed Investment Contract	Pooled Separate Accounts
Balance, beginning of year	$ 569,213	$ 616,924	$ 1,077,427
Unrealized gains/(losses) relating to instruments still held at the reporting date	-	-	(352,962)
Purchases, sales, issuances and settlements, net	237,031	(616,924)	42,849
Balance, end of year	$ 806,244	$ -	$ 767,314

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2008:

	Participant Loans	Guaranteed Investment Contract	Pooled Separate Accounts
Balance, beginning of year	$ 575,329	$ 410,128	$ 1,028,200
Unrealized gains/(losses) relating to instruments still held at the reporting date	-	19,217	(160,452)
Purchases, sales, issuances and settlements, net	(6,116)	187,579	209,679
Balance, end of year	$ 569,213	$ 616,924	$ 1,077,427

5. **Information Certified by the Trustee and Custodian (Unaudited)**

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan's Trustee, T. Rowe Price Trust Company, and the Plan's Custodian, Principal Life Insurance Company, has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

5. **Information Certified by the Trustee and Custodian (Unaudited), continued**

a. Information in the Statements of Net Assets Available for Benefits at December 31, 2009 and 2008:

	2009	2008
Pooled separate accounts	$ 767,314	$ 13,565,485
Mutual funds	24,552,814	1,119,521
Guaranteed investment contracts	-	616,924
Participant loans	806,244	569,213
Total	$ 26,126,372	$ 15,871,143

b. Information in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008:

	2009	2008
Interest and dividends	$ 466,934	$ 90,109
Net appreciation (depreciation) in fair value of investments	$ 3,678,859	$ (6,623,395)

c. All information included in Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009, as shown in the supplemental schedule.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

6. **Tax Status**

The Plan is based on a standardized prototype plan. The prototype plan received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2008. The Plan trustee and administrator believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and accordingly, that the trust maintained in connection with the Plan is tax-exempt.

7. **Plan Termination**

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their account balances.

8. **Party-in-Interest Transactions**

Certain Plan investments are in accounts managed by the Trustee and the Custodian, and the Plan invests in participant loans. Administrative expenses are also paid to the Trustee and the Custodian. These transactions qualify as party-in-interest transactions as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

Continued

9. **Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2009 and 2008:

	2009	2008
Net assets available for benefits per the financial statements	$ 26,126,372	$ 15,871,664
Deemed loans	(42,378)	(42,378)
Net assets available for benefits per Form 5500	$ 26,083,994	$ 15,829,286

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31, 2009 and 2008:

	2009	2008
Net increase in net assets available for benefits per the financial statements	$ 10,254,708	$ (2,881,757)
Deemed loans	-	-
Excess contributions payable for 2008	-	-
Net increase in net assets available for benefits per Form 5500	$ 10,254,708	$ (2,881,757)

10. **Subsequent Event**

Subsequent events have been evaluated through July 22, 2010, which is the date the financial statements were issued.

SUPPLEMENTAL SCHEDULE

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

EIN: 76-0244942
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(e) Current Value ***
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2020 Fund	$ 4,306,677**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2025 Fund	3,312,398**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2015 Fund	2,585,072**
*	T. Rowe Price Trust Company	Mutual Fund-Summit Cash Reserves Fund	1,992,917**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2030 Fund	1,447,163**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2040 Fund	1,196,649
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2035 Fund	1,148,481
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2010 Fund	1,028,034
	Vanguard	Mutual Fund-Short Term Fed Income	929,529
	Fidelity	Mutual Fund-Fidelity Spartan 500 Index	885,290
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2045 Fund	857,482
	Principal Life Insurance Co.	Pooled Separate Account Principal U. S. Property	767,314
	Dodge & Cox	Mutual Fund-Income Fund	522,391
*	T. Rowe Price Trust Company	Mutual Fund-Equity Income Fund	445,679
	Vanguard	Mutual Fund-Small Cap Index Fund	393,675
	Baron Growth Fund	Mutual Fund-Growth Fund	383,315
	Vanguard	Mutual Fund-Mid Cap Index	345,482
	Oppenheimer	Mutual Fund-Develop Markets Y	341,264

* Represents party-in-interest transactions
** Represents investments comprising at least 5% of net assets available for benefits.
*** Cost information is not presented because all investments are participant directed.

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

EIN: 76-0244942
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(e) Current Value ***
	Allianz	Mutual Fund-NFJ Small Cap Value AD	309,732
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2005 Fund	309,053
	American Funds	Mutual Fund-Growth Fund of America	305,292
	Munder	Mutual Fund-Midcap Core Growth Fund	300,550
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2050 Fund	269,677
	American	Mutual Fund-Euro Pacific Growth R4	214,395
	Columbia	Mutual Fund-Acorn Intl Z	211,327
	American Beacon	Mutual Fund-Large Cap Value Fund	165,472
	Columbia	Mutual Fund-Mid Cap Value Fund Z	141,795
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2055 Fund	117,679
	Cohen & Steers	Mutual Fund-Realty Shares	56,918
*	T. Rowe Price Trust Company	Mutual Fund-Retirement Income Fund	29,426
*	Participant loans	Loans bearing interest at rates ranging from 3.25% to 9.25%.	806,244
		Total	$ 26,126,372

* Represents party-in-interest transactions
** Represents investments comprising at least 5% of net assets available for benefits.
*** Cost information is not presented because all investments are participant directed.

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
WITH REPORT OF INDEPENDENT ACCOUNTANTS
as of and for the years ended December 31, 2009 and 2008

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

TABLE OF CONTENTS

	Page(s)
Report of Independent Accountants	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008	3
Notes to Financial Statements	4
Supplementary Schedule*:	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2009	13

* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

HLB HAM, LANGSTON & BREZINA, L.L.P.
11550 FUQUA, SUITE 475
HOUSTON, TEXAS 77034
PHONE (281) 481-1040
FAX (281) 481-8485
www.hlb-cpa.com

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Plan Administrator
Hilcorp Energy Company 401(K) Savings Plan:

We were engaged to audit the accompanying financial statements and supplemental schedule of Hilcorp Energy Company 401(K) Savings Plan (the "Plan") as of December 31, 2009 and 2008, and for the years then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by T. Rowe Price Trust Company (the "Trustee"), the Trustee of the Plan, and Principal Life Insurance Company (the "Custodian"), the Custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the Trustee and Custodian as of December 31, 2009 and 2008 and for the years then ended that the information provided to the Plan administrator by the Trustee and Custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee and Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ham, Langston & Brezina, L.L.P.

Houston, Texas
July 22, 2010

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

	2009	2008
Assets:		
Investments at fair value (See Notes 2 and 3)	$ 26,126,372	$ 15,871,143
Contributions receivable		
Employee	-	368
Employer	-	153
Total contributions receivable	-	521
Net assets available for benefits	$ 26,126,372	$ 15,871,664

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

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the years ended December 31, 2009 and 2008

	2009	2008
Investment income (loss):		
Interest income	$ 466,934	$ 90,109
Net appreciation (depreciation) in fair value of investments (See Notes 2 and 3)	3,678,859	(6,623,395)
Total investment income (loss)	4,145,793	(6,533,286)
Contributions:		
Employees	4,167,100	3,576,301
Employer	2,294,245	907,228
Rollovers from other plans	410,602	152,642
Total contributions	6,871,947	4,636,171
Total investment income (loss) and contributions	11,017,740	(1,897,115)
Deductions from net assets attributed to:		
Benefits and withdrawals	731,676	968,894
Custodian fees	31,356	15,748
Total deductions	763,032	984,642
Net increase (decrease) in net assets available for benefits	10,254,708	(2,881,757)
Net assets available for benefits, beginning of year	15,871,664	18,753,421
Net assets available for benefits, end of year	$ 26,126,372	$ 15,871,664

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

HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. **Description of Plan**

The following description of the Hilcorp Energy Company (the "Company") 401(k) Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective July 1, 1993 as a defined contribution plan covering all regular employees of the Company on the first of the month that coincides with or next following their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Administration

The Plan is administered by an administrator (the "Plan Administrator") appointed by the Company. Principal Life Insurance Company served as the Plan's Custodian (the "Custodian") and record keeper during 2008 and from January 1, 2009 through March 31, 2009. Effective April 1, 2009, T. Rowe Price Trust Company became the Trustee and recordkeeper of the Plan. The Plan Administrator was the trustee for participant loans until March 31, 2009.

Contributions

Effective April 1, 2009, participants may contribute up to 75% (100% prior to April 1, 2009) of their pretax eligible compensation not to exceed the limitation set forth in Section 402(g) ($16,500 and $15,500 in 2009 and 2008, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions, pre-tax contributions that exceed the annual elective deferral limit, during any calendar year ending with or after the participant's 50th birthday. Participants' total catch-up contributions during 2009 and 2008 cannot exceed $5,500 and $5,000, respectively, for each year. Participants may also rollover amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company may make a discretionary matching contribution. The percentage of the discretionary matching contribution, if any, shall be determined by the Company. During the years ended December 31, 2009 and 2008, the Company made discretionary matching contributions totaling $2,294,245 and $907,228, respectively. The Plan also provides for additional discretionary employer matching contributions, determined at the option of the Company's Board of Directors. No additional discretionary matching contributions were made during 2009 and 2008.

Participant Accounts

Each participant's account is credited with the participant's contributions and the Company's related contributions and Plan earnings. Income and loss is allocated to the participants' accounts based on the ratio of the account balance of the individual participant to the aggregate of all account balances of all participants in the fund within the Plan. Upon the occurrence of a distribution event, the benefit to which the participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

Vesting

Participants are immediately vested in their elective contributions, plus any earnings on such contributions. The vesting of certain discretionary employer contributions plus any earnings thereon is based on years of continuous service accrued by the participant while in covered employment. A participant vests at a rate of 20% per year until fully vested after five years of credited service.

Continued

1. **Description of Plan, continued**

Participant Loans

Participants may borrow from their fund accounts at a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of the participant's vested account balance reduced by any outstanding loan balance on the date the loan is made. Loan terms range from 1 to 5 years. The loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest payments are made by payroll withholdings according to the terms of the promissory note.

Benefit Payments

Upon termination of employment the vested interest in a participant's account may be distributed as a rollover to another Plan or lump-sum distribution.

Forfeited Accounts

All employer contributions credited to a participant's account, but not vested, are forfeited by the participant upon his/her termination from the Plan. Forfeitures are generally used to fund employer contributions or pay Plan expenses. During 2009 and 2008, forfeited non vested accounts of $29,490 and $20,823, respectively, were used to pay administrative expenses and reduce employer contributions. As of December 31, 2009 and 2008, total forfeitures available to reduce future employer contributions and/or administrative expenses were $39,106 and $19,959, respectively.

Administrative Expenses

The Plan is primarily responsible for payment of the Custodian expenses and fees. The Company may pay certain administrative expenses incurred in connection with the administration of the Plan. Expenses paid by the Company on behalf of the Plan during the years ended December 31, 2009 and 2008 were approximately $9,800 and $9,500, respectively.

2. **Summary of Significant Accounting Policies**

Financial Accounting Standards Board ("FASB") Codification

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification TM and the Hierarchy of Generally Accepted Accounting Principles* ("SFAS 168"). The FASB Accounting Standards Codification TM, ("Codification" or "ASC") became the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for all financial statements issued for interim and annual periods ending after September 15, 2009. On the effective date of SFAS 168, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification became non-authoritative.

Following SFAS 168, the FASB will no longer issue new standards in the form of Statements, FASB Staff Positions ("FSP"), FASB Interpretations ("FIN"), or Emerging Issues Task Force Abstracts ("EITF"); instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right; rather, these updates will serve only to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the Codification. SFAS 168 is incorporated in ASC Topic 105, *Generally Accepted Accounting Principles*. The Plan adopted SFAS 168 for the year ended December 31, 2009.

Continued

2. Summary of Significant Accounting Policies, continued

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options. These investment options are exposed to market risk, which generally means the risk of loss in the value of certain investment securities due to changes in interest rates, security and commodity prices and general market conditions. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities in the near term could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Investment Valuation

The Plan's investments are stated at fair value. Investments in pooled separate accounts are valued based on the quoted market prices of the underlying assets and the number of units owned by the Plan. Investments in registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Investments in the guaranteed interest accounts are stated at fair value since the guaranteed interest accounts are not considered fully benefit responsive. Participant loans are valued at their outstanding balances, which approximates fair value.

Net appreciation in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

Benefit Payments

Benefit payments are recorded when paid.

Recent Accounting Pronouncements

In September 2006, the FASB issued ASC Topic 820, *Fair Value Measurements and Disclosures* (formerly known as SFAS No. 157, *Fair Value Measurements*), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC Topic 820 was effective for the Plan in January 2008; however, its adoption did not have a material impact on the Plan's financial statements.

2. **Summary of Significant Accounting Policies, continued**

Recent Accounting Pronouncements, continued

In May 2009, the FASB issued ASC Topic 855, *Subsequent Events* (formerly known as SFAS No. 165, *Subsequent Events*), which establishes general standards of accounting for and disclosure of events that occur after the date of the Statement of Net Assets Available for Benefits but before financial statements are issued or available to be issued. ASC Topic 855 defines (i) the period after the date of the Statement of Net Assets Available for Benefits during which a reporting entity's management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the date of the Statement of Net Assets Available for Benefits in its financial statements, and (iii) the disclosures an entity should make about events or transactions that occurred after the date of the Statement of Net Assets Available for Benefits. ASC Topic 855 was effective for the Plan for the year ended December 31, 2009; however, its adoption did not have a significant impact on the Plan's financial statements.

3. **Investments**

The following table presents the Plan's investments. Investments that represent 5% or more of total plan assets are separately identified.

	2009	2008
Principal Money Market Account	$ -	$ 2,784,566
Principal International Emerging Markets	-	1,189,163
Principal Large Cap Stock Index	-	1,111,477
Principal International Small Company	-	1,097,394
Principal U.S. Property	-	1,077,427
Goldman Sachs Mid-Cap Value I	-	1,075,283
Principal Glob Inv Small Cap Stock Index	-	963,696
T. Rowe Price Retirement 2020 Fund	4,306,677	-
T. Rowe Price Retirement 2025 Fund	3,312,398	-
T. Rowe Price Retirement 2015 Fund	2,585,072	-
T. Rowe Price Summit Cash Reserve Fund	1,992,917	-
T. Rowe Price Retirement 2030 Fund	1,447,163	-
Investments less than 5%	12,482,145	6,572,137
Total investments	$ 26,126,372	$ 15,871,143

*Less than 5% of the Plan's net assets in period indicated

During the years ended December 31, 2009 and 2008, the Plan's investments (including realized gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2009	2008
Pooled Separate Accounts	$ (1,283,882)	$ (6,095,837)
Mutual Funds	4,962,741	(527,558)
Net appreciation (depreciation) in fair of investments	$ 3,678,859	$ (6,623,395)

Continued

4. **Fair Value Measurements**

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

Pooled separate accounts: Valued based on the quoted prices of the underlying securities and the number of units owned by the Plan.

Guaranteed investment contracts: Valued at fair value by discounting the cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Participant loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Continued

4. **Fair Value Measurements, continued**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blended funds	$ 13,466,420	$ -	$ -	$ 13,466,420
Growth funds	6,578,879	-	-	6,578,879
Money market funds	1,992,917	-	-	1,992,917
Bond funds	1,451,920	-	-	1,451,920
Value funds	1,062,678	-	-	1,062,678
Total mutual funds	24,552,814	-	-	24,552,814
Pooled separate accounts	-	-	767,314	767,314
Participant loans	-	-	806,244	806,244
Total assets at fair value	$ 24,552,814	$	$ 1,573,558	$ 26,126,372

	Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	$ 465,021	$ -	$ -	$ 465,021
Growth funds	323,505	-	-	323,505
Value funds	234,957	-	-	234,957
Blended funds	96,038	-	-	96,038
Total mutual funds	1,119,521	-	-	1,119,521
Pooled separate accounts:				
Blended funds	-	3,712,592	-	3,712,592
Money market funds	-	2,784,566	-	2,784,566
Fixed income funds	-	579,422	1,077,427	1,656,849
Value funds	-	2,480,456	-	2,480,456
Growth funds	-	1,940,251	-	1,940,251
Equity funds	-	963,696	-	963,696
Stock funds	-	27,075	-	27,075
Total pooled separate accounts	-	12,488,058	1,077,427	13,565,485
Guaranteed investment contracts	-	-	616,924	616,924
Participant loans	-	-	569,213	569,213
Total assets at fair value	$ 1,119,521	$12,488,058	$ 2,263,564	$ 15,871,143

Continued

4. **Fair Value Measurements, continued**

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009:

	Participant Loans	Guaranteed Investment Contract	Pooled Separate Accounts
Balance, beginning of year	$ 569,213	$ 616,924	$ 1,077,427
Unrealized gains/(losses) relating to instruments still held at the reporting date	-	-	(352,962)
Purchases, sales, issuances and settlements, net	237,031	(616,924)	42,849
Balance, end of year	$ 806,244	$ -	$ 767,314

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2008:

	Participant Loans	Guaranteed Investment Contract	Pooled Separate Accounts
Balance, beginning of year	$ 575,329	$ 410,128	$ 1,028,200
Unrealized gains/(losses) relating to instruments still held at the reporting date	-	19,217	(160,452)
Purchases, sales, issuances and settlements, net	(6,116)	187,579	209,679
Balance, end of year	$ 569,213	$ 616,924	$ 1,077,427

5. **Information Certified by the Trustee and Custodian (Unaudited)**

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan's Trustee, T. Rowe Price Trust Company, and the Plan's Custodian, Principal Life Insurance Company, has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

5. **Information Certified by the Trustee and Custodian (Unaudited), continued**

a. Information in the Statements of Net Assets Available for Benefits at December 31, 2009 and 2008:

	2009	2008
Pooled separate accounts	$ 767,314	$ 13,565,485
Mutual funds	24,552,814	1,119,521
Guaranteed investment contracts	-	616,924
Participant loans	806,244	569,213
Total	$ 26,126,372	$ 15,871,143

b. Information in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008:

	2009	2008
Interest and dividends	$ 466,934	$ 90,109
Net appreciation (depreciation) in fair value of investments	$ 3,678,859	$ (6,623,395)

c. All information included in Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009, as shown in the supplemental schedule.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

6. **Tax Status**

The Plan is based on a standardized prototype plan. The prototype plan received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2008. The Plan trustee and administrator believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and accordingly, that the trust maintained in connection with the Plan is tax-exempt.

7. **Plan Termination**

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their account balances.

8. **Party-in-Interest Transactions**

Certain Plan investments are in accounts managed by the Trustee and the Custodian, and the Plan invests in participant loans. Administrative expenses are also paid to the Trustee and the Custodian. These transactions qualify as party-in-interest transactions as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

Continued

9. **Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2009 and 2008:

	2009	2008
Net assets available for benefits per the financial statements	$ 26,126,372	$ 15,871,664
Deemed loans	(42,378)	(42,378)
Net assets available for benefits per Form 5500	$ 26,083,994	$ 15,829,286

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31, 2009 and 2008:

	2009	2008
Net increase in net assets available for benefits per the financial statements	$ 10,254,708	$ (2,881,757)
Deemed loans	-	-
Excess contributions payable for 2008	-	-
Net increase in net assets available for benefits per Form 5500	$ 10,254,708	$ (2,881,757)

10. **Subsequent Event**

Subsequent events have been evaluated through July 22, 2010, which is the date the financial statements were issued.

SUPPLEMENTAL SCHEDULE

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

EIN: 76-0244942
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(e) Current Value ***
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2020 Fund	$ 4,306,677**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2025 Fund	3,312,398**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2015 Fund	2,585,072**
*	T. Rowe Price Trust Company	Mutual Fund-Summit Cash Reserves Fund	1,992,917**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2030 Fund	1,447,163**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2040 Fund	1,196,649
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2035 Fund	1,148,481
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2010 Fund	1,028,034
	Vanguard	Mutual Fund-Short Term Fed Income	929,529
	Fidelity	Mutual Fund-Fidelity Spartan 500 Index	885,290
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2045 Fund	857,482
	Principal Life Insurance Co.	Pooled Separate Account Principal U. S. Property	767,314
	Dodge & Cox	Mutual Fund-Income Fund	522,391
*	T. Rowe Price Trust Company	Mutual Fund-Equity Income Fund	445,679
	Vanguard	Mutual Fund-Small Cap Index Fund	393,675
	Baron Growth Fund	Mutual Fund-Growth Fund	383,315
	Vanguard	Mutual Fund-Mid Cap Index	345,482
	Oppenheimer	Mutual Fund-Develop Markets Y	341,264

* Represents party-in-interest transactions
** Represents investments comprising at least 5% of net assets available for benefits.
*** Cost information is not presented because all investments are participant directed.

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

EIN: 76-0244942
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(e) Current Value ***
	Allianz	Mutual Fund-NFJ Small Cap Value AD	309,732
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2005 Fund	309,053
	American Funds	Mutual Fund-Growth Fund of America	305,292
	Munder	Mutual Fund-Midcap Core Growth Fund	300,550
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2050 Fund	269,677
	American	Mutual Fund-Euro Pacific Growth R4	214,395
	Columbia	Mutual Fund-Acorn Intl Z	211,327
	American Beacon	Mutual Fund-Large Cap Value Fund	165,472
	Columbia	Mutual Fund-Mid Cap Value Fund Z	141,795
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2055 Fund	117,679
	Cohen & Steers	Mutual Fund-Realty Shares	56,918
*	T. Rowe Price Trust Company	Mutual Fund-Retirement Income Fund	29,426
*	Participant loans	Loans bearing interest at rates ranging from 3.25% to 9.25%.	806,244
		Total	$ 26,126,372

* Represents party-in-interest transactions
** Represents investments comprising at least 5% of net assets available for benefits.
*** Cost information is not presented because all investments are participant directed.

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
WITH REPORT OF INDEPENDENT ACCOUNTANTS
as of and for the years ended December 31, 2009 and 2008

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

TABLE OF CONTENTS

	Page(s)
Report of Independent Accountants	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008	3
Notes to Financial Statements	4
Supplementary Schedule*:	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2009	13

* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

HLB HAM, LANGSTON & BREZINA, L.L.P.
11550 FUQUA, SUITE 475
HOUSTON, TEXAS 77034
PHONE (281) 481-1040
FAX (281) 481-8485
www.hlb-cpa.com

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Plan Administrator
Hilcorp Energy Company 401(K) Savings Plan:

We were engaged to audit the accompanying financial statements and supplemental schedule of Hilcorp Energy Company 401(K) Savings Plan (the "Plan") as of December 31, 2009 and 2008, and for the years then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by T. Rowe Price Trust Company (the "Trustee"), the Trustee of the Plan, and Principal Life Insurance Company (the "Custodian"), the Custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the Trustee and Custodian as of December 31, 2009 and 2008 and for the years then ended that the information provided to the Plan administrator by the Trustee and Custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee and Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ham, Langston & Brezina, L.L.P.

Houston, Texas
July 22, 2010

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

	2009	2008
Assets:		
Investments at fair value (See Notes 2 and 3)	$ 26,126,372	$ 15,871,143
Contributions receivable		
Employee	-	368
Employer	-	153
Total contributions receivable	-	521
Net assets available for benefits	$ 26,126,372	$ 15,871,664

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

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the years ended December 31, 2009 and 2008

	2009	2008
Investment income (loss):		
Interest income	$ 466,934	$ 90,109
Net appreciation (depreciation) in fair value of investments (See Notes 2 and 3)	3,678,859	(6,623,395)
Total investment income (loss)	4,145,793	(6,533,286)
Contributions:		
Employees	4,167,100	3,576,301
Employer	2,294,245	907,228
Rollovers from other plans	410,602	152,642
Total contributions	6,871,947	4,636,171
Total investment income (loss) and contributions	11,017,740	(1,897,115)
Deductions from net assets attributed to:		
Benefits and withdrawals	731,676	968,894
Custodian fees	31,356	15,748
Total deductions	763,032	984,642
Net increase (decrease) in net assets available for benefits	10,254,708	(2,881,757)
Net assets available for benefits, beginning of year	15,871,664	18,753,421
Net assets available for benefits, end of year	$ 26,126,372	$ 15,871,664

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

HILCORP ENERGY COMPANY 401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. **Description of Plan**

The following description of the Hilcorp Energy Company (the "Company") 401(k) Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective July 1, 1993 as a defined contribution plan covering all regular employees of the Company on the first of the month that coincides with or next following their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Administration

The Plan is administered by an administrator (the "Plan Administrator") appointed by the Company. Principal Life Insurance Company served as the Plan's Custodian (the "Custodian") and record keeper during 2008 and from January 1, 2009 through March 31, 2009. Effective April 1, 2009, T. Rowe Price Trust Company became the Trustee and recordkeeper of the Plan. The Plan Administrator was the trustee for participant loans until March 31, 2009.

Contributions

Effective April 1, 2009, participants may contribute up to 75% (100% prior to April 1, 2009) of their pretax eligible compensation not to exceed the limitation set forth in Section 402(g) ($16,500 and $15,500 in 2009 and 2008, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions, pre-tax contributions that exceed the annual elective deferral limit, during any calendar year ending with or after the participant's 50th birthday. Participants' total catch-up contributions during 2009 and 2008 cannot exceed $5,500 and $5,000, respectively, for each year. Participants may also rollover amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company may make a discretionary matching contribution. The percentage of the discretionary matching contribution, if any, shall be determined by the Company. During the years ended December 31, 2009 and 2008, the Company made discretionary matching contributions totaling $2,294,245 and $907,228, respectively. The Plan also provides for additional discretionary employer matching contributions, determined at the option of the Company's Board of Directors. No additional discretionary matching contributions were made during 2009 and 2008.

Participant Accounts

Each participant's account is credited with the participant's contributions and the Company's related contributions and Plan earnings. Income and loss is allocated to the participants' accounts based on the ratio of the account balance of the individual participant to the aggregate of all account balances of all participants in the fund within the Plan. Upon the occurrence of a distribution event, the benefit to which the participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

Vesting

Participants are immediately vested in their elective contributions, plus any earnings on such contributions. The vesting of certain discretionary employer contributions plus any earnings thereon is based on years of continuous service accrued by the participant while in covered employment. A participant vests at a rate of 20% per year until fully vested after five years of credited service.

Continued

1. **Description of Plan, continued**

Participant Loans

Participants may borrow from their fund accounts at a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of the participant's vested account balance reduced by any outstanding loan balance on the date the loan is made. Loan terms range from 1 to 5 years. The loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest payments are made by payroll withholdings according to the terms of the promissory note.

Benefit Payments

Upon termination of employment the vested interest in a participant's account may be distributed as a rollover to another Plan or lump-sum distribution.

Forfeited Accounts

All employer contributions credited to a participant's account, but not vested, are forfeited by the participant upon his/her termination from the Plan. Forfeitures are generally used to fund employer contributions or pay Plan expenses. During 2009 and 2008, forfeited non vested accounts of $29,490 and $20,823, respectively, were used to pay administrative expenses and reduce employer contributions. As of December 31, 2009 and 2008, total forfeitures available to reduce future employer contributions and/or administrative expenses were $39,106 and $19,959, respectively.

Administrative Expenses

The Plan is primarily responsible for payment of the Custodian expenses and fees. The Company may pay certain administrative expenses incurred in connection with the administration of the Plan. Expenses paid by the Company on behalf of the Plan during the years ended December 31, 2009 and 2008 were approximately $9,800 and $9,500, respectively.

2. **Summary of Significant Accounting Policies**

Financial Accounting Standards Board ("FASB") Codification

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification TM and the Hierarchy of Generally Accepted Accounting Principles* ("SFAS 168"). The FASB Accounting Standards Codification TM, ("Codification" or "ASC") became the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for all financial statements issued for interim and annual periods ending after September 15, 2009. On the effective date of SFAS 168, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification became non-authoritative.

Following SFAS 168, the FASB will no longer issue new standards in the form of Statements, FASB Staff Positions ("FSP"), FASB Interpretations ("FIN"), or Emerging Issues Task Force Abstracts ("EITF"); instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right; rather, these updates will serve only to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the Codification. SFAS 168 is incorporated in ASC Topic 105, *Generally Accepted Accounting Principles*. The Plan adopted SFAS 168 for the year ended December 31, 2009.

Continued

2. Summary of Significant Accounting Policies, continued

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options. These investment options are exposed to market risk, which generally means the risk of loss in the value of certain investment securities due to changes in interest rates, security and commodity prices and general market conditions. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities in the near term could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Investment Valuation

The Plan's investments are stated at fair value. Investments in pooled separate accounts are valued based on the quoted market prices of the underlying assets and the number of units owned by the Plan. Investments in registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Investments in the guaranteed interest accounts are stated at fair value since the guaranteed interest accounts are not considered fully benefit responsive. Participant loans are valued at their outstanding balances, which approximates fair value.

Net appreciation in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

Benefit Payments

Benefit payments are recorded when paid.

Recent Accounting Pronouncements

In September 2006, the FASB issued ASC Topic 820, *Fair Value Measurements and Disclosures* (formerly known as SFAS No. 157, *Fair Value Measurements*), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC Topic 820 was effective for the Plan in January 2008; however, its adoption did not have a material impact on the Plan's financial statements.

2. **Summary of Significant Accounting Policies, continued**

Recent Accounting Pronouncements, continued

In May 2009, the FASB issued ASC Topic 855, *Subsequent Events* (formerly known as SFAS No. 165, *Subsequent Events*), which establishes general standards of accounting for and disclosure of events that occur after the date of the Statement of Net Assets Available for Benefits but before financial statements are issued or available to be issued. ASC Topic 855 defines (i) the period after the date of the Statement of Net Assets Available for Benefits during which a reporting entity's management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the date of the Statement of Net Assets Available for Benefits in its financial statements, and (iii) the disclosures an entity should make about events or transactions that occurred after the date of the Statement of Net Assets Available for Benefits. ASC Topic 855 was effective for the Plan for the year ended December 31, 2009; however, its adoption did not have a significant impact on the Plan's financial statements.

3. **Investments**

The following table presents the Plan's investments. Investments that represent 5% or more of total plan assets are separately identified.

	2009	2008
Principal Money Market Account	$ -	$ 2,784,566
Principal International Emerging Markets	-	1,189,163
Principal Large Cap Stock Index	-	1,111,477
Principal International Small Company	-	1,097,394
Principal U.S. Property	-	1,077,427
Goldman Sachs Mid-Cap Value I	-	1,075,283
Principal Glob Inv Small Cap Stock Index	-	963,696
T. Rowe Price Retirement 2020 Fund	4,306,677	-
T. Rowe Price Retirement 2025 Fund	3,312,398	-
T. Rowe Price Retirement 2015 Fund	2,585,072	-
T. Rowe Price Summit Cash Reserve Fund	1,992,917	-
T. Rowe Price Retirement 2030 Fund	1,447,163	-
Investments less than 5%	12,482,145	6,572,137
Total investments	$ 26,126,372	$ 15,871,143

*Less than 5% of the Plan's net assets in period indicated

During the years ended December 31, 2009 and 2008, the Plan's investments (including realized gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2009	2008
Pooled Separate Accounts	$ (1,283,882)	$ (6,095,837)
Mutual Funds	4,962,741	(527,558)
Net appreciation (depreciation) in fair of investments	$ 3,678,859	$ (6,623,395)

Continued

4. **Fair Value Measurements**

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

Pooled separate accounts: Valued based on the quoted prices of the underlying securities and the number of units owned by the Plan.

Guaranteed investment contracts: Valued at fair value by discounting the cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Participant loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Continued

4. **Fair Value Measurements, continued**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blended funds	$ 13,466,420	$ -	$ -	$ 13,466,420
Growth funds	6,578,879	-	-	6,578,879
Money market funds	1,992,917	-	-	1,992,917
Bond funds	1,451,920	-	-	1,451,920
Value funds	1,062,678	-	-	1,062,678
Total mutual funds	24,552,814	-	-	24,552,814
Pooled separate accounts	-	-	767,314	767,314
Participant loans	-	-	806,244	806,244
Total assets at fair value	$ 24,552,814	$	$ 1,573,558	$ 26,126,372

	Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	$ 465,021	$ -	$ -	$ 465,021
Growth funds	323,505	-	-	323,505
Value funds	234,957	-	-	234,957
Blended funds	96,038	-	-	96,038
Total mutual funds	1,119,521	-	-	1,119,521
Pooled separate accounts:				
Blended funds	-	3,712,592	-	3,712,592
Money market funds	-	2,784,566	-	2,784,566
Fixed income funds	-	579,422	1,077,427	1,656,849
Value funds	-	2,480,456	-	2,480,456
Growth funds	-	1,940,251	-	1,940,251
Equity funds	-	963,696	-	963,696
Stock funds	-	27,075	-	27,075
Total pooled separate accounts	-	12,488,058	1,077,427	13,565,485
Guaranteed investment contracts	-	-	616,924	616,924
Participant loans	-	-	569,213	569,213
Total assets at fair value	$ 1,119,521	$12,488,058	$ 2,263,564	$ 15,871,143

Continued

4. **Fair Value Measurements, continued**

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009:

	Participant Loans	Guaranteed Investment Contract	Pooled Separate Accounts
Balance, beginning of year	$ 569,213	$ 616,924	$ 1,077,427
Unrealized gains/(losses) relating to instruments still held at the reporting date	-	-	(352,962)
Purchases, sales, issuances and settlements, net	237,031	(616,924)	42,849
Balance, end of year	$ 806,244	$ -	$ 767,314

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2008:

	Participant Loans	Guaranteed Investment Contract	Pooled Separate Accounts
Balance, beginning of year	$ 575,329	$ 410,128	$ 1,028,200
Unrealized gains/(losses) relating to instruments still held at the reporting date	-	19,217	(160,452)
Purchases, sales, issuances and settlements, net	(6,116)	187,579	209,679
Balance, end of year	$ 569,213	$ 616,924	$ 1,077,427

5. **Information Certified by the Trustee and Custodian (Unaudited)**

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan's Trustee, T. Rowe Price Trust Company, and the Plan's Custodian, Principal Life Insurance Company, has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

5. **Information Certified by the Trustee and Custodian (Unaudited), continued**

a. Information in the Statements of Net Assets Available for Benefits at December 31, 2009 and 2008:

	2009	2008
Pooled separate accounts	$ 767,314	$ 13,565,485
Mutual funds	24,552,814	1,119,521
Guaranteed investment contracts	-	616,924
Participant loans	806,244	569,213
Total	$ 26,126,372	$ 15,871,143

b. Information in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008:

	2009	2008
Interest and dividends	$ 466,934	$ 90,109
Net appreciation (depreciation) in fair value of investments	$ 3,678,859	$ (6,623,395)

c. All information included in Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009, as shown in the supplemental schedule.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

6. **Tax Status**

The Plan is based on a standardized prototype plan. The prototype plan received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2008. The Plan trustee and administrator believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and accordingly, that the trust maintained in connection with the Plan is tax-exempt.

7. **Plan Termination**

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their account balances.

8. **Party-in-Interest Transactions**

Certain Plan investments are in accounts managed by the Trustee and the Custodian, and the Plan invests in participant loans. Administrative expenses are also paid to the Trustee and the Custodian. These transactions qualify as party-in-interest transactions as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

Continued

9. **Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2009 and 2008:

	2009	2008
Net assets available for benefits per the financial statements	$ 26,126,372	$ 15,871,664
Deemed loans	(42,378)	(42,378)
Net assets available for benefits per Form 5500	$ 26,083,994	$ 15,829,286

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31, 2009 and 2008:

	2009	2008
Net increase in net assets available for benefits per the financial statements	$ 10,254,708	$ (2,881,757)
Deemed loans	-	-
Excess contributions payable for 2008	-	-
Net increase in net assets available for benefits per Form 5500	$ 10,254,708	$ (2,881,757)

10. **Subsequent Event**

Subsequent events have been evaluated through July 22, 2010, which is the date the financial statements were issued.

SUPPLEMENTAL SCHEDULE

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

EIN: 76-0244942
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(e) Current Value ***
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2020 Fund	$ 4,306,677**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2025 Fund	3,312,398**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2015 Fund	2,585,072**
*	T. Rowe Price Trust Company	Mutual Fund-Summit Cash Reserves Fund	1,992,917**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2030 Fund	1,447,163**
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2040 Fund	1,196,649
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2035 Fund	1,148,481
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2010 Fund	1,028,034
	Vanguard	Mutual Fund-Short Term Fed Income	929,529
	Fidelity	Mutual Fund-Fidelity Spartan 500 Index	885,290
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2045 Fund	857,482
	Principal Life Insurance Co.	Pooled Separate Account Principal U. S. Property	767,314
	Dodge & Cox	Mutual Fund-Income Fund	522,391
*	T. Rowe Price Trust Company	Mutual Fund-Equity Income Fund	445,679
	Vanguard	Mutual Fund-Small Cap Index Fund	393,675
	Baron Growth Fund	Mutual Fund-Growth Fund	383,315
	Vanguard	Mutual Fund-Mid Cap Index	345,482
	Oppenheimer	Mutual Fund-Develop Markets Y	341,264

* Represents party-in-interest transactions
** Represents investments comprising at least 5% of net assets available for benefits.
*** Cost information is not presented because all investments are participant directed.

HILCORP ENERGY COMPANY 401(k) SAVINGS PLAN

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

EIN: 76-0244942
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(e) Current Value ***
	Allianz	Mutual Fund-NFJ Small Cap Value AD	309,732
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2005 Fund	309,053
	American Funds	Mutual Fund-Growth Fund of America	305,292
	Munder	Mutual Fund-Midcap Core Growth Fund	300,550
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2050 Fund	269,677
	American	Mutual Fund-Euro Pacific Growth R4	214,395
	Columbia	Mutual Fund-Acorn Intl Z	211,327
	American Beacon	Mutual Fund-Large Cap Value Fund	165,472
	Columbia	Mutual Fund-Mid Cap Value Fund Z	141,795
*	T. Rowe Price Trust Company	Mutual Fund-Retirement 2055 Fund	117,679
	Cohen & Steers	Mutual Fund-Realty Shares	56,918
*	T. Rowe Price Trust Company	Mutual Fund-Retirement Income Fund	29,426
*	Participant loans	Loans bearing interest at rates ranging from 3.25% to 9.25%.	806,244
		Total	$ 26,126,372

* Represents party-in-interest transactions
** Represents investments comprising at least 5% of net assets available for benefits.
*** Cost information is not presented because all investments are participant directed.