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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
FASKEN OIL AND RANCH, LTD 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1992

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TX 79701-5116

2b Employer Identification Number (EIN)
75-2625414

2c Sponsor's telephone number
432-687-1777

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.	09/16/2010	LYNDA JAMES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/16/2010	LYNDA JAMES
	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")

FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TX 79701-5116

3b Administrator's EIN
75-2625414

3c Administrator's telephone number
432-687-1777

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**	140
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**	144
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	3
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	147
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	147
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	145
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	5
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:

2A 2E 2F 2G 2J 2K 2R 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)		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)		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)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

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
FASKEN OIL AND RANCH, LTD 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FASKEN OIL AND RANCH, LTD.

D Employer Identification Number (EIN)
75-2625414

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)	287	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3785178	5420239
(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)	19494	10413
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	684047	451697
(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)	254924	260425
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(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)	4749565	6063532
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(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	9493495	12206306
	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		
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	9493495	12206306

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)	1216060	
	(B) Participants	2a(1)(B)	662617	
	(C) Others (including rollovers)	2a(1)(C)	4844	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1883521
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1642	
	(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)	17399	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		19041
	(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)	83045	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		83045
	(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)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(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)		1106631
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		3092238
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	374666	
(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)		374666
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)	4761	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4761
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		379427
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		2712811
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: PATRICK & BUZARELLOS, LLP (2) EIN: 68-0197298

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		1000000
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			

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
FASKEN OIL AND RANCH, LTD 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FASKEN OIL AND RANCH, LTD.

D Employer Identification Number (EIN)
75-2625414

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**

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): 20-0937408

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):

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

FASKEN OIL AND RANCH, LTD.
401(k) PLAN

DECEMBER 31, 2009

FASKEN OIL AND RANCH, LTD.
401(k) PLAN

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PATRICK
&
BUZARELLOS
Certified Public Accountants LLP

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Trustees and Participants
Fasken Oil and Ranch, Ltd. 401(k) Plan

We were engaged to audit the accompanying statement of net assets available for benefits of the Fasken Oil and Ranch, Ltd. 401(k) Plan as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended and the supplemental schedule as of December 31, 2009. These financial statements and supplemental schedule 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 E, which was certified by TD Ameritrade Trust Company, the trustee of the Plan, except for comparing the 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 as of and for the year ended December 31, 2009, that the information provided to the Plan administrator by the trustee 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 a 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, 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.

We have compiled the accompanying statement of net assets available for benefits of the Fasken Oil and Ranch, Ltd. 401(k) Plan as of December 31, 2008 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of net assets available for benefits and, accordingly, do not express an opinion or any other form of assurance on it.

Patrick & Buzarellos LLP

Sacramento, California
August 23, 2010

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FASKEN OIL AND RANCH, LTD.
401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31,

	2009 Audited	2008 Compiled
ASSETS		
INVESTMENTS, at fair value:		
Mutual funds	$ 6,063,532	$ 4,749,565
Cash and cash equivalents	5,420,239	3,785,178
Common stocks	451,697	684,047
Corporate bonds	10,413	19,494
Participant loans	260,425	254,924
Total investments	12,206,306	9,493,208
RECEIVABLES		
Employer	-	-
Participant	-	287
Total receivables	-	287
NET ASSETS AVAILABLE FOR BENEFITS	$ 12,206,306	$ 9,493,495

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

FASKEN OIL AND RANCH, LTD.
401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 2009

ADDITIONS TO NET ASSETS	
INVESTMENT INCOME	
Interest and dividends	$ 102,086
Net appreciation in fair value of investments	1,106,631
Total investment income	1,208,717
CONTRIBUTIONS	
Employer	1,216,060
Participant	662,617
Rollover	4,844
Total contributions	1,883,521
TOTAL ADDITIONS	3,092,238
DEDUCTIONS FROM NET ASSETS	
BENEFITS PAID TO PARTICIPANTS	374,666
ADMINISTRATIVE FEES	4,761
TOTAL DEDUCTIONS	379,427
INCREASE IN NET ASSETS	2,712,811
NET ASSETS AVAILABLE FOR BENEFITS:	
BEGINNING OF YEAR	9,493,495
END OF YEAR	$ 12,206,306

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

FASKEN OIL AND RANCH, LTD.
401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE A - DESCRIPTION OF THE PLAN

The following description of the Fasken Oil and Ranch, Ltd. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan that was established in 1992, to provide benefits to all eligible employees of Fasken Oil and Ranch, Ltd. (the Company), as defined in the Plan document. Employees are eligible to participate in the Plan on the first day of the first pay period following or coinciding with attainment of age 21 and the completion of three months (at least 250 hours) of service. If employees have not worked at least 250 hours in their first three months of service, they will be eligible to participant in the Plan on the first day of the first pay period following or coinciding with the completion of one year (at least 1,000 hours) of service. Employees represented by collective bargaining agreements and employees of Glendale Ranch Vineyards and Palafox Hospitality, Ltd. are not eligible to participant in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 401(a) of the Internal Revenue Code.

Administration: Under the terms of the Plan, a group of designated officers of the Company act to manage the operation and administration of the Plan. The Company has contracted with a third-party administrator who processes and maintains the records of participant data and TD Ameritrade Trust Company to act as the custodian and trustee of plan assets.

Participant contributions: Participants may elect to have the Company contribute a percentage of their pre-tax compensation. However, such contributions cannot exceed the annual maximum currently allowed under the provisions of the Internal Revenue Code. Contributions are withheld from each participant's compensation and invested in accordance with the participant's instructions. Participants may also rollover amounts distributed from other qualified plans.

Company contributions: Each year the Company makes mandatory matching contributions equal to 100% of participant contributions up to 3% of compensation, plus 50% of participant contributions between 3% and 5% of compensation. Company mandatory matching contributions totaled $319,278 in 2009.

In addition to the mandatory matching contributions, the Company may elect to make discretionary matching and profit sharing contributions. Company profit sharing contributions totaled $896,782 in 2009. The Company made no additional discretionary matching contributions in 2009.

Participant accounts: Each participant's account is credited with the participant's contributions and allocations of the Company's contribution and Plan earnings, and are charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined.

NOTE A - DESCRIPTION OF THE PLAN - CONTINUED

Vesting: Participants are immediately vested in their contributions and the Company mandatory matching contributions. Discretionary Company matching and profit sharing contributions vest as follows:

Years of Service	Percentage Vested
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Payment of benefits: The Plan provides for the payment to the participant (or, if applicable, the beneficiary) at retirement (age 65), disability, death, financial hardship, or termination of employment. In-service distributions are also permitted if the participant is at least age 59 ½. Participants who qualify for retirement benefits will receive their benefits in the form of a lump sum in cash. The benefit to which a participant is entitled is the benefit that can be provided directly from the participant's vested account balance. Participants who separate from service and have a vested account balance of $1,000 or less are subject to an administrative distribution at the discretion of the Plan administrator.

Participant loans: A participant may borrow up to the lesser of $50,000 or 50% of the participant's vested account balance subject to the approval of the Plan administrator. The minimum loan amount is $1,000. All borrowings bear a fixed rate of interest commensurate with local prevailing rates as determined on the date of advance by the Plan administrator. Borrowings generally must be repaid within a five-year period through regular payroll deductions. Participants may only have one outstanding loan at a time. Loans are segregated investments and to the extent a participant borrows, his or her account will not share in the earnings and gains in value attributable to other plan investments. Accordingly, the interest participants pay on their loans will be directly credited to their account.

Forfeited accounts: Forfeitures are used to pay Plan administration expenses or reduce future employer contributions. At December 31, 2009 and 2008, forfeited nonvested accounts totaled approximately $57,500 and $40,400, respectively. During the year ended December 31, 2009, no forfeitures were used to pay Plan expenses or reduce employer contributions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting: The accompanying financial statements have been prepared on the accrual method of accounting and in accordance with accounting principles generally accepted in the United States of America. Contributions from participants are recorded when withheld from the participant. Benefit payments and expenses are recorded when paid.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investment valuation and income recognition: Investments are stated at fair value based on quoted market prices as determined and reported by the Plan trustee. Participant loans are stated at cost, which approximate fair value.

Net appreciation (decline) in fair value of investments includes net unrealized and realized gains and losses recognized during the period.

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

Brokerage fees are added to the acquisition costs of assets purchased and subtracted from the proceeds of assets sold.

Cash Equivalents: All highly liquid investments with a maturity of six months or less are considered to be cash equivalents.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Risks and uncertainties: The Plan provides for various investment options in mutual funds. These securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in value, it is reasonably possible that changes in the various risk factors in the near term would materially affect participants' account balances and the amounts reported in the accompanying financial statements.

NOTE C - INVESTMENTS

The following table represents the fair value of Plan investments at December 31, 2009 and 2008. Investments that represent 5% or more of net plan assets are separately stated:

	2009	2008
Investments at Fair Value as Determined By Quoted Market Price:		
American Funds Europacific Growth Fund	$558,711*	$420,964
American Growth Fund of America	579,596*	439,351
Dodge & Cox Stock Fund	587,752*	455,516
Federated US Treasury Cash Reserves	354,657	-

NOTE C – INVESTMENTS - CONTINUED	2009	2008
Royce Special Equity Fund	391,128	277,517
TD Ameritrade Money Market	3,700,775*	-
TD Ameritrade Self-Directed Accounts	2,841,576	2,492,819
T. Rowe Price Mid Cap Growth Fund	543,359*	385,981
T. Rowe Price Mid Cap Value Fund	232,555	183,308
T. Rowe Price Small Stock Fund	267,240	157,690
Vanguard 500 Index Fund	148,014	121,759
Vanguard Explorer Fund	85,203	50,913
Vanguard Intermediate Term Treasury Fund	558,674*	486,186
Vanguard Lifestrategy Conservative Fund	121,657	87,735
Vanguard Lifestrategy Moderate Growth Fund	210,413	137,069
Vanguard Long-term Treasury Fund	476,905*	377,972
Vanguard Short-term Treasury Fund	182,687	364,879
Vanguard Strategic Equity Fund	104,979	152,040
Vanguard Treasury Money Market	-	2,646,584*
	11,945,881	9,238,283
Investments at Estimated Fair Value:		
Participant Loans	260,425	254,924
	$12,206,306	$9,493,207

* Value represents 5% or more of Plan's net assets

During 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $1,106,631.

NOTE D – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the 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 FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets 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 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 The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Participant loans: The participant loans are not actively traded and significant other observable inputs are not available. Thus, the fair value of participant loans is equal to the amortized cost of the loans because the loans are secured by each respective participant's account balance.

NOTE D – FAIR VALUE MEASUREMENTS – CONTINUED

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008:

		Fair Value Measurements Using:		
December 31, 2009	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Asset allocation	$332,070	$332,070	$ -	$ -
Blend	958,784	958,784	-	-
Fixed	1,522,822	1,522,822	-	-
Foreign	886,326	886,326	-	-
Growth	1,221,197	1,221,197	-	-
Specialty	322,026	322,026	-	-
Value	820,307	820,307	-	-
Common stocks				
Basic materials	127,106	127,106	-	-
Consumer	66,001	66,001	-	-
Financial	19,475	19,475	-	-
Healthcare	23,324	23,324	-	-
Industrials	64,772	64,772	-	-
Services	27,877	27,877	-	-
Technology	78,804	78,804	-	-
Other	44,338	44,338	-	-
Corporate bonds	10,413	10,413	-	-
Money market funds	5,420,239	5,420,239	-	-
Participant loans	260,425	-	-	260,425
	$12,206,306	$11,945,881	$ -	$260,425

NOTE D – FAIR VALUE MEASUREMENTS – CONTINUED

		Fair Value Measurements Using:		
December 31, 2008	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Asset allocation	$234,400	$234,400	$ -	$ -
Blend	911,452	911,452	-	-
Fixed	1,469,426	1,469,426	-	-
Foreign	529,581	529,581	-	-
Growth	885,663	885,663	-	-
Specialty	80,219	80,219	-	-
Value	638,824	638,824	-	-
Common stocks				
Basic materials	190,175	190,175	-	-
Consumer	99,111	99,111	-	-
Financial	19,546	19,546	-	-
Healthcare	87,419	87,419	-	-
Industrials	31,082	31,082	-	-
Services	63,021	63,021	-	-
Technology	113,584	113,584	-	-
Other	80,109	80,109	-	-
Corporate bonds	19,494	19,494	-	-
Money market funds	3,785,178	3,785,178		
Participant loans	254,924	-	-	254,924
	$9,493,208	$9,238,284	$ -	$254,924

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets at:

NOTE D – FAIR VALUE MEASUREMENTS – CONTINUED

December 31, 2009	Participant Loans
Beginning balance	$254,924
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	-
Purchases, sales, issuances, and settlements (net)	5,501
Ending balance	$260,425

December 31, 2008	Participant Loans
Beginning balance	$250,825
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	-
Purchases, sales, issuances, and settlements (net)	4,099
Ending balance	$254,924

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2009 are reported in net appreciation (decline) in fair value of investments.

NOTE E - INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by TD Ameritrade Trust Company.

	2009
Investments at fair value:	
Mutual funds, stocks and bonds	$6,525,642
Cash and cash equivalents	$5,420,239
Investment income:	
(excludes interest from participant loans)	$1,191,318

NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated November 9, 2004, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Committee believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provisions for income taxes have been included in the Plan's financial statements.

NOTE G - PLAN TERMINATION AND/OR MODIFICATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. The Company has not expressed any desire to terminate the Plan. In the event the Plan is terminated in the future, participants would become fully vested in their accounts.

NOTE H – RELATED PARTY TRANSACTIONS

Since the inception of the Plan, the Company has absorbed some of the administration expenses of operating the Plan.

Certain Plan investments in mutual funds are managed by TD Ameritrade Trust Company. Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

SUPPLEMENTAL SCHEDULE

FASKEN OIL AND RANCH, LTD.
401(k) PLAN

SCHEDULE OF ASSETS HELD FOR INVESTMENT
FORM 5500, SCHEDULE H, LINE 4i
PLAN 001

DECEMBER 31, 2009

Identity of issuer, borrower or lessor Description of investment, including maturity date, and rate of interest	**Cost ***	**Market Value**
American Funds Europacific Growth	$	$ 558,711
American Growth Fund of America		579,596
Dodge & Cox Stock Fund		587,752
Federated US Treasury Cash Reserves		354,657
Royce Special Equity Fund		391,128
T. Rowe Price Mid Cap Growth Fund		543,359
T. Rowe Price Mid Cap Value Fund		232,555
T. Rowe Price Small Stock Fund		267,240
TD Ameritrade Money Market		3,700,775
TD Ameritrade Self-Directed Accounts		2,841,576
Vanguard 500 Index Fund		148,014
Vanguard Explorer Fund		85,203
Vanguard Intermediate Term Treasury Fund		558,674
Vanguard Lifestrategy Conservative Fund		121,657
Vanguard Lifestrategy Moderate Growth Fund		210,413
Vanguard Long-term Treasury Fund		476,905
Vanguard Short-term Treasury Fund		182,687
Vanguard Strategic Equity Fund		104,979
** Participant Loans - interest rates ranging from 5.32% to 10.60%		260,425
	$ -	$ 12,206,306

* Cost not provided for participant directed investments.

** Party-in-interest.

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

Schedule H, line 4i
Schedule of Assets (Held At End of Year)

For the plan year beginning 01/01/2009 and ending 12/31/2009

Name of plan

FASKEN OIL AND RANCH, LTD 401(K) PLAN

Employer Identification Number

75-2625414

Three-digit plan number ► 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	AMERICAN FUNDS	EUROPACIFIC GROWTH		558,711
	AMERICAN FUNDS	GROWTH FUND OF AMERICA		579,596
	AMERITRADE	SELF-DIRECTED ACCOUNTS		2,841,576
	DODGE & COX	DODGE & COX STOCK		587,752
	ROYCE	ROYCE SPECIAL EQUITY		391,128
	T ROWE PRICE	MID CAP GROWTH		543,359
	T ROWE PRICE	MID CAP VALUE		232,555
	T ROWE PRICE	SMALL STOCK		267,240
	VANGUARD	500 INDEX		148,014
	VANGUARD	EXPLORER		85,203
	VANGUARD	INT-TERM US TREAS		558,674
	VANGUARD	LIFE STRATEGY CONSERVATIVE		121,657
	VANGUARD	LIFE STRATEGY MODERATE		210,413
	VANGUARD	LONG-TERM TREASURY		476,905
	VANGUARD	SHORT-TERM TREASURY		182,687
	VANGUARD	STRATEGIC EQUITY		104,979
	FEDERATED	US TREASURY CASH RESV		354,657
	AMERITRADE	TD BANK USA, NA INST MMDA		3,700,775
	PARTICIPANT LOANS	INTEREST RATES 5.32% - 10.60%		260,425