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), 6057(b), 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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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
KENAI DRILLING LIMITED 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2009

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

KENAI DRILLING LIMITED

PO BOX 2248
ORCUTT, CA 93457

2b Employer Identification Number (EIN) 95-3325796

2c Sponsor's telephone number 805-937-7871

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.	07/20/2012	DAVID UHLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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")
KENAI DRILLING LIMITED

PO BOX 2248
ORCUTT, CA 93457

3b Administrator's EIN
95-3325796

3c Administrator's telephone number
805-937-7871

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**	166
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**	195
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	16
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	211
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	211
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	78
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
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 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)			**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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
KENAI DRILLING LIMITED 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KENAI DRILLING LIMITED

D Employer Identification Number (EIN)
95-3325796

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
JOHN HANCOCK LIFE INSURANCE CO.

(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
01-0233346	65838	19539		01/01/2011	12/31/2011

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
16112	19664

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
WELLS FARGO INVESTMENT LLC
PO BOX 2248
ORCUTT, CA 93401

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
16112			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
HICKS PENSION SERVICES
555 CHORRO STREET
SAN LUIS OBISPO, CA 93405

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	19664	TPA SERVICE	5

(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**	3270549

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 ▶

b	Balance at the end of the previous year			**7b**	
c	Additions: (1) Contributions deposited during the year	**7c(1)**			
	(2) Dividends and credits	**7c(2)**			
	(3) Interest credited during the year	**7c(3)**			
	(4) Transferred from separate account	**7c(4)**			
	(5) Other (specify below)	**7c(5)**			
	▶				
	(6) Total additions			**7c(6)**	
d	Total of balance and additions (add **b** and **c(6)**).			**7d**	
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	**7e(1)**			
	(2) Administration charge made by carrier	**7e(2)**			
	(3) Transferred to separate account	**7e(3)**			
	(4) Other (specify below)	**7e(4)**			
	▶				
	(5) Total deductions			**7e(5)**	
f	Balance at the end of the current year (subtract **e(5)** from **d**)			**7f**	

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 organizations(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 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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
KENAI DRILLING LIMITED 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
KENAI DRILLING LIMITED

D Employer Identification Number (EIN)
95-3325796

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: POOLED SEPARATE ACCOUNTS

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	3270549

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)

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

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
KENAI DRILLING LIMITED 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KENAI DRILLING LIMITED

D Employer Identification Number (EIN)
95-3325796

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)	2876	
(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)		
(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)	104329	152953
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	3148417	3117596
(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)		
(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	3255622	3270549
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	3900	25886
k Total liabilities (add all amounts in lines 1g through1j)	1k	3900	25886
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	3251722	3244663

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)	88433	
(B) Participants	2a(1)(B)	429835	
(C) Others (including rollovers)	2a(1)(C)	37589	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		555857
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)	7627	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		7627
(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)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		
(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)		-56745
(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)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		506739
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	403701	
(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)		403701
f Corrective distributions (see instructions)	2f		25886
g Certain deemed distributions of participant loans (see instructions)	2g		49611
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	16551	
(3) Investment advisory and management fees	2i(3)	18049	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		34600
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		513798
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-7059
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: FARBER HASS HURLEY LLP (2) EIN: 77-0254835

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		500000
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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
KENAI DRILLING LIMITED 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KENAI DRILLING LIMITED

D Employer Identification Number (EIN)
95-3325796

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): 01-0233346

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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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. 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): _____

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):

KENAI DRILLING 401(K) PLAN

Financial Statements
For the Years Ended
December 31, 2011 and 2010

KENAI DRILLING 401(K) PLAN
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits, December 31, 2011 and 2010	2
Statement of Changes in Net Assets Available for Benefits, For the Year Ended December 31, 2011	3
Notes to Financial Statements	4-9
SUPPLEMENTAL SCHEDULE:	
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) December 31, 2011	10

Farber Hass Hurley LLP
Certified Public Accountants

888 West Ventura Blvd., #A
Camarillo, CA 93010
www.fhhcpas.com

Telephone: (805) 504-8410
Facsimile: (805) 388-1300

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Trustee
of the Kenai Drilling 401(k) Plan:

We were engaged to audit the accompanying statements of net assets available for benefits of the Kenai Drilling 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the Supplemental Schedule H, line 4(i) – Schedule of Assets (Held At End of Year) as of December 31, 2011. 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 3 which was certified by John Hancock Life Insurance Company ("John Hancock"), 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 custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian, as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information in the Plan's 2011 and 2010 financial statements 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 supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. 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 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.

Farber Hass Hurley LLP

Camarillo, California
July 9, 2012

KENAI DRILLING 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Pooled separate accounts	$ 3,117,596	$ 3,148,417
Total Investments, at fair value	3,117,596	3,148,417
Receivables:		
Notes receivable from participants	152,953	104,329
Employer contributions	-	2,876
Total Receivables	152,953	107,205
TOTAL ASSETS	3,270,549	3,255,622
LIABILITIES – Excess contributions refundable	25,886	3,900
NET ASSETS AVAILABLE FOR BENEFITS	$ 3,244,663	$ 3,251,722

See accompanying notes to financial statements.

KENAI DRILLING 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ADDITIONS TO NET ASSETS	
Additions to net assets attributed to:	
Interest income on notes receivable from participants	$ 7,627
Contributions:	
Participant	429,835
Employer	88,433
Rollover	37,589
Total additions to net assets	563,484
DEDUCTIONS FROM NET ASSETS	
Deductions from net assets attributed to:	
Net depreciation in fair value of investments	56,745
Benefits paid to participants	453,312
Corrective distributions	25,886
Administrative expenses	34,600
Total deductions from net assets	570,543
DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(7,059)
NET ASSETS AVAILABLE FOR BENEFITS, DECEMBER 31, 2010	3,251,722
NET ASSETS AVAILABLE FOR BENEFITS, DECEMBER 31, 2011	$ 3,244,663

See accompanying notes to financial statements.

1. PLAN DESCRIPTION

The following description of the Kenai Drilling (the "Company") 401(k) Plan (the "Plan") is provided for general information purposes only. 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 covering all employees of the Company over the age of 21 that have completed at least 1,000 hours of service during the 12 month period of time preceding their first contribution. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions – Each year, participants may contribute all or a portion of their pre-tax compensation, as defined in the Plan, subject to limits imposed by the Internal Revenue Code ("IRC"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants. The Company contributes 30 percent of the first 6 percent of base compensation that a participant contributes to the Plan. The matching contribution is invested in accordance with participant elections. Contributions are subject to certain limitations.

Participant Accounts – Each participant's interest in the Plan is maintained in sub-accounts within one main account. These sub-accounts are credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting – Participants are immediately vested in their own contributions plus actual earnings thereon. Company matching contributions vest depending upon each participant's years of service with the Company, as follows:

Years of Service	Vested %
Less than 1	0%
1	25%
2	50%
3	75%
4 or more	100%

Notes Receivable From Participants – Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates that are equal to the prime rate plus 2 percent. Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of Benefits – On termination of service due to death, the participant's beneficiary will be entitled to receive 100 percent of the account balance. Upon termination of service due to disability or retirement, a participant may elect to receive benefits in the form of a single lump-sum amount equal to their vested account balance.

1. PLAN DESCRIPTION (Continued)

For termination of service for any other reason, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeitures – Forfeited non-vested accounts are used to offset plan expenses and/or to reduce amounts needed to fund future employer contributions. At December 31, 2011 and 2010, forfeited non-vested accounts were immaterial to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements are prepared on the accrual basis of accounting.

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 amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Contract with Insurance Company – The Plan maintains its investments in an unallocated group annuity contract with John Hancock. John Hancock pools the investments of the Plan and other plans together, but each plan's ownership interest in the pooled investments is accounted for separately. The Plan's separate account is credited with contributions made and actual earnings on the underlying investments (principally mutual funds) and charged for Plan withdrawals and administrative expenses. The Plan's unallocated group annuity contract is included in the financial statements at contract value, which approximates fair value.

Investment Valuation and Income Recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of Benefits – Benefits are recorded when paid.

Administrative Expenses – Administrative expenses of the Plan, including fees paid to the Plan's auditors and third party administrator, are included as a component of administrative expenses. Certain management fees and transaction costs associated with the investment options are deducted by the custodian and included as a component of net depreciation in fair value of investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events – The Plan has evaluated subsequent events through July 9, 2012, the date the financial statements were available to be issued.

3. INFORMATION CERTIFIED BY THE CUSTODIAN (UNAUDITED)

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following investment information was certified by John Hancock, the custodian, and was not subjected to any auditing procedures performed by the independent public accountants:

- Fair value of investments as shown in the Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010 which total $3,117,596 and $3,148,417, respectively.
- Notes receivable from participants as shown in the Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010 total $152,953 and $104,329, respectively. Interest income on notes receivable from participants as shown in the Statement of Changes in Net Assets Available for Benefits was $7,627 for 2011.
- Net depreciation in fair value of investments as shown in the Statement of Changes in Net Assets Available for Benefits for 2011 was $56,745.
- Information disclosed in Note 4 of these financial statements.
- All investment-related information in the accompanying Schedule H, Line 4i - Schedule of Assets (Held at end of year), December 31, 2011.

4. INVESTMENTS

The following presents individual investments that represent 5% or more of the Plan's net assets as of December 31:

	2011	2010
John Hancock Lifestyle Growth Portfolio	$ 694,305	$ 678,712
John Hancock Lifestyle Balanced Portfolio	$ 576,289	$ 526,313
PIMCO Total Return	$ 432,546	$ 336,174
John Hancock Lifestyle Conservative Portfolio	$ 314,911	$ 263,819
John Hancock Lifestyle Aggressive	$ 298,858	$ 345,649

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $56,745.

5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements & Disclosures*, 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

5. FAIR VALUE MEASUREMENTS (Continued)

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 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 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.

Pooled separate accounts are valued at the net asset value ("NAV") of the shares held by the Plan at year end. There have been no changes in the methodologies used at December 31, 2011 and 2010.

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 tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

5. FAIR VALUE MEASUREMENTS (Continued)

Assets at Fair Value as of December 31, 2011

	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts:				
Lifestyle Funds	-	$ 1,975,473	-	$ 1,975,473
Income Funds	-	500,919	-	500,919
Aggressive Growth Funds	-	229,542	-	229,542
Growth & Income Funds	-	192,103	-	192,103
Growth Funds	-	107,245	-	107,245
Money Market Fund	-	97,112	-	97,112
Lifecycle Funds	-	15,202	-	15,202
Total	-	$ 3,117,596	-	$ 3,117,596

Assets at Fair Value as of December 31, 2010

	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts:				
Lifestyle Funds	-	$ 1,831,737	-	$ 1,831,737
Income Funds	-	391,239	-	391,239
Aggressive Growth Funds	-	386,708	-	386,708
Growth & Income Funds	-	231,113	-	231,113
Growth Funds	-	190,864	-	190,864
Money Market Fund	-	112,621	-	112,621
Lifecycle Funds	-	4,135	-	4,135
Total	-	$ 3,148,417	-	$ 3,148,417

6. EXCESS CONTRIBUTIONS REFUNDABLE

During the years ended December 31, 2011 and 2010, certain highly-compensated Plan participants contributed amounts to their accounts that exceeded amounts permitted by the Internal Revenue Code. Accordingly, the Plan recorded liabilities as of December 31, 2011 and 2010 of $25,886 and $3,900, respectively, for the amounts of those excess contributions which are refundable to the participants.

7. PARTIES-IN-INTEREST TRANSACTIONS

John Hancock; Hicks Pension Services, the Company's third-party administrator; and the Company are parties-in-interest as defined by ERISA. John Hancock invests certain Plan assets in mutual funds managed by John Hancock. Notes receivable from participants are also considered party-in-interest transactions. Such transactions qualify as party-in-interest transactions and are permitted by the Department of Labor.

8. PLAN TERMINATION

While the Company has no current intent to terminate the Plan, the Company reserves the right to terminate the Plan as described in the Plan agreement and subject to provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

9. TAX STATUS

The Plan obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and that the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to December 31, 2008.

10. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

The Plan invests in pooled separate accounts which invest in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies.

KENAI DRILLING 401(K) PLAN
EMPLOYER IDENTIFICATION NUMBER 95-3325796
PLAN NUMBER 001
SCHEDULE H – LINE 4(i)
SCHEDULE OF ASSETS (HELD AT END OF YEAR) - DECEMBER 31, 2011

(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
*	John Hancock	Lifestyle Growth	**	$ 694,305
*	John Hancock	Lifestyle Balanced	**	576,289
*	John Hancock	PIMCO Total Return	**	432,546
*	John Hancock	Lifestyle Conservative	**	314,911
*	John Hancock	Lifestyle Aggressive	**	298,858
*	John Hancock	Money Market Fund	**	97,112
*	John Hancock	Lifestyle Moderate	**	91,110
*	John Hancock	Investment Co. of America	**	78,842
*	John Hancock	Financial Services Fund	**	74,403
*	John Hancock	Capital Appreciation Fund	**	63,120
*	John Hancock	500 Index Fund	**	60,902
*	John Hancock	Mutual Global Discovery	**	52,359
*	John Hancock	Real Estate Securities Fund	**	49,851
*	John Hancock	Total Bond Market Fund	**	40,884
*	John Hancock	SSgA Mid Growth Index Fund	**	39,427
*	John Hancock	Short-Term Federal	**	27,489
*	John Hancock	Small Cap Index Fund	**	21,931
*	John Hancock	SSgA Mid Value Index Fund	**	14,171
*	John Hancock	Int'l Equity Index Fund	**	13,199
*	John Hancock	Small Cap Growth Index	**	10,757
*	John Hancock	Retirement Living at 2045	**	10,383
*	John Hancock	T. Rowe Price Small Cap Value	**	8,686
*	John Hancock	Total Stock Market Index Fund	**	8,037
*	John Hancock	Capital World Growth & Income	**	7,501
*	John Hancock	T. Rowe Price Health Science	**	5,702
*	John Hancock	MFS Utilities	**	5,277
*	John Hancock	Energy	**	5,166
*	John Hancock	Retirement Living at 2025	**	4,748
*	John Hancock	Small Cap Growth Fund	**	4,561
*	John Hancock	Fidelity Advisor Gold Fund	**	4,545
*	John Hancock	Mid Cap Index Fund	**	407
*	John Hancock	Retirement Living at 2015	**	71
*	John Hancock	Victory Diversified Stock	**	46
		Total Investments		3,117,596
*	Participant Loans	5.25% - 10.25%		152,953
				$ 3,270,549

* Party-in-interest as defined by ERISA
** Cost data omitted for participant-directed investments.

Retirement Plan Services, ET9
P.O. Box 600
Buffalo NY 14201-0600

MAY 22, 2012

Dear Plan Administrator:

Re: STATEMENT OF ASSETS AND LIABILITIES OF
THE SUB-ACCOUNTS OF JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)

In accordance with Regulation 2520.103-5 of the Department of Labor, we must provide you with a certified statement each year reflecting the following information:

(i) the total of all assets and liabilities of each sub-account into which you have deposited money (second column on the attached report), and

(ii) the value of your contract's units in the sub-accounts (fourth column on the attached report).

The attached statement shows the appropriate sub-account values as of December 31, 2011 (our most recent fiscal year). This statement must be used to complete your plan's 2011 Form 5500 series filing.

If you have any questions, please call your Client Account Representative at 1-800-333-0963 or forward your questions via Fax no. (866)377-9577.



STATEMENT OF ASSETS AND LIABILITIES OF
THE SUB-ACCOUNTS OF JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
FOR CONTRACT # 19539 THE TRUSTEES OF KENAI DRILLING
401(K) PLAN
MONEY INVESTED AS OF DECEMBER 31, 2011

Sub-Accounts	John Hancock USA Total Sub-Accounts Assets and Liabilities*	THE TRUSTEES OF KENAI DRILLING 401(K) PLAN Total No of Units	Total Value
Retirement Living at 2050	$ 16654994.12	.000000	$ 0.00
Retirement Living at 2045	$ 434973790.17	1013.488984	$ 10382.93
Retirement Living at 2040	$ 421549936.54	.000000	$ 0.00
Retirement Living at 2035	$ 552113821.63	.000000	$ 0.00
Retirement Living at 2030	$ 706696478.91	.000000	$ 0.00
Retirement Living at 2025	$ 814926582.07	455.400330	$ 4748.16
Retirement Living at 2020	$ 763309566.25	.000000	$ 0.00
Retirement Living at 2015	$ 518705081.98	6.433815	$ 71.18
Retirement Living at 2010	$ 378048332.69	.000000	$ 0.00
Retirement Choices at 2050	$ 23364805.59	.000000	$ 0.00
Retirement Choices at 2045	$ 66085451.08	.000000	$ 0.00
Retirement Choices at 2040	$ 86603436.53	.000000	$ 0.00
Retirement Choices at 2035	$ 124136447.79	.000000	$ 0.00
Retirement Choices at 2030	$ 161833667.80	.000000	$ 0.00
Retirement Choices at 2025	$ 207649101.40	.000000	$ 0.00
Retirement Choices at 2020	$ 180236250.90	.000000	$ 0.00
Retirement Choices at 2015	$ 121531495.79	.000000	$ 0.00
Retirement Choices at 2010	$ 83036157.00	.000000	$ 0.00
Lifestyle Aggressive	$ 3052151070.17	965.787002	$ 298857.62
Lifestyle Growth	$ 9067507975.79	2260.640295	$ 694305.00
Lifestyle Balanced	$ 9399693183.07	2569.116607	$ 576288.93
Lifestyle Moderate	$ 2922293104.56	499.765040	$ 91109.63
Lifestyle Conservative	$ 2509841996.69	1528.606478	$ 314911.36
Russell Equity Growth	$ 43652337.67	.000000	$ 0.00
Russell Growth	$ 122019380.62	.000000	$ 0.00
Russell Balanced	$ 144476808.17	.000000	$ 0.00

*Assets = Liabilities

Note: this report does not reflect transactions processed after December 31, 2011
Cash Basis



STATEMENT OF ASSETS AND LIABILITIES OF
THE SUB-ACCOUNTS OF JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
FOR CONTRACT # 19539 THE TRUSTEES OF KENAI DRILLING
401(K) PLAN
MONEY INVESTED AS OF DECEMBER 31, 2011

Sub-Accounts	John Hancock USA Total Sub-Accounts Assets and Liabilities*	THE TRUSTEES OF KENAI DRILLING 401(K) PLAN Total No of Units	Total Value
Russell Moderate	$ 33559530.13	.000000	$ 0.00
Russell Conservative	$ 21008887.11	.000000	$ 0.00
Fidelity Advisor Gold Fund	$ 111060993.89	93.324113	$ 4544.82
Real Est. Securities Fund	$ 424184734.69	915.855923	$ 49850.61
Natural Resources Fund	$ 160271124.23	.000000	$ 0.00
DFA Emerging Markets Value	$ 227011022.50	.000000	$ 0.00
Royce Opportunity	$ 129933813.19	.000000	$ 0.00
Intl Small Cap Fund	$ 97224543.50	.000000	$ 0.00
Fidelity Adv Leveraged Co Stk	$ 19956243.63	.000000	$ 0.00
International Opps Fund	$ 60274897.69	.000000	$ 0.00
Oppenheimer Developing Mkt	$ 671015153.50	.000000	$ 0.00
PIMCO Commodity Real Return	$ 2504266.07	.000000	$ 0.00
Energy	$ 557085244.45	57.027516	$ 5165.78
Dodge & Cox International St	$ 1612716.61	.000000	$ 0.00
Keeley Small Cap Value	$ 25633413.70	.000000	$ 0.00
DFA International Value	$ 71259596.53	.000000	$ 0.00
Mid-Cap Growth Index Fund	$ 0.00	.000000	$ 0.00
SSgA Mid Growth Index Fund	$ 30797402.32	3605.332565	$ 39426.96
International Value Fund	$ 218516289.26	.000000	$ 0.00
DFA US Targeted Value Fund	$ 23122029.69	.000000	$ 0.00
Mid Cap Stock Fund	$ 288916623.91	.000000	$ 0.00
T. Rowe Price Sci & Tech	$ 308935204.00	.000000	$ 0.00
Columbia Value & Restructuring	$ 283535447.50	.000000	$ 0.00
DFA U.S. Small Cap Fund	$ 102319591.50	.000000	$ 0.00
Small Cap Growth Index	$ 210334982.00	500.020853	$ 10757.10
Intl Equity Index Fund	$ 180320615.75	931.684727	$ 13199.37

*Assets = Liabilities



STATEMENT OF ASSETS AND LIABILITIES OF
THE SUB-ACCOUNTS OF JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
FOR CONTRACT # 19539 THE TRUSTEES OF KENAI DRILLING
401(K) PLAN
MONEY INVESTED AS OF DECEMBER 31, 2011

Sub-Accounts	John Hancock USA Total Sub-Accounts Assets and Liabilities*	THE TRUSTEES OF KENAI DRILLING 401(K) PLAN Total No of Units	Total Value
International Core Fund	$ 34864239.08	.000000	$ 0.00
SMALLCAP World Fund	$ 24847462.96	.000000	$ 0.00
New World Fund	$ 34005448.72	.000000	$ 0.00
Science & Technology Fund	$ 179800151.34	.000000	$ 0.00
Financial Services Fund	$ 74398500.27	5276.812934	$ 74402.73
Small Cap Index Fund	$ 159435690.75	1134.153006	$ 21930.54
American Century Heritage	$ 214699733.55	.000000	$ 0.00
John Hancock Intl Growth	$ 8026107.22	.000000	$ 0.00
Explorer	$ 44337889.38	.000000	$ 0.00
Small Cap Growth Fund	$ 76925471.52	366.985670	$ 4560.92
Bridgeway Ultra-Small Co	$ 0.00	.000000	$ 0.00
American Century Vista	$ 0.00	.000000	$ 0.00
Inv Small Cap Growth	$ 133935119.83	.000000	$ 0.00
Oppenheimer Intl Growth Fund	$ 47229553.88	.000000	$ 0.00
EuroPacific Growth Fund	$ 675544923.21	.000000	$ 0.00
Franklin Small-Mid Growth	$ 161568830.14	.000000	$ 0.00
Pru Jennison 20/20 Focus Fund	$ 44550468.38	.000000	$ 0.00
Legg Mason ClearBr Agg Growth	$ 137120713.26	.000000	$ 0.00
Turner Large Growth Fund	$ 1574369.55	.000000	$ 0.00
Thornburg International Value	$ 29129648.12	.000000	$ 0.00
T. Rowe Price Health Sci	$ 298021277.43	141.110940	$ 5701.52
Brandywine Blue Fund	$ 2218124.65	.000000	$ 0.00
Small Cap Opportunities Fund	$ 54546482.73	.000000	$ 0.00
SSgA Mid Value Index Fund	$ 25825061.76	1362.152999	$ 14171.41
Aston/Fairpointe Mid Cap Fund	$ 5042261.61	.000000	$ 0.00
Small Company Value Fund	$ 106974471.90	.000000	$ 0.00

*Assets = Liabilities



STATEMENT OF ASSETS AND LIABILITIES OF
THE SUB-ACCOUNTS OF JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
FOR CONTRACT # 19539 THE TRUSTEES OF KENAI DRILLING
401(K) PLAN
MONEY INVESTED AS OF DECEMBER 31, 2011

Sub-Accounts	John Hancock USA Total Sub-Accounts Assets and Liabilities*	THE TRUSTEES OF KENAI DRILLING 401(K) PLAN Total No of Units	Total Value
Small Cap Value Index	$ 35512118.52	.000000	$ 0.00
Royce Pennsylvania Mutual Fund	$ 1195367.50	.000000	$ 0.00
Mid-Cap Value Index Fund	$ 0.00	.000000	$ 0.00
Columbia Mid Cap Value	$ 72909682.83	.000000	$ 0.00
Small Cap Value Fund	$ 215778031.98	.000000	$ 0.00
Blue Chip Growth Fund	$ 470708927.70	.000000	$ 0.00
Value Fund	$ 79769384.22	.000000	$ 0.00
Mid Cap Index Fund	$ 340591734.73	16.549304	$ 407.48
T. Rowe Price Sml Cap Val	$ 169287252.58	160.839883	$ 8686.21
Franklin Balance Sheet	$ 196993072.46	.000000	$ 0.00
Oppenheimer Global	$ 193036100.41	.000000	$ 0.00
JH Disciplined Value Mid Cap	$ 0.00	.000000	$ 0.00
Lord Abbett Value Opps Fund	$ 14933796.26	.000000	$ 0.00
Fundamental All Cap Core Fund	$ 116072584.33	.000000	$ 0.00
Mid Value Fund	$ 181736969.73	.000000	$ 0.00
Capital World Growth & Income	$ 80100172.86	211.486817	$ 7501.06
Capital Appreciation Fund	$ 351079066.07	5526.458699	$ 63119.69
Templeton World	$ 124113515.92	.000000	$ 0.00
Domini Social Equity	$ 59145975.96	.000000	$ 0.00
All Cap Core Fund	$ 17118970.10	.000000	$ 0.00
Large Cap Value Fund	$ 0.00	.000000	$ 0.00
John Hancock Rainier Grow	$ 2162408.00	.000000	$ 0.00
All Cap Value Fund	$ 94951468.03	.000000	$ 0.00
JPM MidCap Value Fund	$ 220906550.47	.000000	$ 0.00
New Perspective Fund	$ 33136563.73	.000000	$ 0.00
Pru Jennison Mid Growth Fund	$ 27195078.64	.000000	$ 0.00

*Assets = Liabilities



STATEMENT OF ASSETS AND LIABILITIES OF
THE SUB-ACCOUNTS OF JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
FOR CONTRACT # 19539 THE TRUSTEES OF KENAI DRILLING
401(K) PLAN
MONEY INVESTED AS OF DECEMBER 31, 2011

Sub-Accounts	John Hancock USA Total Sub-Accounts Assets and Liabilities*	THE TRUSTEES OF KENAI DRILLING 401(K) PLAN Total No of Units	Total Value
Fundamental Investors	$ 121551187.63	.000000	$ 0.00
Utilities Fund	$ 92580943.17	.000000	$ 0.00
MFS Utilities	$ 231659659.45	229.385278	$ 5276.54
Total Stock Market Index Fund	$ 230459259.14	576.501951	$ 8037.18
JPMorgan Large Cap Growth	$ 0.00	.000000	$ 0.00
Victory Diversified Stock	$ 12155583.10	3.152080	$ 47.24
John Hancock Disciplined Value	$ 11735084.71	.000000	$ 0.00
Growth Index Fund	$ 53433767.00	.000000	$ 0.00
The Growth Fund of America	$ 795356849.87	.000000	$ 0.00
Eaton Vance Large-Cap Value	$ 49577426.08	.000000	$ 0.00
Fidelity ContraFund	$ 335569746.74	.000000	$ 0.00
Fidelity Adv New Insights	$ 61704421.72	.000000	$ 0.00
Mass Investors Fund	$ 21927065.44	.000000	$ 0.00
Dodge & Cox Stock Fund	$ 1577328.27	.000000	$ 0.00
BlackRock Large Value	$ 0.00	.000000	$ 0.00
Equity Income Fund	$ 241290847.79	.000000	$ 0.00
Fundamental Large Cap Value	$ 44352848.04	.000000	$ 0.00
Davis New York Venture	$ 562398854.59	.000000	$ 0.00
T. Rowe Price Equity Inc	$ 440696361.05	.000000	$ 0.00
Columbia Equity Value	$ 8555662.85	.000000	$ 0.00
Value Index Fund	$ 35448961.76	.000000	$ 0.00
BlackRock Basic Value	$ 6327805.33	.000000	$ 0.00
500 Index Fund	$ 924345444.72	83.185891	$ 60902.23
Mutual Beacon	$ 353526987.31	.000000	$ 0.00
FT Founding Allocation	$ 25616411.35	.000000	$ 0.00
Washington Mutual Investors	$ 209188191.22	.000000	$ 0.00

*Assets = Liabilities



STATEMENT OF ASSETS AND LIABILITIES OF
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FOR CONTRACT # 19539 THE TRUSTEES OF KENAI DRILLING
401(K) PLAN
MONEY INVESTED AS OF DECEMBER 31, 2011

Sub-Accounts	John Hancock USA Total Sub-Accounts Assets and Liabilities*	THE TRUSTEES OF KENAI DRILLING 401(K) PLAN Total No of Units	Total Value
Investment Company of America	$ 197312004.13	2110.972677	$ 78842.29
Parnassus Equity Income	$ 54683359.28	.000000	$ 0.00
U.S. Equity Fund	$ 40333523.40	.000000	$ 0.00
Ivy Asset Strategy Fund	$ 121442691.42	.000000	$ 0.00
T. Rowe Price Cap Appreciation	$ 10166022.35	.000000	$ 0.00
Capital Income Builder	$ 34815196.45	.000000	$ 0.00
Pax World Balanced Fund	$ 1031722.55	.000000	$ 0.00
Income Fund of America	$ 35135434.80	.000000	$ 0.00
Core Global Diversification	$ 25498354.91	.000000	$ 0.00
American Balanced Fund	$ 494023866.26	.000000	$ 0.00
BlackRock Global Allocation	$ 299789910.27	.000000	$ 0.00
PIMCO All Asset	$ 175744193.88	.000000	$ 0.00
Mutual Global Discovery	$ 362623800.52	777.077390	$ 52358.91
Core Diversified Grwth & Inc	$ 24240585.14	.000000	$ 0.00
Core Fundamental Holdings	$ 10378506.33	.000000	$ 0.00
Managers AMG FQ Global Alt	$ 5632758.57	.000000	$ 0.00
High Yield Fund	$ 301471514.91	.000000	$ 0.00
U.S. High Yield Bond Fund	$ 71435346.11	.000000	$ 0.00
American High-Income Fund	$ 39413917.92	.000000	$ 0.00
Federated High Yield Bond	$ 10350721.91	.000000	$ 0.00
Floating Rate Income Fund	$ 148307.99	.000000	$ 0.00
Global Bond Fund	$ 81530645.38	.000000	$ 0.00
Real Return Bond Fund	$ 128785642.52	.000000	$ 0.00
PIMCO Global Bond	$ 204353259.97	.000000	$ 0.00
LM Westrn Asset Glb High Yield	$ 0.00	.000000	$ 0.00
Oppenheimer Intl Bond	$ 102779740.42	.000000	$ 0.00

*Assets = Liabilities

John Hancock

STATEMENT OF ASSETS AND LIABILITIES OF
THE SUB-ACCOUNTS OF JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
FOR CONTRACT # 19539 THE TRUSTEES OF KENAI DRILLING
401(K) PLAN
MONEY INVESTED AS OF DECEMBER 31, 2011

Sub-Accounts	John Hancock USA Total Sub-Accounts Assets and Liabilities*	THE TRUSTEES OF KENAI DRILLING 401(K) PLAN Total No of Units	Total Value
DFA Inflation-Protected Sec	$ 16029555.34	.000000	$ 0.00
PIMCO Real Return	$ 359763850.11	.000000	$ 0.00
Templeton Global Bond Fund	$ 39639473.24	.000000	$ 0.00
Capital World Bond Fund	$ 15927787.22	.000000	$ 0.00
T. Rowe Price Spectrum Inc	$ 232889426.44	.000000	$ 0.00
Payden/Kravitz Cash Balance	$ 0.00	.000000	$ 0.00
Strategic Income Opp Fund	$ 224096812.16	.000000	$ 0.00
Active Bond Fund	$ 45537846.07	.000000	$ 0.00
Investment Qual Bond Fund	$ 68220509.67	.000000	$ 0.00
Total Return Fund	$ 337897318.86	.000000	$ 0.00
Core Bond Fund	$ 23501578.91	.000000	$ 0.00
PIMCO Total Return	$ 1379333861.10	19112.891050	$ 432545.95
The Bond Fund of America	$ 25298889.61	.000000	$ 0.00
Total Bond Market Fund	$ 87476848.37	2365.665904	$ 40884.13
US Government Securities	$ 74642521.71	.000000	$ 0.00
T. Rowe Price Short Term Bond	$ 13372929.50	.000000	$ 0.00
Short-Term Federal	$ 466032181.88	1316.194174	$ 27488.91
Money Market Fund	$ 2535358647.86	7466.899988	$ 97111.98
John Hancock Stable Val	$ 1725538477.45	.000000	$ 0.00

*Assets = Liabilities

I hereby certify that this statement, given pursuant to 29 CFR 2520.103-5(c), is complete and accurate.

Peter Gordon
President, Retirement Plan Services

Production Date(C): MAY/22/2012