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:
- [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
DEGOLYER AND MACNAUGHTON EMPLOYEES' SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/01/1953

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

D & M HOLDING INC.

5001 SPRING VALLEY ROAD, SUITE 800E
DALLAS, TX 75244

2b Employer Identification Number (EIN) 75-0771709

2c Sponsor's telephone number 214-891-1144

2d Business code (see instructions) 541330

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.	10/11/2012	STEPHEN PIERCE
	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")
TRUSTEES OF DEGOLYER & MACNAUGHTON EMPLOYEE SAVINGS PLAN TRUST
STEPHEN PIERCE
5001 SPRING VALLEY ROAD, SUITE 800E
DALLAS, TX 75244

3b Administrator's EIN
75-1623150

3c Administrator's telephone number
214-891-1144

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**	187
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**	193
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	7
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	200
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	200
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	198
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2H 2J 2T

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)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

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

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
D & M HOLDING INC.

D Employer Identification Number (EIN)
75-0771709

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

THE VANGUARD GROUP, INC.

23-1945930

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

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

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

THE VANGUARD GROUP, INC.

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 25 37 52	NONE	2175	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

A.B. LAUREA

03-3142557

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99	NONE	14400	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	99	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER FUNDS 470 ATLANTIC AVE, 11TH FLOOR BOSTON, MA 02210	25 BASIS POINTS- OTHER

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	99	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
JPMORGAN 13-3200244	25 BASIS POINTS- OTHER

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

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
DEGOLYER AND MACNAUGHTON EMPLOYEES' SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
D & M HOLDING INC.

D Employer Identification Number (EIN)
75-0771709

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: VANGUARD RETIREMENT SAVINGS TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
23-2186884-022	C	10379795

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
DEGOLYER AND MACNAUGHTON EMPLOYEES' SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
D & M HOLDING INC.

D Employer Identification Number (EIN)
75-0771709

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	740035	1241300
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3825000	4150000
(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)	4462616	4436266
(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)	490421	621289
(9) Value of interest in common/collective trusts	1c(9)	8661578	10379795
(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)	59415262	61869654
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	5600000	5900000

			(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	83194912	88598304
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	83194912	88598304

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)	5050633	
	(B) Participants	2a(1)(B)	1183527	
	(C) Others (including rollovers)	2a(1)(C)	102308	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		6336468
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)	18900	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		18900
	(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)	2290294	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		2290294
	(3) Rents	2b(3)		24103
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		141760
(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)		-1716119
c Other income	2c		1413644
d Total income. Add all **income** amounts in column (b) and enter total	2d		8509050
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2964865	
(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)		2964865
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	140793	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		140793
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3105658
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		5403392
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) [X] Unqualified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

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

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

(1) Name: GRANT THORNTON LLP (2) EIN: 36-6055558

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		5900000
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
DEGOLYER AND MACNAUGHTON EMPLOYEES' SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
D & M HOLDING INC.

D Employer Identification Number (EIN)
75-0771709

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): 23-2186884 75-1934919

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):

Consolidated Financial Statements and Report of Independent Certified Public Accountants

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

December 31, 2011 and 2010

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

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All additional supplemental schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable, or not required.

Grant Thornton

Report of Independent Certified Public Accountants

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To the Board of Trustees
DeGolyer and MacNaughton Employees'
Savings Plan Trust and Subsidiary

We have audited the accompanying consolidated statements of net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan") as of December 31, 2011 and 2010, and the related consolidated statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedules of Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Part IV, Line 4j – Schedule of Reportable Transactions as of and for the year ended December 31, 2011. These consolidated financial statements and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and supplemental schedules are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements and supplemental schedules referred to above present fairly, in all material respects, the net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2011 and schedule of reportable transactions for the year ended December 31, 2011 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

Dallas, Texas
October 11, 2012

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	2011	2010
Assets		
Investments at fair value		
Cash	$ 1,241,300	$ 740,035
Mutual funds	61,869,654	59,415,262
Common and collective trust fund	10,379,795	8,661,578
Money market funds	4,436,266	4,462,616
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	83,827,015	78,879,491
Notes receivable from participants	621,289	490,421
Employer contribution receivable	4,150,000	3,825,000
Net assets available for benefits at fair value	88,598,304	83,194,912
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(480,651)	(341,077)
Net assets available for benefits	$88,117,653	$82,853,835

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

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN
NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Additions to net assets attributed to:	
Investment income	
Interest and dividend income	$ 2,316,583
Oil and gas royalties	1,413,644
Net depreciation in fair value of investments	(1,716,119)
	2,014,108
Less investment expenses	(133,966)
Net investment income	1,880,142
Employee contributions	1,285,835
Employer contributions	5,050,633
Interest income on notes receivable from participants	18,900
Total additions	8,235,510
Deductions from net assets attributed to:	
Benefits paid to participants	(2,964,865)
Administrative expenses	(6,827)
Total deductions	(2,971,692)
Net increase in net assets available for benefits	5,263,818
Net assets available for benefits, beginning of year	82,853,835
Net assets available for benefits, end of year	$88,117,653

The accompanying notes are an integral part of this consolidated financial statement.

NOTE A - DESCRIPTION OF PLAN

The following description of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan" or "Trust") 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 covering employees of D & M Holding Inc. (the "Company" or "Employer") and its wholly owned subsidiaries, who have six months or more of continuous service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Plan is administered by a board of trustees (the "Board" or the "Trustees"). Certain administrative expenses of the Plan are paid directly by the Company. Once the service requirement has been met, participants are entitled to all benefits of the Plan, including the ability to make elective contributions as well as to receive both Safe Harbor and discretionary contributions from the Company.

Contributions

Participants are allowed to voluntarily contribute to the Plan, on a pre-tax basis, amounts of their compensation as defined and as limited by the Plan document and the Internal Revenue Code (IRC).

The Company may also make discretionary profit-sharing contributions on behalf of Plan participants as determined by the Company's board of directors. The Company's annual contribution cannot exceed certain percentage limits of the total compensation paid or accrued to all participants during the year as remuneration for services rendered. This percentage limit was 25% for both 2011 and 2010. In addition, the Company made contributions to eligible participants in the amount of 3% of compensation, as defined ("Company Safe Harbor Contributions").

Participant Accounts

Participant's pre-tax voluntary contributions and Company Safe Harbor Contributions are credited to the participant's accounts when made. All other earnings are allocated daily by the Plan's custodian, Vanguard. Allocations are based on participant account balances, as defined.

The Employer's discretionary profit-sharing contributions are allocated to the participants' accounts in the proportion that their respective total eligible compensation bears to total eligible compensation of all participants. For the year ended December 31, 2011, no forfeitures were used to offset employer contributions. There were no unallocated forfeiture balances as of December 31, 2011 and 2010. Plan earnings related to non-vested discretionary profit-sharing contributions are allocated and credited to the participants' accounts quarterly in the proportion that their individual account balance bears to the total accounts of all participants.

NOTE A - DESCRIPTION OF PLAN - Continued

Vesting

Participants are immediately vested in their employee contributions and their Company Safe Harbor Contributions and earnings on such contributions. Vesting in the Employer discretionary contributions and earnings thereon is based on years of continuous service. A participant is vested 20% after two years of service and vests 20% per year for each year thereafter. A participant becomes fully vested after six years of service.

Payment of Benefits

Distributions from the Plan are payable upon the occurrence of any of the following events: (1) retirement, (2) death, (3) total and permanent disability, (4) termination of service, (5) election to withdraw an allowable portion of the participant's interest, (6) financial hardship, as defined, or (7) termination of the Plan.

Notes Receivable from Participants

Participants may borrow a minimum of $1,000, up to $50,000 or one-third of the vested portion of their account balance, reduced by the highest loan balance in the preceding twelve months, whichever is less. Notes receivable are collateralized by the remaining balance of the participant's vested account. Principal and interest are paid ratably through payroll deductions and must be repaid within four years. Interest rates for notes receivable at both December 31, 2011 and 2010 ranged from 3.25% to 6.0%.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis.

Investment contracts or collective trusts that invest in fully benefit-responsive investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present the fair value of the collective trust as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The Plan's interest in the collective trust is valued based on information reported by the Trustee using the audited financial statements of the collective trust at year end.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

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 D for discussion of fair value measurements.

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

Administrative Expenses

Administrative expenses are fees charged by the Trustee to individual participant accounts for loan initiation fees and annual maintenance fees related to outstanding loans.

Forfeitures

Amounts forfeited by participants upon withdrawing from the Plan are allocated to remaining participants. These amounts may also be credited to participant accounts upon returning to the Plan if certain requirements are met. At December 31, 2011 and 2010, there were no outstanding amounts related to forfeited non-vested accounts. In 2011, forfeiture amounts of $88,176 were allocated among the participants.

Payment of Benefits

Benefits are recorded when paid.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS". This ASU represents the converged guidance of the FASB and the International Accounting Standards Board on fair value measurement. A variety of measures are included in the update intended to either clarify existing fair value measurement requirements, change particular principles requirements for measuring fair value or for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend to change the application of existing requirements under Accounting Standards Codification Topic 820, "Fair Value Measurements". This ASU is effective for interim and annual periods beginning after December 15, 2011 and early application is not permitted. The Plan is still evaluating the impact the adoption of this ASU will have on the Plan's financial statements.

NOTE C - COMMON AND COLLECTIVE TRUST

The Vanguard Retirement Savings Trust includes security-backed investment contracts including synthetic investment contracts ("SICs"), guaranteed investment contracts ("GICs") and cash-equivalents. SICs are contracts composed of underlying assets and a wrapper contract issued by a responsible third party. The issuer of the wrapper contract provides for withdrawals at contract value for any normal benefit responsive requirements.

The key factors that influence future interest crediting rates (the rate earned by participants based on the underlying investments) for a wrapper contract include:

- The level of market interest rates
- The amount and timing of participant contributions, transfers, and withdrawals into/out of the wrapper contract
- The investment returns generated by the fixed income investments backing the wrapper contract
- The duration of the underlying fixed income investments backing the wrapper contract

NOTE C - COMMON AND COLLECTIVE TRUST - Continued

Wrapper contracts' interest crediting rates are typically reset on a monthly or quarterly basis. While there may be slight variations from one contract to another, most wrapper contracts use a formula that is based on the characteristics of the underlying fixed income portfolio. Because changes in market interest rates affect the yield to maturity and the market value of the underlying investments, they can have a material impact on the wrapper contract's interest crediting rate. The gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Plan's Statements of Net Assets Available for Benefits as the "Adjustment from Fair Value to Contract Value." If the Adjustment from Fair Value to Contract Value is positive for a given contract, this indicates that the wrapper contract value is greater than the market value of the underlying investments. In certain circumstances, the amount withdrawn from the wrapper contract would be payable at fair value rather than at contract value. These events include termination of the Plan, a material adverse change to the provisions of the Plan, or the Employer elects to withdraw from a wrapper contract. The Plan's management is not aware of the occurrence or likely occurrence of any such events, which would limit the Plan's ability to transact at contract value with participants.

The guaranteed investment contracts may have elements of risk due to the lack of a secondary market and resale restrictions which may result in the inability of the guaranteed investment contracts to be sold at a fair price and may substantially delay the sale of these contracts. The average annualized yield of the Vanguard Retirement Savings Trust for 2011 and 2010 is as follows:

Average Yields	2011	2010
Based on actual earnings	3.31%	3.58%
Based on interest rate credited to participants	3.26%	3.23%

NOTE D - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or pay to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. In determining fair value, the Plan used a three-level hierarchy in measuring fair value 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 other 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.

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The asset'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.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds and Money Market Funds - Valued at the closing price reported on the market on which the individual shares are traded. The market on which mutual funds are traded is active while the market which money market funds are traded is not active.

Common and Collective Trust Fund - Valued at fair value derived from the audited financial statements of the collective trust at year end as provided by Vanguard, the Plan custodian. Vanguard arrives at the fund's fair market value by discounting the expected future cash flows for each contract to present value.

Producing Oil and Gas Royalty Interests - Valued based on the present value of the estimated cash flows, which approximates fair value. Inputs to the cash flow calculations include engineering valuations of the properties proven reserves, and market prices of underlying commodities.

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. There have been no changes in the methodologies used at December 31, 2011 and 2010.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$28,507,903	$ -	$ -	$28,507,903
Bond funds	14,697,551	-	-	14,697,551
Domestic stock funds	10,380,661	-	-	10,380,661
International stock funds	4,850,448	-	-	4,850,448
Specialty stock funds	3,433,091	-	-	3,433,091
Cash	1,241,300	-	-	1,241,300
Money market funds	-	4,436,266	-	4,436,266
Common and collective trust fund	-	-	10,379,795	10,379,795
Producing oil and gas royalties	-	-	5,900,000	5,900,000
Total assets at fair value	$63,110,954	$4,436,266	$16,279,795	$83,827,015

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$27,460,480	$ -	$ -	$27,460,480
Bond funds	11,072,737	-	-	11,072,737
Domestic stock funds	12,852,366	-	-	12,852,366
International stock funds	5,689,826	-	-	5,689,826
Specialty stock funds	2,339,853	-	-	2,339,853
Cash	740,035	-	-	740,035
Money market funds	-	4,462,616	-	4,462,616
Common and collective trust fund	-	-	8,661,578	8,661,578
Producing oil and gas royalties	-	-	5,600,000	5,600,000
Total assets at fair value	$60,155,297	$4,462,616	$14,261,578	$78,879,491

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2011:

	Common and Collective Trust Fund	Royalties	Total
Beginning balance	$ 8,661,578	$5,600,000	$14,261,578
Unrealized gain (loss)	139,574	300,000	439,574
Purchases and issuances	1,661,039	-	1,611,039
Sales and settlements	(82,396)	-	(82,396)
Ending balance	$10,379,795	$5,900,000	$16,279,795

Realized and unrealized net gains on the Plan's investments for the year ended December 31, 2011 were as follows:

Mutual funds	$ 57,276
Money market funds	2,106
Common and collective trust fund at contract value	241,082
Producing oil and gas royalties	1,713,644
Net realized and unrealized appreciation in fair value of assets	$2,014,108

NOTE E - INVESTMENTS

The following table summarizes consolidated investments at fair values and specifically identifies those investments that represent 5% or more of the net assets available for benefits at December 31, 2011 and 2010.

Investments at fair value	2011	2010
Nonparticipant-directed		
Producing oil and gas royalty interests	$ 5,900,000	$ 5,600,000
Participant directed		
Vanguard Life Strategy Moderate Growth	13,951,813	17,599,670
Vanguard Prime Money Market	4,436,266	4,462,616
Vanguard Retirement Savings Trust	10,379,795*	8,661,578*

* Represents fair value. Contract value of this investment was $9,899,144 and $8,320,501 at December 31, 2011 and 2010, respectively.

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments is as follows:

	December 31,	
	2011	2010
Net assets		
Investments, at fair value		
Mutual funds	$13,235,311	$13,147,841
Money market funds	307,325	1,538,578
	13,542,636	14,686,419
At estimated fair value		
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	19,442,636	20,286,419
Employer contribution receivable	4,150,000	3,825,000
Cash	1,241,300	740,035
Total non-participant directed investments	$24,833,936	$24,851,454

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS - Continued

	Year ended December 31, 2011
Changes in assets:	
Investment income	$ 1,719,739
Contributions	4,150,000
Benefits paid to participants	(830,209)
Transfers to participant-directed investments	(5,057,048)
Net change in assets available for benefits	$ (17,518)

NOTE G - INCOME TAX STATUS

As of December 31, 2011, The Plan's latest determination letter was dated April 24, 2002, in which the Internal Revenue Service stated that the Plan, as designed, is in compliance with the applicable requirements of the Internal Revenue Code. The Plan was restated on January 1, 2012, and as such, a new determination letter was obtained dated March 5, 2012. In the March 5, 2012 letter, the Internal Revenue Service stated that the Plan, as designed, is still in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's consolidated financial statements.

NOTE H - PLAN TERMINATION

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. In the event of the Plan's termination, participants will immediately become 100% vested in their accounts.

NOTE I - RISKS AND UNCERTAINTIES

The Plan provides for certain investments that are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the consolidated statements of net assets available for benefits and of changes in net assets available for benefits.

NOTE J - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer and certain others.

Certain plan investments are shares of mutual funds and a collective trust managed by Vanguard Fiduciary Trust Company, the Custodian of the Plan. In addition, certain fees are paid to the Plan's trustee and record-keeper for investment management services.

NOTE K - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

	Year ended December 31	
	2011	2010
Net assets available for benefits per the financial statements	$88,117,653	$82,853,835
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	480,651	341,077
Net assets available for benefits per the Form 5500	$88,598,304	$83,194,912

	Year ended December 31, 2011
Total change in net assets per the financial statements	$5,263,818
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	
Less: 2010 Adjustment	(341,077)
Add: 2011 Adjustment	480,651
Net adjustment	139,574
Total change in net assets per the Form 5500	$5,403,392

As discussed in Note C, the Plan invests in a fully benefit-responsive collective trust fund. For financial reporting purposes, the net assets of the Plan included in this collective trust are recorded at contract value while the Form 5500 is presented at fair value.

NOTE L - SUBSEQUENT EVENTS

There were no subsequent events to report between December 31, 2011, the date of these financial statements, and October 11, 2012, the date these financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

EIN: 75-0771709
Plan #: 001

(a)	(b) Identity of issue	(c) Description of investment	(d) Cost	(e) Current value
*	The Vanguard Group	Vanguard Life Strategy Moderate Growth Fund	$13,223,919	$13,951,813
*	The Vanguard Group	Vanguard Retirement Savings Trust	9,899,144	10,379,795
*	The Vanguard Group	Vanguard Prime Money Market Fund	4,436,266	4,436,266
*	The Vanguard Group	Vanguard Total Bond Market Index Fund	3,889,799	4,062,850
*	The Vanguard Group	Vanguard Life Strategy Conservative Growth Fund	3,344,550	3,417,867
*	The Vanguard Group	Vanguard Energy Fund	2,874,270	2,904,729
*	The Vanguard Group	Vanguard Total Bond Market Index - Admiral	2,463,655	2,665,226
*	The Vanguard Group	Vanguard PRIMECAP Fund	2,290,583	2,390,543
*	The Vanguard Group	Vanguard Windsor Fund - Admiral	2,551,041	2,296,253
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund	1,817,726	1,918,357
	JP Morgan	JP Morgan Hi Yield Select Fund	1,929,787	1,818,121
*	The Vanguard Group	Vanguard PRIMECAP - Admiral	1,427,257	1,610,829
*	The Vanguard Group	Vanguard Int. Term Investment Grade - Admiral	1,565,680	1,596,881
*	The Vanguard Group	Vanguard Short-Term Bond Index Fund	1,547,531	1,550,978
*	The Vanguard Group	Vanguard Windsor II Fund	1,539,475	1,521,756
*	The Vanguard Group	Vanguard International Growth Fund	1,638,451	1,469,615
*	The Vanguard Group	Vanguard 500 Index Fund	1,325,108	1,404,983
*	The Vanguard Group	Vanguard Target Retirement Income Fund	1,207,290	1,300,172
*	The Vanguard Group	Vanguard Life Strategy Growth Fund	1,197,568	1,251,725
*	The Vanguard Group	Vanguard Selected Value Fund	1,207,336	1,232,543
*	The Vanguard Group	Vanguard Life Strategy Income Fund	1,103,709	1,174,615
*	The Vanguard Group	Vanguard Extended Market Index Fund	1,026,040	1,156,298
*	The Vanguard Group	Vanguard International Growth - Admiral	1,081,112	1,096,542
	Morgan Stanley	MSIFT Midcap Growth A Fund	930,736	866,796
	Oppenheimer Funds	Oppenheimer Developing Markets - Y Fund	916,738	814,174
*	The Vanguard Group	Vanguard Mid-Cap Growth Fund	795,924	799,216
*	The Vanguard Group	Vanguard Target Retirement 2020 Fund	774,347	770,538
*	The Vanguard Group	Vanguard Target Retirement 2025 Fund	644,377	659,346
*	The Vanguard Group	Vanguard International Value Fund	650,369	568,157
*	The Vanguard Group	Vanguard High-Yield Corporate Fund	537,710	546,330
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund-Admiral Shares	537,050	538,808
*	The Vanguard Group	Vanguard Health Care Fund	508,972	528,362
	Janus	Perkins Small Cap Value Fund	553,645	496,772
*	The Vanguard Group	Vanguard Small-Cap Value Index	446,397	450,466
*	The Vanguard Group	Vanguard Small-Cap Growth Index	431,481	437,151
	Columbia	Columbia Small Cap Growth Fund	413,617	394,187
*	The Vanguard Group	Vanguard Emerging Markets Stock Index Fund	444,287	387,015
*	The Vanguard Group	Vanguard Target Retirement 2035 Fund	348,144	341,892
*	The Vanguard Group	Vanguard Developed Markets Index Fund	386,982	329,959
*	The Vanguard Group	Vanguard Target Retirement 2045 Fund	275,419	283,975
*	The Vanguard Group	Vanguard Target Retirement 2030 Fund	193,866	202,791
*	The Vanguard Group	Vanguard International Explorer Fund	203,706	184,986
*	The Vanguard Group	Vanguard Target Retirement 2040 Fund	150,784	159,965
*	The Vanguard Group	Vanguard GNMA Investor Shares	112,340	112,418
*	The Vanguard Group	Vanguard Target Retirement 2015 Fund	109,044	109,295
*	The Vanguard Group	Vanguard Target Retirement 2050 Fund	92,325	94,359
	Cash		1,241,300	1,241,300
	Producing oil and gas royalty interests	Producing oil and gas royalty partnerships	5,667,273	5,900,000
*	Notes receivable from participants	Notes receivable from participants, interest rates ranging from 3.25% to 6%	621,289	621,289
		Total assets	$82,575,419	$84,448,304

* Party-in-interest

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

Year ended December 31, 2011

EIN: 75-0771709
Plan #: 001

(a) Identity of party involved	(b) Description of assets	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
The Vanguard Group	Vanguard LifeSt Mod Growth	$2,956,739	$ -	$ -	$2,956,739	$ -
The Vanguard Group	Vanguard LifeSt Mod Growth	-	6,360,827	5,756,087	6,360,827	604,740
The Vanguard Group	Vanguard Prime Money Mkt	2,525,377	-	-	2,525,377	-
The Vanguard Group	Vanguard Prime Money Mkt	-	1,320,473	1,320,473	1,320,473	-
The Vanguard Group	Vanguard Retire Savings Trust	4,349,846	-	-	4,349,846	-
The Vanguard Group	Vanguard Retire Savings Trust	-	2,771,204	2,771,204	2,771,204	-

Note: Columns (e) Lease rental and (f) Expense incurred with transaction are not applicable to these transactions and have been omitted.

Consolidated Financial Statements and Report of Independent Certified Public Accountants

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

December 31, 2011 and 2010

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

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All additional supplemental schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable, or not required.

Grant Thornton

Report of Independent Certified Public Accountants

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To the Board of Trustees
DeGolyer and MacNaughton Employees'
Savings Plan Trust and Subsidiary

We have audited the accompanying consolidated statements of net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan") as of December 31, 2011 and 2010, and the related consolidated statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedules of Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Part IV, Line 4j – Schedule of Reportable Transactions as of and for the year ended December 31, 2011. These consolidated financial statements and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and supplemental schedules are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements and supplemental schedules referred to above present fairly, in all material respects, the net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2011 and schedule of reportable transactions for the year ended December 31, 2011 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

Dallas, Texas
October 11, 2012

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	2011	2010
Assets		
Investments at fair value		
Cash	$ 1,241,300	$ 740,035
Mutual funds	61,869,654	59,415,262
Common and collective trust fund	10,379,795	8,661,578
Money market funds	4,436,266	4,462,616
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	83,827,015	78,879,491
Notes receivable from participants	621,289	490,421
Employer contribution receivable	4,150,000	3,825,000
Net assets available for benefits at fair value	88,598,304	83,194,912
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(480,651)	(341,077)
Net assets available for benefits	$88,117,653	$82,853,835

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

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN
NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Additions to net assets attributed to:	
Investment income	
Interest and dividend income	$ 2,316,583
Oil and gas royalties	1,413,644
Net depreciation in fair value of investments	(1,716,119)
	2,014,108
Less investment expenses	(133,966)
Net investment income	1,880,142
Employee contributions	1,285,835
Employer contributions	5,050,633
Interest income on notes receivable from participants	18,900
Total additions	8,235,510
Deductions from net assets attributed to:	
Benefits paid to participants	(2,964,865)
Administrative expenses	(6,827)
Total deductions	(2,971,692)
Net increase in net assets available for benefits	5,263,818
Net assets available for benefits, beginning of year	82,853,835
Net assets available for benefits, end of year	$88,117,653

The accompanying notes are an integral part of this consolidated financial statement.

NOTE A - DESCRIPTION OF PLAN

The following description of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan" or "Trust") 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 covering employees of D & M Holding Inc. (the "Company" or "Employer") and its wholly owned subsidiaries, who have six months or more of continuous service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Plan is administered by a board of trustees (the "Board" or the "Trustees"). Certain administrative expenses of the Plan are paid directly by the Company. Once the service requirement has been met, participants are entitled to all benefits of the Plan, including the ability to make elective contributions as well as to receive both Safe Harbor and discretionary contributions from the Company.

Contributions

Participants are allowed to voluntarily contribute to the Plan, on a pre-tax basis, amounts of their compensation as defined and as limited by the Plan document and the Internal Revenue Code (IRC).

The Company may also make discretionary profit-sharing contributions on behalf of Plan participants as determined by the Company's board of directors. The Company's annual contribution cannot exceed certain percentage limits of the total compensation paid or accrued to all participants during the year as remuneration for services rendered. This percentage limit was 25% for both 2011 and 2010. In addition, the Company made contributions to eligible participants in the amount of 3% of compensation, as defined ("Company Safe Harbor Contributions").

Participant Accounts

Participant's pre-tax voluntary contributions and Company Safe Harbor Contributions are credited to the participant's accounts when made. All other earnings are allocated daily by the Plan's custodian, Vanguard. Allocations are based on participant account balances, as defined.

The Employer's discretionary profit-sharing contributions are allocated to the participants' accounts in the proportion that their respective total eligible compensation bears to total eligible compensation of all participants. For the year ended December 31, 2011, no forfeitures were used to offset employer contributions. There were no unallocated forfeiture balances as of December 31, 2011 and 2010. Plan earnings related to non-vested discretionary profit-sharing contributions are allocated and credited to the participants' accounts quarterly in the proportion that their individual account balance bears to the total accounts of all participants.

NOTE A - DESCRIPTION OF PLAN - Continued

Vesting

Participants are immediately vested in their employee contributions and their Company Safe Harbor Contributions and earnings on such contributions. Vesting in the Employer discretionary contributions and earnings thereon is based on years of continuous service. A participant is vested 20% after two years of service and vests 20% per year for each year thereafter. A participant becomes fully vested after six years of service.

Payment of Benefits

Distributions from the Plan are payable upon the occurrence of any of the following events: (1) retirement, (2) death, (3) total and permanent disability, (4) termination of service, (5) election to withdraw an allowable portion of the participant's interest, (6) financial hardship, as defined, or (7) termination of the Plan.

Notes Receivable from Participants

Participants may borrow a minimum of $1,000, up to $50,000 or one-third of the vested portion of their account balance, reduced by the highest loan balance in the preceding twelve months, whichever is less. Notes receivable are collateralized by the remaining balance of the participant's vested account. Principal and interest are paid ratably through payroll deductions and must be repaid within four years. Interest rates for notes receivable at both December 31, 2011 and 2010 ranged from 3.25% to 6.0%.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis.

Investment contracts or collective trusts that invest in fully benefit-responsive investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present the fair value of the collective trust as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The Plan's interest in the collective trust is valued based on information reported by the Trustee using the audited financial statements of the collective trust at year end.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

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 D for discussion of fair value measurements.

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

Administrative Expenses

Administrative expenses are fees charged by the Trustee to individual participant accounts for loan initiation fees and annual maintenance fees related to outstanding loans.

Forfeitures

Amounts forfeited by participants upon withdrawing from the Plan are allocated to remaining participants. These amounts may also be credited to participant accounts upon returning to the Plan if certain requirements are met. At December 31, 2011 and 2010, there were no outstanding amounts related to forfeited non-vested accounts. In 2011, forfeiture amounts of $88,176 were allocated among the participants.

Payment of Benefits

Benefits are recorded when paid.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS". This ASU represents the converged guidance of the FASB and the International Accounting Standards Board on fair value measurement. A variety of measures are included in the update intended to either clarify existing fair value measurement requirements, change particular principles requirements for measuring fair value or for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend to change the application of existing requirements under Accounting Standards Codification Topic 820, "Fair Value Measurements". This ASU is effective for interim and annual periods beginning after December 15, 2011 and early application is not permitted. The Plan is still evaluating the impact the adoption of this ASU will have on the Plan's financial statements.

NOTE C - COMMON AND COLLECTIVE TRUST

The Vanguard Retirement Savings Trust includes security-backed investment contracts including synthetic investment contracts ("SICs"), guaranteed investment contracts ("GICs") and cash-equivalents. SICs are contracts composed of underlying assets and a wrapper contract issued by a responsible third party. The issuer of the wrapper contract provides for withdrawals at contract value for any normal benefit responsive requirements.

The key factors that influence future interest crediting rates (the rate earned by participants based on the underlying investments) for a wrapper contract include:

- The level of market interest rates
- The amount and timing of participant contributions, transfers, and withdrawals into/out of the wrapper contract
- The investment returns generated by the fixed income investments backing the wrapper contract
- The duration of the underlying fixed income investments backing the wrapper contract

NOTE C - COMMON AND COLLECTIVE TRUST - Continued

Wrapper contracts' interest crediting rates are typically reset on a monthly or quarterly basis. While there may be slight variations from one contract to another, most wrapper contracts use a formula that is based on the characteristics of the underlying fixed income portfolio. Because changes in market interest rates affect the yield to maturity and the market value of the underlying investments, they can have a material impact on the wrapper contract's interest crediting rate. The gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Plan's Statements of Net Assets Available for Benefits as the "Adjustment from Fair Value to Contract Value." If the Adjustment from Fair Value to Contract Value is positive for a given contract, this indicates that the wrapper contract value is greater than the market value of the underlying investments. In certain circumstances, the amount withdrawn from the wrapper contract would be payable at fair value rather than at contract value. These events include termination of the Plan, a material adverse change to the provisions of the Plan, or the Employer elects to withdraw from a wrapper contract. The Plan's management is not aware of the occurrence or likely occurrence of any such events, which would limit the Plan's ability to transact at contract value with participants.

The guaranteed investment contracts may have elements of risk due to the lack of a secondary market and resale restrictions which may result in the inability of the guaranteed investment contracts to be sold at a fair price and may substantially delay the sale of these contracts. The average annualized yield of the Vanguard Retirement Savings Trust for 2011 and 2010 is as follows:

Average Yields	2011	2010
Based on actual earnings	3.31%	3.58%
Based on interest rate credited to participants	3.26%	3.23%

NOTE D - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or pay to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. In determining fair value, the Plan used a three-level hierarchy in measuring fair value 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 other 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.

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The asset'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.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds and Money Market Funds - Valued at the closing price reported on the market on which the individual shares are traded. The market on which mutual funds are traded is active while the market which money market funds are traded is not active.

Common and Collective Trust Fund - Valued at fair value derived from the audited financial statements of the collective trust at year end as provided by Vanguard, the Plan custodian. Vanguard arrives at the fund's fair market value by discounting the expected future cash flows for each contract to present value.

Producing Oil and Gas Royalty Interests - Valued based on the present value of the estimated cash flows, which approximates fair value. Inputs to the cash flow calculations include engineering valuations of the properties proven reserves, and market prices of underlying commodities.

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. There have been no changes in the methodologies used at December 31, 2011 and 2010.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$28,507,903	$ -	$ -	$28,507,903
Bond funds	14,697,551	-	-	14,697,551
Domestic stock funds	10,380,661	-	-	10,380,661
International stock funds	4,850,448	-	-	4,850,448
Specialty stock funds	3,433,091	-	-	3,433,091
Cash	1,241,300	-	-	1,241,300
Money market funds	-	4,436,266	-	4,436,266
Common and collective trust fund	-	-	10,379,795	10,379,795
Producing oil and gas royalties	-	-	5,900,000	5,900,000
Total assets at fair value	$63,110,954	$4,436,266	$16,279,795	$83,827,015

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$27,460,480	$ -	$ -	$27,460,480
Bond funds	11,072,737	-	-	11,072,737
Domestic stock funds	12,852,366	-	-	12,852,366
International stock funds	5,689,826	-	-	5,689,826
Specialty stock funds	2,339,853	-	-	2,339,853
Cash	740,035	-	-	740,035
Money market funds	-	4,462,616	-	4,462,616
Common and collective trust fund	-	-	8,661,578	8,661,578
Producing oil and gas royalties	-	-	5,600,000	5,600,000
Total assets at fair value	$60,155,297	$4,462,616	$14,261,578	$78,879,491

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2011:

	Common and Collective Trust Fund	Royalties	Total
Beginning balance	$ 8,661,578	$5,600,000	$14,261,578
Unrealized gain (loss)	139,574	300,000	439,574
Purchases and issuances	1,661,039	-	1,611,039
Sales and settlements	(82,396)	-	(82,396)
Ending balance	$10,379,795	$5,900,000	$16,279,795

Realized and unrealized net gains on the Plan's investments for the year ended December 31, 2011 were as follows:

Mutual funds	$ 57,276
Money market funds	2,106
Common and collective trust fund at contract value	241,082
Producing oil and gas royalties	1,713,644
Net realized and unrealized appreciation in fair value of assets	$2,014,108

NOTE E - INVESTMENTS

The following table summarizes consolidated investments at fair values and specifically identifies those investments that represent 5% or more of the net assets available for benefits at December 31, 2011 and 2010.

Investments at fair value	2011	2010
Nonparticipant-directed		
Producing oil and gas royalty interests	$ 5,900,000	$ 5,600,000
Participant directed		
Vanguard Life Strategy Moderate Growth	13,951,813	17,599,670
Vanguard Prime Money Market	4,436,266	4,462,616
Vanguard Retirement Savings Trust	10,379,795*	8,661,578*

* Represents fair value. Contract value of this investment was $9,899,144 and $8,320,501 at December 31, 2011 and 2010, respectively.

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments is as follows:

	December 31,	
	2011	2010
Net assets		
Investments, at fair value		
Mutual funds	$13,235,311	$13,147,841
Money market funds	307,325	1,538,578
	13,542,636	14,686,419
At estimated fair value		
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	19,442,636	20,286,419
Employer contribution receivable	4,150,000	3,825,000
Cash	1,241,300	740,035
Total non-participant directed investments	$24,833,936	$24,851,454

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS - Continued

	Year ended December 31, 2011
Changes in assets:	
Investment income	$ 1,719,739
Contributions	4,150,000
Benefits paid to participants	(830,209)
Transfers to participant-directed investments	(5,057,048)
Net change in assets available for benefits	$ (17,518)

NOTE G - INCOME TAX STATUS

As of December 31, 2011, The Plan's latest determination letter was dated April 24, 2002, in which the Internal Revenue Service stated that the Plan, as designed, is in compliance with the applicable requirements of the Internal Revenue Code. The Plan was restated on January 1, 2012, and as such, a new determination letter was obtained dated March 5, 2012. In the March 5, 2012 letter, the Internal Revenue Service stated that the Plan, as designed, is still in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's consolidated financial statements.

NOTE H - PLAN TERMINATION

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. In the event of the Plan's termination, participants will immediately become 100% vested in their accounts.

NOTE I - RISKS AND UNCERTAINTIES

The Plan provides for certain investments that are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the consolidated statements of net assets available for benefits and of changes in net assets available for benefits.

NOTE J - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer and certain others.

Certain plan investments are shares of mutual funds and a collective trust managed by Vanguard Fiduciary Trust Company, the Custodian of the Plan. In addition, certain fees are paid to the Plan's trustee and record-keeper for investment management services.

NOTE K - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

	Year ended December 31	
	2011	2010
Net assets available for benefits per the financial statements	$88,117,653	$82,853,835
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	480,651	341,077
Net assets available for benefits per the Form 5500	$88,598,304	$83,194,912

	Year ended December 31, 2011
Total change in net assets per the financial statements	$5,263,818
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	
Less: 2010 Adjustment	(341,077)
Add: 2011 Adjustment	480,651
Net adjustment	139,574
Total change in net assets per the Form 5500	$5,403,392

As discussed in Note C, the Plan invests in a fully benefit-responsive collective trust fund. For financial reporting purposes, the net assets of the Plan included in this collective trust are recorded at contract value while the Form 5500 is presented at fair value.

NOTE L - SUBSEQUENT EVENTS

There were no subsequent events to report between December 31, 2011, the date of these financial statements, and October 11, 2012, the date these financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

EIN: 75-0771709
Plan #: 001

(a)	(b) Identity of issue	(c) Description of investment	(d) Cost	(e) Current value
*	The Vanguard Group	Vanguard Life Strategy Moderate Growth Fund	$13,223,919	$13,951,813
*	The Vanguard Group	Vanguard Retirement Savings Trust	9,899,144	10,379,795
*	The Vanguard Group	Vanguard Prime Money Market Fund	4,436,266	4,436,266
*	The Vanguard Group	Vanguard Total Bond Market Index Fund	3,889,799	4,062,850
*	The Vanguard Group	Vanguard Life Strategy Conservative Growth Fund	3,344,550	3,417,867
*	The Vanguard Group	Vanguard Energy Fund	2,874,270	2,904,729
*	The Vanguard Group	Vanguard Total Bond Market Index - Admiral	2,463,655	2,665,226
*	The Vanguard Group	Vanguard PRIMECAP Fund	2,290,583	2,390,543
*	The Vanguard Group	Vanguard Windsor Fund - Admiral	2,551,041	2,296,253
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund	1,817,726	1,918,357
	JP Morgan	JP Morgan Hi Yield Select Fund	1,929,787	1,818,121
*	The Vanguard Group	Vanguard PRIMECAP - Admiral	1,427,257	1,610,829
*	The Vanguard Group	Vanguard Int. Term Investment Grade - Admiral	1,565,680	1,596,881
*	The Vanguard Group	Vanguard Short-Term Bond Index Fund	1,547,531	1,550,978
*	The Vanguard Group	Vanguard Windsor II Fund	1,539,475	1,521,756
*	The Vanguard Group	Vanguard International Growth Fund	1,638,451	1,469,615
*	The Vanguard Group	Vanguard 500 Index Fund	1,325,108	1,404,983
*	The Vanguard Group	Vanguard Target Retirement Income Fund	1,207,290	1,300,172
*	The Vanguard Group	Vanguard Life Strategy Growth Fund	1,197,568	1,251,725
*	The Vanguard Group	Vanguard Selected Value Fund	1,207,336	1,232,543
*	The Vanguard Group	Vanguard Life Strategy Income Fund	1,103,709	1,174,615
*	The Vanguard Group	Vanguard Extended Market Index Fund	1,026,040	1,156,298
*	The Vanguard Group	Vanguard International Growth - Admiral	1,081,112	1,096,542
	Morgan Stanley	MSIFT Midcap Growth A Fund	930,736	866,796
	Oppenheimer Funds	Oppenheimer Developing Markets - Y Fund	916,738	814,174
*	The Vanguard Group	Vanguard Mid-Cap Growth Fund	795,924	799,216
*	The Vanguard Group	Vanguard Target Retirement 2020 Fund	774,347	770,538
*	The Vanguard Group	Vanguard Target Retirement 2025 Fund	644,377	659,346
*	The Vanguard Group	Vanguard International Value Fund	650,369	568,157
*	The Vanguard Group	Vanguard High-Yield Corporate Fund	537,710	546,330
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund-Admiral Shares	537,050	538,808
*	The Vanguard Group	Vanguard Health Care Fund	508,972	528,362
	Janus	Perkins Small Cap Value Fund	553,645	496,772
*	The Vanguard Group	Vanguard Small-Cap Value Index	446,397	450,466
*	The Vanguard Group	Vanguard Small-Cap Growth Index	431,481	437,151
	Columbia	Columbia Small Cap Growth Fund	413,617	394,187
*	The Vanguard Group	Vanguard Emerging Markets Stock Index Fund	444,287	387,015
*	The Vanguard Group	Vanguard Target Retirement 2035 Fund	348,144	341,892
*	The Vanguard Group	Vanguard Developed Markets Index Fund	386,982	329,959
*	The Vanguard Group	Vanguard Target Retirement 2045 Fund	275,419	283,975
*	The Vanguard Group	Vanguard Target Retirement 2030 Fund	193,866	202,791
*	The Vanguard Group	Vanguard International Explorer Fund	203,706	184,986
*	The Vanguard Group	Vanguard Target Retirement 2040 Fund	150,784	159,965
*	The Vanguard Group	Vanguard GNMA Investor Shares	112,340	112,418
*	The Vanguard Group	Vanguard Target Retirement 2015 Fund	109,044	109,295
*	The Vanguard Group	Vanguard Target Retirement 2050 Fund	92,325	94,359
	Cash		1,241,300	1,241,300
	Producing oil and gas royalty interests	Producing oil and gas royalty partnerships	5,667,273	5,900,000
*	Notes receivable from participants	Notes receivable from participants, interest rates ranging from 3.25% to 6%	621,289	621,289
		Total assets	$82,575,419	$84,448,304

* Party-in-interest

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

Year ended December 31, 2011

EIN: 75-0771709
Plan #: 001

(a) Identity of party involved	(b) Description of assets	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
The Vanguard Group	Vanguard LifeSt Mod Growth	$2,956,739	$ -	$ -	$2,956,739	$ -
The Vanguard Group	Vanguard LifeSt Mod Growth	-	6,360,827	5,756,087	6,360,827	604,740
The Vanguard Group	Vanguard Prime Money Mkt	2,525,377	-	-	2,525,377	-
The Vanguard Group	Vanguard Prime Money Mkt	-	1,320,473	1,320,473	1,320,473	-
The Vanguard Group	Vanguard Retire Savings Trust	4,349,846	-	-	4,349,846	-
The Vanguard Group	Vanguard Retire Savings Trust	-	2,771,204	2,771,204	2,771,204	-

Note: Columns (e) Lease rental and (f) Expense incurred with transaction are not applicable to these transactions and have been omitted.

Consolidated Financial Statements and Report of Independent Certified Public Accountants

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

December 31, 2011 and 2010

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

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All additional supplemental schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable, or not required.

Grant Thornton

Report of Independent Certified Public Accountants

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To the Board of Trustees
DeGolyer and MacNaughton Employees'
Savings Plan Trust and Subsidiary

We have audited the accompanying consolidated statements of net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan") as of December 31, 2011 and 2010, and the related consolidated statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedules of Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Part IV, Line 4j – Schedule of Reportable Transactions as of and for the year ended December 31, 2011. These consolidated financial statements and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and supplemental schedules are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements and supplemental schedules referred to above present fairly, in all material respects, the net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2011 and schedule of reportable transactions for the year ended December 31, 2011 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

Dallas, Texas
October 11, 2012

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	2011	2010
Assets		
Investments at fair value		
Cash	$ 1,241,300	$ 740,035
Mutual funds	61,869,654	59,415,262
Common and collective trust fund	10,379,795	8,661,578
Money market funds	4,436,266	4,462,616
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	83,827,015	78,879,491
Notes receivable from participants	621,289	490,421
Employer contribution receivable	4,150,000	3,825,000
Net assets available for benefits at fair value	88,598,304	83,194,912
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(480,651)	(341,077)
Net assets available for benefits	$88,117,653	$82,853,835

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

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN
NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Additions to net assets attributed to:	
Investment income	
Interest and dividend income	$ 2,316,583
Oil and gas royalties	1,413,644
Net depreciation in fair value of investments	(1,716,119)
	2,014,108
Less investment expenses	(133,966)
Net investment income	1,880,142
Employee contributions	1,285,835
Employer contributions	5,050,633
Interest income on notes receivable from participants	18,900
Total additions	8,235,510
Deductions from net assets attributed to:	
Benefits paid to participants	(2,964,865)
Administrative expenses	(6,827)
Total deductions	(2,971,692)
Net increase in net assets available for benefits	5,263,818
Net assets available for benefits, beginning of year	82,853,835
Net assets available for benefits, end of year	$88,117,653

The accompanying notes are an integral part of this consolidated financial statement.

NOTE A - DESCRIPTION OF PLAN

The following description of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan" or "Trust") 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 covering employees of D & M Holding Inc. (the "Company" or "Employer") and its wholly owned subsidiaries, who have six months or more of continuous service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Plan is administered by a board of trustees (the "Board" or the "Trustees"). Certain administrative expenses of the Plan are paid directly by the Company. Once the service requirement has been met, participants are entitled to all benefits of the Plan, including the ability to make elective contributions as well as to receive both Safe Harbor and discretionary contributions from the Company.

Contributions

Participants are allowed to voluntarily contribute to the Plan, on a pre-tax basis, amounts of their compensation as defined and as limited by the Plan document and the Internal Revenue Code (IRC).

The Company may also make discretionary profit-sharing contributions on behalf of Plan participants as determined by the Company's board of directors. The Company's annual contribution cannot exceed certain percentage limits of the total compensation paid or accrued to all participants during the year as remuneration for services rendered. This percentage limit was 25% for both 2011 and 2010. In addition, the Company made contributions to eligible participants in the amount of 3% of compensation, as defined ("Company Safe Harbor Contributions").

Participant Accounts

Participant's pre-tax voluntary contributions and Company Safe Harbor Contributions are credited to the participant's accounts when made. All other earnings are allocated daily by the Plan's custodian, Vanguard. Allocations are based on participant account balances, as defined.

The Employer's discretionary profit-sharing contributions are allocated to the participants' accounts in the proportion that their respective total eligible compensation bears to total eligible compensation of all participants. For the year ended December 31, 2011, no forfeitures were used to offset employer contributions. There were no unallocated forfeiture balances as of December 31, 2011 and 2010. Plan earnings related to non-vested discretionary profit-sharing contributions are allocated and credited to the participants' accounts quarterly in the proportion that their individual account balance bears to the total accounts of all participants.

NOTE A - DESCRIPTION OF PLAN - Continued

Vesting

Participants are immediately vested in their employee contributions and their Company Safe Harbor Contributions and earnings on such contributions. Vesting in the Employer discretionary contributions and earnings thereon is based on years of continuous service. A participant is vested 20% after two years of service and vests 20% per year for each year thereafter. A participant becomes fully vested after six years of service.

Payment of Benefits

Distributions from the Plan are payable upon the occurrence of any of the following events: (1) retirement, (2) death, (3) total and permanent disability, (4) termination of service, (5) election to withdraw an allowable portion of the participant's interest, (6) financial hardship, as defined, or (7) termination of the Plan.

Notes Receivable from Participants

Participants may borrow a minimum of $1,000, up to $50,000 or one-third of the vested portion of their account balance, reduced by the highest loan balance in the preceding twelve months, whichever is less. Notes receivable are collateralized by the remaining balance of the participant's vested account. Principal and interest are paid ratably through payroll deductions and must be repaid within four years. Interest rates for notes receivable at both December 31, 2011 and 2010 ranged from 3.25% to 6.0%.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis.

Investment contracts or collective trusts that invest in fully benefit-responsive investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present the fair value of the collective trust as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The Plan's interest in the collective trust is valued based on information reported by the Trustee using the audited financial statements of the collective trust at year end.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

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 D for discussion of fair value measurements.

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

Administrative Expenses

Administrative expenses are fees charged by the Trustee to individual participant accounts for loan initiation fees and annual maintenance fees related to outstanding loans.

Forfeitures

Amounts forfeited by participants upon withdrawing from the Plan are allocated to remaining participants. These amounts may also be credited to participant accounts upon returning to the Plan if certain requirements are met. At December 31, 2011 and 2010, there were no outstanding amounts related to forfeited non-vested accounts. In 2011, forfeiture amounts of $88,176 were allocated among the participants.

Payment of Benefits

Benefits are recorded when paid.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS". This ASU represents the converged guidance of the FASB and the International Accounting Standards Board on fair value measurement. A variety of measures are included in the update intended to either clarify existing fair value measurement requirements, change particular principles requirements for measuring fair value or for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend to change the application of existing requirements under Accounting Standards Codification Topic 820, "Fair Value Measurements". This ASU is effective for interim and annual periods beginning after December 15, 2011 and early application is not permitted. The Plan is still evaluating the impact the adoption of this ASU will have on the Plan's financial statements.

NOTE C - COMMON AND COLLECTIVE TRUST

The Vanguard Retirement Savings Trust includes security-backed investment contracts including synthetic investment contracts ("SICs"), guaranteed investment contracts ("GICs") and cash-equivalents. SICs are contracts composed of underlying assets and a wrapper contract issued by a responsible third party. The issuer of the wrapper contract provides for withdrawals at contract value for any normal benefit responsive requirements.

The key factors that influence future interest crediting rates (the rate earned by participants based on the underlying investments) for a wrapper contract include:

- The level of market interest rates
- The amount and timing of participant contributions, transfers, and withdrawals into/out of the wrapper contract
- The investment returns generated by the fixed income investments backing the wrapper contract
- The duration of the underlying fixed income investments backing the wrapper contract

NOTE C - COMMON AND COLLECTIVE TRUST - Continued

Wrapper contracts' interest crediting rates are typically reset on a monthly or quarterly basis. While there may be slight variations from one contract to another, most wrapper contracts use a formula that is based on the characteristics of the underlying fixed income portfolio. Because changes in market interest rates affect the yield to maturity and the market value of the underlying investments, they can have a material impact on the wrapper contract's interest crediting rate. The gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Plan's Statements of Net Assets Available for Benefits as the "Adjustment from Fair Value to Contract Value." If the Adjustment from Fair Value to Contract Value is positive for a given contract, this indicates that the wrapper contract value is greater than the market value of the underlying investments. In certain circumstances, the amount withdrawn from the wrapper contract would be payable at fair value rather than at contract value. These events include termination of the Plan, a material adverse change to the provisions of the Plan, or the Employer elects to withdraw from a wrapper contract. The Plan's management is not aware of the occurrence or likely occurrence of any such events, which would limit the Plan's ability to transact at contract value with participants.

The guaranteed investment contracts may have elements of risk due to the lack of a secondary market and resale restrictions which may result in the inability of the guaranteed investment contracts to be sold at a fair price and may substantially delay the sale of these contracts. The average annualized yield of the Vanguard Retirement Savings Trust for 2011 and 2010 is as follows:

Average Yields	2011	2010
Based on actual earnings	3.31%	3.58%
Based on interest rate credited to participants	3.26%	3.23%

NOTE D - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or pay to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. In determining fair value, the Plan used a three-level hierarchy in measuring fair value 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 other 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.

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The asset'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.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds and Money Market Funds - Valued at the closing price reported on the market on which the individual shares are traded. The market on which mutual funds are traded is active while the market which money market funds are traded is not active.

Common and Collective Trust Fund - Valued at fair value derived from the audited financial statements of the collective trust at year end as provided by Vanguard, the Plan custodian. Vanguard arrives at the fund's fair market value by discounting the expected future cash flows for each contract to present value.

Producing Oil and Gas Royalty Interests - Valued based on the present value of the estimated cash flows, which approximates fair value. Inputs to the cash flow calculations include engineering valuations of the properties proven reserves, and market prices of underlying commodities.

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. There have been no changes in the methodologies used at December 31, 2011 and 2010.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$28,507,903	$ -	$ -	$28,507,903
Bond funds	14,697,551	-	-	14,697,551
Domestic stock funds	10,380,661	-	-	10,380,661
International stock funds	4,850,448	-	-	4,850,448
Specialty stock funds	3,433,091	-	-	3,433,091
Cash	1,241,300	-	-	1,241,300
Money market funds	-	4,436,266	-	4,436,266
Common and collective trust fund	-	-	10,379,795	10,379,795
Producing oil and gas royalties	-	-	5,900,000	5,900,000
Total assets at fair value	$63,110,954	$4,436,266	$16,279,795	$83,827,015

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$27,460,480	$ -	$ -	$27,460,480
Bond funds	11,072,737	-	-	11,072,737
Domestic stock funds	12,852,366	-	-	12,852,366
International stock funds	5,689,826	-	-	5,689,826
Specialty stock funds	2,339,853	-	-	2,339,853
Cash	740,035	-	-	740,035
Money market funds	-	4,462,616	-	4,462,616
Common and collective trust fund	-	-	8,661,578	8,661,578
Producing oil and gas royalties	-	-	5,600,000	5,600,000
Total assets at fair value	$60,155,297	$4,462,616	$14,261,578	$78,879,491

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2011:

	Common and Collective Trust Fund	Royalties	Total
Beginning balance	$ 8,661,578	$5,600,000	$14,261,578
Unrealized gain (loss)	139,574	300,000	439,574
Purchases and issuances	1,661,039	-	1,611,039
Sales and settlements	(82,396)	-	(82,396)
Ending balance	$10,379,795	$5,900,000	$16,279,795

Realized and unrealized net gains on the Plan's investments for the year ended December 31, 2011 were as follows:

Mutual funds	$ 57,276
Money market funds	2,106
Common and collective trust fund at contract value	241,082
Producing oil and gas royalties	1,713,644
Net realized and unrealized appreciation in fair value of assets	$2,014,108

NOTE E - INVESTMENTS

The following table summarizes consolidated investments at fair values and specifically identifies those investments that represent 5% or more of the net assets available for benefits at December 31, 2011 and 2010.

Investments at fair value	2011	2010
Nonparticipant-directed		
Producing oil and gas royalty interests	$ 5,900,000	$ 5,600,000
Participant directed		
Vanguard Life Strategy Moderate Growth	13,951,813	17,599,670
Vanguard Prime Money Market	4,436,266	4,462,616
Vanguard Retirement Savings Trust	10,379,795*	8,661,578*

* Represents fair value. Contract value of this investment was $9,899,144 and $8,320,501 at December 31, 2011 and 2010, respectively.

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments is as follows:

	December 31,	
	2011	2010
Net assets		
Investments, at fair value		
Mutual funds	$13,235,311	$13,147,841
Money market funds	307,325	1,538,578
	13,542,636	14,686,419
At estimated fair value		
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	19,442,636	20,286,419
Employer contribution receivable	4,150,000	3,825,000
Cash	1,241,300	740,035
Total non-participant directed investments	$24,833,936	$24,851,454

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS - Continued

	Year ended December 31, 2011
Changes in assets:	
Investment income	$ 1,719,739
Contributions	4,150,000
Benefits paid to participants	(830,209)
Transfers to participant-directed investments	(5,057,048)
Net change in assets available for benefits	$ (17,518)

NOTE G - INCOME TAX STATUS

As of December 31, 2011, The Plan's latest determination letter was dated April 24, 2002, in which the Internal Revenue Service stated that the Plan, as designed, is in compliance with the applicable requirements of the Internal Revenue Code. The Plan was restated on January 1, 2012, and as such, a new determination letter was obtained dated March 5, 2012. In the March 5, 2012 letter, the Internal Revenue Service stated that the Plan, as designed, is still in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's consolidated financial statements.

NOTE H - PLAN TERMINATION

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. In the event of the Plan's termination, participants will immediately become 100% vested in their accounts.

NOTE I - RISKS AND UNCERTAINTIES

The Plan provides for certain investments that are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the consolidated statements of net assets available for benefits and of changes in net assets available for benefits.

NOTE J - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer and certain others.

Certain plan investments are shares of mutual funds and a collective trust managed by Vanguard Fiduciary Trust Company, the Custodian of the Plan. In addition, certain fees are paid to the Plan's trustee and record-keeper for investment management services.

NOTE K - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

	Year ended December 31	
	2011	2010
Net assets available for benefits per the financial statements	$88,117,653	$82,853,835
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	480,651	341,077
Net assets available for benefits per the Form 5500	$88,598,304	$83,194,912

	Year ended December 31, 2011
Total change in net assets per the financial statements	$5,263,818
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	
Less: 2010 Adjustment	(341,077)
Add: 2011 Adjustment	480,651
Net adjustment	139,574
Total change in net assets per the Form 5500	$5,403,392

As discussed in Note C, the Plan invests in a fully benefit-responsive collective trust fund. For financial reporting purposes, the net assets of the Plan included in this collective trust are recorded at contract value while the Form 5500 is presented at fair value.

NOTE L - SUBSEQUENT EVENTS

There were no subsequent events to report between December 31, 2011, the date of these financial statements, and October 11, 2012, the date these financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

EIN: 75-0771709
Plan #: 001

(a)	(b) Identity of issue	(c) Description of investment	(d) Cost	(e) Current value
*	The Vanguard Group	Vanguard Life Strategy Moderate Growth Fund	$13,223,919	$13,951,813
*	The Vanguard Group	Vanguard Retirement Savings Trust	9,899,144	10,379,795
*	The Vanguard Group	Vanguard Prime Money Market Fund	4,436,266	4,436,266
*	The Vanguard Group	Vanguard Total Bond Market Index Fund	3,889,799	4,062,850
*	The Vanguard Group	Vanguard Life Strategy Conservative Growth Fund	3,344,550	3,417,867
*	The Vanguard Group	Vanguard Energy Fund	2,874,270	2,904,729
*	The Vanguard Group	Vanguard Total Bond Market Index - Admiral	2,463,655	2,665,226
*	The Vanguard Group	Vanguard PRIMECAP Fund	2,290,583	2,390,543
*	The Vanguard Group	Vanguard Windsor Fund - Admiral	2,551,041	2,296,253
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund	1,817,726	1,918,357
	JP Morgan	JP Morgan Hi Yield Select Fund	1,929,787	1,818,121
*	The Vanguard Group	Vanguard PRIMECAP - Admiral	1,427,257	1,610,829
*	The Vanguard Group	Vanguard Int. Term Investment Grade - Admiral	1,565,680	1,596,881
*	The Vanguard Group	Vanguard Short-Term Bond Index Fund	1,547,531	1,550,978
*	The Vanguard Group	Vanguard Windsor II Fund	1,539,475	1,521,756
*	The Vanguard Group	Vanguard International Growth Fund	1,638,451	1,469,615
*	The Vanguard Group	Vanguard 500 Index Fund	1,325,108	1,404,983
*	The Vanguard Group	Vanguard Target Retirement Income Fund	1,207,290	1,300,172
*	The Vanguard Group	Vanguard Life Strategy Growth Fund	1,197,568	1,251,725
*	The Vanguard Group	Vanguard Selected Value Fund	1,207,336	1,232,543
*	The Vanguard Group	Vanguard Life Strategy Income Fund	1,103,709	1,174,615
*	The Vanguard Group	Vanguard Extended Market Index Fund	1,026,040	1,156,298
*	The Vanguard Group	Vanguard International Growth - Admiral	1,081,112	1,096,542
	Morgan Stanley	MSIFT Midcap Growth A Fund	930,736	866,796
	Oppenheimer Funds	Oppenheimer Developing Markets - Y Fund	916,738	814,174
*	The Vanguard Group	Vanguard Mid-Cap Growth Fund	795,924	799,216
*	The Vanguard Group	Vanguard Target Retirement 2020 Fund	774,347	770,538
*	The Vanguard Group	Vanguard Target Retirement 2025 Fund	644,377	659,346
*	The Vanguard Group	Vanguard International Value Fund	650,369	568,157
*	The Vanguard Group	Vanguard High-Yield Corporate Fund	537,710	546,330
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund-Admiral Shares	537,050	538,808
*	The Vanguard Group	Vanguard Health Care Fund	508,972	528,362
	Janus	Perkins Small Cap Value Fund	553,645	496,772
*	The Vanguard Group	Vanguard Small-Cap Value Index	446,397	450,466
*	The Vanguard Group	Vanguard Small-Cap Growth Index	431,481	437,151
	Columbia	Columbia Small Cap Growth Fund	413,617	394,187
*	The Vanguard Group	Vanguard Emerging Markets Stock Index Fund	444,287	387,015
*	The Vanguard Group	Vanguard Target Retirement 2035 Fund	348,144	341,892
*	The Vanguard Group	Vanguard Developed Markets Index Fund	386,982	329,959
*	The Vanguard Group	Vanguard Target Retirement 2045 Fund	275,419	283,975
*	The Vanguard Group	Vanguard Target Retirement 2030 Fund	193,866	202,791
*	The Vanguard Group	Vanguard International Explorer Fund	203,706	184,986
*	The Vanguard Group	Vanguard Target Retirement 2040 Fund	150,784	159,965
*	The Vanguard Group	Vanguard GNMA Investor Shares	112,340	112,418
*	The Vanguard Group	Vanguard Target Retirement 2015 Fund	109,044	109,295
*	The Vanguard Group	Vanguard Target Retirement 2050 Fund	92,325	94,359
	Cash		1,241,300	1,241,300
	Producing oil and gas royalty interests	Producing oil and gas royalty partnerships	5,667,273	5,900,000
*	Notes receivable from participants	Notes receivable from participants, interest rates ranging from 3.25% to 6%	621,289	621,289
		Total assets	$82,575,419	$84,448,304

* Party-in-interest

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

Year ended December 31, 2011

EIN: 75-0771709
Plan #: 001

(a) Identity of party involved	(b) Description of assets	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
The Vanguard Group	Vanguard LifeSt Mod Growth	$2,956,739	$ -	$ -	$2,956,739	$ -
The Vanguard Group	Vanguard LifeSt Mod Growth	-	6,360,827	5,756,087	6,360,827	604,740
The Vanguard Group	Vanguard Prime Money Mkt	2,525,377	-	-	2,525,377	-
The Vanguard Group	Vanguard Prime Money Mkt	-	1,320,473	1,320,473	1,320,473	-
The Vanguard Group	Vanguard Retire Savings Trust	4,349,846	-	-	4,349,846	-
The Vanguard Group	Vanguard Retire Savings Trust	-	2,771,204	2,771,204	2,771,204	-

Note: Columns (e) Lease rental and (f) Expense incurred with transaction are not applicable to these transactions and have been omitted.

Consolidated Financial Statements and Report of Independent Certified Public Accountants

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

December 31, 2011 and 2010

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

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All additional supplemental schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable, or not required.

Grant Thornton

Report of Independent Certified Public Accountants

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To the Board of Trustees
DeGolyer and MacNaughton Employees'
Savings Plan Trust and Subsidiary

We have audited the accompanying consolidated statements of net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan") as of December 31, 2011 and 2010, and the related consolidated statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedules of Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Part IV, Line 4j – Schedule of Reportable Transactions as of and for the year ended December 31, 2011. These consolidated financial statements and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and supplemental schedules are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements and supplemental schedules referred to above present fairly, in all material respects, the net assets available for benefits of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2011 and schedule of reportable transactions for the year ended December 31, 2011 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

Dallas, Texas
October 11, 2012

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	2011	2010
Assets		
Investments at fair value		
Cash	$ 1,241,300	$ 740,035
Mutual funds	61,869,654	59,415,262
Common and collective trust fund	10,379,795	8,661,578
Money market funds	4,436,266	4,462,616
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	83,827,015	78,879,491
Notes receivable from participants	621,289	490,421
Employer contribution receivable	4,150,000	3,825,000
Net assets available for benefits at fair value	88,598,304	83,194,912
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(480,651)	(341,077)
Net assets available for benefits	$88,117,653	$82,853,835

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

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN
NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Additions to net assets attributed to:	
Investment income	
Interest and dividend income	$ 2,316,583
Oil and gas royalties	1,413,644
Net depreciation in fair value of investments	(1,716,119)
	2,014,108
Less investment expenses	(133,966)
Net investment income	1,880,142
Employee contributions	1,285,835
Employer contributions	5,050,633
Interest income on notes receivable from participants	18,900
Total additions	8,235,510
Deductions from net assets attributed to:	
Benefits paid to participants	(2,964,865)
Administrative expenses	(6,827)
Total deductions	(2,971,692)
Net increase in net assets available for benefits	5,263,818
Net assets available for benefits, beginning of year	82,853,835
Net assets available for benefits, end of year	$88,117,653

The accompanying notes are an integral part of this consolidated financial statement.

NOTE A - DESCRIPTION OF PLAN

The following description of the DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary (the "Plan" or "Trust") 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 covering employees of D & M Holding Inc. (the "Company" or "Employer") and its wholly owned subsidiaries, who have six months or more of continuous service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Plan is administered by a board of trustees (the "Board" or the "Trustees"). Certain administrative expenses of the Plan are paid directly by the Company. Once the service requirement has been met, participants are entitled to all benefits of the Plan, including the ability to make elective contributions as well as to receive both Safe Harbor and discretionary contributions from the Company.

Contributions

Participants are allowed to voluntarily contribute to the Plan, on a pre-tax basis, amounts of their compensation as defined and as limited by the Plan document and the Internal Revenue Code (IRC).

The Company may also make discretionary profit-sharing contributions on behalf of Plan participants as determined by the Company's board of directors. The Company's annual contribution cannot exceed certain percentage limits of the total compensation paid or accrued to all participants during the year as remuneration for services rendered. This percentage limit was 25% for both 2011 and 2010. In addition, the Company made contributions to eligible participants in the amount of 3% of compensation, as defined ("Company Safe Harbor Contributions").

Participant Accounts

Participant's pre-tax voluntary contributions and Company Safe Harbor Contributions are credited to the participant's accounts when made. All other earnings are allocated daily by the Plan's custodian, Vanguard. Allocations are based on participant account balances, as defined.

The Employer's discretionary profit-sharing contributions are allocated to the participants' accounts in the proportion that their respective total eligible compensation bears to total eligible compensation of all participants. For the year ended December 31, 2011, no forfeitures were used to offset employer contributions. There were no unallocated forfeiture balances as of December 31, 2011 and 2010. Plan earnings related to non-vested discretionary profit-sharing contributions are allocated and credited to the participants' accounts quarterly in the proportion that their individual account balance bears to the total accounts of all participants.

NOTE A - DESCRIPTION OF PLAN - Continued

Vesting

Participants are immediately vested in their employee contributions and their Company Safe Harbor Contributions and earnings on such contributions. Vesting in the Employer discretionary contributions and earnings thereon is based on years of continuous service. A participant is vested 20% after two years of service and vests 20% per year for each year thereafter. A participant becomes fully vested after six years of service.

Payment of Benefits

Distributions from the Plan are payable upon the occurrence of any of the following events: (1) retirement, (2) death, (3) total and permanent disability, (4) termination of service, (5) election to withdraw an allowable portion of the participant's interest, (6) financial hardship, as defined, or (7) termination of the Plan.

Notes Receivable from Participants

Participants may borrow a minimum of $1,000, up to $50,000 or one-third of the vested portion of their account balance, reduced by the highest loan balance in the preceding twelve months, whichever is less. Notes receivable are collateralized by the remaining balance of the participant's vested account. Principal and interest are paid ratably through payroll deductions and must be repaid within four years. Interest rates for notes receivable at both December 31, 2011 and 2010 ranged from 3.25% to 6.0%.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis.

Investment contracts or collective trusts that invest in fully benefit-responsive investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present the fair value of the collective trust as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The Plan's interest in the collective trust is valued based on information reported by the Trustee using the audited financial statements of the collective trust at year end.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

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 D for discussion of fair value measurements.

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

Administrative Expenses

Administrative expenses are fees charged by the Trustee to individual participant accounts for loan initiation fees and annual maintenance fees related to outstanding loans.

Forfeitures

Amounts forfeited by participants upon withdrawing from the Plan are allocated to remaining participants. These amounts may also be credited to participant accounts upon returning to the Plan if certain requirements are met. At December 31, 2011 and 2010, there were no outstanding amounts related to forfeited non-vested accounts. In 2011, forfeiture amounts of $88,176 were allocated among the participants.

Payment of Benefits

Benefits are recorded when paid.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS". This ASU represents the converged guidance of the FASB and the International Accounting Standards Board on fair value measurement. A variety of measures are included in the update intended to either clarify existing fair value measurement requirements, change particular principles requirements for measuring fair value or for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend to change the application of existing requirements under Accounting Standards Codification Topic 820, "Fair Value Measurements". This ASU is effective for interim and annual periods beginning after December 15, 2011 and early application is not permitted. The Plan is still evaluating the impact the adoption of this ASU will have on the Plan's financial statements.

NOTE C - COMMON AND COLLECTIVE TRUST

The Vanguard Retirement Savings Trust includes security-backed investment contracts including synthetic investment contracts ("SICs"), guaranteed investment contracts ("GICs") and cash-equivalents. SICs are contracts composed of underlying assets and a wrapper contract issued by a responsible third party. The issuer of the wrapper contract provides for withdrawals at contract value for any normal benefit responsive requirements.

The key factors that influence future interest crediting rates (the rate earned by participants based on the underlying investments) for a wrapper contract include:

- The level of market interest rates
- The amount and timing of participant contributions, transfers, and withdrawals into/out of the wrapper contract
- The investment returns generated by the fixed income investments backing the wrapper contract
- The duration of the underlying fixed income investments backing the wrapper contract

NOTE C - COMMON AND COLLECTIVE TRUST - Continued

Wrapper contracts' interest crediting rates are typically reset on a monthly or quarterly basis. While there may be slight variations from one contract to another, most wrapper contracts use a formula that is based on the characteristics of the underlying fixed income portfolio. Because changes in market interest rates affect the yield to maturity and the market value of the underlying investments, they can have a material impact on the wrapper contract's interest crediting rate. The gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Plan's Statements of Net Assets Available for Benefits as the "Adjustment from Fair Value to Contract Value." If the Adjustment from Fair Value to Contract Value is positive for a given contract, this indicates that the wrapper contract value is greater than the market value of the underlying investments. In certain circumstances, the amount withdrawn from the wrapper contract would be payable at fair value rather than at contract value. These events include termination of the Plan, a material adverse change to the provisions of the Plan, or the Employer elects to withdraw from a wrapper contract. The Plan's management is not aware of the occurrence or likely occurrence of any such events, which would limit the Plan's ability to transact at contract value with participants.

The guaranteed investment contracts may have elements of risk due to the lack of a secondary market and resale restrictions which may result in the inability of the guaranteed investment contracts to be sold at a fair price and may substantially delay the sale of these contracts. The average annualized yield of the Vanguard Retirement Savings Trust for 2011 and 2010 is as follows:

Average Yields	2011	2010
Based on actual earnings	3.31%	3.58%
Based on interest rate credited to participants	3.26%	3.23%

NOTE D - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or pay to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. In determining fair value, the Plan used a three-level hierarchy in measuring fair value 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 other 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.

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The asset'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.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds and Money Market Funds - Valued at the closing price reported on the market on which the individual shares are traded. The market on which mutual funds are traded is active while the market which money market funds are traded is not active.

Common and Collective Trust Fund - Valued at fair value derived from the audited financial statements of the collective trust at year end as provided by Vanguard, the Plan custodian. Vanguard arrives at the fund's fair market value by discounting the expected future cash flows for each contract to present value.

Producing Oil and Gas Royalty Interests - Valued based on the present value of the estimated cash flows, which approximates fair value. Inputs to the cash flow calculations include engineering valuations of the properties proven reserves, and market prices of underlying commodities.

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. There have been no changes in the methodologies used at December 31, 2011 and 2010.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$28,507,903	$ -	$ -	$28,507,903
Bond funds	14,697,551	-	-	14,697,551
Domestic stock funds	10,380,661	-	-	10,380,661
International stock funds	4,850,448	-	-	4,850,448
Specialty stock funds	3,433,091	-	-	3,433,091
Cash	1,241,300	-	-	1,241,300
Money market funds	-	4,436,266	-	4,436,266
Common and collective trust fund	-	-	10,379,795	10,379,795
Producing oil and gas royalties	-	-	5,900,000	5,900,000
Total assets at fair value	$63,110,954	$4,436,266	$16,279,795	$83,827,015

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Balanced funds	$27,460,480	$ -	$ -	$27,460,480
Bond funds	11,072,737	-	-	11,072,737
Domestic stock funds	12,852,366	-	-	12,852,366
International stock funds	5,689,826	-	-	5,689,826
Specialty stock funds	2,339,853	-	-	2,339,853
Cash	740,035	-	-	740,035
Money market funds	-	4,462,616	-	4,462,616
Common and collective trust fund	-	-	8,661,578	8,661,578
Producing oil and gas royalties	-	-	5,600,000	5,600,000
Total assets at fair value	$60,155,297	$4,462,616	$14,261,578	$78,879,491

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2011:

	Common and Collective Trust Fund	Royalties	Total
Beginning balance	$ 8,661,578	$5,600,000	$14,261,578
Unrealized gain (loss)	139,574	300,000	439,574
Purchases and issuances	1,661,039	-	1,611,039
Sales and settlements	(82,396)	-	(82,396)
Ending balance	$10,379,795	$5,900,000	$16,279,795

Realized and unrealized net gains on the Plan's investments for the year ended December 31, 2011 were as follows:

Mutual funds	$ 57,276
Money market funds	2,106
Common and collective trust fund at contract value	241,082
Producing oil and gas royalties	1,713,644
Net realized and unrealized appreciation in fair value of assets	$2,014,108

NOTE E - INVESTMENTS

The following table summarizes consolidated investments at fair values and specifically identifies those investments that represent 5% or more of the net assets available for benefits at December 31, 2011 and 2010.

Investments at fair value	2011	2010
Nonparticipant-directed		
Producing oil and gas royalty interests	$ 5,900,000	$ 5,600,000
Participant directed		
Vanguard Life Strategy Moderate Growth	13,951,813	17,599,670
Vanguard Prime Money Market	4,436,266	4,462,616
Vanguard Retirement Savings Trust	10,379,795*	8,661,578*

* Represents fair value. Contract value of this investment was $9,899,144 and $8,320,501 at December 31, 2011 and 2010, respectively.

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments is as follows:

	December 31,	
	2011	2010
Net assets		
Investments, at fair value		
Mutual funds	$13,235,311	$13,147,841
Money market funds	307,325	1,538,578
	13,542,636	14,686,419
At estimated fair value		
Producing oil and gas royalty interests	5,900,000	5,600,000
Total investments	19,442,636	20,286,419
Employer contribution receivable	4,150,000	3,825,000
Cash	1,241,300	740,035
Total non-participant directed investments	$24,833,936	$24,851,454

NOTE F - NON-PARTICIPANT-DIRECTED INVESTMENTS - Continued

	Year ended December 31, 2011
Changes in assets:	
Investment income	$ 1,719,739
Contributions	4,150,000
Benefits paid to participants	(830,209)
Transfers to participant-directed investments	(5,057,048)
Net change in assets available for benefits	$ (17,518)

NOTE G - INCOME TAX STATUS

As of December 31, 2011, The Plan's latest determination letter was dated April 24, 2002, in which the Internal Revenue Service stated that the Plan, as designed, is in compliance with the applicable requirements of the Internal Revenue Code. The Plan was restated on January 1, 2012, and as such, a new determination letter was obtained dated March 5, 2012. In the March 5, 2012 letter, the Internal Revenue Service stated that the Plan, as designed, is still in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's consolidated financial statements.

NOTE H - PLAN TERMINATION

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. In the event of the Plan's termination, participants will immediately become 100% vested in their accounts.

NOTE I - RISKS AND UNCERTAINTIES

The Plan provides for certain investments that are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the consolidated statements of net assets available for benefits and of changes in net assets available for benefits.

NOTE J - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer and certain others.

Certain plan investments are shares of mutual funds and a collective trust managed by Vanguard Fiduciary Trust Company, the Custodian of the Plan. In addition, certain fees are paid to the Plan's trustee and record-keeper for investment management services.

NOTE K - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

	Year ended December 31	
	2011	2010
Net assets available for benefits per the financial statements	$88,117,653	$82,853,835
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	480,651	341,077
Net assets available for benefits per the Form 5500	$88,598,304	$83,194,912

	Year ended December 31, 2011
Total change in net assets per the financial statements	$5,263,818
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	
Less: 2010 Adjustment	(341,077)
Add: 2011 Adjustment	480,651
Net adjustment	139,574
Total change in net assets per the Form 5500	$5,403,392

As discussed in Note C, the Plan invests in a fully benefit-responsive collective trust fund. For financial reporting purposes, the net assets of the Plan included in this collective trust are recorded at contract value while the Form 5500 is presented at fair value.

NOTE L - SUBSEQUENT EVENTS

There were no subsequent events to report between December 31, 2011, the date of these financial statements, and October 11, 2012, the date these financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

EIN: 75-0771709
Plan #: 001

(a)	(b) Identity of issue	(c) Description of investment	(d) Cost	(e) Current value
*	The Vanguard Group	Vanguard Life Strategy Moderate Growth Fund	$13,223,919	$13,951,813
*	The Vanguard Group	Vanguard Retirement Savings Trust	9,899,144	10,379,795
*	The Vanguard Group	Vanguard Prime Money Market Fund	4,436,266	4,436,266
*	The Vanguard Group	Vanguard Total Bond Market Index Fund	3,889,799	4,062,850
*	The Vanguard Group	Vanguard Life Strategy Conservative Growth Fund	3,344,550	3,417,867
*	The Vanguard Group	Vanguard Energy Fund	2,874,270	2,904,729
*	The Vanguard Group	Vanguard Total Bond Market Index - Admiral	2,463,655	2,665,226
*	The Vanguard Group	Vanguard PRIMECAP Fund	2,290,583	2,390,543
*	The Vanguard Group	Vanguard Windsor Fund - Admiral	2,551,041	2,296,253
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund	1,817,726	1,918,357
	JP Morgan	JP Morgan Hi Yield Select Fund	1,929,787	1,818,121
*	The Vanguard Group	Vanguard PRIMECAP - Admiral	1,427,257	1,610,829
*	The Vanguard Group	Vanguard Int. Term Investment Grade - Admiral	1,565,680	1,596,881
*	The Vanguard Group	Vanguard Short-Term Bond Index Fund	1,547,531	1,550,978
*	The Vanguard Group	Vanguard Windsor II Fund	1,539,475	1,521,756
*	The Vanguard Group	Vanguard International Growth Fund	1,638,451	1,469,615
*	The Vanguard Group	Vanguard 500 Index Fund	1,325,108	1,404,983
*	The Vanguard Group	Vanguard Target Retirement Income Fund	1,207,290	1,300,172
*	The Vanguard Group	Vanguard Life Strategy Growth Fund	1,197,568	1,251,725
*	The Vanguard Group	Vanguard Selected Value Fund	1,207,336	1,232,543
*	The Vanguard Group	Vanguard Life Strategy Income Fund	1,103,709	1,174,615
*	The Vanguard Group	Vanguard Extended Market Index Fund	1,026,040	1,156,298
*	The Vanguard Group	Vanguard International Growth - Admiral	1,081,112	1,096,542
	Morgan Stanley	MSIFT Midcap Growth A Fund	930,736	866,796
	Oppenheimer Funds	Oppenheimer Developing Markets - Y Fund	916,738	814,174
*	The Vanguard Group	Vanguard Mid-Cap Growth Fund	795,924	799,216
*	The Vanguard Group	Vanguard Target Retirement 2020 Fund	774,347	770,538
*	The Vanguard Group	Vanguard Target Retirement 2025 Fund	644,377	659,346
*	The Vanguard Group	Vanguard International Value Fund	650,369	568,157
*	The Vanguard Group	Vanguard High-Yield Corporate Fund	537,710	546,330
*	The Vanguard Group	Vanguard Inflation-Protected Securities Fund-Admiral Shares	537,050	538,808
*	The Vanguard Group	Vanguard Health Care Fund	508,972	528,362
	Janus	Perkins Small Cap Value Fund	553,645	496,772
*	The Vanguard Group	Vanguard Small-Cap Value Index	446,397	450,466
*	The Vanguard Group	Vanguard Small-Cap Growth Index	431,481	437,151
	Columbia	Columbia Small Cap Growth Fund	413,617	394,187
*	The Vanguard Group	Vanguard Emerging Markets Stock Index Fund	444,287	387,015
*	The Vanguard Group	Vanguard Target Retirement 2035 Fund	348,144	341,892
*	The Vanguard Group	Vanguard Developed Markets Index Fund	386,982	329,959
*	The Vanguard Group	Vanguard Target Retirement 2045 Fund	275,419	283,975
*	The Vanguard Group	Vanguard Target Retirement 2030 Fund	193,866	202,791
*	The Vanguard Group	Vanguard International Explorer Fund	203,706	184,986
*	The Vanguard Group	Vanguard Target Retirement 2040 Fund	150,784	159,965
*	The Vanguard Group	Vanguard GNMA Investor Shares	112,340	112,418
*	The Vanguard Group	Vanguard Target Retirement 2015 Fund	109,044	109,295
*	The Vanguard Group	Vanguard Target Retirement 2050 Fund	92,325	94,359
	Cash		1,241,300	1,241,300
	Producing oil and gas royalty interests	Producing oil and gas royalty partnerships	5,667,273	5,900,000
*	Notes receivable from participants	Notes receivable from participants, interest rates ranging from 3.25% to 6%	621,289	621,289
		Total assets	$82,575,419	$84,448,304

* Party-in-interest

DeGolyer and MacNaughton Employees' Savings Plan Trust and Subsidiary

SCHEDULE H, PART IV, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

Year ended December 31, 2011

EIN: 75-0771709
Plan #: 001

(a) Identity of party involved	(b) Description of assets	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
The Vanguard Group	Vanguard LifeSt Mod Growth	$2,956,739	$ -	$ -	$2,956,739	$ -
The Vanguard Group	Vanguard LifeSt Mod Growth	-	6,360,827	5,756,087	6,360,827	604,740
The Vanguard Group	Vanguard Prime Money Mkt	2,525,377	-	-	2,525,377	-
The Vanguard Group	Vanguard Prime Money Mkt	-	1,320,473	1,320,473	1,320,473	-
The Vanguard Group	Vanguard Retire Savings Trust	4,349,846	-	-	4,349,846	-
The Vanguard Group	Vanguard Retire Savings Trust	-	2,771,204	2,771,204	2,771,204	-

Note: Columns (e) Lease rental and (f) Expense incurred with transaction are not applicable to these transactions and have been omitted.