

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information												
1a Name of plan <u>PESUR 401(K) PLAN</u> 2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>PURE ENERGY SERVICES USA, INC</u> <u>9785 MAROON CIRCLE</u> <u>SUITE 200</u> <u>ENGLEWOOD, CO 80112</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2005</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>27-0101970</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>303-962-1410</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>211110</u></td> </tr> <tr> <td colspan="2" style="background-color: #cccccc; height: 40px;"></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/2005</u>		2b Employer Identification Number (EIN) <u>27-0101970</u>		2c Sponsor's telephone number <u>303-962-1410</u>		2d Business code (see instructions) <u>211110</u>			
1b Three-digit plan number (PN) ▶	<u>001</u>												
1c Effective date of plan <u>01/01/2005</u>													
2b Employer Identification Number (EIN) <u>27-0101970</u>													
2c Sponsor's telephone number <u>303-962-1410</u>													
2d Business code (see instructions) <u>211110</u>													

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.	10/09/2013	TERI GALI-HEBRINK
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN
		3c Administrator's telephone number
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		5 506
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 370	
b Retired or separated participants receiving benefits.....	6b 0	
c Other retired or separated participants entitled to future benefits.....	6c 106	
d Subtotal. Add lines 6a , 6b , and 6c	6d 476	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0	
f Total. Add lines 6d and 6e	6f 476	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 226	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 38	
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 Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 3D 2T		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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) ☒ 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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>PESUR 401(K) PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PURE ENERGY SERVICES USA, INC</u>	D Employer Identification Number (EIN) <u>27-0101970</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
<u>SMALLWOOD FINANCIAL</u> <u>8055 E. TUFTS AVE.</u> <u>#1230</u> <u>DENVER, CO 80237</u>

(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)

FINANCIAL TELESIS

4340 REDWOOD HWY
SUITE A23
SAN RAFAEL, CA 94903

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	BROKERAGE	7254	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ASCENSUS

11-3665754

(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 15 64 50	RECORD KEEPER	15229	Yes ☒ No ☐	Yes ☐ No ☒	189	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
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(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

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 H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan PESUR 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PURE ENERGY SERVICES USA, INC	D Employer Identification Number (EIN) 27-0101970	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	30734	5038
	(2) Participant contributions	1b(2)	22232	28746
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	1783442	3187228
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	1836408	3221012

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1836408	3221012
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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)	372755	
(B) Participants	2a(1)(B)	740298	
(C) Others (including rollovers)	2a(1)(C)	236229	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1349282
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(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)	54858	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		54858
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		295560
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1699700

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	292613	
(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)		292613
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)	15229	
(3) Investment advisory and management fees	2i(3)	7254	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		22483
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		315096

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1384604
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☒ Qualified (3) ☐ 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 ☒ No

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

(1) Name: EKS AND H

(2) EIN: 84-0869721

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.			

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)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

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 2012 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>PESUR 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PURE ENERGY SERVICES USA, INC</u>	D Employer Identification Number (EIN) <u>27-0101970</u>

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	<u>0</u>
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): <u>45-0404698</u>		
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 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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

September 18, 2013

Plan Administrator, Committee, and Participants
Pesur 401(k) Plan
9785 Maroon Circle, Suite 200
Englewood, Colorado 80112

We have conducted a Department of Labor ("DOL") limited-scope audit of the financial statements of Pesur 401(k) Plan (the "Plan") for the year ended December 31, 2012 and have issued our report thereon dated September 18, 2013. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 1 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and schedules taken as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 17, 2013. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the fair value of the investments is based on information provided by the Plan trustee. Plan management then developed assumptions used to develop the valuation of the Plan investments by using the fair value hierarchy assigned to each investment. We evaluated the key factors and assumptions used to develop the valuation of the Plan investments in determining they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were investments certified by the Plan trustee and the fair value of the investments.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 18, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Plan management, Plan Administrator, Committee, and Participants, and others within the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

EKS&H LLP

EKS&H LLLP

September 18, 2013

Plan Administrator, Committee, and Participants
Pesur 401(k) Plan
9785 Maroon Circle, Suite 200
Englewood, Colorado 80112

We have conducted a Department of Labor ("DOL") limited-scope audit of the financial statements of Pesur 401(k) Plan (the "Plan") for the year ended December 31, 2012 and have issued our report thereon dated September 18, 2013. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 1 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and schedules taken as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 17, 2013. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the fair value of the investments is based on information provided by the Plan trustee. Plan management then developed assumptions used to develop the valuation of the Plan investments by using the fair value hierarchy assigned to each investment. We evaluated the key factors and assumptions used to develop the valuation of the Plan investments in determining they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were investments certified by the Plan trustee and the fair value of the investments.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 18, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Plan management, Plan Administrator, Committee, and Participants, and others within the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

EKS&H LLP

EKS&H LLLP

September 18, 2013

Plan Administrator, Committee, and Participants
Pesur 401(k) Plan
9785 Maroon Circle, Suite 200
Englewood, Colorado 80112

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of Pesur 401(k) Plan (the "Plan") as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Plan's internal control over financial reporting ("Internal Control") as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of issuing our report on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's Internal Control. Accordingly, we do not express an opinion on the effectiveness of the Plan's Internal Control.

We were engaged to perform a Department of Labor ("DOL") limited-scope audit of those financial statements as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Our audit did not include all of the procedures required by auditing standards generally accepted in the United States of America and did not include a consideration of Internal Control relating to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we were unable to, and did not, express an opinion on those financial statements.

Our consideration of Internal Control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in Internal Control that might be material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A deficiency in Internal Control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in Internal Control, such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected, on a timely basis.

This communication is intended solely for the information and use of the Plan management and others within the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

EKS&H LLP

EKS&H LLP

PESUR 401(K) PLAN
Financial Statements
and
Independent Auditors' Report
December 31, 2012 and 2011

PESUR 401(K) PLAN

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INDEPENDENT AUDITORS' REPORT

Plan Administrator, Committee, and Participants
Pesur 401(k) Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Pesur 401(k) Plan (the "Plan"), which are comprised of the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Frontier Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan administrator by the trustee is complete and accurate.

DISCLAIMER OF OPINION

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

OTHER MATTERS

The supplemental schedule as of the year ended December 31, 2012, which is the responsibility of Plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements, but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

EKS+H LLP
EKS&H LLP

September 18, 2013
Denver, Colorado

PESUR 401(K) PLAN

Statements of Net Assets Available for Benefits

	December 31,	
	2012	2011
	Assets	
Investments, at fair value		
Money market fund	\$ 111,901	\$ 83,386
Mutual funds	3,075,327	1,700,057
Total investments, at fair value	<u>3,187,228</u>	<u>1,783,443</u>
Receivables		
Employer contributions	5,038	30,734
Employee contributions	28,746	22,232
Total receivables	<u>33,784</u>	<u>52,966</u>
Net assets available for benefits	<u>\$ 3,221,012</u>	<u>\$ 1,836,409</u>

See notes to financial statements.

PESUR 401(K) PLAN

**Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2012**

Investment income	
Net appreciation in fair value of assets	\$ 267,244
Interest and dividend income	<u>83,175</u>
Total investment income	<u>350,419</u>
Contributions	
Employer	372,755
Employee	740,298
Rollover contributions	<u>236,229</u>
Total contributions	<u>1,349,282</u>
Deductions	
Benefits paid to participants	(292,613)
Administrative fees	<u>(22,485)</u>
Total deductions	<u>(315,098)</u>
Net increase	1,384,603
Net assets available for benefits	
Beginning of year	<u>1,836,409</u>
End of year	<u><u>\$ 3,221,012</u></u>

See notes to financial statements.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies

The following description of Pesur 401(k) Plan (the "Plan") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established January 1, 2005 and amended and restated effective January 1, 2011. The Plan is available to employees age 19 years or older who have completed one month of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Board of Directors of Pure Energy Services (USA), Inc. (the "Company") administers the Plan. Ascensus serves as third-party administrator and recordkeeper. On October 1, 2012, the Company was acquired by FMC Technologies; however, the Company still administers the Plan. Frontier Trust Company serves as the trustee of the investments of the Plan. The Plan offers participants a variety of investment options through various mutual funds and a money market fund. The trustee holds all assets of the Plan in accordance with provisions of the service and trust agreements with the Company. Individual accounts are invested in the various investment options at the direction of the participants.

Contributions

Participants may make before-tax contributions up to 100% of their annual compensation, not to exceed \$17,000 as limited by the IRS, which is adjusted annually by the Secretary of the Treasury for inflation. This maximum percentage may be reduced by the Plan administrator in certain circumstances. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Plan also permits rollover contributions from other qualified retirement plans. Employee contributions to the Plan are made through regular payroll deductions. The Company matches 3% of participant compensation up to a maximum of \$3,000 per participant per Plan year. The Company has the right to designate all or a portion of the matching contributions as qualified. To the extent matching contributions are so designated, they are non-forfeitable and may not be withdrawn from the Plan prior to separation from service or attainment of age 59½. The Company also has the right to make discretionary contributions. The Company contributed \$372,755 in matching contributions for the year ended December 31, 2012. No discretionary contributions were made for the year ended December 31, 2012.

Participants' Accounts

Each participant's account is credited or charged with the participant's contribution and an allocation of the Company's matching and discretionary contributions, if any, Plan earnings or losses and forfeitures, and an allocation of Plan expenses. Allocations are based upon Plan earnings or losses and account balances, as defined. The benefit to which a participant is entitled is the vested portion of the participant's account balance.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Investment Options

Participants may direct the investment of their account balances into various investment options offered by the Plan. Currently, the Plan offers various investment options in a money market fund and mutual funds. Participants may elect to transfer balances between investment funds within their accounts at any time.

Vesting

Participants are 100% vested in their voluntary contributions, allocated earnings or losses thereon, and any qualified matching contributions.

Any employer contributions (including forfeitures) and the earnings or losses thereon not fully vested when contributed will vest as follows:

<u>Years of Service</u>	<u>Vested Interest</u>
Less than one year	0%
One - two	33%
Two - three	66%
Three or more	100%

A participant's account becomes 100% vested upon death, attaining normal retirement age (the age of 65 or, if later, the third anniversary date of the first day of the Plan year during which the participant entered the Plan), retirement due to disability, or if the Plan is terminated.

Payments of Benefits

Upon death, disability, retirement, or termination of service, a participant will receive a lump-sum payment in the amount equal to the participant's vested account balance within a reasonable period of time after termination of employment. Participants may not make withdrawals from their accounts prior to retirement at age 65, except in the event of death, disability, termination of employment, or notice of hardship, without being subject to certain restrictions and penalties. Benefits are recorded as distributions to participants when paid.

Participant Termination and Forfeitures

If at the time of termination of employment the participant is not 100% vested, the non-vested portion ("forfeitures") of the participant's account shall be placed in a separate account. Forfeitures can be used to pay Plan expenses, reduce employer contributions, or shall be allocated to participants in the same manner as the employer's contribution. The amount of forfeitures allocated to participants during 2012 was \$551. The amount of forfeitures used to pay Plan fees during 2012 was \$7,008. The balance of the unallocated forfeitures account at December 31, 2012 and 2011 was \$28,936 and \$8,187, respectively.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Investment Valuations and Income Recognition

Investments are recorded at fair value as reported to the Plan by the trustee. 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 2 for discussion of fair value measurements.

The net realized and unrealized investment gain or loss (net appreciation or depreciation in fair value of investments) is reflected in the accompanying statement of changes in net assets available for benefits and is determined as the difference between fair value at the beginning of the year (or date purchased if during the year) and selling price (if sold during the year) or year-end fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date.

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties

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

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

PESUR 401(K) PLAN

Notes to Financial Statements

Note 2 - Fair Value Accounting

GAAP requires disclosure about how fair value is determined and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets measured at fair value on a recurring basis as of December 31, 2012 and 2011.

Assets at fair value as of December 31, 2012 are as follows:

Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Target date	\$ 973,700	\$ -	-	\$ 973,700
International	564,020	-	-	564,020
Large-cap	554,493	-	-	554,493
Fixed income	401,146	-	-	401,146
Mid-cap	350,932	-	-	350,932
Small-cap	231,036	-	-	231,036
Total mutual funds	3,075,327	-	-	3,075,327
Money market fund	111,901	-	-	111,901
Total	\$ 3,187,228	\$ -	-	\$ 3,187,228

PESUR 401(K) PLAN

Notes to Financial Statements

Note 2 - Fair Value Accounting (continued)

Assets at fair value as of December 31, 2011 are as follows:

Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Large-cap	\$ 749,616	\$ -	\$ -	\$ 749,616
International	391,140	-	-	391,140
Mid-cap	233,670	-	-	233,670
Fixed income	177,624	-	-	177,624
Small-cap	148,007	-	-	148,007
Total mutual funds	1,700,057	-	-	1,700,057
Money market fund	83,386	-	-	83,386
Total	<u>\$ 1,783,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,783,443</u>

The valuation technique used to measure fair value of the mutual funds was daily quoted net asset values that are directly observable in the marketplace by market participants. The fair value of the mutual funds is equivalent to the net asset value at close of business on the reporting date.

The valuation technique used to measure fair value of the money market fund reflects quoted market prices available on an active market.

There were no changes to the valuation techniques used during the period.

Note 3 - Investments

The trustee has certified in writing to the Plan administrator that the stated amounts for investments at fair value as of December 31, 2012 and 2011 and the income earned or losses incurred for the year ended December 31, 2012, as reflected in the accompanying financial statements and the supplemental schedule of assets (held at end of year), are complete and accurate.

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's auditors not to perform any auditing procedures with respect to the investment information certified by the trustee, except for comparing the information contained therein to information included in the financial statements and the supplemental schedule.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 3 - Investments (continued)

The fair value of investments greater than 5% of net assets available for benefits was the following as of:

	December 31,	
	2012	2011
Vanguard Target Retirement 2040 Investment	\$ 239,934	\$ 153,318
RidgeWorth Large Cap Value Equity	\$ 236,729	\$ 143,214
RidgeWorth Mid Cap Value Equity	\$ 231,912	\$ 183,737
John Hancock Global Opportunities	\$ 222,889	\$ 158,002
Vanguard Target Retirement 2035 Investment	\$ 193,758	\$ 63,767 *
Vanguard Target Retirement 2045 Investment	\$ 174,922	\$ 70,248 *
Lord Abbett Fundamental Equity	\$ 167,741	\$ 108,500
RidgeWorth Small Cap Value Equity	\$ 159,513 *	\$ 113,457
American Funds EuroPacific Growth R3	\$ 153,692 *	\$ 109,555
Metropolitan West Total Return Bond	\$ 130,103 *	\$ 96,461

* Investment balances less than 5% of the Plan's assets for the applicable year.

For the year ended December 31, 2012, the Plan's mutual funds (including gains and losses on investments bought and sold, as well as those held, during the period) appreciated in value by \$267,244.

Note 4 - Income Taxes

The Plan administrator has adopted a prototype plan, which Plan management believes is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The prototype plan obtained its latest opinion letter on December 27, 2011, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC; therefore, no provision for income taxes has been included in the Plan's 2012 financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 5 - Administration of the Plan

The Company provides, at no cost to the Plan, certain administrative, accounting, and legal services to the Plan and also pays the cost of certain outside services for the Plan.

Note 6 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, all participants become 100% vested, and the Plan administrator is to distribute each participant's interest to the participant or the participant's beneficiary.

Note 7 - Subsequent Events

The Company has evaluated all subsequent events through the auditors' report date, which is the date the financial statements were available for issuance. There were no material subsequent events that required recognition or disclosure in the financial statements other than those discussed below.

Subsequent to year-end, the Company amended the Plan to be a safe harbor plan.

SUPPLEMENTAL SCHEDULE

PESUR 401(K) PLAN

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) **As of December 31, 2012**

Plan Name - Pesur 401(k) Plan
Employer Identification Number - 27-0101970
Plan Number - 001

(a) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
Mutual funds		
Vanguard	Vanguard Target Retirement 2040 Investment	\$ 239,934
RidgeWorth	RidgeWorth Large Cap Value Equity	236,729
RidgeWorth	RidgeWorth Mid Cap Value Equity	231,912
John Hancock	John Hancock Global Opportunities	222,889
Vanguard	Vanguard Target Retirement 2035 Investment	193,758
Vanguard	Vanguard Target Retirement 2045 Investment	174,922
Lord Abbett	Lord Abbett Fundamental Equity	167,741
RidgeWorth	RidgeWorth Small Cap Value Equity	159,513
American Funds	American Funds EuroPacific GrowthR3	153,692
Alger	Alger Capital Appreciation Portfolio	150,023
AllianceBernstein	AllianceBernstein High Income Fund A	149,975
Metropolitan	Metropolitan West Total Return Bond	130,103
Allianz	Allianz NFJ International Value A	126,480
Vanguard	Vanguard Target Retirement 2020 Investment	120,513
Vanguard	Vanguard Target Retirement 2050 Investment	107,960
Vanguard	Vanguard Target Retirement 2030 Investment	88,928
Lord Abbett	Lord Abbett Developing Growth Fund	71,523
Goldman Sachs	Goldman Sachs Growth Opportunity Inst	67,987
Templeton	Templeton Instl Foreign Small Company Series	60,959
Vanguard	Vanguard Short-Term Bond Index Investment	60,132
Principal	Principal MidCap S&P 400 Index Fund	51,033
Vanguard	Vanguard Target Retirement 2025 Investment	46,614
Vanguard	Vanguard Intermediate Term Treasury Inv	37,608
PIMCO	PIMCO All Asset Fund D	23,328
Vanguard	Vanguard Target Retirement 2015 Investment	1,031
Vanguard	Vanguard Target Retirement 2010 Investment	40
Total mutual funds		3,075,327
Interest bearing cash		
	American Century Investment Trust Prime Money Market	111,901
		\$ 3,187,228

PESUR 401(K) PLAN
Financial Statements
and
Independent Auditors' Report
December 31, 2012 and 2011

PESUR 401(K) PLAN

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INDEPENDENT AUDITORS' REPORT

Plan Administrator, Committee, and Participants
Pesur 401(k) Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Pesur 401(k) Plan (the "Plan"), which are comprised of the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Frontier Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan administrator by the trustee is complete and accurate.

DISCLAIMER OF OPINION

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

OTHER MATTERS

The supplemental schedule as of the year ended December 31, 2012, which is the responsibility of Plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements, but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

EKS+H LLP
EKS&H LLP

September 18, 2013
Denver, Colorado

PESUR 401(K) PLAN

Statements of Net Assets Available for Benefits

	December 31,	
	2012	2011
	Assets	
Investments, at fair value		
Money market fund	\$ 111,901	\$ 83,386
Mutual funds	3,075,327	1,700,057
Total investments, at fair value	<u>3,187,228</u>	<u>1,783,443</u>
Receivables		
Employer contributions	5,038	30,734
Employee contributions	28,746	22,232
Total receivables	<u>33,784</u>	<u>52,966</u>
Net assets available for benefits	<u>\$ 3,221,012</u>	<u>\$ 1,836,409</u>

See notes to financial statements.

PESUR 401(K) PLAN

**Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2012**

Investment income	
Net appreciation in fair value of assets	\$ 267,244
Interest and dividend income	<u>83,175</u>
Total investment income	<u>350,419</u>
Contributions	
Employer	372,755
Employee	740,298
Rollover contributions	<u>236,229</u>
Total contributions	<u>1,349,282</u>
Deductions	
Benefits paid to participants	(292,613)
Administrative fees	<u>(22,485)</u>
Total deductions	<u>(315,098)</u>
Net increase	1,384,603
Net assets available for benefits	
Beginning of year	<u>1,836,409</u>
End of year	<u><u>\$ 3,221,012</u></u>

See notes to financial statements.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies

The following description of Pesur 401(k) Plan (the "Plan") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established January 1, 2005 and amended and restated effective January 1, 2011. The Plan is available to employees age 19 years or older who have completed one month of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Board of Directors of Pure Energy Services (USA), Inc. (the "Company") administers the Plan. Ascensus serves as third-party administrator and recordkeeper. On October 1, 2012, the Company was acquired by FMC Technologies; however, the Company still administers the Plan. Frontier Trust Company serves as the trustee of the investments of the Plan. The Plan offers participants a variety of investment options through various mutual funds and a money market fund. The trustee holds all assets of the Plan in accordance with provisions of the service and trust agreements with the Company. Individual accounts are invested in the various investment options at the direction of the participants.

Contributions

Participants may make before-tax contributions up to 100% of their annual compensation, not to exceed \$17,000 as limited by the IRS, which is adjusted annually by the Secretary of the Treasury for inflation. This maximum percentage may be reduced by the Plan administrator in certain circumstances. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Plan also permits rollover contributions from other qualified retirement plans. Employee contributions to the Plan are made through regular payroll deductions. The Company matches 3% of participant compensation up to a maximum of \$3,000 per participant per Plan year. The Company has the right to designate all or a portion of the matching contributions as qualified. To the extent matching contributions are so designated, they are non-forfeitable and may not be withdrawn from the Plan prior to separation from service or attainment of age 59½. The Company also has the right to make discretionary contributions. The Company contributed \$372,755 in matching contributions for the year ended December 31, 2012. No discretionary contributions were made for the year ended December 31, 2012.

Participants' Accounts

Each participant's account is credited or charged with the participant's contribution and an allocation of the Company's matching and discretionary contributions, if any, Plan earnings or losses and forfeitures, and an allocation of Plan expenses. Allocations are based upon Plan earnings or losses and account balances, as defined. The benefit to which a participant is entitled is the vested portion of the participant's account balance.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Investment Options

Participants may direct the investment of their account balances into various investment options offered by the Plan. Currently, the Plan offers various investment options in a money market fund and mutual funds. Participants may elect to transfer balances between investment funds within their accounts at any time.

Vesting

Participants are 100% vested in their voluntary contributions, allocated earnings or losses thereon, and any qualified matching contributions.

Any employer contributions (including forfeitures) and the earnings or losses thereon not fully vested when contributed will vest as follows:

<u>Years of Service</u>	<u>Vested Interest</u>
Less than one year	0%
One - two	33%
Two - three	66%
Three or more	100%

A participant's account becomes 100% vested upon death, attaining normal retirement age (the age of 65 or, if later, the third anniversary date of the first day of the Plan year during which the participant entered the Plan), retirement due to disability, or if the Plan is terminated.

Payments of Benefits

Upon death, disability, retirement, or termination of service, a participant will receive a lump-sum payment in the amount equal to the participant's vested account balance within a reasonable period of time after termination of employment. Participants may not make withdrawals from their accounts prior to retirement at age 65, except in the event of death, disability, termination of employment, or notice of hardship, without being subject to certain restrictions and penalties. Benefits are recorded as distributions to participants when paid.

Participant Termination and Forfeitures

If at the time of termination of employment the participant is not 100% vested, the non-vested portion ("forfeitures") of the participant's account shall be placed in a separate account. Forfeitures can be used to pay Plan expenses, reduce employer contributions, or shall be allocated to participants in the same manner as the employer's contribution. The amount of forfeitures allocated to participants during 2012 was \$551. The amount of forfeitures used to pay Plan fees during 2012 was \$7,008. The balance of the unallocated forfeitures account at December 31, 2012 and 2011 was \$28,936 and \$8,187, respectively.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Investment Valuations and Income Recognition

Investments are recorded at fair value as reported to the Plan by the trustee. 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 2 for discussion of fair value measurements.

The net realized and unrealized investment gain or loss (net appreciation or depreciation in fair value of investments) is reflected in the accompanying statement of changes in net assets available for benefits and is determined as the difference between fair value at the beginning of the year (or date purchased if during the year) and selling price (if sold during the year) or year-end fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date.

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties

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

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

PESUR 401(K) PLAN

Notes to Financial Statements

Note 2 - Fair Value Accounting

GAAP requires disclosure about how fair value is determined and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets measured at fair value on a recurring basis as of December 31, 2012 and 2011.

Assets at fair value as of December 31, 2012 are as follows:

Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Target date	\$ 973,700	\$ -	-	\$ 973,700
International	564,020	-	-	564,020
Large-cap	554,493	-	-	554,493
Fixed income	401,146	-	-	401,146
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Small-cap	231,036	-	-	231,036
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Money market fund	111,901	-	-	111,901
Total	\$ 3,187,228	\$ -	-	\$ 3,187,228

PESUR 401(K) PLAN

Notes to Financial Statements

Note 2 - Fair Value Accounting (continued)

Assets at fair value as of December 31, 2011 are as follows:

Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Large-cap	\$ 749,616	\$ -	\$ -	\$ 749,616
International	391,140	-	-	391,140
Mid-cap	233,670	-	-	233,670
Fixed income	177,624	-	-	177,624
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The valuation technique used to measure fair value of the mutual funds was daily quoted net asset values that are directly observable in the marketplace by market participants. The fair value of the mutual funds is equivalent to the net asset value at close of business on the reporting date.

The valuation technique used to measure fair value of the money market fund reflects quoted market prices available on an active market.

There were no changes to the valuation techniques used during the period.

Note 3 - Investments

The trustee has certified in writing to the Plan administrator that the stated amounts for investments at fair value as of December 31, 2012 and 2011 and the income earned or losses incurred for the year ended December 31, 2012, as reflected in the accompanying financial statements and the supplemental schedule of assets (held at end of year), are complete and accurate.

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's auditors not to perform any auditing procedures with respect to the investment information certified by the trustee, except for comparing the information contained therein to information included in the financial statements and the supplemental schedule.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 3 - Investments (continued)

The fair value of investments greater than 5% of net assets available for benefits was the following as of:

	December 31,	
	2012	2011
Vanguard Target Retirement 2040 Investment	\$ 239,934	\$ 153,318
RidgeWorth Large Cap Value Equity	\$ 236,729	\$ 143,214
RidgeWorth Mid Cap Value Equity	\$ 231,912	\$ 183,737
John Hancock Global Opportunities	\$ 222,889	\$ 158,002
Vanguard Target Retirement 2035 Investment	\$ 193,758	\$ 63,767 *
Vanguard Target Retirement 2045 Investment	\$ 174,922	\$ 70,248 *
Lord Abbett Fundamental Equity	\$ 167,741	\$ 108,500
RidgeWorth Small Cap Value Equity	\$ 159,513 *	\$ 113,457
American Funds EuroPacific Growth R3	\$ 153,692 *	\$ 109,555
Metropolitan West Total Return Bond	\$ 130,103 *	\$ 96,461

* Investment balances less than 5% of the Plan's assets for the applicable year.

For the year ended December 31, 2012, the Plan's mutual funds (including gains and losses on investments bought and sold, as well as those held, during the period) appreciated in value by \$267,244.

Note 4 - Income Taxes

The Plan administrator has adopted a prototype plan, which Plan management believes is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The prototype plan obtained its latest opinion letter on December 27, 2011, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC; therefore, no provision for income taxes has been included in the Plan's 2012 financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

PESUR 401(K) PLAN

Notes to Financial Statements

Note 5 - Administration of the Plan

The Company provides, at no cost to the Plan, certain administrative, accounting, and legal services to the Plan and also pays the cost of certain outside services for the Plan.

Note 6 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, all participants become 100% vested, and the Plan administrator is to distribute each participant's interest to the participant or the participant's beneficiary.

Note 7 - Subsequent Events

The Company has evaluated all subsequent events through the auditors' report date, which is the date the financial statements were available for issuance. There were no material subsequent events that required recognition or disclosure in the financial statements other than those discussed below.

Subsequent to year-end, the Company amended the Plan to be a safe harbor plan.

SUPPLEMENTAL SCHEDULE

PESUR 401(K) PLAN

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) **As of December 31, 2012**

Plan Name - Pesur 401(k) Plan
Employer Identification Number - 27-0101970
Plan Number - 001

(a) Lessor, or Similar Party	(b) Identity of Issue, Borrower, or Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
Mutual funds			
Vanguard		Vanguard Target Retirement 2040 Investment	\$ 239,934
RidgeWorth		RidgeWorth Large Cap Value Equity	236,729
RidgeWorth		RidgeWorth Mid Cap Value Equity	231,912
John Hancock		John Hancock Global Opportunities	222,889
Vanguard		Vanguard Target Retirement 2035 Investment	193,758
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Alger		Alger Capital Appreciation Portfolio	150,023
AllianceBernstein		AllianceBernstein High Income Fund A	149,975
Metropolitan		Metropolitan West Total Return Bond	130,103
Allianz		Allianz NFJ International Value A	126,480
Vanguard		Vanguard Target Retirement 2020 Investment	120,513
Vanguard		Vanguard Target Retirement 2050 Investment	107,960
Vanguard		Vanguard Target Retirement 2030 Investment	88,928
Lord Abbett		Lord Abbett Developing Growth Fund	71,523
Goldman Sachs		Goldman Sachs Growth Opportunity Inst	67,987
Templeton		Templeton Instl Foreign Small Company Series	60,959
Vanguard		Vanguard Short-Term Bond Index Investment	60,132
Principal		Principal MidCap S&P 400 Index Fund	51,033
Vanguard		Vanguard Target Retirement 2025 Investment	46,614
Vanguard		Vanguard Intermediate Term Treasury Inv	37,608
PIMCO		PIMCO All Asset Fund D	23,328
Vanguard		Vanguard Target Retirement 2015 Investment	1,031
Vanguard		Vanguard Target Retirement 2010 Investment	40
Total mutual funds			<u>3,075,327</u>
Interest bearing cash			
		American Century Investment Trust Prime Money Market	<u>111,901</u>
			\$ <u><u>3,187,228</u></u>

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name PESUR 401(K) PLAN

EIN: 27-0101970

Plan Sponsor's Name PURE ENERGY SERVICES USA, INC

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Templeton	Templeton Instl Forgn Sml Comp Series	0	60,959
	John Hancock	John Hancock Global Opportunities I	0	222,889
	Allianz	AllianzGI NFJ International Value A	0	126,480
	American Funds	American Funds EuroPacific GrowthR3	0	153,692
	Lord Abbett	Lord Abbett Developing Growth Fund	0	71,523
	Ridge Worth	RidgeWorth Small Cap Value Equity	0	159,513
	Goldman sachs	Goldman Sachs Growth Opp Inst	0	67,987

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name PESUR 401(K) PLAN

EIN: 27-0101970

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PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Ridge Worth	Ridgeworth Mid Cap Value Equity I	0	231,912
	Principal	Principal MidCap S&P 400 Index Fund R2	0	51,033
	Alger	Alger Capital Apprec Port I-2	0	150,023
	Ridge Worth	Ridgeworth Large Cap Value Equity I	0	236,729
	Lord Abbett	Lord Abbett Fundamental Equity I	0	167,741
	PIMCO	PIMCO All Asset Fund D	0	23,328
	AllianceBernstein	AllianceBernstein High Income Fund A	0	149,975

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name PESUR 401(K) PLAN

EIN: 27-0101970

Plan Sponsor's Name PURE ENERGY SERVICES USA, INC

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Metropolitan	Metropolitan West Total Return Bond M	0	130,103
	Vanguard	Vanguard Intermediate Term Treasury Inv	0	37,608
	Vanguard	Vanguard Short-Term Bond Index Inv	0	60,132
	Vanguard	Vanguard Target Ret 2015 Inv	0	1,031
	Vanguard	Vanguard Target Ret 2020 Inv	0	120,513
	Vanguard	Vanguard Target Ret 2025 Inv	0	46,614
	Vanguard	Vanguard Target Ret 2030 Inv	0	88,928

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name PESUR 401(K) PLAN

EIN: 27-0101970

Plan Sponsor's Name PURE ENERGY SERVICES USA, INC

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Vanguard Target Ret 2035 Inv	0	193,758
	Vanguard	Vanguard Target Ret 2040 Inv	0	239,934
	Vanguard	Vanguard Target Ret 2050 Inv	0	107,960
	American Century	Amrcn Cntry Inv Trst Prime Money Mkt A	0	111,901
	Vanguard	Vanguard Target Ret 2010 Inv	0	40
	Vanguard	Vanguard Target Ret 2045 Inv	0	174,922