

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</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>THRIFT PLAN FOR SALARIED EMPLOYEES OF LUFKIN INDUSTRIES, INC.</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>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1991</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>75-0404410</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>936-634-2211</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>333200</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>01/01/1991</u>		2b Employer Identification Number (EIN) <u>75-0404410</u>		2c Sponsor's telephone number <u>936-634-2211</u>		2d Business code (see instructions) <u>333200</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>										
1c Effective date of plan <u>01/01/1991</u>											
2b Employer Identification Number (EIN) <u>75-0404410</u>											
2c Sponsor's telephone number <u>936-634-2211</u>											
2d Business code (see instructions) <u>333200</u>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>LUFKIN INDUSTRIES, INC.</u> <u>P O BOX 849</u> <u>LUFKIN, TX 75902</u>	<u>601 S RAGUET</u> <u>LUFKIN, TX 75901</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.	<u>10/14/2014</u>	<u>MARIA KHOURY</u>
	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)

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2013)
v. 130118

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address LUFKIN INDUSTRIES, INC. P O BOX 849 LUFKIN, TX 75902		3b Administrator's EIN 75-0404410
		3c Administrator's telephone number 936-634-2211
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	1821
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	1755
b Retired or separated participants receiving benefits	6b	
c Other retired or separated participants entitled to future benefits.....	6c	184
d Subtotal. Add lines 6a , 6b , and 6c	6d	1939
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	10
f Total. Add lines 6d and 6e	6f	1949
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	1643
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	151
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 2T 3D		
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
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan THRIFT PLAN FOR SALARIED EMPLOYEES OF LUFKIN INDUSTRIES, INC.	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 LUFKIN INDUSTRIES, INC.	D Employer Identification Number (EIN) 75-0404410	

Part I	Service Provider Information (see instructions)
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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	
CHARLES SCHWAB & CO. INC. AND AFFIL	4150 KINROSS LAKE PARKWAY RICHFIELD, OH 44286
94-1737782	

(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)

CHARLES SCHWAB BANK

4150 KINROSS LAKE PARKWAY
RICHFIELD, OH 44286

42-1558009

(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?
49 50 52 59 62 25	NONE	10	Yes ☒ No ☐	Yes ☒ No ☐		Yes ☒ No ☐

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

CHARLES SCHWAB & CO, INC

4150 KINROSS LAKE PARKWAY
RICHFIELD, OH 44286

94-1737782

(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?
59	NONE		Yes ☒ No ☐	Yes ☐ No ☒		Yes ☒ No ☐

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

SCHWAB RETIREMENT PLAN SERVICES, INC

4150 KINROSS LAKE PARKWAY
RICHFIELD, OH 44286

34-1479833

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50 64	NONE	36080	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)

AXLEY & RODE, LLP

POB 1388
LUFKIN, TX 75902

75-0767305

(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?
10	NONE		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
CHARLES SCHWAB & CO. INC. AND AFFIL	59	
(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.	
CHARLES SCHWAB & CO. INC. AND AFFIL 11-1111111	SEE ATTACHMENT	
(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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>THRIFT PLAN FOR SALARIED EMPLOYEES OF LUFKIN INDUSTRIES, INC.</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>LUFKIN INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>75-0404410</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SCHWAB MANAGED RETIREMENT 2010</u>		
b Name of sponsor of entity listed in (a): <u>CHARLES SCHWAB</u>		
c EIN-PN <u>81-0625169-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>880633</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SCHWAB MANAGED RETIREMENT 2020</u>		
b Name of sponsor of entity listed in (a): <u>CHARLES SCHWAB</u>		
c EIN-PN <u>81-0625169-002</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4878828</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SCHWAB MANAGED RETIREMENT 2030</u>		
b Name of sponsor of entity listed in (a): <u>CHARLES SCHWAB</u>		
c EIN-PN <u>81-0625169-003</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5760721</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SCHWAB MANAGED RETIREMENT 2040</u>		
b Name of sponsor of entity listed in (a): <u>CHARLES SCHWAB</u>		
c EIN-PN <u>81-0625169-004</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10356749</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SCHWAB MANGED RETIREMENT INCOME</u>		
b Name of sponsor of entity listed in (a): <u>CHARLES SCHWAB</u>		
c EIN-PN <u>81-0625169-005</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>620869</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MORLEY STABLE VALUE FEE CL245</u>		
b Name of sponsor of entity listed in (a): <u>UNION BOND & TRUST</u>		
c EIN-PN <u>93-6274329-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>26830743</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan THRIFT PLAN FOR SALARIED EMPLOYEES OF LUFKIN INDUSTRIES, INC.	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 LUFKIN INDUSTRIES, INC.	D Employer Identification Number (EIN) 75-0404410	

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)		
	(2) Participant contributions	1b(2)		201324
	(3) Other	1b(3)	10406	
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)	2459038	2910894
	(9) Value of interest in common/collective trusts	1c(9)	41609735	49328543
	(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)	37020208	43872527
	(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	81099387	96313288

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	488927	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	488927	

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	80610460	96313288
---	-----------	----------	----------

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)	4164418	
(B) Participants	2a(1)(B)	7260375	
(C) Others (including rollovers)	2a(1)(C)	2592018	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		14016811
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)	127830	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		127830
(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)	1563039	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1563039
(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)		
(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)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		3671215
(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)		7097601
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		26476496

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	11858080	
(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)		11858080
f Corrective distributions (see instructions).....	2f		14465
g Certain deemed distributions of participant loans (see instructions).....	2g		16801
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	36090	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		36090
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		11925436

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		14551060
l Transfers of assets:			
(1) To this plan.....	2l(1)		1213248
(2) From this plan.....	2l(2)		61480

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: **AXLEY & RODE, LLP**

(2) EIN: **75-0767305**

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		10000000
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)
THRIFT PLAN FOR HOURLY EMPLOYEES	75-0404410	004

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

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 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>THRIFT PLAN FOR SALARIED EMPLOYEES OF LUFKIN INDUSTRIES, INC.</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LUFKIN INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>75-0404410</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
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>42-1558009</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 <u>0</u>

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
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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
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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.
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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): _____

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.

Lufkin, Texas

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

To the Pension and Employee
Benefits Committee
Lufkin Industries, Inc.
Lufkin, Texas

We were engaged to audit the accompanying financial statements of the Thrift Plan for Salaried Employees of Lufkin Industries, Inc. (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2012, the related statement of changes in net assets available for benefits for the year then ended, the statement of net assets in liquidation available for benefits as of December 31, 2013 and the related statement of changes in net assets in liquidation available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 9, which was certified by The Charles Schwab Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significant 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.

Basis of Accounting

As described in Note 3 to the financial statements, the members of Lufkin Industries, LLC, a GE Oil and Gas Company, the Plan's sponsor, voted in October, 2013, to merge the Plan into the Asset Management Plan for Affiliated GE Companies. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting from the ongoing plan basis to the liquidation basis for year ending December 31, 2013.

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at year end and schedule of assets acquired and disposed with the year, which are the responsibility of plan management, are presented for the purpose of additional analysis and are not a required part of the financial statements but are 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, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

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, 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.

Lufkin, Texas
October 7, 2014


CERTIFIED PUBLIC ACCOUNTANTS

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2013 and 2012

ASSETS	2013 (IN LIQUIDATION)	2012
Investments At Fair Value:		
Morley Stable Value Fund	\$ 26 830 743	\$ 25 979 952
Artisan Midcap Fund	6 197 627	4 912 421
Baron Small Cap Fund	5 865 950	4 342 726
First Eagle Overseas	7 297 136	7 059 100
MFS Mass Inv. Growth Stock Fund	7 610 198	6 062 211
MFS Value Fund Class A	4 214 800	3 268 922
PIMCO Total Return Fund Class D	5 115 325	6 141 772
Schwab 1000 Investment	4 752 144	2 927 848
Schwab Managed Retirement 2010	880 633	676 214
Schwab Managed Retirement 2020	4 878 828	3 548 524
Schwab Managed Retirement 2030	5 760 721	3 895 487
Schwab Managed Retirement 2040	10 356 748	6 155 048
Schwab Managed Retirement Inc.	620 869	1 354 510
Weitz Partners Value Fund	2 819 347	2 305 208
TOTAL INVESTMENTS	<u>93 201 069</u>	<u>78 629 943</u>
Receivables:		
Participants' contribution	201 324	-
Interest and dividends receivable	8 678	10 406
Notes receivable from participants	2 902 217	2 459 038
TOTAL RECEIVABLES	<u>3 112 219</u>	<u>2 469 444</u>
NET ASSETS AT FAIR VALUE	96 313 288	81 099 387
Adjustment from fair value to contract value for fully benefit responsive investment contract	<u>-</u>	<u>(488 927)</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>96 313 288</u>	\$ <u>80 610 460</u>

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

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2013 and 2012

	2013 (IN LIQUIDATION)	2012
ADDITIONS		
Additions to Net Assets Attributed to:		
Net appreciation/(depreciation) in fair value of investments	\$ 10 585 393	\$ 5 711 345
Interest	183 422	225 203
Dividends	1 563 039	1 201 229
TOTAL INVESTMENT INCOME	<u>12 331 854</u>	<u>7 137 777</u>
Interest income on notes receivable from participants	<u>127 830</u>	<u>106 233</u>
Contributions:		
Participants'	7 260 375	5 820 091
Employer's	4 164 418	3 470 091
Rollovers	2 592 018	338 504
TOTAL CONTRIBUTIONS	<u>14 016 811</u>	<u>9 628 686</u>
TOTAL ADDITIONS	<u>26 476 495</u>	<u>16 872 696</u>
DEDUCTIONS		
Deductions from Net Assets Attributed to:		
Benefits paid to participants/beneficiaries	11 889 345	7 861 958
Administrative expenses	<u>36 090</u>	<u>42 600</u>
TOTAL DEDUCTIONS	<u>11 925 435</u>	<u>7 904 558</u>
NET INCREASE BEFORE TRANSFERS	14 551 060	8 968 138
Transfers from Hourly Plan - Net	<u>1 151 768</u>	<u>426 577</u>
NET INCREASE	15 702 828	9 394 715
Net Assets Available for Plan Benefits:		
Beginning of year	<u>80 610 460</u>	<u>71 215 745</u>
END OF YEAR	<u>\$ 96 313 288</u>	<u>\$ 80 610 460</u>

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

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of Thrift Plan for Salary Employees of Lufkin Industries, Inc., (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. General. The Plan was established effective January 1, 1991, to encourage eligible employees to accumulate savings systematically through the use of investments. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In June 2013, the shareholders of the Company approved the merger agreement between the Company and General Electric Company. The Plan sponsor prior to June 13, 2013 was Lufkin Industries, Inc., but after the merger of Lufkin Industries Inc. with General Electric Company in June 2013, the plan sponsor became Lufkin Industries, LLC a GE Oil and Gas Company (the "Company"). Participants should refer to the Plan agreement for more complete information.
2. Plan Termination. Effective May 1, 2014, the Plan transferred the salary deferral accounts of the Plan into a separate benefit plan offered by the Company's parent entity. The Plan expects no further contribution unless funds are required for plan expenses, in which case, these will be made by the company.
3. Contributions. Each eligible employee may elect to contribute between 2% and 6% of their salary on a pretax basis as a basic contribution to the Plan and an additional 1% to 18% of their salary on a pretax basis as an additional contribution. The Company has agreed to make matching contributions equal to 75% of each employee's basic contribution for those hired prior to January 1, 2012 and 100% for those hired on or after January 1, 2012. Participants who have attained the age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.
4. Eligible Employee. All salaried employees are eligible to participate in the Plan upon being hired and are eligible for employee matching on the first payroll period following the date that he/she completes 6 months of service.
5. Participant Accounts. Each participant's account is credited with the participant's and the Company's contributions and allocations of Plan earnings, and charged with an allocation of administrative expenses, if any. Administrative expenses are allocated based on participant transaction activity. Interest income from individual participant loans is credited to the respective participant's account.
6. Investment. Participants direct the investment of their contributions and the Employer matching contributions among one or all of fourteen different funds. Participant may transfer some or all of the balances out of any fund into one or any combination of the other funds. Participants may change their election options at any time during the calendar year.
7. Vesting. Participants are always fully vested in their basic and additional contributions and the income earned thereon. In addition, Plan participants become vested in company contributions and income earned thereon based on years of service.

A Participant's accrued benefit derived from Employer matching contributions shall vest on the basis of the Participant's whole year Periods of Service. The Employer Matching contributions are 20% vested with two years of service and a 20% increase each year until the participant becomes fully vested. A participant is 100 percent vested after six years of credited service.

All amounts credited to a participant's account become fully vested upon the attainment of normal retirement age (65).

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 - DESCRIPTION OF PLAN - CONTINUED

8. Distributions. On termination of service due to death, disability, or retirement, a participant (or the beneficiary) may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a 10-year period. Participants are entitled to make an in-service or hardship distribution of their vested interest from the Plan in the form of a lump-sum payment prior to retirement, death, or termination subject to certain restrictions.

9. Forfeitures. A terminated participant's unvested account balance in the Plan that has been forfeited is used to reduce the Company's matching contributions and pay certain plan administrative expenses. The following table provides further detail of the forfeiture balance.

Balance December 31, 2011	\$ 120 389
Investment earnings	3 368
Forfeitures	138 109
Used for administrative fees	(20 950)
Used for employer contribution	-
Balance December 31, 2012	240 916
Investment earnings	3 124
Forfeitures	380 672
Used for administrative fees	(8 200)
Used for employer contribution	(302 240)
Balance December 31, 2013	\$ 314 272

10. Notes Receivable from Participants. Participants may borrow from their fund accounts up to the lesser of one half of their account balance or \$50,000. The notes are secured by the balance in the participant's account and bear interest at prime plus 1%. Principal and interest is paid ratably through payroll deduction over a period not to exceed five years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plan:

Basis of Accounting

The Plan's financial statements have been prepared on the liquidation basis of accounting for 2013 and the accrual basis of accounting for 2012.

Use of Estimates

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

Risk and Uncertainties

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

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fully Benefit-Responsive Investment Contracts

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they went to initiate permitted transactions under the terms of the plan. As required by professional standards, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. For 2013, the Plan changed to the liquidation basis of accounting and since contract value is the amount that participants will receive upon termination of the plan, contract value is considered fair value under the liquidation basis of accounting. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. The fair value of the guaranteed investment contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

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

Excess Contributions Payable

The Plan is required to return contributions received during the Plan year in excess of the IRC limits.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2013 and 2012, no allowance for credit losses has been recorded. If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payments based on the terms of the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution. At December 31, 2013 and 2012, there were no benefit payments payable to participants who elected to withdraw before year end but have not been paid.

Transfers

Along with the Plan, the Company also sponsors a 401(k) plan for hourly employees. If employees change their hourly or salary status during the year, their account balances are transferred into the corresponding plan. For the year ended December 31, 2013, net Plan transfers from the hourly plan were \$1,151,768 and in December 31, 2012, net Plan transfers from the hourly plan were \$426,577.

Subsequent Events

Subsequent events were evaluated through October 7, 2014, which is the date the financial statements were available to be issued.

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - PLAN MERGER AND LIQUIDATION

The members of Lufkin Industries, LLC a GE Oil and Gas Company, the Plan's sponsor, voted in October 2013, to merge the Plan effective December 31, 2013 into a Plan of the Company's parent entity (Asset Management Plan for Affiliated GE Companies). In accordance with generally accepted accounting principles, the Plan changed its basis of accounting used to value Plan assets from the ongoing Plan basis to the liquidation basis for the year ending December 31, 2013. The Plan's assets were merged into the parent entity's plan on May 1, 2014.

NOTE 4 - INVESTMENTS (UNAUDITED)

The following presents investments that represent 5 percent or more of the Plan's net assets:

Shares of Registered Investment Companies:

December 31, 2013:

Morley Stable Value Fund	\$ 26 830 743
Artisan Midcap Fund	\$ 6 197 627
Baron Small Cap Fund	\$ 5 865 950
First Eagle Overseas A	\$ 7 297 136
MFS Mass Inv Growth Stock Fund	\$ 7 610 198
PIMCO Total Return Fund	\$ 5 115 325
Schwab Managed Retirement 2010	\$ 4 878 828
Schwab Managed Retirement 2020	\$ 5 760 721
Schwab Managed Retirement 2040	\$ 10 356 754

December 31, 2012:

Schwab Stable Value Fund	\$ 25 979 952
Artisan Midcap Fund	\$ 4 912 421
Baron Small Cap Fund	\$ 4 342 726
First Eagle Overseas A	\$ 7 059 100
MFS Mass Inv Growth Stock Fund	\$ 6 062 211
PIMCO Total Return Fund	\$ 6 141 772
Schwab Managed Retirement 2040	\$ 6 155 048

During 2013 and 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$10,585,393 and \$5,711,345, respectively as follows:

	2013	2012
Morley Stable Value Fund	\$ 211 272	\$ 173 832
Schwab Stable Value Fund	-	155 238
Artisan Midcap Fund	1 313 153	555 755
Baron Small Cap Fund	1 410 516	556 922
First Eagle Overseas	368 099	548 732
MFS Mass Inv. Growth Stock Fund	1 668 757	906 355
MFS Value Fund Class A	981 676	375 322
PIMCO Total Return Fund Class D	(314 993)	142 311
Schwab 1000 Investment	857 361	181 791
Schwab Managed Retirement 2010	67 212	57 237
Schwab Managed Retirement 2020	619 092	416 783
Schwab Managed Retirement 2030	926 383	450 756
Schwab Managed Retirement 2040	1 763 434	715 957
Schwab Managed Retirement Income	42 801	98 227
Weitz Partners Value Fund	670 630	376 127
TOTAL	<u>\$ 10 585 393</u>	<u>\$ 5 711 345</u>

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 5 - FAIR VALUE MEASUREMENTS (UNAUDITED)

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature 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 measurements, and the lowest priority to measurements involving significant unobservable inputs, Level 3 measurements. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value; Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities. Investments in underlying mutual funds are valued at their Net Asset Value (NAV) daily and are classified as Level 1 prices.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Investments in this level include collective trust funds, certain asset-back obligations, U.S. Treasury, U.S. government and sovereign obligations and municipal bonds.

Level 3 inputs are unobservable inputs for the asset or liability. Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the Funds use one or more valuation techniques for which sufficient and reliable data is available.

The following is a summary of the inputs to value the Plan's investments:

		FAIR VALUE MEASUREMENTS AT REPORTING DATE USING		
		QUOTED PRICES		
		IN ACTIVE		
		MARKETS FOR		
		IDENTICAL		
		ASSETS/		
		LIABILITIES		
		(LEVEL 1)		
		SIGNIFICANT		
		OTHER		
		OBSERVABLE		
		INPUTS		
		(LEVEL 2)		
		SIGNIFICANT		
		UNOBSERVABLE		
		INPUTS		
		(LEVEL 3)		
DECEMBER 31, 2013	FAIR VALUE			
Mutual Funds:				
Bond Funds	\$ 5 115 325	\$ 5 115 325	\$ -	\$ -
Growth Funds	19 673 775	19 673 775	-	-
Index Funds	4 752 144	4 752 144	-	-
Value Funds	14 331 283	14 331 283	-	-
TOTAL MUTUAL FUNDS	43 872 527	43 872 527	-	-
Morley Stable Value Fund	26 830 743	1 927 602	24 842 896	60 245
Collective Trusts	22 497 799	1 681 532	20 816 267	-
TOTAL	\$ 93 201 069	\$ 47 481 661	\$ 45 659 163	\$ 60 245

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 5 - FAIR VALUE MEASUREMENTS (UNAUDITED) - CONTINUED

DECEMBER 31, 2012	FAIR VALUE	FAIR VALUE MEASUREMENTS AT REPORTING DATE USING QUOTED PRICES		
		IN ACTIVE MARKETS FOR IDENTICAL ASSETS/ LIABILITIES (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Mutual Funds:				
Bond Funds	\$ 6 141 772	\$ 6 141 772	\$ -	\$ -
Growth Funds	15 317 358	15 317 358	-	-
Index Funds	2 927 848	2 927 848	-	-
Value Funds	12 633 230	12 633 230	-	-
TOTAL MUTUAL FUNDS	37 020 208	37 020 208	-	-
Schwab Stable Value Fund	25 979 952	1 827 961	24 151 991	-
Collective Trusts	15 629 783	1 155 227	14 474 556	-
TOTAL	\$ 78 629 943	\$ 40 003 396	\$ 38 626 547	\$ -

There were no transfers between Level 1 and Level 2 for the periods presented.

The reconciliation for all investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the 12 months ended December 31, 2013 is as follows:

	WRAP CONTRACTS
Balance as of January 1, 2013	\$ -
Realized gain(loss)	-
Change in unrealized appreciation	59 360
Purchases	-
Salas	-
Asset maturities	(1 144)
Transfers in and/or out of Level 3	2 029
Balance as of December 31, 2013	\$ 60 245

The following table provides quantitative information about the significant unobservable inputs used for recurring fair value measurements categorized within Level 3.

AS OF DECEMBER 31, 2013					
ASSETS MEASURED AT FAIR VALUE	VALUATION TECHNIQUE	UNOBSERVABLE INPUT DESCRIPTION	RANGE OF INPUTS	WEIGHTED AVERAGE	
Wrap contracts	\$ 60 245	Wrap re-quote	Re-bid rates for contract level wrap fees	0.23% - 0.52%	0.363%

Increases or decreases in the market rate for contract level wrap fees could cause the fair value of wrap contracts to increase or decrease, respectively.

	2013	2012
The amount of total gains and losses for the year included in net assets available for benefits attributable to the changes in unrealized gains or losses relating to assets held at the end of the reporting period	\$ 59 360	\$ -

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 5 - FAIR VALUE MEASUREMENTS (UNAUDITED) - CONTINUED

Gains and losses, included in changes in net assets available for benefits for the years presented, are reported in net unrealized appreciation (depreciation) in fair value of investments.

NOTE 6 - COMMON COLLECTIVE TRUSTS

Plan participants have the option to invest in the following collective trusts: Schwab Managed Retirement 2010, Schwab Managed Retirement 2020, Schwab Managed Retirement 2030, Schwab Managed Retirement 2040, and the Schwab Managed Retirement Trust Fund. These funds (except for the Schwab Managed Retirement Trust Fund) seek to provide total return for investors retiring approximately at or near the target year. The Funds are diversified across several asset classes, including, but not limited to, Commodities, Large Cap Equities, Mid Cap Equities, Small Cap Equities, International Equities, Fixed Income, Treasury Inflation Protected Securities ("TIPS"), and Real Estate Investment Trusts ("REITs"). Assets are allocated to a combination of underlying Schwab Institutional Trust Funds and non-proprietary unitized accounts and collective trusts and mutual funds. The funds are designed to provide a single investment portfolio that adjusts over time to meet the changing risk and return objectives of investors over their expected investment horizon.

The Schwab Managed Retirement Trust Fund seeks to provide total return for investors at or near retirement. Approximately 25% of the portfolio is allocated to equity investments and 75% is allocated to fixed income and stable value investments.

NOTE 7 - INVESTMENTS WITH REPORTED NET ASSET VALUE

The following table for December 31, 2013 sets forth a summary of the Plan's investments with a reported net asset Value:

	FAIR VALUE	UNFUNDED COMMITMENT	REDEMPTION FREQUENCY	OTHER REDEMPTION RESTRICTIONS	REDEMPTION NOTICE PERIOD
Schwab Managed Retirement 2010 (a)	\$ 880 633	None	Daily	None	0 Days
Schwab Managed Retirement 2020 (a)	\$ 4 878 828	None	Daily	None	0 Days
Schwab Managed Retirement 2030 (a)	\$ 5 760 721	None	Daily	None	0 Days
Schwab Managed Retirement 2040 (a)	\$ 10 356 748	None	Daily	None	0 Days
Schwab Managed Retirement Income (b)	\$ 620 869	None	Daily	None	0 Days
Morley Stable Value Fund (c)	\$ 26 830 743	None	Daily	None	0 Days

- (a) Schwab Managed Retirement Trust Funds strategy - Total Return for investors retiring approximately at or near the target date in the respective fund name
- (b) Schwab Managed Retirement Trust Income Fund strategy - Total Return for investors near or in retirement
- (c) Morley Stable Value Fund strategy - Capital Preservation/Stable Return

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 - FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS

The Plan invests in the Morley Stable Value Fund. The Morley Stable Value Fund invests in a diversified portfolio of investment contracts issued by high quality financial institutions such as insurance companies and banks. Each contract has its own specific terms including interest rate and maturity date. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract.

Contract value, as reported to the Plan by Union Bond & Trust Company, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based upon a formula agreed upon with the issuer, but may not be less than 0%. Such interest rates are reviewed on a monthly or quarterly basis for resetting.

Events affecting contracts - Many of the investment contracts issued today stipulate that if an employer-initiated event (for example, a layoff, early retirement window, sale of a division, plant closure, etc.) occurs, all withdrawals attributable to this event that exceed a specified level are payable at fair value rather than contract value. In the event that the plan is terminated, there is a material adverse change to the provisions of the plan, or the employer elects to withdraw from a contract in order to switch to a different investment provider, the amount withdrawn from the contract would be payable at fair value rather than contract value. The Plan administrator is not aware of any circumstances that would limit the ability of the Plan to transact at contract value.

The contracts for the Fund limit the circumstances under which the issuer of the wrap contract may unilaterally terminate the contract. The issuer may terminate the contract upon short notice upon the plan's loss of its qualified status, un-cured material breaches of responsibilities, or material and adverse changes to the provisions of the plan. If one of these events was to occur, the issuer could terminate the wrap contract at the market value of the underlying bonds.

In all other circumstances, the contracts for the Fund permit the issuer to terminate their contract responsibilities only upon a 2 to 3 years notice. Either the Fund can use this period to find a replacement wrap contract, or it can elect to change the investment strategy of the underlying investments to provide for a winding down of the issuer's responsibilities at contract value over time.

	<u>2013</u>	<u>2012</u>
Average Yields:		
Based on actual earnings	1.255%	.869%
Based on interest rate credited to participants	1.386%	1.653%

NOTE 9 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE (UNAUDITED)

The Plan administrator has elected the method of annual reporting compliance permitted by Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan's Trustee has certified that the following data, included in the accompanying financial statements, is complete and accurate:

Investments as shown in the statements of net assets available for benefits as of December 31, 2013 and 2012.

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE (UNAUDITED) - CONTINUED

Investment income as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2013 and 2012.

Interest income on notes receivable from participants for the years ended December 31, 2013 and 2012.

Information in Notes 4 and 5.

Schedule of Assets (Held at End of Year) as of December 31, 2013.

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

NOTE 10 - INCOME TAX STATUS

The Plan obtained its latest determination letter on March 6, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Plan has not requested a new determination letter since March 2003. The Plan has been amended since the receipt of the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, the Plan Administrator believes that the Plan was qualified and the related trust was tax-exempt as of December 31, 2013 and 2012.

Accounting principles generally accepted in the United States of America require the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that, more likely than not, would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

NOTE 11 - ADMINISTRATION OF PLAN ASSETS

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee (or the Company) receives compensation from the Plan. The Company also pays a portion of the Plan's administrative expenses.

NOTE 12 - PARTY-IN-INTEREST

The Plan invests in common/collective trust funds managed by Charles Schwab, an affiliate of the Trustee. As such, transactions related to these investments qualify as party-in-interest transactions.

SUPPLEMENTAL SCHEDULE

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
SCHEDULE H Line 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2013

EIN 75-0404410
PIN 003

(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
	Morley Stable Value Fund	1,129,017 shares	\$ 26 499 241	\$ 26 830 743
	Artisan Midcap Fund	130,148 shares	4 490 816	6 197 627
	Baron Small Cap Fund	168,610 shares	3 938 107	5 865 950
	First Eagle Overseas	315,757 shares	6 557 840	7 297 136
	MFS Mass Inv. Growth Stock Fund	333,342 shares	4 985 515	7 610 198
	MFS Value Fund Class A	126,952 shares	3 058 573	4 214 800
	PIMCO Total Return Fund Class D	478,515 shares	5 198 793	5 115 325
*	Schwab 1000 Investment	97,620 shares	3 822 824	4 752 144
*	Schwab Managed Retirement 2010	44,611 shares	737 705	880 633
*	Schwab Managed Retirement 2020	220,961 shares	3 944 314	4 878 828
*	Schwab Managed Retirement 2030	240,330 shares	4 569 108	5 760 721
*	Schwab Managed Retirement 2040	417,611 shares	8 080 062	10 356 748
*	Schwab Managed Retirement Inc.	41,419 shares	535 472	620 869
	Weitz Partners Value Fund	86,829 shares	1 948 946	2 819 347
*	Participant loans	Participant loans at various maturity dates with interest rates at 5.25%. Collateralized by vested balances with maturity value equal to current value.	-	2 902 217
			<u>\$ 78 367 316</u>	<u>\$ 96 103 286</u>

* Party-in-interest.

See independent auditors' report.

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (ACQUIRED AND DISPOSED WITHIN THE YEAR)
December 31, 2013

EIN 75-0404410
PIN 003

(a) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY	(b) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE	(c) COSTS OF ACQUISITIONS	(d) PROCEEDS FROM DISPOSITIONS
Participant loans	Participant loans at various maturity dates with interest rates at 5.25%. Collateralized by vested balances with maturity value equal to current value.	\$ -	\$ -

See independent auditors' report.

THRIFT PLAN FOR SALARIED EMPLOYEES OF
LUFKIN INDUSTRIES, INC.
SCHEDULE H Line 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2013

EIN 75-0404410
PIN 003

(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
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			<u>\$ 78 367 316</u>	<u>\$ 96 103 286</u>

* Party-in-interest.

See independent auditors' report.