

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 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;">2019</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ 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>PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN</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>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2011</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2011</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/2011</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>PDC INC.</u> <u>1028 AURORA DRIVE</u> <u>FAIRBANKS, AK 99709-5507</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>92-0135389</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>907-452-1414</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541330</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>92-0135389</u>	2c Plan Sponsor's telephone number <u>907-452-1414</u>	2d Business code (see instructions) <u>541330</u>	
2b Employer Identification Number (EIN) <u>92-0135389</u>					
2c Plan Sponsor's telephone number <u>907-452-1414</u>					
2d Business code (see instructions) <u>541330</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.	10/12/2020	MATT EMERSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 127
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 83 6a(2) 92 6b 15 6c 0 6d 107 6e 0 6f 107 6g 107 6h 2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2I 2O 2Q 3I 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
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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)** ☐ 0 **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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.	<small>OMB No. 1210-0110</small> 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 PDC INC.	D Employer Identification Number (EIN) 92-0135389	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	700000
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	518429	313897
(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)		
(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)	4910228	7650696
(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	5428657	8664593

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	7030633	6595708
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	7030633	6595708

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	-1601976	2068885
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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)	1445407	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1445407
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	10903	
(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)		10903
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(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)	2740468	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		2740468

		(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)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		4196778

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	372649	
(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)		372649
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		153268
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)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		525917

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3670861
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) ☒ Unmodified (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: KETEL THORSTENSON, LLP

(2) EIN: 46-0257538

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.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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)

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____. (See instructions.)

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 sections 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 2019 This Form is Open to Public Inspection.
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan <u>PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PDC INC.</u>	D Employer Identification Number (EIN) <u>92-0135389</u>

Part I	Distributions
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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>20-1171923</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.)
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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

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Schedule R (Form 5500) 2019
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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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2019 AND 2018



Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants

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PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

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INDEPENDENT AUDITOR'S REPORT

To the ESOP Committee of
PDC Inc. Engineers Employee Stock Ownership Plan
Fairbanks, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of **PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN** (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of **PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN** as of December 31, 2019 and 2018, and the changes in net assets available for benefits for the year ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter Regarding Going Concern and Termination of the Plan

On June 30, 2020 the Plan was merged with RESPEC Inc. Employee Stock Ownership Plan (RE/SPEC ESOP). As discussed in Note 11, subsequent to year-end the Plan's stock was traded for RE/SPEC ESOP. RE/SPEC ESOP is the surviving Plan post-merger. The Plan is not a going concern. The financial statements do not include any adjustments that might be necessary upon termination. Our opinion is not modified in respect to that matter.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in dark ink, reading "Ketel Thorstenson, LLP". The signature is fluid and cursive, with the letters "K", "T", and "L" being particularly prominent.

KETEL THORSTENSON, LLP
Certified Public Accountants

October 8, 2020

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

**STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018**

	2019		
	Allocated	Unallocated	Total
Assets			
Cash	\$ 313,897	\$ -	\$ 313,897
Investment in Common Stock of PDC Inc. Engineers, at Fair Value (Notes 5, 6 and 7)	3,369,882	4,280,814	7,650,696
Contributions Receivable	700,000	-	700,000
Total Assets	4,383,779	4,280,814	8,664,593
Liabilities			
Note Payable (Note 9)	-	6,595,708	6,595,708
Total Liabilities	-	6,595,708	6,595,708
Net Assets (Deficit) Available For Plan Benefits	\$ 4,383,779	\$ (2,314,894)	\$ 2,068,885
	2018		
	Allocated	Unallocated	Total
Assets			
Cash	\$ 518,429	\$ -	\$ 518,429
Investment in Common Stock of PDC Inc. Engineers, at Fair Value (Notes 5, 6 and 7)	1,951,454	2,958,774	4,910,228
Total Assets	2,469,883	2,958,774	5,428,657
Liabilities			
Note Payable (Note 9)	-	7,030,633	7,030,633
Total Liabilities	-	7,030,633	7,030,633
Net Assets (Deficit) Available For Plan Benefits	\$ 2,469,883	\$ (4,071,859)	\$ (1,601,976)

The accompanying notes are an integral part of these statements.

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

**STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Allocated	Unallocated	Total
Additions to Net Assets			
Net Unrealized Appreciation in Market Value of Investment (Note 6)	\$ 1,089,135	\$ 1,651,333	\$ 2,740,468
Employer Contributions	857,214	588,193	1,445,407
Interest Income	10,903	-	10,903
Allocation of 3,288.3299 Shares of Common Stock of PDC Inc. Engineers, at Fair Value	329,293	-	329,293
Total Additions	2,286,545	2,239,526	4,526,071
Deductions from Net Assets			
Distributions to Participants	372,649	-	372,649
Interest Expense	-	153,268	153,268
Allocation of 3,288.3298 Shares of Common Stock of PDC Inc. Engineers, at Fair Value	-	329,293	329,293
Total Deductions	372,649	482,561	855,210
Net Increase	1,913,896	1,756,965	3,670,861
Net Assets Available for Benefits - Beginning of Year	2,469,883	(4,071,859)	(1,601,976)
Net Assets (Deficit) Available for Benefits - End of Year	\$ 4,383,779	\$ (2,314,894)	\$ 2,068,885

The accompanying notes are an integral part of this statement.

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

(1) Plan Description

The following brief description of the PDC Inc. Engineers (the Company) Employee Stock Ownership Plan (the Plan or the ESOP) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

Nature of the Business of Plan Sponsor

The Company provides engineering, surveying, planning, drafting and environmental analyzing services throughout Alaska and the Polar Regions. The Company primarily works with governmental, industrial, institutional, educational, and commercial entities through time-and-materials, cost plus fixed fee, fixed price and deliverable type contracts.

General

The Plan was established on January 1, 2011. The Plan operates as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 401(a) and Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (the IRC), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by an ESOP Committee consisting of the president, the chief financial officer, and three division managers. TI Trust Company is the Plan's Trustee.

On September 25, 2012, the Plan purchased 76,400 shares of PDC Inc. Engineers common stock using the proceeds of a borrowing (see Note 10) as part of a leveraged transaction. The leveraged transactions are collateralized by the unallocated shares of employer stock. The lender has no rights against shares once they are allocated under the Plan. Accordingly, the financial statements of the Plan as of December 31, 2019 and 2018 and for the year ended December 31, 2019, present separately the net assets and liabilities and changes in net assets available for benefits related to the accounts of employees with rights in allocated common stock (allocated) and common stock not yet allocated (unallocated).

Eligibility

Employees of the Company are generally eligible to participate in the Plan after one year of service provided they worked at least 1,000 hours and have reached the age of 21 as of their first anniversary date. Plan entry is offered to eligible employees on January 1 of each year. Participants must also have 1,000 hours of credited service during the Plan year and be employed on the last day of the Plan year to participate in the allocation of contributions for such year.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representative), becomes disabled, or otherwise terminates employment with the Company or its participating subsidiaries, unless an election to diversify is made. The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash, or, if a participant elects, in the form of employer stock subject to the requirement that such employer stock be resold to the employer or the Plan.

For distributions resulting from normal retirement age, death or disability, payment will be made by the end of the following plan year in a lump sum amount. Participants who terminated employment prior to his or her normal retirement age, other than from death or disability, may elect to begin to receive distribution of their vested balance by the end of the sixth plan year following the plan year in which termination occurs.

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2019 AND 2018

(1) Plan Description (Continued)

Payment of Benefits (Continued)

For accounts in excess of \$985,000, the participant will receive five-annual installments of \$195,000 or fraction thereof by which the participant's aggregate account exceeds \$985,000. Upon termination of employment, the Company may convert the vested shares to cash and deposit the cash value in a conversion account until a disbursement is requested by the individual or the five-year disbursement threshold has been met. For account balances less than \$1,000, the balance will be distributed or rolled into an individual retirement plan as soon as administratively feasible during the following Plan year. Benefits are recorded when paid.

Diversification

Diversification is offered to active participants close to retirement age so they may have the opportunity to move part of the value of their investment in Company stock into the PDC Inc. 401(k) Profit Sharing Plan, which is more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent and each Plan year thereafter. Participants who elect to diversify receive a direct rollover to the PDC Inc. Engineers 401(k) Plan. At December 31, 2019 and 2018, no participants' accounts were eligible for diversification since the plan originated within the previous 10 year period.

Voting Rights

Each participant is entitled to exercise voting rights on corporate matters relating to corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of the business. Each participant will be notified in advance by the Trustee to vote the shares attributable to his or her ESOP account. The Trustee is permitted to vote the shares for which instructions have not been given by the participant. The Trustee is required to vote any unallocated shares on behalf of the collective best interests of the Plan participants and beneficiaries.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation and years of service. During the years ended December 31, 2019 and 2018, **488.01** and 729.14 shares, relating to forfeitures of terminated non-vested account balances, were allocated to remaining participants. Forfeited non-vested accounts to be allocated to participant accounts in future years are **\$24,148** and \$19,589 as of December 31, 2019 and 2018.

Plan earnings or losses are allocated to each participant's account based on the ratio of the participant's beginning of the year share balance to all participants' beginning of the year share balances.

Vesting

A participant is 25 percent vested after two years of credited service, and continues to vest at 25 percent increments until they become fully vested after five years of credited service, or if less than five years of credited service, upon reaching retirement age, upon total and permanent disability or death, or upon termination of the Plan.

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2019 AND 2018

(2) Summary of Significant Accounting Policies

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan is not readily tradable on an established market; therefore, participants have a put option to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Contributions

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Employee contributions are not permitted.

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements. Actual results may differ from those estimates.

Risks and Uncertainties

Investments are exposed to various risks, such as interest, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values 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.

Investment Valuation and Income Recognition

The common shares of the Company are valued at fair value on December 31, 2019 and 2018. Fair value is determined by annual independent appraisals (Note 6). Due to complexities inherent in valuing the stock of any nonpublic company, it is reasonably possible the value of the Plan's investments may change in the near term. Furthermore, the current appraisals are based on facts and conditions which existed at the date of the appraisals. It is reasonably possible these conditions may change in the near term.

Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of the employees with rights in allocated stock (allocated) and (b) stock not yet allocated to employees (unallocated), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid. Committed to be released shares are allocated to participants generally before debt service payments occurs and the shares are legally released from collateral.

Administrative Expenses

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Substantially all operating expenses of the Plan are paid by the Company.

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019 AND 2018

(2) Summary of Significant Accounting Policies (Continued)

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan Administrator has evaluated subsequent events through October 8, 2020, the date which the financial statements were available to be issued.

(3) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 15, 2015, the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code (IRC). Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualifications. The Plan has been amended since receiving the determination letter; however, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan is qualified, and the related trust is tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Company has taken a significant uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(4) Administration of Plan Assets

The Plan's assets, which consist principally of the Company's common shares, are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received and makes distributions to participants.

(5) Investment

The Plan's investment in the Company's common shares is as follows at December 31:

December 31, 2019	Allocated	Unallocated	Total
Number of Shares	33,651.7123	42,748.2877	76,400.0000
Cost	\$ 4,977,282	\$ 6,322,718	\$ 11,300,000
Estimated Fair Value	\$ 3,369,882	\$ 4,280,814	\$ 7,650,696
 December 31, 2018	 Allocated	 Unallocated	 Total
Number of Shares	30,363.3824	46,036.6176	76,400.0000
Cost	\$ 4,490,919	\$ 6,809,081	\$ 11,300,000
Estimated Fair Value	\$ 1,951,454	\$ 2,958,774	\$ 4,910,228

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019 AND 2018

(6) Fair Value

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level One: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level Two: Inputs include
 1. quoted prices for similar assets or liabilities in active markets;
 2. quoted prices for identical or similar assets or liabilities in inactive markets;
 3. inputs other than quoted prices that are observable for the asset or liability;
 4. inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level Three: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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

December 31, 2019:	Level One	Level Two	Level Three	Fair Value Measurement
Investment in PDC, Inc. Engineers				
Common Stock	\$ -	\$ -	\$ 7,650,696	\$ 7,650,696
Total Assets in the Fair Value Hierarchy	\$ -	\$ -	\$ 7,650,696	\$ 7,650,696

December 31, 2018:	Level One	Level Two	Level Three	Fair Value Measurement
Investment in PDC, Inc. Engineers				
Common Stock	\$ -	\$ -	\$ 4,910,228	\$ 4,910,228
Total Assets in the Fair Value Hierarchy	\$ -	\$ -	\$ 4,910,228	\$ 4,910,228

The change in fair value of the Level Three financial assets are as follows:

Balance -- December 31, 2017	\$ 5,439,680
Net Unrealized Depreciation in Market Value of Investment	(529,452)
Balance -- December 31, 2018	4,910,228
Net Unrealized Appreciation in Market Value of Investment	2,740,468
Balance -- December 31, 2019	\$ 7,650,696

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2019 AND 2018

(6) Fair Value (Continued)

The only asset carried at fair value on a recurring basis is the investment in the PDC Inc. Engineers common stock and any short-term investments held in terminated participants' accounts that have been segregated. The following methods and assumptions were used to estimate the fair value of the asset at December 31, 2019 and 2018.

The fair value of the Plan Sponsor's common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparisons, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statement of changes in assets available for benefits.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the reviewed financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP committee and key Company personnel, reviews in detail, discusses and approves.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(7) Related Party and Party-In-Interest Transactions

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. Resulting transactions are related party and party-in-interest transactions. As described in Note 2, the Company pays substantially all plan expenses. The Plan's service provider is also a party-in-interest under ERISA.

(8) Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the ESOP Committee directs the Trustee to pay all liabilities and expenses of the ESOP. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or their respective beneficiary at the time prescribed by the Plan terms and the IRC. In the event of Plan termination, participants will become 100 percent vested in their accounts.

(9) Note Payable

On September 28, 2012, the Plan Trustee purchased employer stock that was funded through promissory note. The unallocated employer stock is held by the Plan Trustee until principal and interest payments are made on the promissory note. Annual installments of \$588,192, including interest at a fixed rate of 2.18 percent, are due through December 31, 2032.

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

**NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
DECEMBER 31, 2019 AND 2018**

(9) Note Payable (Continued)

Scheduled maturities of the note payable are as follows for the years ending December 31:

	ESOP Debt
2020	\$ 444,012
2021	454,085
2022	463,984
2023	474,099
2024	484,150
Thereafter	4,275,378
	<u><u>\$ 6,595,708</u></u>

Unallocated shares of the common stock are collateral for the note. Shares are legally released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. Shares released and allocated were **3,288.3299** and 3,288.3298 for the years ended December 31, 2019 and 2018, respectively. Subsequent to December 31, 2019 the note payable was refinanced as part of the ESOP merger with RE/SPEC Inc. Employee Stock Ownership Plan (RE/SPEC ESOP) (Note 11). The financial statements have not been updated for the refinance.

(10) Subsequent Event

In June 2020, the Company merged with RE/SPEC Inc. As part of the merge, PDC ESOP assets were merged with the RE/SPEC ESOP. The stock of each company has been valued at the merger and equivalent amounts of PDC Inc. Engineers stock was traded for RE/SPEC, Inc. stock. RE/SPEC ESOP is the surviving plan post-merger. The value of the merged PDC stock is approximately \$7.5 million.

Market volatility of equity-based investments may substantially impact the market value of such investments at any given time. Subsequent to December 31, 2019, the United States and global markets experienced significant declines in market value resulting from uncertainty caused by the world-wide coronavirus pandemic. It is possible that the market value of the Plan's investments, both in total and in individual participant accounts, has changed significantly since December 31, 2019. The Plan's financial statements do not include adjustments to fair value that have resulted from these declines.

SUPPLEMENTAL SCHEDULE

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

EIN 46-0315848, PN 002

FORM 5500, SCHEDULE H, ITEM 4i

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT YEAR END
DECEMBER 31, 2019**

ISSUER	DESCRIPTION OF ASSETS	COST	CURRENT VALUE
* PDC Inc. Engineers	Common stock - 76,400.0000 shares (33,651.7123 shares allocated and 42,748.2877 shares unallocated)	\$ 11,300,000	\$ 7,650,696
			<u><u>\$ 7,650,696</u></u>

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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 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**2019****This Form is Open to Public Inspection****Part I Annual Report Identification Information**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

- A** This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
☒ 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 PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 01/01/2011
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) PDC Inc. 1028 Aurora Drive Fairbanks AK 99709-5507	2b Employer Identification Number (EIN) 92-0135389 2c Plan Sponsor's telephone number 907-452-1414 2d Business code (see instructions) 541330

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		10/12/2020	MATT EMERSON
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2019)
v. 190130

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 12
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 83
a(2) Total number of active participants at the end of the plan year	6a(2) 92
b Retired or separated participants receiving benefits.....	6b 15
c Other retired or separated participants entitled to future benefits	6c 0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 107
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 107
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 107
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2I 2O 2Q 3I	
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
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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)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

PDC INC. ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

EIN 46-0315848, PN 002

FORM 5500, SCHEDULE H, ITEM 4i

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT YEAR END
DECEMBER 31, 2019**

ISSUER	DESCRIPTION OF ASSETS	COST	CURRENT VALUE
* PDC Inc. Engineers	Common stock - 76,400.0000 shares (33,651.7123 shares allocated and 42,748.2877 shares unallocated)	\$ 11,300,000	\$ 7,650,696
			<u><u>\$ 7,650,696</u></u>