UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **March 28, 2013**

UNITED STATES OIL FUND, LP

(Exact name of registrant as specified in its charter)

Delaware	**001-32834**	**20-2830691**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1999 Harrison Street, Suite 1530
Oakland, California 94612

(510) 522-9600 (Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On March 28, 2013, the United States Oil Fund, LP (the “Registrant”) issued its annual financial statements for the year ended December 31, 2012, as required pursuant to Rule 4.22 under the Commodity Exchange Act. A copy of the annual financial statements is furnished as Exhibit 99.1 to this Current Report on Form 8-K and also can be found on the Registrant’s website at www.unitedstatesoilfund.com. The information furnished in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Annual Financial Statements of the Registrant for the year ended December 31, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED STATES OIL FUND, LP
By: United States Commodity Funds LLC, its general partner

Date: March 28, 2013

By: /s/ Howard Mah
Name: Howard Mah
Title: Chief Financial Officer

USO
United States Oil Fund, LP
1999 Harrison Street
Suite 1530
Oakland, CA 94612

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1403 1 AV 0.350
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JOHN Q SAMPLE
12345 ANYSTREET ROAD
ANYTOWN US 56789-1234

UNITED STATES COMMODITY FUNDS LLC
General Partner of the United States Oil Fund, LP

March 18, 2013

Dear United States Oil Fund, LP Investor,

Enclosed with this letter is your copy of the 2012 financial statements for the United States Oil Fund, LP (ticker symbol "USO"). We have mailed this statement to all investors in USO who held shares as of December 31, 2012 to satisfy our annual reporting requirement under federal commodities laws. In addition, we have enclosed a copy of the current USO Privacy Policy. Additional information concerning USO's 2012 results may be found by referring to USO's Annual Report on Form 10-K (the "Form 10-K"), which has been filed with the U.S. Securities and Exchange Commission (the "SEC"). You may obtain a copy of the Form 10-K by going to the SEC's website at **www.sec.gov**, or by going to USO's own website at **www.unitedstatesoilfund.com**. You may also call USO at 1-800-920-0259 to speak to a representative and request additional material, including a current USO Prospectus.

United States Commodity Funds LLC is the general partner of USO. United States Commodity Funds LLC is also the general partner or sponsor and manager of several other commodity based exchange traded security funds. These other funds are referred to in the attached financial statements and include:

United States Natural Gas Fund, LP	(ticker symbol: **UNG**)
United States 12 Month Oil Fund, LP	(ticker symbol: USL)
United States Gasoline Fund, LP	(ticker symbol: **UGA**)
United States Diesel-Heating Oil Fund, LP	(ticker symbol: **UHN**)
United States Short Oil Fund, LP	(ticker symbol: **DNO**)
United States 12 Month Natural Gas Fund, LP	(ticker symbol: **UNL**)
United States Brent Oil Fund, LP	(ticker symbol: **BNO**)
United States Commodity Index Fund (ticker symbol: USCI)	
United States Copper Index Fund	(ticker symbol: **CPER**)
United States Agriculture Index Fund	(ticker symbol: **USAG**)
United States Metals Index Fund	(ticker symbol: **USMI**)

Information about these other funds is contained within the Annual Report as well as in the current USO Prospectus. Investors in USO who wish to receive additional information about these other funds may do so by going to their respective websites.* The websites may be found at:

www.unitedstatesnaturalgasfund.com
www.unitedstates12monthoilfund.com
www.unitedstatesgasolinefund.com
www.unitedstatesdieselheatingoilfund.com
www.unitedstatesshortoilfund.com
www.unitedstates12monthnaturalgasfund.com
www.unitedstatesbrentoilfund.com
www.unitedstatescommodityindexfund.com
www.unitedstatescopperindexfund.com
www.unitedstatesagricultureindexfund.com
www.unitedstatesmetalsindexfund.com

You may also call United States Commodity Funds LLC at 1-800-920-0259 to request additional information.

Thank you for your continued interest in USO.

Regards,

/s/ Nicholas Gerber
Nicholas Gerber
President and CEO
United States Commodity Funds LLC

* This letter is not an offer to buy or sell securities. Investment in any of these other funds is only made by prospectus. Please consult the relevant prospectus for a description of the risks and expenses involved in any such investment.

PRIVACY POLICY OF
UNITED STATES COMMODITY FUNDS LLC
AS GENERAL PARTNER OF:

UNITED STATES OIL FUND, LP
UNITED STATES NATURAL GAS FUND, LP
UNITED STATES 12 MONTH OIL FUND, LP
UNITED STATES 12 MONTH NATURAL GAS FUND, LP
UNITED STATES GASOLINE FUND, LP
UNITED STATES DIESEL-HEATING OIL FUND, LP (FORMERLY, UNITED STATES HEATING OIL FUND, LP)
UNITED STATES SHORT OIL FUND, LP
UNITED STATES BRENT OIL FUND, LP

AS SPONSOR OF UNITED STATES COMMODITY INDEX FUNDS TRUST AND THE FOLLOWING SERIES THEREIN:

UNITED STATES COMMODITY INDEX FUND
UNITED STATES COPPER INDEX FUND
UNITED STATES AGRICULTURE INDEX FUND
UNITED STATES METALS INDEX FUND

AS SPONSOR OF THE UNITED STATES COMMODITY FUNDS TRUST I AND THE FOLLOWING SERIES THEREIN:

UNITED STATES SUGAR FUND
UNITED STATES GASOIL FUND
UNITED STATES NATURAL GAS DOUBLE INVERSE FUND
UNITED STATES ASIAN COMMODITIES BASKET FUND

AND AS SPONSOR OF THE UNITED STATES CURRENCY FUNDS TRUST AND THE FOLLOWING SERIES THEREIN:

US GOLDEN CURRENCY FUND

This privacy policy explains the policies of United States Commodity Funds LLC (the "Company"), a commodity pool operator registered with the Commodity Futures Trading Commission, and (i) the statutory trusts for which the Company acts as sponsor, United States Commodity Index Funds Trust (the "Index Funds Trust"), and United States Commodity Funds Trust I ("Trust I") and United States Currency Funds Trust (the "Currency Funds Trust" and together with the "Index Funds Trust" and "Trust I", the "Trusts") and (ii) each of the funds for which the Company serves as the general partner or series within the Trusts for which the Company serves as sponsor (each a "Fund" and together, the "Funds") each as referenced above relating to the collection, maintenance and use of nonpublic personal information about the Funds' investors, as required under federal legislation. This privacy policy applies to the nonpublic personal information of investors who are individuals and who obtain financial products or services primarily for personal, family or household purposes.

Collection of Investor Information

Units of the Funds are registered in the name of Cede & Co., as nominee for the Depository Trust Company. However, the Company may collect or have access to personal information about Fund investors for certain purposes relating to the operation of the Funds, including for the distribution of certain required tax reports to investors. This information may include information received from investors and information about investors' holdings and transactions in units of the Funds.

Disclosure of Nonpublic Personal Information

The Company does not sell or rent investor information. The Company does not disclose nonpublic personal information about Fund investors, except as required by law or as described below. Specifically, the Company may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Trust and the Funds, which may include attorneys, accountants, auditors and other professionals. The Company may also share information in connection with the servicing or processing of Trust and Fund transactions.
- To respond to subpoenas, court orders, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of an investor to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the investor.

Fund investors have no right to opt out of the Company's disclosure of non-public personal information under the circumstances described above.

Protection of Investor Information

The Company holds Fund investor information in the strictest confidence. Accordingly, the Company's policy is to require that all employees, financial professionals and companies providing services on its behalf keep client information confidential.

The Company maintains safeguards that comply with federal standards to protect investor information. The Company restricts access to the personal and account information of investors to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Company shares investor information must agree to follow appropriate standards of security and confidentiality, which includes safeguarding such information physically, electronically and procedurally.

The Company's privacy policy applies to both current and former investors. The Company will only disclose nonpublic personal information about a former investor to the same extent as for a current investor.

Changes to Privacy Policy

The Company may make changes to its privacy policy in the future. The Company will not make any change affecting Fund investors without first sending investors a revised privacy policy describing the change. In any case, the Company will send Fund investors a current privacy policy at least once a year as long as they continue to be Fund investors.

UNITED STATES OIL FUND, LP
A Delaware Limited Partnership

FINANCIAL STATEMENTS

For the years ended December 31, 2012, 2011 and 2010

AFFIRMATION OF THE COMMODITY POOL OPERATOR

To the Unitholders of the United States Oil Fund, LP:

Pursuant to Rule 4.22(h) under the Commodity Exchange Act, the undersigned represents that, to the best of his knowledge and belief, the information contained in this Annual Report for the years ended December 31, 2012, 2011 and 2010 is accurate and complete.

By: /s/ Nicholas Gerber
Nicholas Gerber
United States Oil Fund, LP
President & CEO of United States Commodity Funds LLC
(General Partner of United States Oil Fund, LP)

SPICER JEFFRIES LLP
CERTIFIED PUBLIC ACCOUNTANTS
5251 SOUTH QUEBEC STREET • SUITE 200
GREENWOOD VILLAGE, COLORADO 80111
TELEPHONE: (303) 753-1959
FAX: (303) 753-0338
www.spicerje ries.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
United States Oil Fund, LP

We have audited the accompanying statements of financial condition of United States Oil Fund, LP (the "Fund") as of December 31, 2012 and 2011, including the schedule of investments as of December 31, 2012 and 2011, and the related statements of operations, changes in partners' capital and cash flows for the years ended December 31, 2012, 2011 and 2010. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Oil Fund, LP as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years ended December 31, 2012, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the Fund's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2013 expressed an unqualified opinion on the Fund's internal control over financial reporting.

Spicer Jeffries LLP

Greenwood Village, Colorado
February 27, 2013

United States Oil Fund, LP
Statements of Financial Condition
At December 31, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents (Notes 2 and 5)	$ 1,019,006,171	$ 838,608,739
Equity in UBS Securities LLC trading accounts:		
Cash and cash equivalents	154,761,599	303,665,981
Unrealized gain (loss) on open commodity futures contracts	67,180,420	(6,472,310)
Receivable for units sold	-	38,074,230
Dividend receivable	20,182	10,659
Interest receivable	-	202
Other assets	380,835	506,897
Total assets	$ 1,241,349,207	$ 1,174,394,398
Liabilities and Partners' Capital		
Investment payable	$ -	$ 553
Payable for units redeemed	56,390,127	64,726,191
Professional fees payable	1,200,671	1,137,607
General Partner management fees payable (Note 3)	516,449	445,715
License fees payable	51,035	54,699
Brokerage commissions payable	44,461	32,186
Directors' fees payable	42,976	38,412
Other liabilities	153	153
Total liabilities	58,245,872	66,435,516
Commitments and Contingencies (Notes 3, 4 and 5)		
Partners' Capital		
General Partner	-	-
Limited Partners	1,183,103,335	1,107,958,882
Total Partners' Capital	1,183,103,335	1,107,958,882
Total liabilities and partners' capital	$ 1,241,349,207	$ 1,174,394,398
Limited Partners' units outstanding	35,400,000	29,100,000
Net asset value per unit	$ 33.42	$ 38.07
Market value per unit	$ 33.37	$ 38.11

See accompanying notes to financial statements.

United States Oil Fund, LP
Schedule of Investments
At December 31, 2012

	Number of Contracts	Unrealized Gain on Open Commodity Contracts	% of Partners' Capital
Open Futures Contracts - Long			
Foreign Contracts			
ICE WTI Crude Oil Futures February 2013 contracts, expiring January 2013	2,000	$ 9,680,000	0.82
United States Contracts			
NYMEX Crude Oil Futures CL February 2013 contracts, expiring January 2013	10,886	57,500,420	4.86
Total Open Futures Contracts	12,886	$ 67,180,420	5.68
	Principal Amount	**Market Value**	
Cash Equivalents			
United States Treasury Obligations			
U.S. Treasury Bills:			
0.10%, 1/17/2013	$ 120,000,000	$ 119,994,933	10.14
0.05%, 5/02/2013	100,000,000	99,981,771	8.45
Total Treasury Obligations		219,976,704	18.59
United States - Money Market Funds			
Fidelity Institutional Government Portfolio - Class I	137,053,627	137,053,627	11.59
Goldman Sachs Financial Square Funds - Government Fund - Class FS	207,792,941	207,792,941	17.56
Morgan Stanley Institutional Liquidity Fund - Government Portfolio	201,057,695	201,057,695	16.99
Wells Fargo Advantage Government Money Market Fund - Class I	200,009,958	200,009,958	16.91
Total Money Market Funds		745,914,221	63.05
Total Cash Equivalents		$ 965,890,925	81.64

United States Oil Fund, LP
Schedule of Investments
At December 31, 2011

	Number of Contracts	Unrealized Loss on Open Commodity Contracts	% of Partners' Capital
Open Futures Contracts – Long			
Foreign Contracts			
ICE WTI Crude Oil Futures February 2012 contracts, expiring January 2012	2,000	$ (2,475,000)	(0.22)
United States Contracts			
NYMEX Crude Oil Futures CL February 2012 contracts, expiring January 2012	9,213	(3,997,310)	(0.36)
Total Open Futures Contracts	11,213	$ (6,472,310)	(0.58)
	Principal Amount	**Market Value**	
Cash Equivalents			
United States Treasury Obligation			
U.S. Treasury Bill, 0.03%, 6/21/2012	$ 150,390,000	$ 150,368,444	13.57
United States - Money Market Funds			
Fidelity Institutional Government Portfolio - Class I	137,039,864	137,039,864	12.37
Goldman Sachs Financial Square Funds - Government Fund - Class SL	107,748,930	107,748,930	9.73
Morgan Stanley Institutional Liquidity Fund - Government Portfolio	350,914,362	350,914,362	31.67
Total Money Market Funds		595,703,156	53.77
Total Cash Equivalents		$ 746,071,600	67.34

See accompanying notes to financial statements.

United States Oil Fund, LP
Statements of Operations
For the years ended December 31, 2012, 2011 and 2010

	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Income			
Gain (loss) on trading of commodity futures contracts:			
Realized gain (loss) on closed positions	$ (196,807,460)	$ 201,717,550	$ 210,513,966
Change in unrealized gain (loss) on open positions	73,652,730	(50,432,650)	(140,317,710)
Dividend income	221,143	193,961	777,411
Interest income	176,231	72,005	49,640
Other income	190,000	279,000	197,000
Total income (loss)	(122,567,356)	151,829,866	71,220,307
Expenses			
General Partner management fees (Note 3)	5,751,949	6,761,103	8,633,654
Professional fees	1,299,277	881,228	1,127,427
Brokerage commissions	1,298,827	1,529,433	1,928,711
License fees	191,732	353,950	457,809
Registration fees	176,971	47,450	57,390
Directors’ fees	132,405	120,905	350,085
Other expenses	103,875	109,999	63,757
Total expenses	8,955,036	9,804,068	12,618,833
Net income (loss)	$ (131,522,392)	$ 142,025,798	$ 58,601,474
Net loss per limited partnership unit	$ (4.65)	$ (0.90)	$ (0.19)
Net income (loss) per weighted average limited partnership unit	$ (3.62)	$ 3.57	$ 1.11
Weighted average limited partnership units outstanding	36,296,721	39,764,384	52,890,959

See accompanying notes to financial statements.

United States Oil Fund, LP
Statements of Changes in Partners' Capital
For the years ended December 31, 2012, 2011 and 2010

	General Partner	Limited Partners	Total
Balances, at December 31, 2009	$ -	$ 2,471,252,817	$ 2,471,252,817
Addition of 85,600,000 partnership units	-	3,047,157,141	3,047,157,141
Redemption of 102,800,000 partnership units	-	(3,788,403,860)	(3,788,403,860)
Net income	-	58,601,474	58,601,474
Balances, at December 31, 2010	-	1,788,607,572	1,788,607,572
Addition of 138,300,000 partnership units	-	5,159,411,628	5,159,411,628
Redemption of 155,100,000 partnership units	-	(5,982,086,116)	(5,982,086,116)
Net income	-	142,025,798	142,025,798
Balances, at December 31, 2011	-	1,107,958,882	1,107,958,882
Addition of 100,100,000 partnership units	-	3,503,707,052	3,503,707,052
Redemption of 93,800,000 partnership units	-	(3,297,040,207)	(3,297,040,207)
Net loss	-	(131,522,392)	(131,522,392)
Balances, at December 31, 2012	$ -	$ 1,183,103,335	$ 1,183,103,335
Net Asset Value Per Unit:			
At December 31, 2009			$ 39.16
At December 31, 2010			$ 38.97
At December 31, 2011			$ 38.07
At December 31, 2012			$ 33.42

See accompanying notes to financial statements.

United States Oil Fund, LP
Statements of Cash Flows
For the years ended December 31, 2012, 2011 and 2010

	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Cash Flows from Operating Activities:			
Net income (loss)	$ (131,522,392)	$ 142,025,798	$ 58,601,474
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in commodity futures trading account - cash and cash equivalents	148,904,382	(49,162,371)	68,166,941
Unrealized (gain) loss on futures contracts	(73,652,730)	50,432,650	140,317,710
(Increase) decrease in dividend receivable	(9,523)	38,126	35,131
(Increase) decrease in interest receivable	202	(202)	-
Decrease in other assets	126,062	66,609	49,619
Increase (decrease) in investment payable	(553)	553	-
Increase (decrease) in professional fees payable	63,064	(209,823)	(556,099)
Increase (decrease) in General Partner management fees payable	70,734	(252,602)	(212,960)
Decrease in license fees payable	(3,664)	(56,539)	(21,546)
Increase (decrease) in brokerage commissions payable	12,275	(27,000)	(52,200)
Increase (decrease) in directors' fees payable	4,564	(5,050)	17,503
Increase in other liabilities	-	153	-
Net cash provided by (used in) operating activities	(56,007,579)	142,850,302	266,345,573
Cash Flows from Financing Activities:			
Addition of partnership units	3,541,781,282	5,121,337,398	3,047,157,141
Redemption of partnership units	(3,305,376,271)	(5,948,534,053)	(3,862,972,802)
Net cash provided by (used in) financing activities	236,405,011	(827,196,655)	(815,815,661)
Net Increase (Decrease) in Cash and Cash Equivalents	180,397,432	(684,346,353)	(549,470,088)
Cash and Cash Equivalents, beginning of year	838,608,739	1,522,955,092	2,072,425,180
Cash and Cash Equivalents, end of year	$ 1,019,006,171	$ 838,608,739	$ 1,522,955,092

See accompanying notes to financial statements.

United States Oil Fund, LP
Notes to Financial Statements
For the years ended December 31, 2012, 2011 and 2010

NOTE 1 - ORGANIZATION AND BUSINESS

The United States Oil Fund, LP ("USOF") was organized as a limited partnership under the laws of the state of Delaware on May 12, 2005. USOF is a commodity pool that issues limited partnership units ("units") that may be purchased and sold on the NYSE Arca, Inc. (the "NYSE Arca"). Prior to November 25, 2008, USOF's units traded on the American Stock Exchange (the "AMEX"). USOF will continue in perpetuity, unless terminated sooner upon the occurrence of one or more events as described in its Fifth Amended and Restated Agreement of Limited Partnership dated as of October 13, 2008 (the "LP Agreement"). The investment objective of USOF is for the daily changes in percentage terms of its units' per unit net asset value ("NAV") to reflect the daily changes in percentage terms of the spot price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the daily changes in the price of the futures contract for light, sweet crude oil traded on the New York Mercantile Exchange (the "NYMEX") that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case the futures contract will be the next month contract to expire (the "Benchmark Oil Futures Contract"), less USOF's expenses. It is not the intent of USOF to be operated in a fashion such that the per unit NAV will equal, in dollar terms, the spot price of light, sweet crude oil or any particular futures contract based on light, sweet crude oil. It is not the intent of USOF to be operated in a fashion such that its per unit NAV will reflect the percentage change of the price of any particular futures contract as measured over a time period greater than one day. United States Commodity Funds LLC ("USCF"), the general partner of USOF, believes that it is not practical to manage the portfolio to achieve such an investment goal when investing in Oil Futures Contracts (as defined below) and Other Oil-Related Investments (as defined below). USOF accomplishes its objective through investments in futures contracts for light, sweet crude oil, and other types of crude oil, diesel-heating oil, gasoline, natural gas and other petroleum-based fuels that are traded on the NYMEX, ICE Futures or other U.S. and foreign exchanges (collectively, "Oil Futures Contracts") and other oil related investments such as cash-settled options on Oil Futures Contracts, forward contracts for oil, cleared swap contracts and over-the-counter transactions that are based on the price of crude oil, diesel-heating oil, gasoline, natural gas and other petroleum-based fuels, Oil Futures Contracts and indices based on the foregoing (collectively, "Other Oil-Related Investments"). As of December 31, 2012, USOF held 10,886 Oil Futures Contracts for light, sweet crude oil traded on the NYMEX and 2,000 Oil Futures Contracts for light, sweet crude oil traded on the ICE Futures.

USOF commenced investment operations on April 10, 2006 and has a fiscal year ending on December 31. USCF is responsible for the management of USOF. USCF is a member of the National Futures Association (the "NFA") and became a commodity pool operator registered with the Commodity Futures Trading Commission (the "CFTC") effective December 1, 2005. USCF is also the general partner of the United States Natural Gas Fund, LP ("USNG"), the United States 12 Month Oil Fund, LP ("US12OF"), the United States Gasoline Fund, LP ("UGA") and the United States Diesel-Heating Oil Fund, LP (formerly, the United States Heating Oil Fund, LP) ("USDHO"), which listed their limited partnership units on the AMEX under the ticker symbols "UNG" on April 18, 2007, "USL" on December 6, 2007, "UGA" on February 26, 2008 and "UHN" on April 9, 2008, respectively. As a result of the acquisition of the AMEX by NYSE Euronext, each of USNG's, US12OF's, UGA's and USDHO's units commenced trading on the NYSE Arca on November 25, 2008. USCF is also the general partner of the United States Short Oil Fund, LP ("USSO"), the United States 12 Month Natural Gas Fund, LP ("US12NG") and the United States Brent Oil Fund, LP ("USBO"), which listed their limited partnership units on the NYSE Arca under the ticker symbols "DNO" on September 24, 2009, "UNL" on November 18, 2009 and "BNO" on June 2, 2010, respectively. USCF is also the sponsor of the United States Commodity Index Fund ("USCI"), the United States Copper Index Fund ("CPER"), the United States Agriculture Index Fund ("USAG") and the United States Metals Index Fund ("USMI"), each a series of the United States Commodity Index Funds Trust. USCI, CPER, USAG and USMI listed their units on the NYSE Arca under the ticker symbol "USCI" on August 10, 2010, "CPER" on November 15, 2011, "USAG" on April 13, 2012 and "USMI" on June 19, 2012, respectively. All funds listed previously are referred to collectively herein as the "Related Public Funds." USCF has also filed registration statements to register units of the United States Sugar Fund ("USSF"), the United States Natural Gas Double Inverse Fund ("UNGD"), the United States Gasoil Fund ("USGO") and the United States Asian Commodities Basket Fund ("UAC"), each a series of the United States Commodity Funds Trust I, and the US Golden Currency Fund ("HARD"), a series of the United States Currency Funds Trust.

USOF issues units to certain authorized purchasers ("Authorized Purchasers") by offering baskets consisting of 100,000 units ("Creation Baskets") through ALPS Distributors, Inc., as the marketing agent (the "Marketing Agent"). The purchase price for a Creation Basket is based upon the NAV of a unit calculated shortly after the close of the core trading session on the NYSE Arca on the day the order to create the basket is properly received.

In addition, Authorized Purchasers pay USOF a $1,000 fee for each order placed to create one or more Creation Baskets or to redeem one or more baskets ("Redemption Baskets"), consisting of 100,000 units. Units may be purchased or sold on a nationally recognized securities exchange in smaller increments than a Creation Basket or Redemption Basket. Units purchased or sold on a nationally recognized securities exchange are not purchased or sold at the per unit NAV of USOF but rather at market prices quoted on such exchange.

In April 2006, USOF initially registered 17,000,000 units on Form S-1 with the U.S. Securities and Exchange Commission (the "SEC"). On April 10, 2006, USOF listed its units on the AMEX under the ticker symbol "USO". On that day, USOF established its initial per unit NAV by setting the price at $67.39 and issued 200,000 units in exchange for $13,479,000. USOF also commenced investment operations on April 10, 2006, by purchasing Oil Futures Contracts traded on the NYMEX based on light, sweet crude oil. As of December 31, 2012, USOF had registered a total of 1,627,000,000 units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Commodity futures contracts, forward contracts, physical commodities, and related options are recorded on the trade date. All such transactions are recorded on the identified cost basis and marked to market daily. Unrealized gains or losses on open contracts are reflected in the statements of financial condition and represent the difference between the original contract amount and the market value (as determined by exchange settlement prices for futures contracts and related options and cash dealer prices at a predetermined time for forward contracts, physical commodities, and their related options) as of the last business day of the year or as of the last date of the financial statements. Changes in the unrealized gains or losses between periods are reflected in the statements of operations. USOF earns interest on its assets denominated in U.S. dollars on deposit with the futures commission merchant at the overnight Federal Funds Rate less 32 basis points. In addition, USOF earns income on funds held at the custodian or futures commission merchant at prevailing market rates earned on such investments.

Brokerage Commissions

Brokerage commissions on all open commodity futures contracts are accrued on a full-turn basis.

Income Taxes

USOF is not subject to federal income taxes; each partner reports his/her allocable share of income, gain, loss deductions or credits on his/ her own income tax return.

In accordance with accounting principles generally accepted in the United States of America ("GAAP"), USOF is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. USOF files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states. USOF is not subject to income tax return examinations by major taxing authorities for years before 2009. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in USOF recording a tax liability that reduces net assets. However, USOF's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analysis of and changes to tax laws, regulations and interpretations thereof. USOF recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income tax fees payable, if assessed. No interest expense or penalties have been recognized as of and for the year ended December 31, 2012.

Creations and Redemptions

Authorized Purchasers may purchase Creation Baskets or redeem Redemption Baskets only in blocks of 100,000 units at a price equal to the NAV of the units calculated shortly after the close of the core trading session on the NYSE Arca on the day the order is placed.

USOF receives or pays the proceeds from units sold or redeemed within three business days after the trade date of the purchase or redemption. The amounts due from Authorized Purchasers are reflected in USOF's statements of financial condition as receivable for units sold, and amounts payable to Authorized Purchasers upon redemption are reflected as payable for units redeemed.

Partnership Capital and Allocation of Partnership Income and Losses

Profit or loss shall be allocated among the partners of USOF in proportion to the number of units each partner holds as of the close of each month. USCF may revise, alter or otherwise modify this method of allocation as described in the LP Agreement.

Calculation of Per Unit Net Asset Value

USOF's per unit NAV is calculated on each NYSE Arca trading day by taking the current market value of its total assets, subtracting any liabilities and dividing that amount by the total number of units outstanding. USOF uses the closing price for the contracts on the relevant exchange on that day to determine the value of contracts held on such exchange.

Net Income (Loss) Per Unit

Net income (loss) per unit is the difference between the per unit NAV at the beginning of each period and at the end of each period. The weighted average number of units outstanding was computed for purposes of disclosing net income (loss) per weighted average unit. The weighted average units are equal to the number of units outstanding at the end of the period, adjusted proportionately for units added and redeemed based on the amount of time the units were outstanding during such period. There were no units held by USCF at December 31, 2012.

Offering Costs

Offering costs incurred in connection with the registration of additional units after the initial registration of units are borne by USOF. These costs include registration fees paid to regulatory agencies and all legal, accounting, printing and other expenses associated with such offerings. These costs are accounted for as a deferred charge and thereafter amortized to expense over twelve months on a straight-line basis or a shorter period if warranted.

Cash Equivalents

Cash equivalents include money market funds and overnight deposits or time deposits with original maturity dates of six months or less.

Reclassification

Certain amounts in the accompanying financial statements were reclassified to conform to the current presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires USCF to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

NOTE 3 - FEES PAID BY THE FUND AND RELATED PARTY TRANSACTIONS USCF

Management Fee

Under the LP Agreement, USCF is responsible for investing the assets of USOF in accordance with the objectives and policies of USOF. In addition, USCF has arranged for one or more third parties to provide administrative, custody, accounting, transfer agency and other necessary services to USOF. For these services, USOF is contractually obligated to pay USCF a fee, which is paid monthly, equal to 0.45% per annum of average daily total net assets.

Ongoing Registration Fees and Other Offering Expenses

USOF pays all costs and expenses associated with the ongoing registration of its units subsequent to the initial offering. These costs include registration or other fees paid to regulatory agencies in connection with the offer and sale of units, and all legal, accounting, printing and other expenses associated with such offer and sale. For the years ended December 31, 2012, 2011 and 2010, USOF incurred $176,971, $47,450 and $57,390, respectively, in registration fees and other offering expenses.

Directors' Fees and Expenses

USOF is responsible for paying its portion of the directors' and officers' liability insurance for USOF and the Related Public Funds and the fees and expenses of the independent directors who also serve as audit committee members of USOF and the Related Public Funds organized as limited partnerships and, as of July 8, 2011, the Related Public Funds organized as a series of a Delaware statutory trust. USOF shares the fees and expenses on a pro rata basis with each Related Public Fund, as described above, based on the relative assets of each fund computed on a daily basis. These fees and expenses for the year ended December 31, 2012 were $540,586 for USOF and the Related Public Funds. USOF's portion of such fees and expenses for the year ended December 31, 2012 was $235,481. For the year ended December 31, 2011, these fees and expenses were $607,582 for USOF and the Related Public Funds. USOF's portion of such fees and expenses for the year ended December 31, 2011 was $229,954. For the year ended December 31, 2010, these fees and expenses were $1,107,140 for USOF and the Related Public Funds, other than USCI, CPER, USAG and USMI. USOF's portion of such fees and expenses for the year ended December 31, 2010 was $413,042. Effective as of April 1, 2010, USOF became responsible for paying its portion of any payments that may become due to the independent directors pursuant to the deferred compensation agreements entered into between the independent directors, USCF, USOF and the Related Public Funds, except USCI, CPER, USAG and USMI.

Licensing Fees

As discussed in Note 4 below, USOF entered into a licensing agreement with the NYMEX on April 10, 2006, as amended on October 20, 2011. Pursuant to the agreement, through October 19, 2011, USOF and the Related Public Funds, other than USBO, USCI, CPER, USAG and USMI, paid a licensing fee that was equal to 0.04% for the first $1,000,000,000 of combined net assets of the funds and 0.02% for combined net assets above $1,000,000,000. On and after October 20, 2011, USOF and the Related Public Funds, other than USBO, USCI, CPER, USAG and USMI, pay a licensing fee that is equal to 0.015% on all net assets. During the years ended December 31, 2012, 2011 and 2010, USOF incurred $191,732, $353,950 and $457,809, respectively, under this arrangement.

Investor Tax Reporting Cost

The fees and expenses associated with USOF's audit expenses and tax accounting and reporting requirements are paid by USOF. These costs were approximately $1,000,000 for the each of the year ended December 31, 2012 and approximately $1,200,000 for the years ended December 2011 and 2010.

Other Expenses and Fees

In addition to the fees described above, USOF pays all brokerage fees and other expenses in connection with the operation of USOF, excluding costs and expenses paid by USCF as outlined in Note 4 below.

NOTE 4 - CONTRACTS AND AGREEMENTS

USOF is party to a marketing agent agreement, dated as of March 13, 2006, as amended from time to time, with the Marketing Agent and USCF, whereby the Marketing Agent provides certain marketing services for USOF as outlined in the agreement. The fees of the Marketing Agent, which are borne by USCF, include a marketing fee of $425,000 per annum plus the following incentive fee: 0.00% on USOF's assets from $0 - $500 million; 0.04% on USOF's assets from $500 million - $4 billion; and 0.03% on USOF's assets in excess of $4 billion.

The above fees do not include the following expenses, which are also borne by USCF: the cost of placing advertisements in various periodicals; web construction and development; or the printing and production of various marketing materials.

USOF is also party to a custodian agreement, dated March 13, 2006, as amended from time to time, with Brown Brothers Harriman & Co. ("BBH&Co.") and USCF, whereby BBH&Co. holds investments on behalf of USOF. USCF pays the fees of the custodian, which are determined by the parties from time to time. In addition, USOF is party to an administrative agency agreement, dated March 13, 2006, as amended from time to time, with USCF and BBH&Co., whereby BBH&Co. acts as the administrative agent, transfer agent and registrar for USOF. USCF also pays the fees of BBH&Co. for its services under such agreement and such fees are determined by the parties from time to time.

Currently, USCF pays BBH&Co. for its services, in the foregoing capacities, a minimum amount of $75,000 annually for its custody, fund accounting and fund administration services rendered to USOF and each of the Related Public Funds, as well as a $20,000 annual fee for its transfer agency services. In addition, USCF pays BBH&Co. an asset-based charge of (a) 0.06% for the first $500 million of USOF's, USNG's, US12OF's, UGA's, USDHO's, USSO's, US12NG's, USBO's, USCI's, CPER's, USAG's and USMI's combined net assets, (b) 0.0465% for USOF's, USNG's, US12OF's, UGA's, USDHO's, USSO's, US12NG's, USBO's, USCI's, CPER's, USAG's and USMI's combined net assets greater than $500 million but less than $1 billion, and (c) 0.035% once USOF's, USNG's, US12OF's, UGA's, USDHO's, USSO's, US12NG's, USBO's, USCI's, CPER's, USAG's and USMI's combined net assets exceed $1 billion. The annual minimum amount will not apply if the asset-based charge for all accounts in the aggregate exceeds $75,000. USCF also pays transaction fees ranging from $7 to $15 per transaction.

USOF has entered into a brokerage agreement with UBS Securities LLC ("UBS Securities"). The agreement requires UBS Securities to provide services to USOF in connection with the purchase and sale of Oil Futures Contracts and Other Oil-Related Investments that may be purchased and sold by or through UBS Securities for USOF's account. In accordance with the agreement, UBS Securities charges USOF commissions of approximately $7 to 15 per round-turn trade, including applicable exchange and NFA fees for Oil Futures Contracts and options on Oil Futures Contracts. Such fees include those incurred when purchasing Oil Futures Contracts and options on Oil Futures Contracts when USOF issues units as a result of a Creation Basket, as well as fees incurred when selling Oil Futures Contracts and options on Oil Futures Contracts when USOF redeems units as a result of a Redemption Basket. Such fees are also incurred when Oil Futures Contracts and options on Oil Futures Contracts are purchased or redeemed for the purpose of rebalancing the portfolio. USOF also incurs commissions to brokers for the purchase and sale of Oil Futures Contracts, Other Oil-Related Investments or short-term obligations of the United States of two years or less ("Treasuries"). During the year ended December 31, 2012, total commissions accrued to brokers amounted to $1,298,827. Of this amount, approximately $1,061,305 was a result of rebalancing costs and approximately $237,522 was the result of trades necessitated by creation and redemption activity. By comparison, during the year ended December 31, 2011, total commissions accrued to brokers amounted to $1,529,433. Of this amount, approximately $1,148,618 was a result of rebalancing costs and approximately $380,815 was the result of trades necessitated by creation and redemption activity. By comparison, during the year ended December 31, 2010, total commissions accrued to brokers amounted to $1,928,711. Of this amount, approximately $1,645,732 was a result of rebalancing costs and approximately $282,979 was the result of trades necessitated by creation and redemption activity. The decrease in the total commissions accrued to brokers for the year ended December 31, 2012 as compared to the year ended December 31, 2011, was primarily a result of the decrease in USOF's average total net assets during the year ended December 31, 2012, as compared to the year ended December 31, 2011. The decrease in the total commissions accrued to brokers for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily a function of decreased brokerage fees due to a lower number of Oil Futures Contracts being held and traded as a result of the decrease in USOF's total net assets and the increase in the price of Oil Futures Contracts during the year ended December 31, 2011. The decrease in total net assets required USOF to purchase a fewer number of Oil Futures Contracts and incur a smaller amount of brokerage commissions. As an annualized percentage of average total net assets, the figure for the year ended December 31, 2012 represents approximately 0.10% of average total net assets. By comparison, the figure for the year ended December 31, 2011 represented approximately 0.10% of average total net assets and the figure for the year ended December 31, 2010 represented approximately 0.10% of average total net assets. However, there can be no assurance that commission costs and portfolio turnover will not cause commission expenses to rise in future quarters.

USOF and the NYMEX entered into a licensing agreement on April 10, 2006, as amended on October 20, 2011, whereby USOF was granted a non-exclusive license to use certain of the NYMEX's settlement prices and service marks. Under the licensing agreement, USOF and the Related Public Funds, other than USBO, USCI, CPER, USAG and USMI, pay the NYMEX an asset-based fee for the license, the terms of which are described in Note 3. USOF expressly disclaims any association with the NYMEX or endorsement of USOF by the NYMEX and acknowledges that "NYMEX" and "New York Mercantile Exchange" are registered trademarks of the NYMEX.

NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND CONTINGENCIES

USOF engages in the trading of futures contracts, options on futures contracts and cleared swaps (collectively, “derivatives”). USOF is exposed to both market risk, which is the risk arising from changes in the market value of the contracts, and credit risk, which is the risk of failure by another party to perform according to the terms of a contract.

USOF may enter into futures contracts, options on futures contracts and cleared swaps to gain exposure to changes in the value of an underlying commodity. A futures contract obligates the seller to deliver (and the purchaser to accept) the future delivery of a specified quantity and type of a commodity at a specified time and place. Some futures contracts may call for physical delivery of the asset, while others are settled in cash. The contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying commodity or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery.

The purchase and sale of futures contracts, options on futures contracts and cleared swaps require margin deposits with a futures commission merchant. Additional deposits may be necessary for any loss on contract value. The Commodity Exchange Act requires a futures commission merchant to segregate all customer transactions and assets from the futures commission merchant’s proprietary activities.

Futures contracts and cleared swaps involve, to varying degrees, elements of market risk (specifically commodity price risk) and exposure to loss in excess of the amount of variation margin. The face or contract amounts reflect the extent of the total exposure USOF has in the particular classes of instruments. Additional risks associated with the use of futures contracts are an imperfect correlation between movements in the price of the futures contracts and the market value of the underlying securities and the possibility of an illiquid market for a futures contract.

All of the futures contracts held by USOF were exchange-traded through December 31, 2012. The risks associated with exchange- traded contracts are generally perceived to be less than those associated with over-the-counter transactions since, in over-the-counter transactions, a party must rely solely on the credit of its respective individual counterparties. However, in the future, if USOF were to enter into non-exchange traded contracts, it would be subject to the credit risk associated with counterparty non-performance. The credit risk from counterparty non-performance associated with such instruments is the net unrealized gain, if any, on the transaction.

USOF has credit risk under its futures contracts since the sole counterparty to all domestic and foreign futures contracts is the clearinghouse for the exchange on which the relevant contracts are traded. In addition, USOF bears the risk of financial failure by the clearing broker. USOF’s cash and other property, such as Treasuries, deposited with a futures commission merchant are considered commingled with all other customer funds, subject to the futures commission merchant’s segregation requirements. In the event of a futures commission merchant’s insolvency, recovery may be limited to a pro rata share of segregated funds available. It is possible that the recovered amount could be less than the total of cash and other property deposited. The insolvency of a futures commission merchant could result in the complete loss of USOF’s assets posted with that futures commission merchant; however, the majority of USOF’s assets are held in cash and/or cash equivalents with USOF’s custodian and would not be impacted by the insolvency of a futures commission merchant. The failure or insolvency of USOF’s custodian, however, could result in a substantial loss of USOF’s assets.

USCF invests a portion of USOF’s cash in money market funds that seek to maintain a stable per unit NAV. USOF is exposed to any risk of loss associated with an investment in such money market funds. As of December 31, 2012 and December 31, 2011, USOF held investments in money market funds in the amounts of $745,914,221 and $595,703,156, respectively. USOF also holds cash deposits with its custodian. Pursuant to a written agreement with BBH&Co., uninvested overnight cash balances are swept to offshore branches of U.S. regulated and domiciled banks located in Toronto, Canada, London, United Kingdom, Grand Cayman, Cayman Islands and Nassau, Bahamas, which are subject to U.S. regulation and regulatory oversight. As of December 31, 2012 and December 31, 2011, USOF held cash deposits and investments in Treasuries in the amounts of $427,853,549 and $546,571,564, respectively, with the custodian and futures commission merchant. Some or all of these amounts may be subject to loss should USOF’s custodian and/or futures commission merchant cease operations.

For derivatives, risks arise from changes in the market value of the contracts. Theoretically, USOF is exposed to market risk equal to the value of futures contracts purchased and unlimited liability on such contracts sold short. As both a buyer and a seller of options, USOF pays or receives a premium at the outset and then bears the risk of unfavorable changes in the price of the contract underlying the option.

USOF’s policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of financial, position and credit exposure reporting controls and procedures. In addition, USOF has a policy of requiring review of the credit standing of each broker or counterparty with which it conducts business.

The financial instruments held by USOF are reported in its statements of financial condition at market or fair value, or at carrying amounts that approximate fair value, because of their highly liquid nature and short-term maturity

NOTE 6 - FINANCIAL HIGHLIGHTS

The following table presents per unit performance data and other supplemental financial data for the years ended December 31, 2012, 2011 and 2010. This information has been derived from information presented in the financial statements.

	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Per Unit Operating Performance:			
Net asset value, beginning of year	$ 38.07	$ 38.97	$ 39.16
Total income (loss)	(4.40)	(0.65)	0.05
Total expenses	(0.25)	(0.25)	(0.24)
Net decrease in net asset value	(4.65)	(0.90)	(0.19)
Net asset value, end of year	$ 33.42	$ 38.07	$ 38.97
Total Return	(12.21)%	(2.31)%	(0.49)%
Ratios to Average Net Assets			
Total income (loss)	(9.59)%	10.10%	3.71%
Expenses excluding management fees	0.25%	0.20%	0.21%
Management fees	0.45%	0.45%	0.45%
Net income (loss)	(10.29)%	9.45%	3.05%

Total returns are calculated based on the change in value during the period. An individual unitholder's total return and ratio may vary from the above total returns and ratios based on the timing of contributions to and withdrawals from USOF.

NOTE 7 - QUARTERLY FINANCIAL DATA (Unaudited)

The following summarized (unaudited) quarterly financial information presents the results of operations and other data for threemonth periods ended March 31, June 30, September 30 and December 31, 2012 and 2011.

	First Quarter 2012	Second Quarter 2012	Third Quarter 2012	Fourth Quarter 2012
Total Income (Loss)	$ 40,983,839	$(227,301,113)	$ 80,817,737	$ (17,067,819)
Total Expenses	2,243,468	2,172,632	2,223,828	2,315,108
Net Income (Loss)	$ 38,740,371	$(229,473,745)	$ 78,593,909	$ (19,382,927)
Net Income (Loss) per Unit	$ 1.14	$ (7.32)	$ 2.29	$ (0.76)

	First Quarter 2011	Second Quarter 2011	Third Quarter 2011	Fourth Quarter 2011
Total Income (Loss)	$ 239,288,397	$(152,979,693)	$(211,787,262)	$ 277,308,424
Total Expenses	3,139,678	2,639,361	2,044,920	1,980,109
Net Income (Loss)	$ 236,148,719	$(155,619,054)	$(213,832,182)	$ 275,328,315
Net Income (Loss) per Unit	$ 3.67	$ (5.21)	$ (6.77)	$ 7.41

NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

USOF values its investments in accordance with Accounting Standards Codification 820 - Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurement. The changes to past practice resulting from the application of ASC 820 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurement. ASC 820 establishes a fair value hierarchy that distinguishes between: (1) market participant assumptions developed based on market data obtained from sources independent of USOF (observable inputs) and (2) USOF's own assumptions about market participant assumptions developed based on the best information available under the circumstances (unobservable inputs). The three levels defined by the ASC 820 hierarchy are as follows:

Level I - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II - Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Level II assets include the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level III - Unobservable pricing input at the measurement date for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available.
In some instances, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lowest input level that is significant to the fair value measurement in its entirety.

The following table summarizes the valuation of USOF's securities at December 31, 2012 using the fair value hierarchy:

At December 31, 2012	**Total**	**Level I**	**Level II**	**Level III**
Short-Term Investments	$ 965,890,925	$ 965,890,925	$ —	$ —
Exchange-Traded Futures Contracts				
Foreign Contracts	9,680,000	9,680,000	—	—
United States Contracts	57,500,420	57,500,420	—	—

During the year ended December 31, 2012, there were no transfers between Level I and Level II.

The following table summarizes the valuation of USOF's securities at December 31, 2011 using the fair value hierarchy:

At December 31, 2011	**Total**	**Level I**	**Level II**	**Level III**
Short-Term Investments	$ 746,071,600	$ 746,071,600	$ —	$ —
Exchange-Traded Futures Contracts				
Foreign Contracts	(2,475,000)	(2,475,000)	—	—
United States Contracts	(3,997,310)	(3,997,310)	—	—

During the year ended December 31, 2011, there were no transfers between Level I and Level II.

Effective January 1, 2009, USOF adopted the provisions of Accounting Standards Codification 815 —Derivatives and Hedging, which require presentation of qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts and gains and losses on derivatives.

Fair Value of Derivative Instruments

Derivatives not Accounted for as Hedging Instruments	**Statements of Financial Condition Location**	**Fair Value At December 31, 2012**	**Fair Value At December 31, 2011**
Futures - Commodity Contracts	Assets	$ 67,180,420	$ (6,472,310)

The Effect of Derivative Instruments on the Statements of Operations

		For the year ended December 31, 2012		**For the year ended December 31, 2011**		**For the year ended December 31, 2010**	
Derivatives not Accounted for as Hedging Instruments	**Location of Gain or (Loss) on Derivatives Recognized in Income**	**Realized Gain or (Loss) on Derivatives Recognized in Income**	**Change in Unrealized Gain or (Loss) on Derivatives Recognized in Income**	**Realized Gain or (Loss) on Derivatives Recognized in Income**	**Change in Unrealized Gain or (Loss) on Derivatives Recognized in Income**	**Realized Gain or (Loss) on Derivatives Recognized in Income**	**Change in Unrealized Gain or (Loss) on Derivatives Recognized in Income**
Futures - Commodity Contracts	Realized gain (loss) on closed positions	$ (196,807,460)		$ 201,717,550		$ 210,513,966	
	Change in unrealized gain (loss) on open positions		$ 73,652,730		$ (50,432,650)		$ (140,317,710)

NOTE 9 - RECENT ACCOUNTING PRONOUNCEMENTS

In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-11, "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities." The amendments in ASU No. 2011-11 require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. ASU No. 2011-11 is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The guidance requires retrospective application for all comparative periods presented. USCF is currently evaluating the impact ASU No. 2011-11 will have on USOF's financial statements.

NOTE 10 - SUBSEQUENT EVENTS

USOF has performed an evaluation of subsequent events through the date the financial statements were issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.