

March 19, 2007

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill - Petro-Canada Resources (USA), Inc.
Questar State #1214-32-21 - 503' FNL & 1,794' FWL, NE/4 NW/4, /4
Section 32, T12S, R14E, SLB&M, Carbon County, Utah

Dear Mrs. Mason:

On behalf of Petro-Canada Resources (USA), Inc. (Petro-Canada), Buys & Associates, Inc. respectfully submits the enclosed original and one copy of the Application for Permit to Drill (APD) for the above referenced fee surface and state mineral vertical well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access corridor;

Exhibit "C" - Bill Barrett Corporation Surface Use Agreement (pending);

Exhibit "D" - Drilling Plan;

Exhibit "E" - Surface Use Plan;

Exhibit "F" - Typical BOP and Choke Manifold diagram.

Please accept this letter as Petro-Canada's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Alan Vrooman of Petro-Canada at 303-350-1171 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for Petro-Canada

cc: Alan Vrooman, Petro-Canada
Carla Konopka, Petro-Canada

RECEIVED

MAR 26 2007

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-49395	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Petro-Canada Resources (USA), Inc.			9. WELL NAME and NUMBER: State 1214-32-21	
3. ADDRESS OF OPERATOR: 1099-18th St, Suite 400 CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (303) 297-2100	10. FIELD AND POOL, OR WILDCAT: undesignated Widco	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 503' FNL & 1,794' FWL, AT PROPOSED PRODUCING ZONE:			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 32 12S 14E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 23.5 miles northeast of Wellington, Utah			12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 503'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None	19. PROPOSED DEPTH: 11,500	20. BOND DESCRIPTION: Fidelity Bond # 4127699		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8,737' GR	22. APPROXIMATE DATE WORK WILL START: 5/1/2007	23. ESTIMATED DURATION: 35 days drilling, 40 days comp.		

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	9-5/8" L-80 ST 43.5#	1,200	see Drilling Plan
8-1/2"	5-1/2" P-110 LT 20#	11,500	see Drilling Plan

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Don Hamilton TITLE Agent for Petro-Canada Resources (USA), Inc.
SIGNATURE Don Hamilton DATE 3/19/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31274

APPROVAL:

RECEIVED

MAR 26 2007

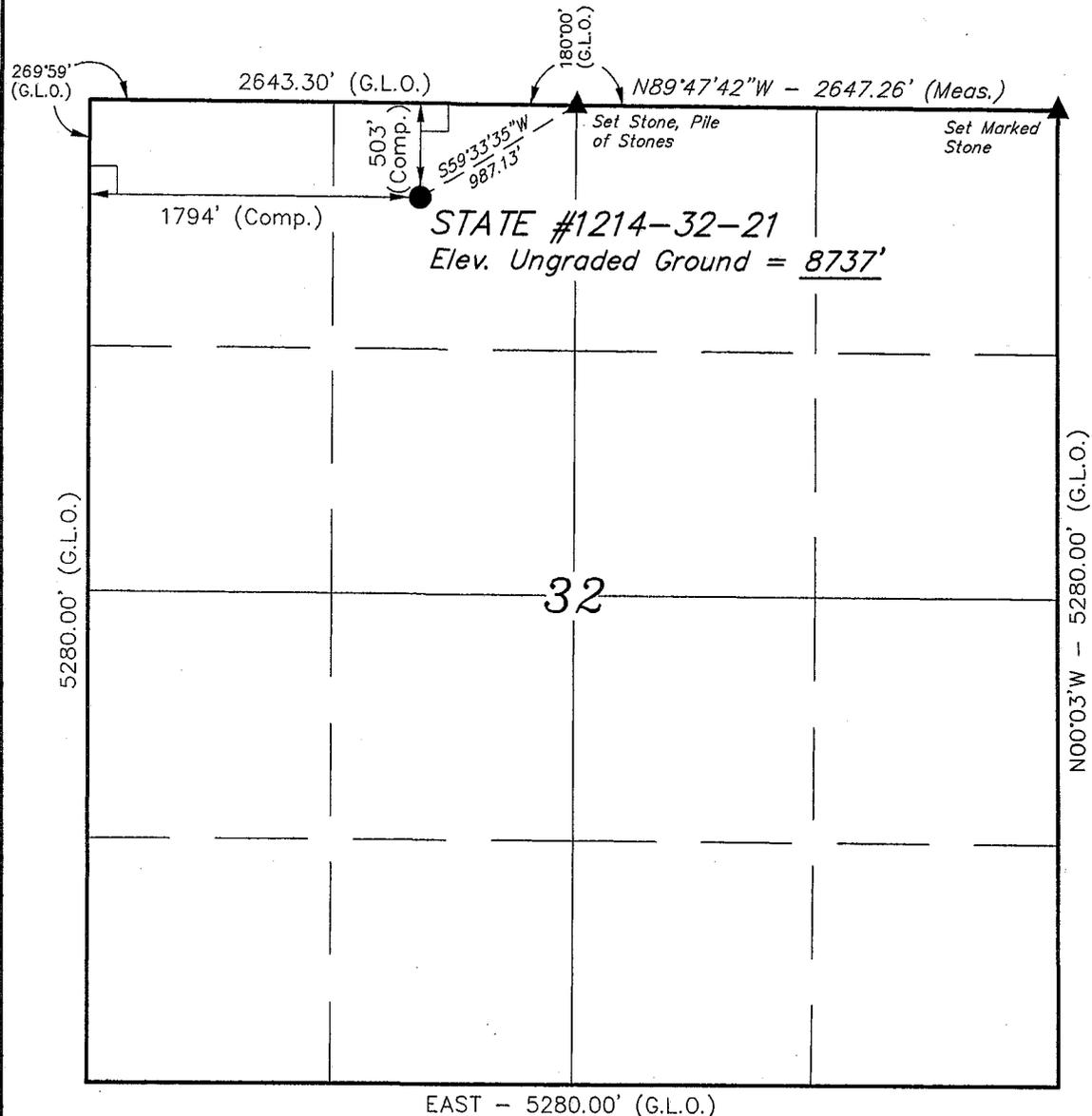
DIV. OF OIL, GAS & MINING

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T12S, R14E, S.L.B.&M.

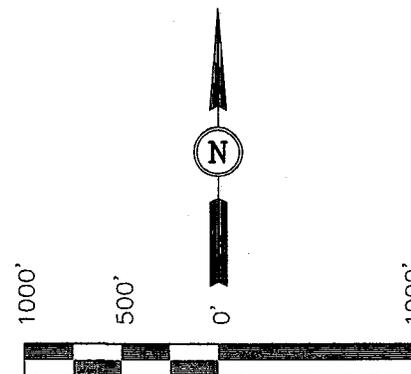
PETRO-CANADA RESOURCES (USA), INC.

Well location, STATE #1214-32-21, located as shown in the NE 1/4 NW 1/4 of Section 32, T12S, R14E, S.L.B.&M., Carbon County, Utah.



BASIS OF ELEVATION

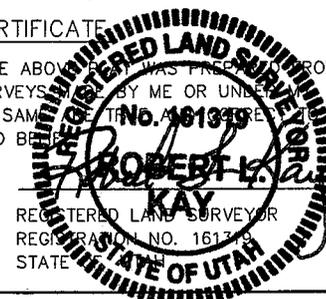
ROAN TRIANGULATION STATION LOCATED IN THE SE 1/4 OF SECTION 29, T12S, R14E, S.L.B.&M. TAKEN FROM THE BRUIN POINT QUADRANGLE, UTAH, CARBON COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 8854 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
 LATITUDE = 39°44'08.40" (39.735667)
 LONGITUDE = 110°22'29.49" (110.374858)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°44'08.53" (39.735703)
 (LONGITUDE = 110°22'26.92" (110.374144)

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-26-06	DATE DRAWN: 11-1-06
PARTY J.F. B.B. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE PETRO-CANADA RESOURCES (USA), INC.	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
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SIGNATURE Don Hamilton DATE 3/19/2007

(This space for State use only)

API NUMBER ASSIGNED: 43007-31274

**Approved by the
Utah Division of
Oil, Gas and Mining**

APPROVAL:

Date: 06-25-07

By: [Signature]

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MAR 26 2007

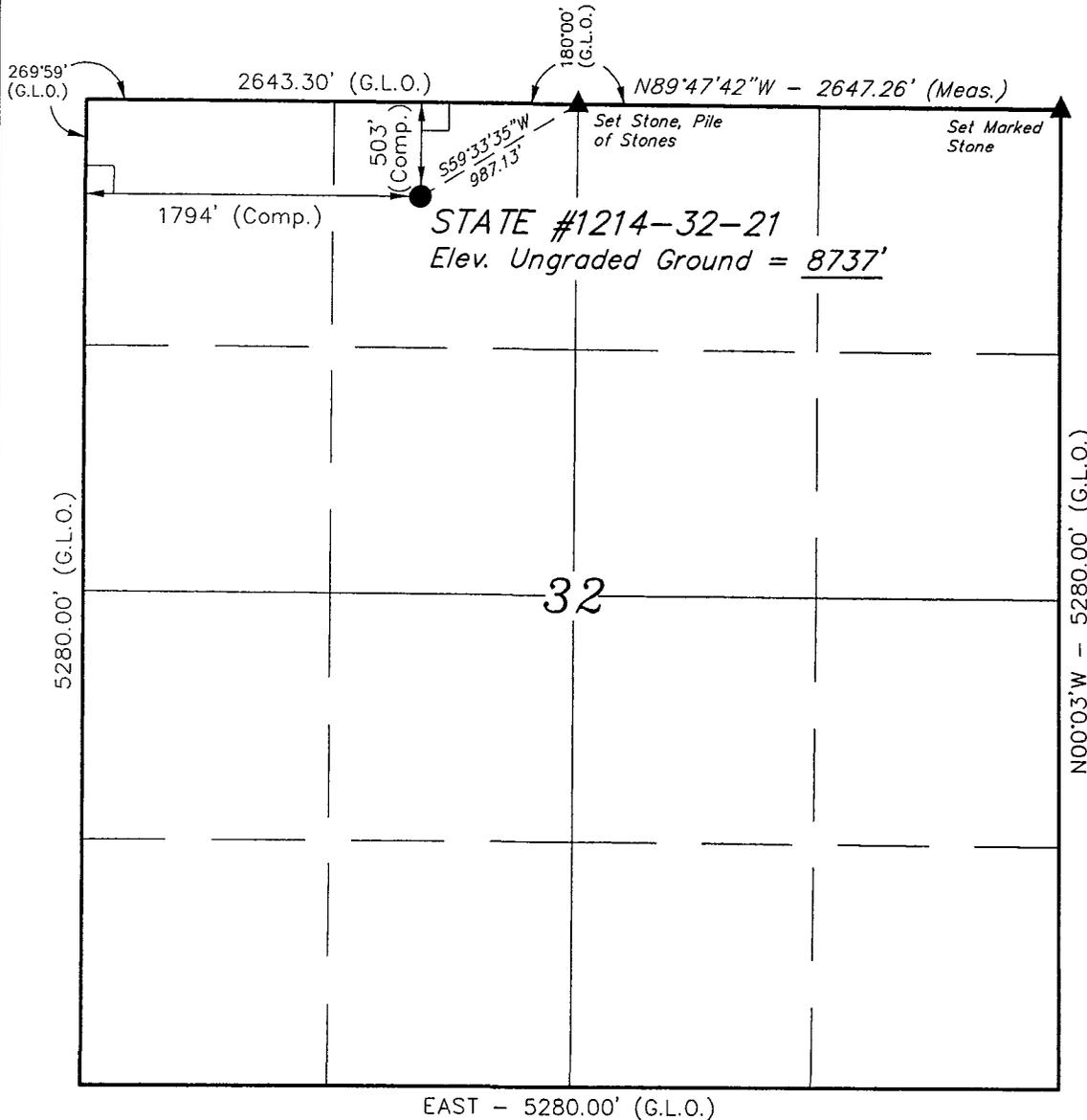
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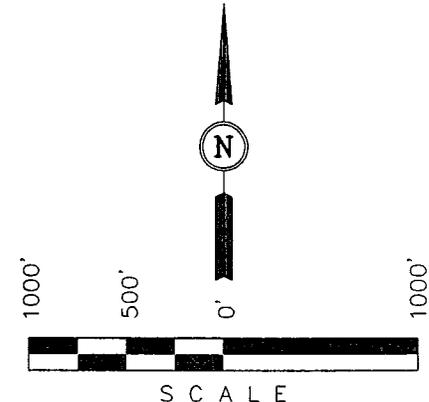
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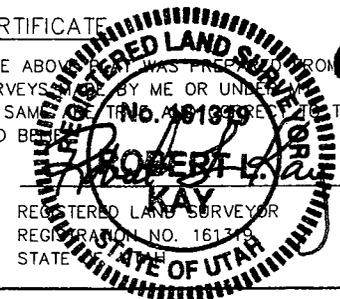
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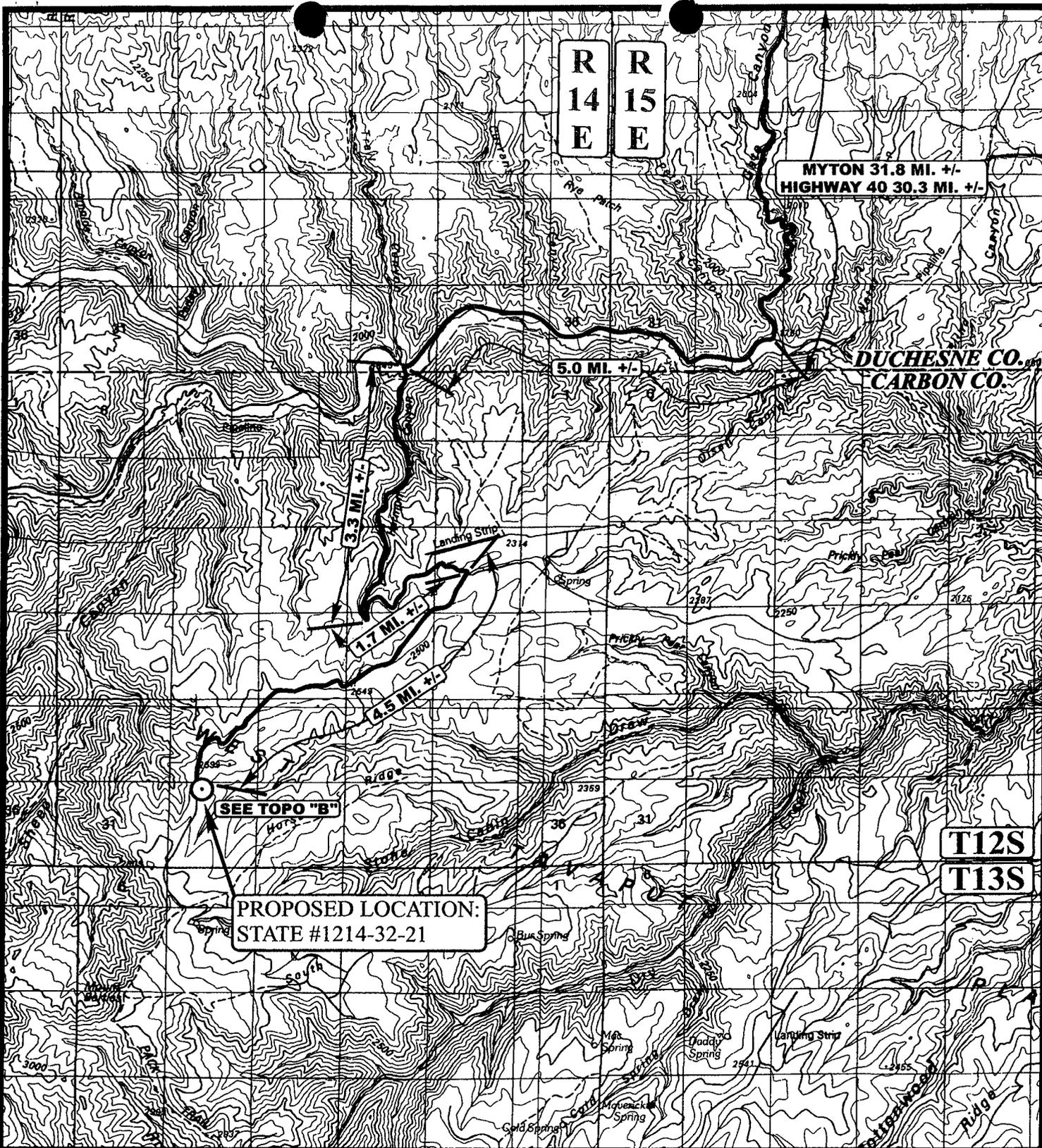
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PARTY J.F. B.B. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE PETRO-CANADA RESOURCES (USA), INC.	



LEGEND:

○ PROPOSED LOCATION

PETRO-CANADA RESOURCES (USA), INC.

STATE #1214-32-21
 SECTION 32, T12S, R14E, S.L.B.&M.
 503' FNL 1794' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

11 2 06
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00



SURFACE DAMAGE AND RELEASE AGREEMENT

This Surface Damage and Release Agreement ("**Agreement**") is made and entered into this 9th day of March, 2007, by and between Bill Barrett Corporation, 1099 18th Street, Suite 2300, Denver, Colorado 80202 ("**Owner**"), and Petro-Canada Resources (USA) Inc., 1099 18th Street, Suite 400, Denver Colorado 80202 ("**Operator**"); sometimes referred to each as a "**Party**," or collectively as the "**Parties**."

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **OWNERSHIP.** Owner is the surface owner of certain lands located in Township 12 South, Range 14 West, Carbon County, Utah as more specifically described on Exhibit "A" attached hereto ("**Lands**"). Operator owns a working or operating interest in a valid oil and gas lease or leases covering all or portions of the Lands, lands pooled or included in a spacing unit therewith or lands in the vicinity of the Lands (each a "**Lease**," collectively, the "**Leases**").

2. **OPERATOR'S OIL AND GAS OPERATIONS ON THE LANDS.** Operator may drill or cause to be drilled an oil and/or gas well or wells on the Lands ("**Wells**"). In order for Operator to drill, construct, complete, produce, maintain, and operate the Wells and all facilities associated therewith, including, but not limited to, access roads ("**Access Roads**"), pipelines, flow lines, separators, tank batteries, compressors, electric lines and any other facilities or property necessary for Operator to conduct operations on the Wells (each a "**Facility**," collectively, the "**Facilities**"), it is necessary that Operator enter and utilize a portion of the surface of the Lands. The Parties enter into this Agreement to evidence their entire agreement regarding the payment of surface damages, entry, surface use, and any other matters relating to Operator's use of the Lands.

3. **LOCATION.** The approximate location of the Wells will be within the drilling windows established by the Utah Division of Oil, Gas and Mining ("**DOG M**"). Lessee will consult with Lessor regarding the actual location of Access Roads and certain other Facilities to be constructed on the Lands, none of which will unduly interfere with Owner's existing use of the surface estate. Production well locations shall utilize no more than 4 acres of land while drilling and no more than 2 acres for permanent facilities. All pits shall be fenced to prevent access by livestock and wild game.

4. **CONDUCT OF OPERATIONS.** Operator's operations on the Lands will be conducted pursuant to the terms of any applicable leases, this Agreement, and the rules and regulations of the DOGM.

5. **PAYMENTS FOR SURFACE DAMAGES.** Operator will pay Owner the sum of [REDACTED] per Well location and associated Facilities prior to the commencement of actual drilling operations for each such well. Additionally, Operator shall pay to Owner an access fee of ten dollars (\$10.00) per rod for the use of both existing and newly constructed roads utilized by Operator on the Lands and shall pay ten dollars (\$10.00) per rod for a pipeline right-of-way within which Operator may construct its pipelines, provided; however, that to the extent such pipelines are installed in any road right of way utilized and paid for by Operator, the pipeline right-of-way shall be paid at five dollars (\$5.00) per rod. Operator shall provide Owner with a plat showing the location and length of all roads and pipelines promptly after their first use, construction or improvement. Such payments are hereby acknowledged by Owner as full and final consideration for Operator's use of the Lands for the purposes enumerated in this Agreement and for any and all damages caused or created by reason of the reasonable

and customary ingress, egress, rights-of-way, drilling, completion, production and maintenance operations associated with the Wells and Facilities. Such damages will include, without limitation, damage to growing crops, cropland, the removal, transportation and care of livestock, re-seeding, construction and use of Access Roads and the preparation and use of the Well site areas, other than any loss or damage resulting from the gross negligence of Operator or the violation of existing law.

6. **ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, FENCES AND FACILITIES.** With respect to its operations on the Lands, Operator and Owner agree to the following provisions:

A. Access Roads and Pipelines:

- (i) Access Roads will not exceed 20 feet in width.
- (ii) Operator will use its best efforts to insure that all of its vehicles accessing the Lands on its behalf remain on the Access Roads and in any event will promptly repair any damage to the lands due to vehicles operating off the Access Roads.
- (iii) Operator agrees to back-slope all Access Roads.
- (iv) Operator will provide Owner with a minimum of 10 days prior written notice before restoring the surface of all Access Roads to be permanently abandoned by Operator. No later than 10 days following receipt of such notice, Owner may elect, in writing, not to have such Access Roads abandoned by Operator. In such event, Operator will have no liability under this Agreement, the applicable leases, or otherwise, to restore the surface of the Lands utilized as Access Roads. Failure to timely respond will be deemed as Owner's election that Operator proceed with the abandonment of the Access Roads and the restoration of the surface thereof.
- (v) Operator will stockpile and save any topsoil removed while constructing Access Roads for rehabilitation or re-seeding as reasonably directed by Owner.
- (vi) Operator will maintain all Access Roads in good repair and condition and will use its best efforts to control dust from the Access Roads utilized by Operator during the drilling and completion operations of the initial well. In the event the initial well is completed as a producing well, or Operator drills any additional wells, Operator and Owner will enter into separate Access Road maintenance agreement.
- (vii) All Access Roads and the Well site will be posted with proper signs, including "Private Property" and "No Trespassing" or similar signs.
- (viii) Operator will provide livestock guards and crossings along all Access Roads as Owner may reasonably require. Such livestock guards will be kept clean and in good repair. Operator will keep Owner's gates closed at all times.
- (ix) Operator may use Access Roads and pipelines on the Lands in connection with its operations on other lands, and Owner grants Operator all easements necessary for such uses of the Lands.

B. Surface Restoration:

Upon permanent cessation of Operator's operations on the Lands, all areas thereof occupied or utilized by Operator will be restored by Operator to their original contour as

nearly as is reasonably practicable, and re-seeded unless otherwise agreed to by the parties; provided however, that Operator's intent to abandon any Access Roads will be subject to the provisions of Paragraph 5 (A) (iv) herein. Cattle guards shall be removed and fences restored to as near as practical to the original condition, unless otherwise provided or agreed.

C. Other.

(i) Operator will install culverts on the Lands that may be necessary to maintain present drainage and irrigation otherwise affected by its operations on the Lands.

(ii) If by reason of the activities of the Operator, including, but not limited to, drilling, completing, equipping, and operating of the Wells, there is unanticipated damage to personal property of the Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems, Operator will repair or replace such items after consultation with and to the reasonable satisfaction of the Owner. Owner will notify Operator of any items damaged after the Well's construction and Operator will repair or replace such items after consultation with the Owner within 30 days of occurrence.

(iii) Operator shall also take reasonable steps to mitigate the effects of its activities including environmental remediation to State of Utah standards.

(iv) Operator agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Lands that are not necessary for continued operations of the Wells will be timely removed and disposed away from the Lands after the completion of the Wells. No such items will be burned or buried on the Lands.

(v) Operator shall make reasonable efforts to control noxious weeds within the right-of-way on access roads and in any disturbed areas.

(vi) No recreational use of the Lands by Operator is allowed.

(vii) Possession of firearms or alcoholic beverages on the Lands by Operator is prohibited.

(viii) No animals or pets of any kind are allowed on the Subject Lands by Operator.

7. **DEFAULT AND RIGHT TO CURE.** In the event of alleged default by Operator in the payment of any of the sums hereinabove provided to be made, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner will notify Operator, by certified mail, return receipt requested, of the alleged default. Operator will have 30 business days from receipt of the written notification in which to cure, dispute or otherwise respond to the notification before Owner may allege default.

Except as otherwise agreed in writing, no waiver by Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder will be deemed to be a waiver of any subsequent or continuing breach of the same, nor will any forbearance by Owner to seek a remedy for any breach by the Operator be deemed to be a waiver by Owner of its rights or remedies with respect to such breach; however, in no event will Operator be liable for additional payment for reasonably anticipated damages to the Lands caused by Operator's oil and gas operations, and in no event will Operator be liable for consequential damages.

8. **INDEMNITY/RELEASE.** Operator agrees to indemnify and hold Owner harmless from any and all claims, damages and causes of action arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Operator.

9. **NOTICE FOR ADDITIONAL OPERATIONS.** Operator will comply with "DOGM rules and regulations requiring that advance notice be provided to Owner for subsequent operations on the Wells, including, but not limited to, reworking operations thereon.

10. **NOTICES.** Notice by either Party will be promptly given, orally if possible (with the exception of the default notice described in Paragraph 7), with subsequent written confirmation sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by notice to the other:

Owner

Bill Barrett Corporation
Attn: Doug Gundry-White
1099 18th Street, Suite 2300
Denver, Colorado 80202
(303) 312-8129 (phone)
(303) 291-0420 (fax)

Operator

Petro-Canada Resources (USA) Inc.
Attn: Carla Konopka
1099 18th Street, Suite 400
Denver, Colorado 80202
(303) 350-1231 (phone)
(303) 297-7708

11. **BINDING EFFECT.** The covenants and conditions herein contained and all of the provisions of this Agreement will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, representatives, successors or assigns. Owner agrees to contact any and all tenants of Lands or any other third parties utilizing the surface of the Lands that may be affected by Operator's activities on the Lands. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement and Operator's right to utilize the surface of the Lands pursuant to this Agreement and for the payment of any consideration, if any, due such third party from Owner.

12. **CONFIDENTIALITY.** The Parties agree to keep the terms and conditions of this Agreement confidential and will not disclose such matters to any third party without the advance written consent of the other, or if ordered to do so in a legal proceeding. While the specific terms hereof are to remain confidential between the Parties, Operator may record a Memorandum of Agreement in Carbon County, Utah disclosing only that the parties have entered into a Surface Damage Agreement with provisions for the granting of rights-of-way for access roads and pipelines, covering the Lands. In the event said Memorandum of Agreement is placed of record, upon termination of this Agreement Operator shall file a notice that this Agreement has terminated.

13. **ENTIRE AGREEMENT.** This instrument contains the entire agreement between the Parties and may not be modified orally or in any other manner other than by agreement in writing signed by all Parties or their respective successors or assigns.

14. **TERM.** This Agreement will remain in full force and effect for so long as Operator has the right to conduct oil and gas operations on the Lands pursuant to the Leases; provided, however, that the termination of this Agreement will not relieve the Parties from their respective obligations or liabilities arising herein prior to such termination.

15. **COUNTERPARTS.** This Agreement may be executed by facsimile, in counterparts, each of which will be considered an original and enforceable against either Party.

16. **GOVERNING LAW AND VENUE.** This Agreement will be governed by, construed and enforced in accordance with the laws of Utah.

17. **SUCCESSORS.** This Agreement constitutes a covenant running with the Lands and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective successors, administrators, trustees, executors and assigns.

18. **AUTHORITY OF SIGNATORIES.** The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

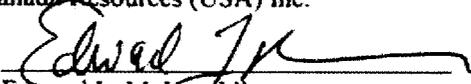
19. **ATTORNEY'S FEES AND COSTS.** The Parties agree that the prevailing Party in any action resulting from a substantial breach of this Agreement will be entitled to its reasonable attorney's fees and costs incurred therein.

IN WITNESS WHEREOF, the Parties have set their hands, the day and year first written above.

OPERATOR

Petro-Canada Resources (USA) Inc.

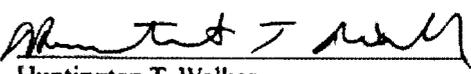
By:

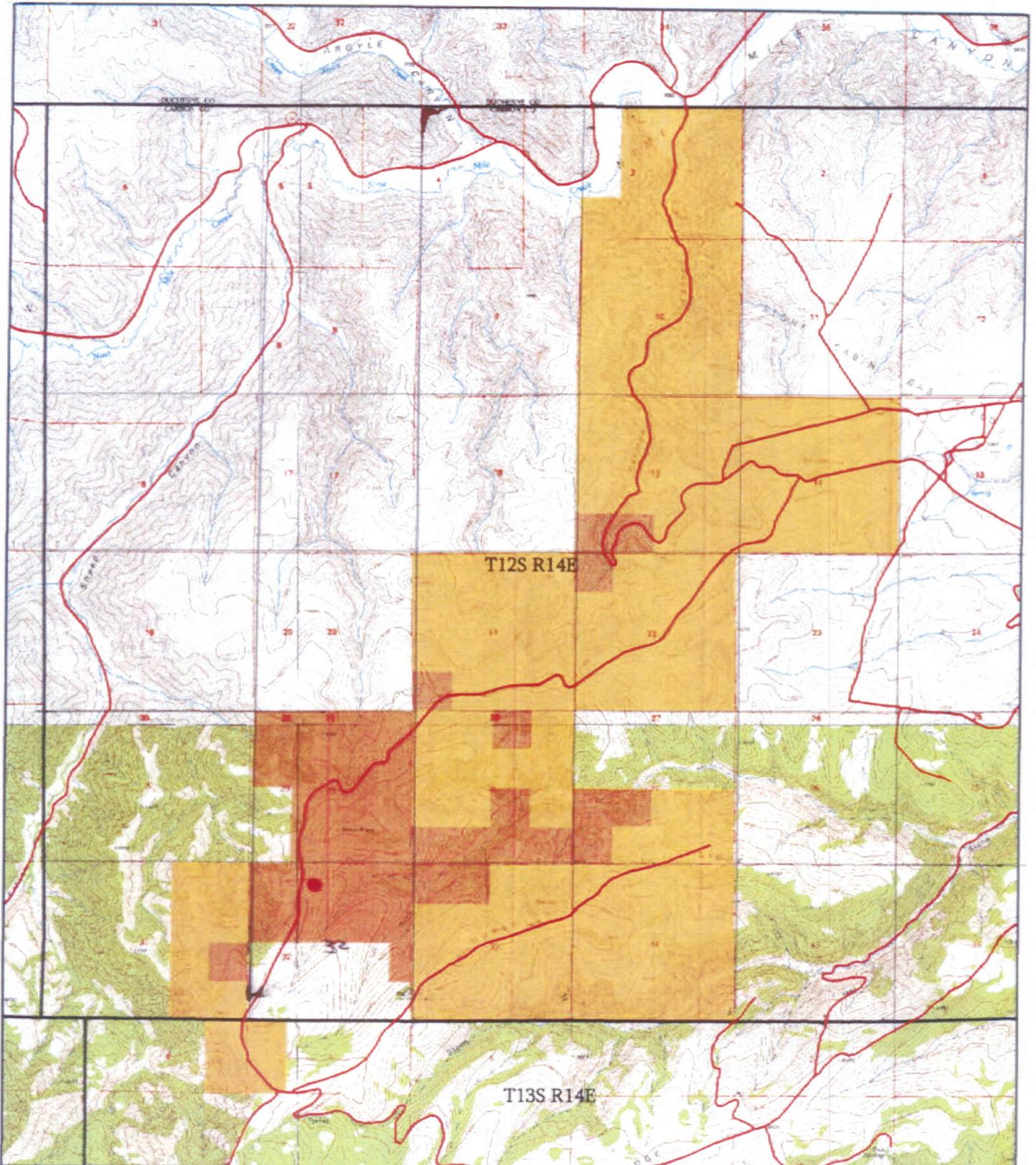

Edward L. McLaughlin
Vice-President

OWNER:

Bill Barrett Corporation

By:


Huntington T. Walker
Sr. Vice-President-Land



Legend

-  Local Roads
-  Surface Ownership
-  Bill Barrett Corporation Lands
-  Bureau of Land Management

Petro-Canada Resources (USA) Inc.
 1000 14th St. Suite 400
 Denver, Colorado 80202
 (303) 297-2300



Exhibit "A"

Surface Use Agreement dated March 9, 2007
 between Bill Barrett Corporation and
 Petro-Canada Resources (USA) Inc.
 1 inch equals 4,000 feet

Revised Date:
 09/06/2007

DRILLING PLAN

APPROVAL OF OPERATIONS

Attachment for Permit to Drill

Name of Operator: Petro-Canada Resources (USA)
Address: 1099 – 18th Street, Suite 400
Denver, CO 80202
Well Location: State 1214-32-21
503 ' FNL & 1794' FWL NE NW
Section 32, T12S, R14E
Carbon County, UT

1. GEOLOGIC SURFACE FORMATION Green River

2 & 3. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS AND FORMATIONS EXPECTED TO CONTAIN WATER, OIL AND GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>
Green River	Surface
Wasatch	3,300'*
Price River	7,050' *
Castlegate	9,000' *
Blackhawk	9,300' *
Starpoint	9,600' *
Mancos	10,000' *
TD	11,500'

* PROSPECTIVE PAY

4. PROPOSED CASING PROGRAM

All casing used to drill this well will be new casing.

<u>Type</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Conn.</u>	<u>Top</u>	<u>Bottom</u>	<u>Hole</u>
Surface	9.625"	43.5 ppf	L-80	STC	0'	1,200'	12 1/4"
Production	5.5"	20.0 ppf	P-110	LTC	0'	11,500'	8 1/2"

DRILLING PLAN

APPROVAL OF OPERATIONS

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Surface hole: No BOPE will be utilized.

Production hole: Prior to drilling out the surface casing shoe, 5,000 psi BOP equipment will be installed. The pipe rams will be operated at least once per day from surface casing depth to total depth. The blind rams will be tested once per day from surface casing depth to total depth if operations permit.

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP "stack" will consist of two BOP rams (1 pipe, 1 blind) and one annular type preventer, all rated to a minimum of 5,000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling below the surface casing shoe. All test pressures will be maintained for fifteen (15) minutes without any significant pressure decrease. Clear water will be circulated into the BOP stack and lines prior to pressure testing. The State of Utah Division of Oil, Gas and Mining will be notified 24 hours in advance of all BOP pressure tests.

6. MUD SYSTEMS

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at the well site.

<u>Interval</u>	<u>Mud Weight (ppg)</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Remarks</u>
	<u>Interval</u>	<u>Mud Weight (ppg)</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
	<u>Remarks</u>			
0 – 40'	8.3 – 8.6	27-40	--	Native Spud Mud
40' – 1,200'	8.3 – 8.6	27-40	15 cc or less	Native/Gel/Lime
1,200' – 3000'	8.6 – 8.8	38-46	15 cc or less	Fresh water+DAP+Max Gel+POLYPLUS
3,000' – TD	8.8 – 9.5	38-46	15 cc or less	Fresh water+DAP+Max Gel+POLYPLUS+ Duro-Gel+MI Wate+Drilzone L

7. BLOOIE LINE

- An automatic igniter will not be installed on blooie line. The blooie will have a constant ignition source.
- A "target tee" connection will be installed on blooie line for 90° change of directions for abrasion resistance.
- "Target tee" connections will be a minimum of 50' from wellhead.
- The blooie line discharge will be a minimum of 100' from the wellhead.

8. AUXILIARY EQUIPMENT TO BE USED

- Upper Kelly cock; lower Kelly cock will be installed while drilling
- Inside BOP or stab-in valve (available on the rig floor)
- Safety valve(s) and subs to fit all string connections in use
- Mud monitoring will be visually observed

9. TESTING, LOGGING AND CORING PROGRAMS TO BE FOLLOWED

Cores None anticipated.
Testing None anticipated.
Sampling 30' samples; surface casing to TD
 Preserve samples all show intervals
Surveys Run every 1,000' and on trips
Logging DIL-GR-SP, FDC-CNL-GR-Caliper-Pe-Microlog, Sonic-GR, all TD to base of surface casing, GR through surface casing.

10. ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED

- No abnormal temperature or pressures are anticipated, Bottom Hole Pressure is expected at 4980 psi.
- The formations to be penetrated do not contain known H₂S gas.

DRILLING PLAN

APPROVAL OF OPERATIONS

11. WATER SUPPLY

- No water pipelines will be laid for this well.
- No water well will be drilled for this well.
- Drilling water for this will be hauled on the road(s) shown in Exhibit B
- Water to be used for drilling will be obtained through a direct purchase from Bill Barrett Corporation out of Nine Mile Creek at the existing Harmon Canyon diversion.
- Water Right # 90-1842 (Change # T76109)

12. CEMENT SYSTEMS

- Surface Casing: 220 sacks Premium Lite Plus + 0.05 lbs/sack Static Free + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 6% bwoc Bentonite + 1% bwoc Sodium Metasilicate + 161.2% Fresh Water;
Weight: 11.5 ppg
Yield: 2.84 cu.ft/sack
209 sacks Type III Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 60.5% Fresh Water.
Weight: 14.5 ppg
Yield: 1.41 cu.ft/sack
Cement will be circulated to surface with 100% excess
- Production Casing: 1103 sacks 50:50 Poz:Class G Cement +0.3% bwoc R-3 + 0.25 lbs/sack Cello Flake + 3 lbs/sack Kol Seal + 1% bwoc FL-25 +2% bwoc Bentonite + 3% bwoc Potassium Chloride + 0.75% bwoc EC-1 + 0.2% bwoc Sodium Metasilicate + 69.3% Fresh Water;
Weight: 13.5 ppg
Yield: 1.49 cu.ft/sack
Cement will be placed in two stages through the use of a stage tool. Depth determined based on potential pay sections, estimated at 5000 ft.
482 sacks Class G cement + 0.05% bwoc R-3 + 44.3% Fresh Water.
Weight: 15.8 ppg
Yield: 1.15 cu.ft/sack
Top of cement to be determined by log and sample evaluation; estimated TOC 2,800'.
Volume is log caliper +10%

13. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: May 1, 2007
Duration: 35 days, drilling and 40 days completion

SURFACE USE PLAN

Attachment for Permit to Drill

Name of Operator: Petro-Canada Resources (USA)
Address: 1099 – 18th Street, Suite 400
Denver, CO 80202
Well Location: State #1214-32-21
503' FNL & 1794' FWL NE NW
Section 32, T12S, R14E
Carbon County, UT

The dirt contractor will be provided with an approved copy of this document prior to initiating construction. A Surface Use Agreement with Bill Barrett Corporation is necessary prior to initiating construction on this project. A federal right-of-way is necessary prior to upgrading of the access road across federal lands.

1. Existing Roads

- a. Proposed access road will utilize a 5 mile segment of the existing gravel-surfaced Harmon Canyon access road under BLM and Bill Barrett Corporation maintenance that presently access the Stone Cabin area with no upgrades proposed (See Exhibit "B").
- b. From the gravel surfaced Harmon Canyon access road the existing bladed native surface Horse Ridge access road across federal and fee lands will be utilized for approximately 4.5 miles. The existing road will be upgraded (bladed and re-surfaced) where needed consistent with BLM and private landowner specifications. Upgrades may also include improving drainage structures, installing gates and cattle guards and dust suppression as required by the landowner.
- c. We do not plan to change, alter or improve upon any other existing state or county roads.
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. A federal right-of-way is necessary for commercial use of the existing BLM roads. The right-of-way has been submitted and is pending approval at this time.

2. Planned Access Roads

- a. From the existing bladed native surface Horse Ridge access road an access is proposed trending southeast approximately 150' to the proposed well site. The access consists of entirely new disturbance and crosses no significant drainages.
- b. A road design plan is not anticipated at this time.
- c. The proposed access road will consist of a 24' travel surface within a 30' disturbed area across Bill Barrett Corporation surface.
- d. DOGM approval to construct and utilize the proposed access road is requested with this application.
- e. A maximum grade of 10% will be maintained throughout the project with no major cuts and fills anticipated.
- f. No turnouts are proposed since the access road is only 150' long and adequate site distance exists in all directions.
- g. No low water crossings and one 18" culvert is anticipated. Adequate drainage structures will be incorporated into the remainder of the road.
- h. No surfacing material will come from federal or State lands.
- i. No gates or cattle guards are anticipated at this time.
- j. Surface disturbance and vehicular travel will be limited to the approved location access road.
- k. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells

- a. See Exhibit "B". There are no proposed and no existing wells within a one mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is deemed productive a sundry notice reflecting the production site layout will be submitted for approval.

- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. The location and type of water supply has been addressed as #11 within Exhibit "D". (Drilling Plan).

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.

7. Methods for handling waste disposal

- a. A small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed from the location and stockpiled. The location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Exhibit "A", Figure 1 (Location Layout).
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on the location layout.
- d. Natural runoff will be diverted around the well pad as shown on the location layout.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existing conditions.
- e. Rehabilitation will commence following completion of the well. Holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be re-contoured to the natural contour as is possible.

11. Surface Ownership

- a. The well-site and access road will be constructed on lands owned by Bill Barrett Corporation; 1099 18th Street, Suite 2300, Denver, Colorado 80202
- b. Doug Gundry-White is the surface representative for Bill Barrett Corporation and can be reached at 303-312-8129 (office) and 303-595-0050 (mobile).
- c. Matt Mitchell is the ranch manager for Bill Barrett Corporation and can be reached at 435-738-0142 (office) and 435-733-1300 (mobile).
- d. A surface use agreement is presently being negotiated and will be submitted to the DOGM upon execution as Exhibit 'C' of this document. The operator shall contact the surface representative and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is the Bill Barrett Corporation ranch house approximately 6.64 miles northeast of the proposed location. The nearest live water is a spring 1.51 miles east.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations and the surface use agreement shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

Alan Vrooman
Petro-Canada Resources (USA) Inc.
1099 18th Street, Suite 400, Denver, Colorado 80202
(303) 297-2100

Company Agent

Don Hamilton
Buys & Associates, Inc
2580 Creekview Road, Moab, Utah 84532
435-718-2018

14. **Certification**

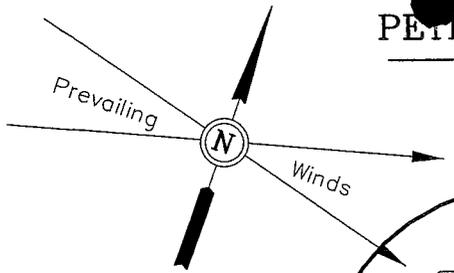
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Petro-Canada Resources (USA) Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

3-19-07
Date

Don Hamilton
Don Hamilton
Agent for Petro-Canada Resources (USA), Inc.

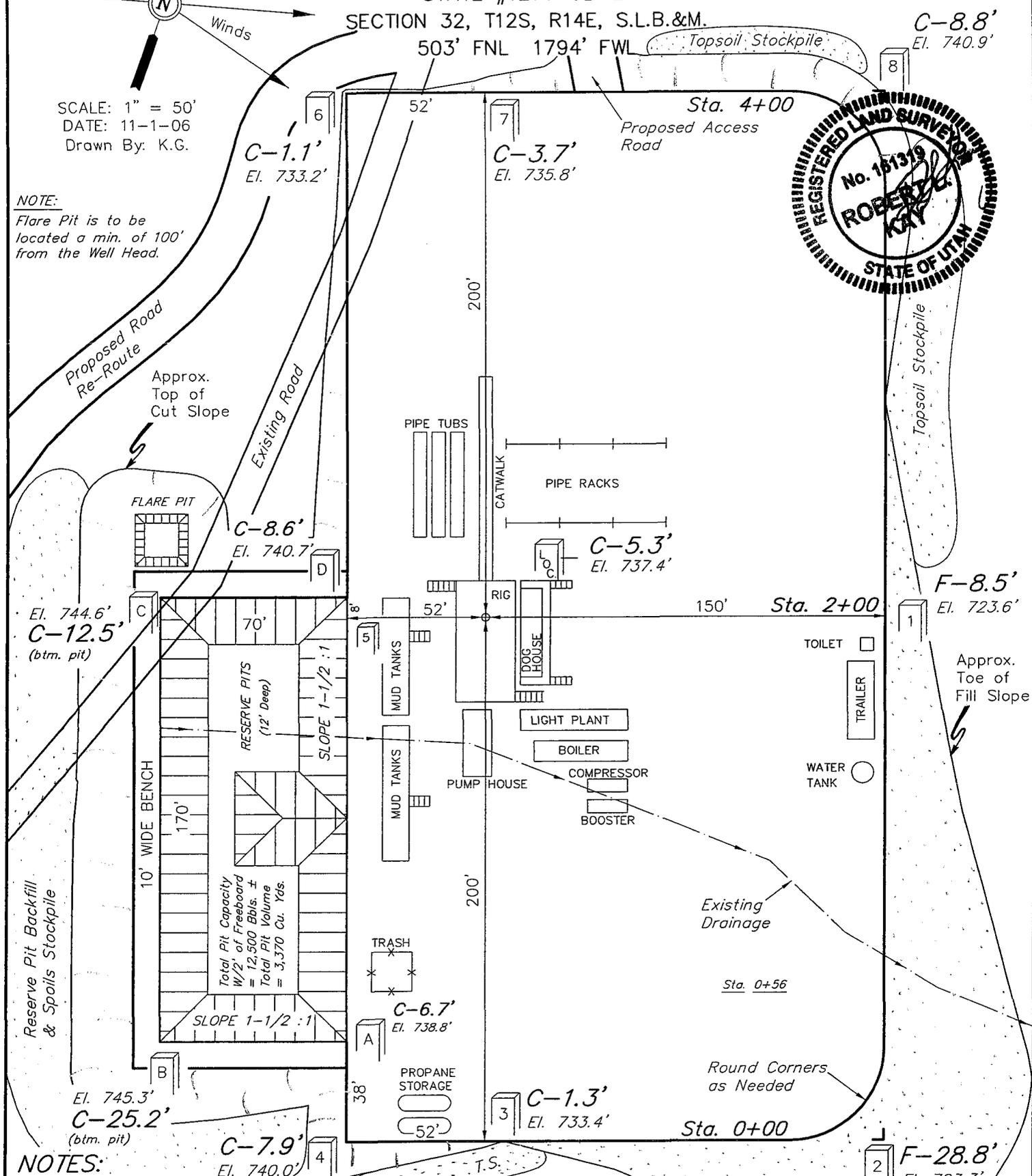
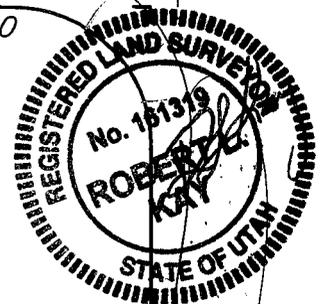
LOCATION LAYOUT FOR

STATE #1214-32-21
SECTION 32, T12S, R14E, S.L.B.&M.
503' FNL 1794' FWL



SCALE: 1" = 50'
DATE: 11-1-06
Drawn By: K.G.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



NOTES:
Elev. Ungraded Ground At Loc. Stake = 8737.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 8732.1'

TYPICAL CROSS SECTIONS FOR

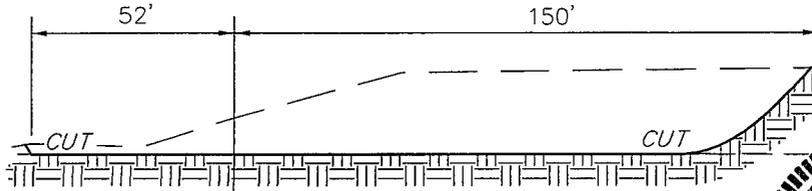
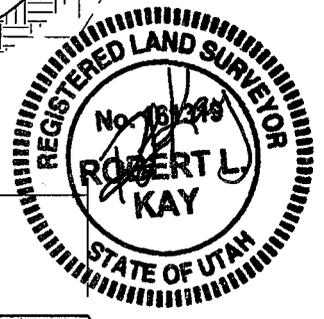
STATE #1214-32-21

SECTION 32, T12S, R14E, S.L.B.&M.

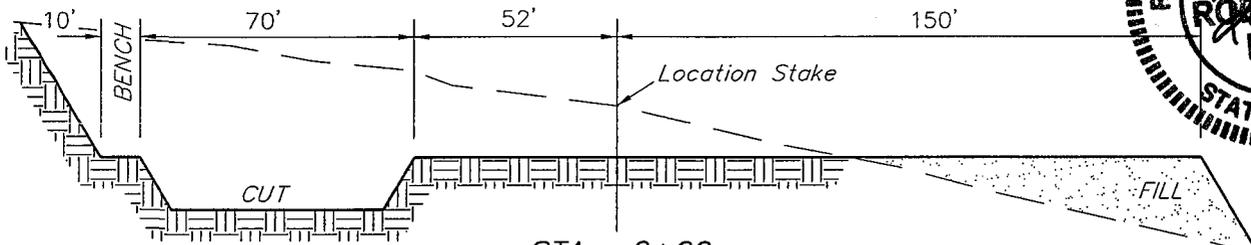
503' FNL 1794' FWL

1" = 20'
X-Section Scale
1" = 50'

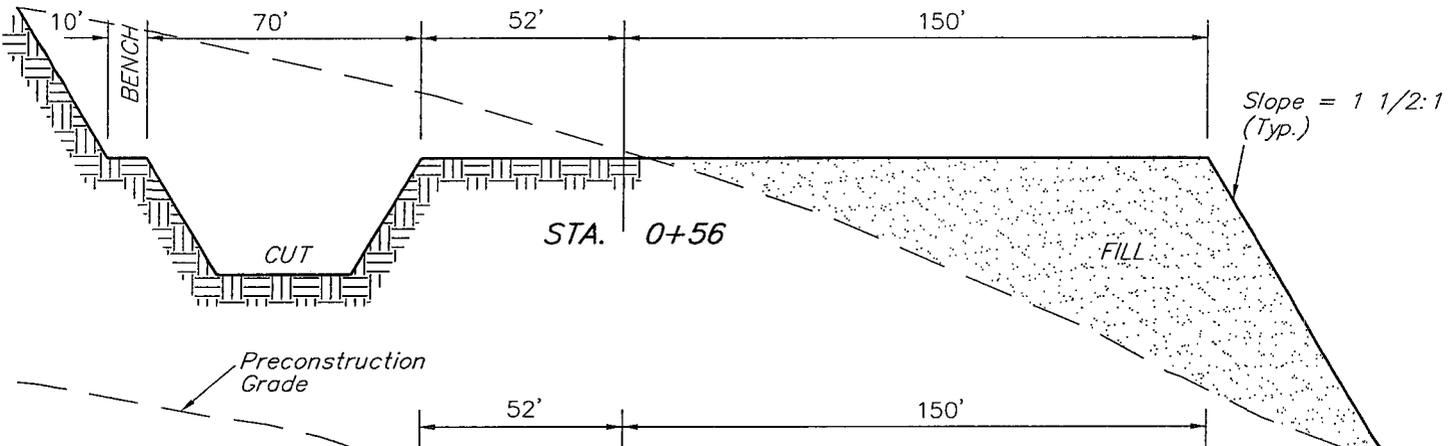
DATE: 11-1-06
Drawn By: K.G.



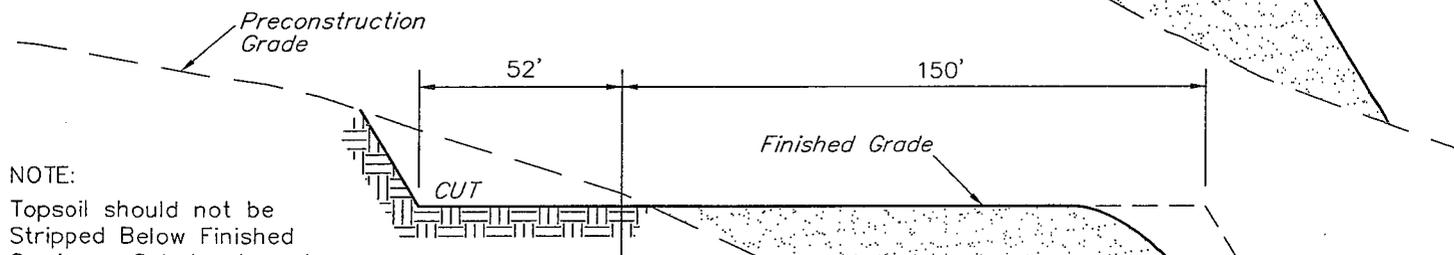
STA. 4+00



STA. 2+00



STA. 0+56



STA. 0+00

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 4,740 Cu. Yds.
Remaining Location	= 18,250 Cu. Yds.
TOTAL CUT	= 22,990 CU.YDS.
FILL	= 16,560 CU.YDS.
EXCESS MATERIAL	= 6,430 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 6,430 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

PETRO-CANADA RESOURCES (USA), INC.

STATE #1214-32-21

LOCATED IN CARBON COUNTY, UTAH
SECTION 32, T12S, R14E, S.L.B.&M.

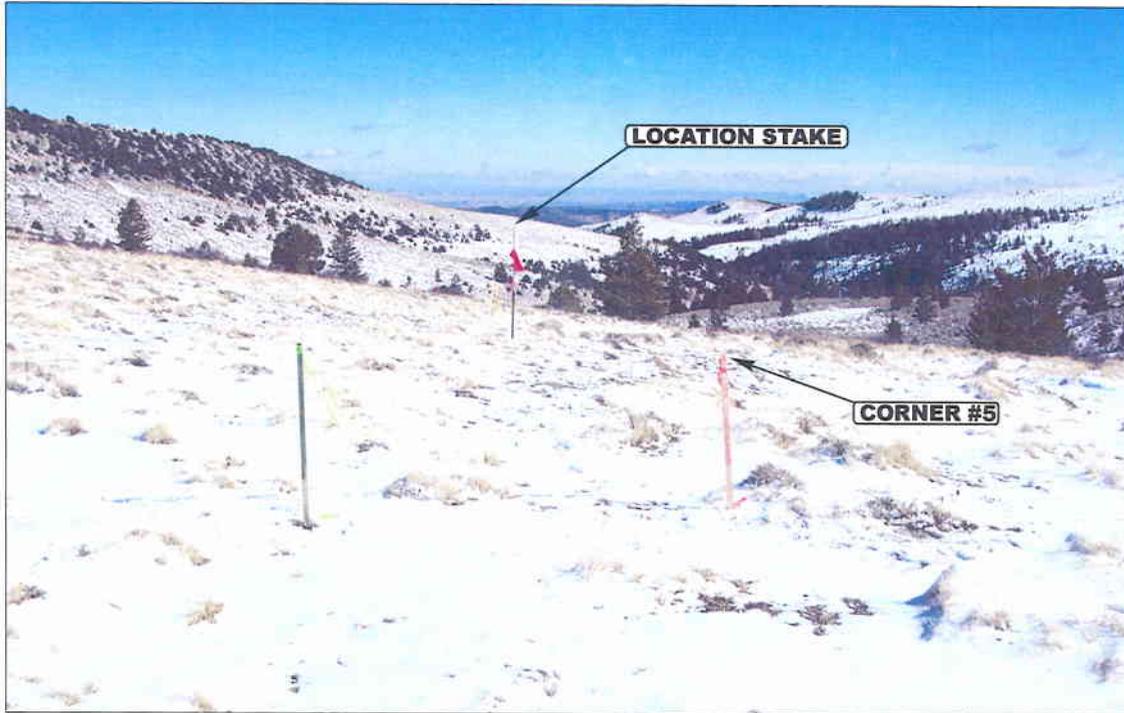


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

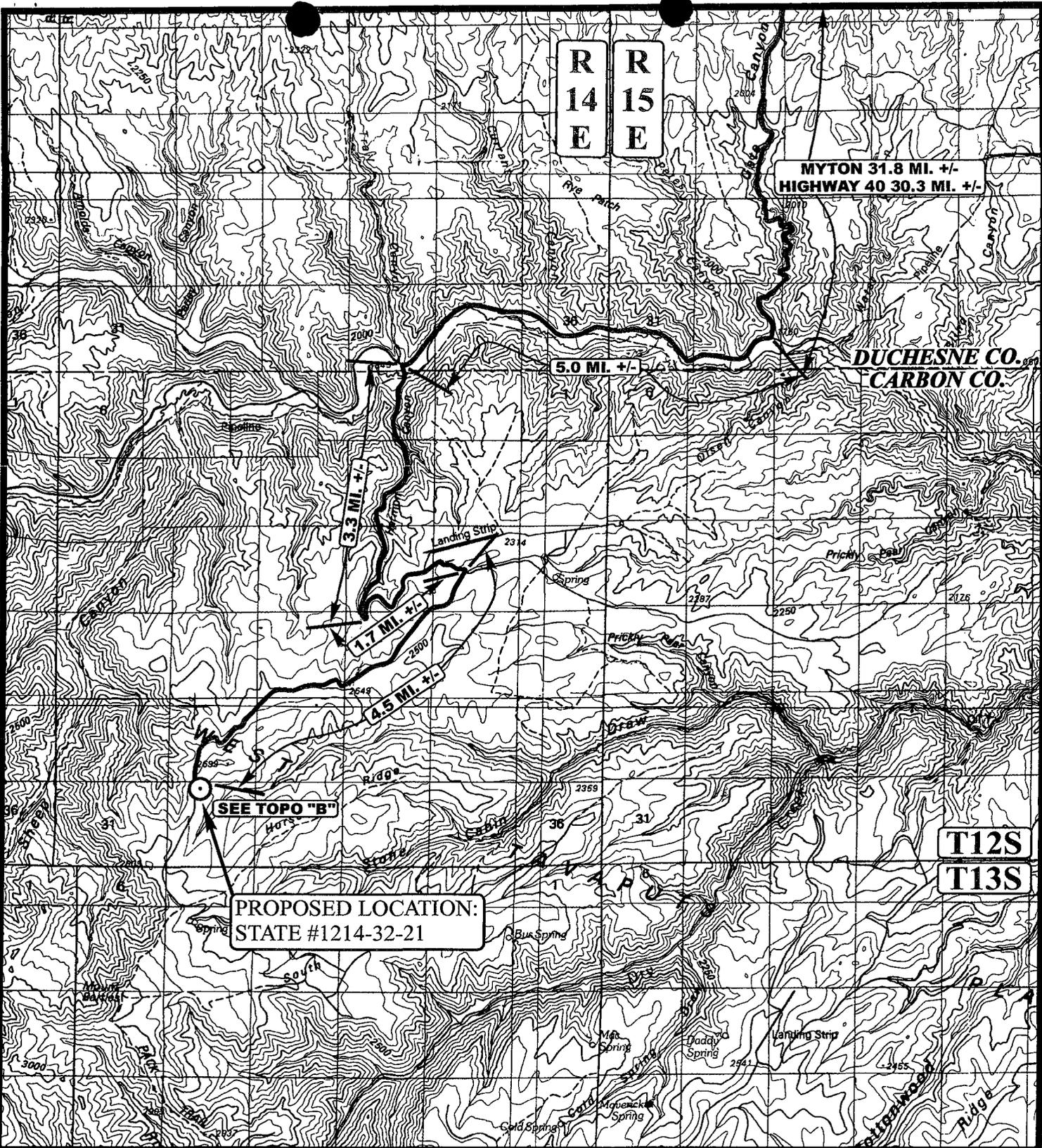
CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS			11	2	06	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: J.F.	DRAWN BY: J.L.G.	REVISED: 00-00-00				



LEGEND:

○ PROPOSED LOCATION



PETRO-CANADA RESOURCES (USA), INC.

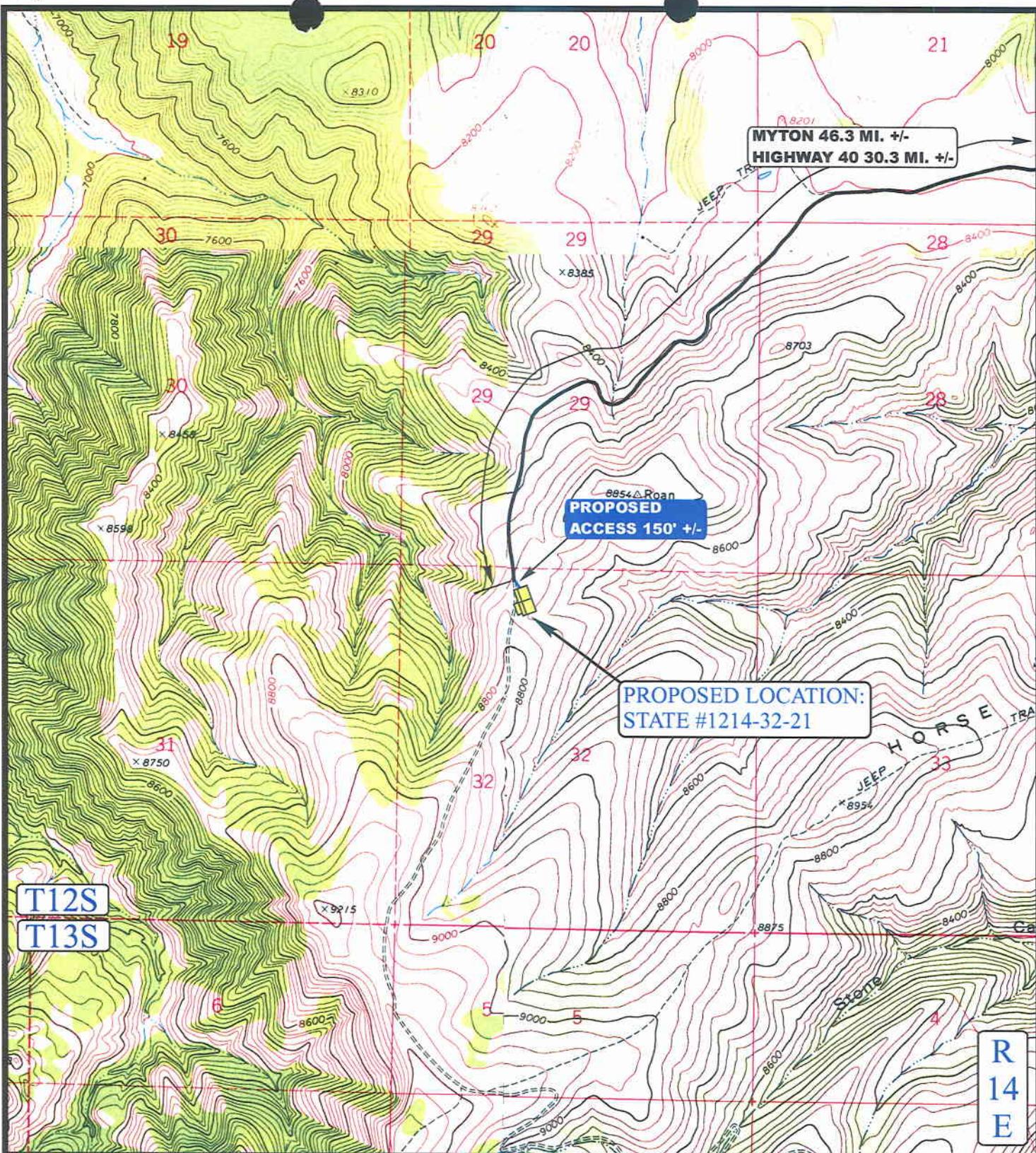
STATE #1214-32-21
 SECTION 32, T12S, R14E, S.L.B.&M.
 503' FNL 1794' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 11 2 06
 MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



PETRO-CANADA RESOURCES (USA), INC.

STATE #1214-32-21
 SECTION 32, T12S, R14E, S.L.B.&M.
 503' FNL 1794' FWL

UEIS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **11** **2** **06**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00 **B**
 TOPO

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/26/2007

API NO. ASSIGNED: 43-007-31276

WELL NAME: STATE 1214-32-21
 OPERATOR: PETRO-CANADA RESOURCES (N2705)
 CONTACT: DON HAMILTON

PHONE NUMBER: 303-297-2100

PROPOSED LOCATION:
 NENW 32 120S 140E
 SURFACE: 0503 FNL 1794 FWL
 BOTTOM: 0503 FNL 1794 FWL
 COUNTY: CARBON
 LATITUDE: 39.73574 LONGITUDE: -110.3741
 UTM SURF EASTINGS: 553638 NORTHINGS: 4398405
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	6/25/07
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-49395
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: MNCS
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 04127699)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 90-1842)
- RDCC Review (Y/N)
(Date: 04/13/2007)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (04-24-07)

STIPULATIONS:

- 1- Spacing Strip*
- 2- STATEMENT OF BASIS*
- 3- Cement Strip #3 (5 1/2" production, 2800' MD)*

R14E

30

29

28

STATE 12H-32-21

31

32

33

T13S R14E

6

5

4

OPERATOR: PETRO-CANADA RES (N2705)

SEC: 32 T.12S R. 14E

FIELD: WILDCAT (001)

COUNTY: CARBON

SPACING: R649-3-2 / GENERAL SITING

Field Status

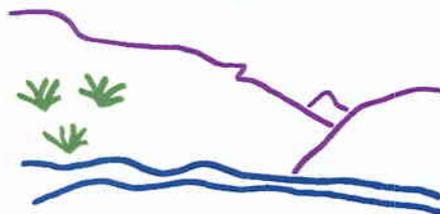
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 29-MARCH-2007

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

5/14/2007

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
366	43-007-31276-00-00		GW	P	No
Operator	PETRO-CANADA RESOURCES (USA), INC		Surface Owner-APD		
Well Name	STATE 1214-32-21	Unit			
Field	WILDCAT	Type of Work			
Location	NENW 32 12S 14E S 503 FNL 1794 FWL GPS Coord (UTM) 553638E 4398405N				

Geologic Statement of Basis

Petro-Canada Resources (USA), Inc. proposes to set 1,200' of surface casing at this location. The base of the moderately saline water may be as deep as 4,500 feet in this area. This location will spud into the Upper Member of the Green River Formation. The proposed location is in a recharge area for the aquifers of the upper Green River formation and fresh water can be expected to be found in the upper Green River. A search of Division of Water Rights records indicates no underground water rights have been filed within a mile radius of the proposed location. Springs occur in the Upper Member of the Green River Formation about 1.5 miles east and south southeast of the location. A fresh water/gel/polymer mud system is proposed for drilling the stratigraphic interval below the surface casing to 3,000' TD. A fresh water/gel/polymer/DAP mud system will be used below 3,000' TD. The Base of Moderately Saline Ground Water is estimated to occur at an elevation of 4,500' above sea level (~4,237' TD). The proposed casing and cement program should adequately protect any useable ground water.

Chris Kierst
APD Evaluator

4/27/2007
Date / Time

Surface Statement of Basis

On-site conducted April 24, 2007. Present: Bart Kettle-Division of Oil Gas and Mining (DOGGM), Don Hamilton-Agent for Petro-Canada, LeRoy Mead-Division of Wildlife Resources (DWR), Matt Mitchell-Representing surface owner, Jerry Jensen-Petro-Canada. Invited but electing not to attend: Gayla Williams-Carbon County, Ed Bonner-SITLA, Jim Davis-SITLA

DWR provided no recommendations for stipulation on the project site. DOGM recommends the following stipulations: Drainage be diverted away from the well pad on the southeast corner. Rip rap be placed at the outlet point of drainage diversion. Surface owner discussed building a stock watering pond at the outlet of drainage diversion. DWR supports building stock watering pond to distribute livestock and provide an additional water source for wildlife.

Bart Kettle
Onsite Evaluator

4/24/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Divert drainage on the southwest portion of well pad.
Surface	Place rip rap at the outlet of drainage diversion.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator PETRO-CANADA RESOURCES (USA), INC
Well Name STATE 1214-32-21
API Number 43-007-31276-0 **APD No** 366 **Field/Unit** WILDCAT
Location: 1/4,1/4 NENW **Sec** 32 **Tw** 12S **Rng** 14E 503 FNL 1794 FWL
GPS Coord (UTM) 553632 4398400 **Surface Owner**

Participants

Bart Kettle-Division of Oil Gas and Mining (DOGGM), DonHamilton-Agent for Petro-Canada, LeRoy Mead-Division of Wildlife Resources (DWR), Matt Mitchell-Representing surface owner, Jerry Jensen-Petro-Canada

Regional/Local Setting & Topography

Proposed project is ~23 miles northwest of Wellington, located in Carbon County Utah. Project site is surrounded by montane rangelands near the top of a ridgeline. Rangelands consist of a series of steep canyons supporting Douglas fir on the north aspect and a mixture of mountain browse/sage/pinion-juniper on the southern aspects. Nine Mile Creek is the first known perennial water, although geology is conducive for numerous small springs to surface in Sheep Canyon within a half mile. Grazing appears to be moderate and primarily summer use. The project is located in a 20-22" precept zone along the rim of Sheep Canyon. Regional topography is semi-arid rangelands dominated by Pinion/Juniper and Douglas Fir rangelands. Soils in the region are generally poorly developed, and moderate to highly erosive.

Surface Use Plan

Current Surface Use

Grazing

Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.01	Width 272	Length 400 Onsite	GRRV

Ancillary Facilities N

Three mile of existing road will be upgraded to handle drilling traffic.

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Flora:

Grass: Kentucky blue grass, Sandburg's blue grass, Salina wild rye.

Forbs: Hounds tongue

Shrubs: Black sage, alder leaf mountain mahogany, Utah service berry, gray horse brush, common snow berry, wild rose, mountain sage.

Trees: Two needle pinion, Douglas fir.

Fauna: Mule deer, elk, bear, mountain lion, bobcat, gray fox, ringtail cat, coyote, blue grouse, sage grouse, red squirrel, canyon wren, black capped chickadee, pinion jay, raptors, multiple rodents and seasonal use by song many song birds.

Soil Type and Characteristics

Fine gray clays mixed with shale fragments

Erosion Issues Y

Soils highly erosive when disturbed.

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Divert drainage from road on the southeast portion of well pad.

Berm Required? N

Erosion Sedimentation Control Required? Y

Rip rap at out let portion of drainage diversion.

Paleo Survey Run? N Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	>20	10
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 25 1 Sensitivity Level

Characteristics / Requirements

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 12 Pit Underlayment Required? N

Other Observations / Comments

DWR comments that Bill Barret Corporation had offered surface well is staked on as part of EIS mitigation for development underway further east. Question Bill Barret Corporations plans for mitigation and use of their surface lands. Questar gas is in the process of surveying in a new pipeline through the project area. DWR questioning mitigation and road maintenance responsibilities between the two projects.

Bart Kettle
Evaluator

4/24/2007
Date / Time

From: "Hampton, Peter" <HAMPTON@petro-canada.ca>
To: <chriskierst@utah.gov>
Date: 05/09/2007 9:13 AM
Subject: State 1214-32-21 - Drilling Fluid Program

Petro-Canada will be using the following drilling fluids program for the above noted well. Please update the Drilling Plan submitted for the well

Fluid Loss	Remarks	Interval Mud Weight (ppg)		Viscosity	
	0 - 40'	8.3 - 8.6	27-40	--	Native
Spud Mud	40' - 1,200'	8.3 - 8.6	27-40	15 cc or less	
Native/Gel/Lime	1,200' - 3000'	8.6 - 8.8	38-46	15 cc or less	
Fresh water+DAP+Max Gel+POLYPLUS	3,000' - TD	8.8 - 9.5	38-46	15 cc or less	
Fresh water+DAP+Max Gel+POLYPLUS+ Duro-Gel+MI Wate+Drilzone L					

Thanks

Peter

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Online Services

Agency List

Business

Search

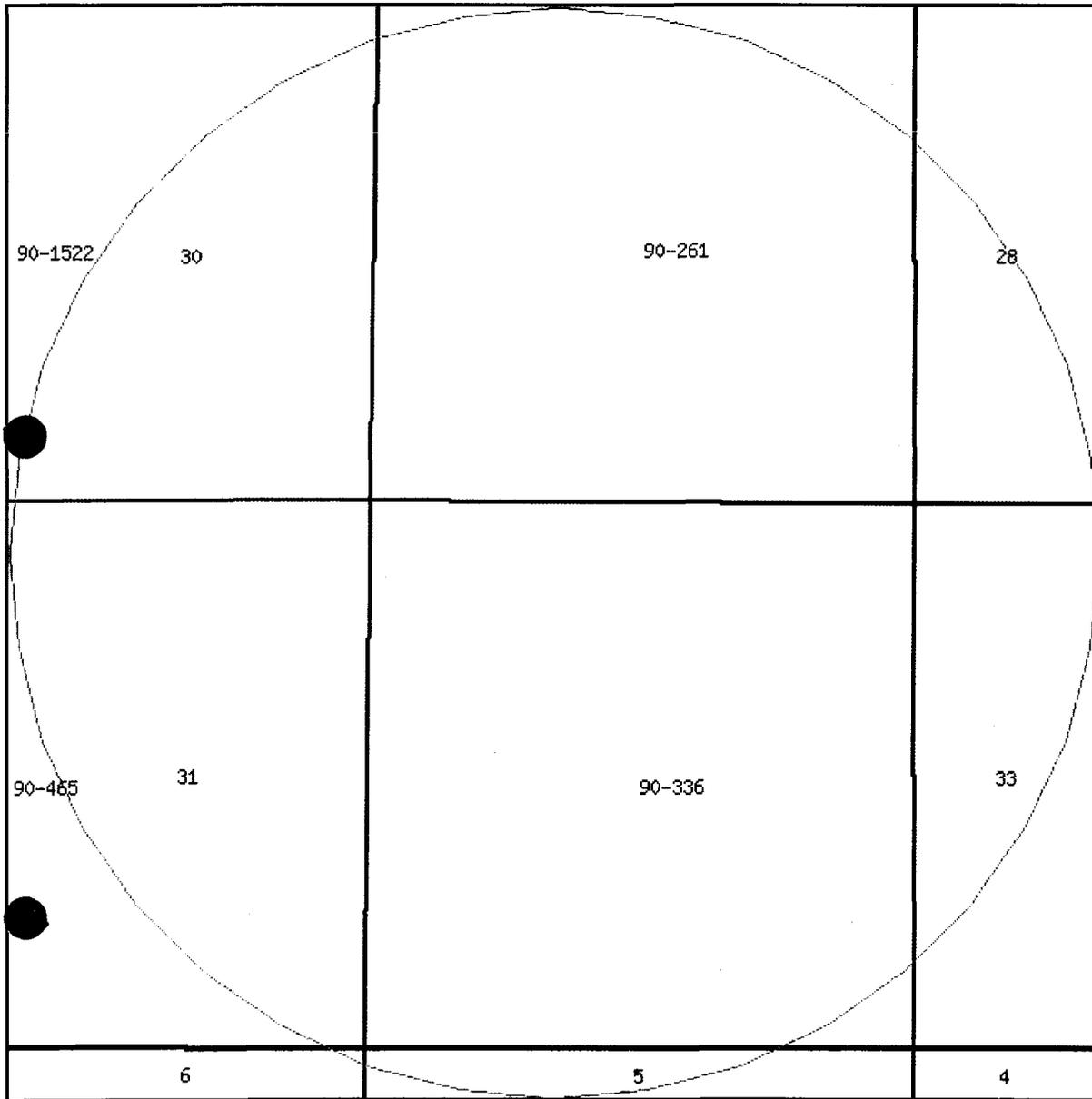
Utah Division of Water Rights



WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 04/27/2007 04:49 PM

Radius search of 5280 feet from a point S503 E1794 from the NW corner, section 32, Township 12S, Range 14E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>90-1244</u>	Point to Point S660 E660 W4 31 12S 14E SL		P	18850000	S	0.000	0.000	PRICE FIELD OFFICE USA BUREAU OF LAND MANAGEMENT 125 SOUTH 600 WEST
<u>90-1522</u>	Point to Point N390 0 SE 30 12S 14E SL		P	1898	S	0.500	0.000	DAVID P., ROSS D. AND TODD S. HINKINS, P. O. BOX 485
<u>90-260</u>	Point to Point N660 W660 S4 29 12S 14E SL		P	18850000	S	0.022	0.000	GEORGE AND GLORIA FASSELIN P. O. BOX 18
<u>90-261</u>	Point to Point N660 E660 W4 29 12S 14E SL		P	18850000	S	0.022	0.000	GEORGE AND GLORIA FASSELIN P. O. BOX 18
<u>90-262</u>	Point to Point S660 E660 NW 32 12S 14E SL		P	18850000	S	0.022	0.000	GEORGE AND GLORIA FASSELIN P. O. BOX 18
<u>90-263</u>	Point to Point S1980 E660 N4 32 12S 14E SL		P	18850000	S	0.022	0.000	GEORGE AND GLORIA FASSELIN P. O. BOX 18
<u>90-264</u>	Point to Point S660 W660 NE 32 12S 14E SL		P	18850000	S	0.022	0.000	BILL BARRETT CORPORATION 1099 18TH STREET, STE 2300
<u>90-336</u>	Point to Point S660 W660 E4 32 12S 14E SL		P	18850000	S	0.011	0.000	LEON J. PRESSETT DRAGERTON UT
<u>90-464</u>	Point to Point 0 0 31 12S 14E SL		P	18850000	S	0.000	0.000	DAVID P., ROSS D. AND TODD S. HINKINS, P. O. BOX 485
<u>90-465</u>	Point to Point 0 0 31 12S 14E SL		P	18850000	S	0.080	0.000	DAVID P., ROSS D. AND TODD S. HINKINS, P. O. BOX 485

From: Gil Hunt
To: Brad Hill; Diana Mason
Date: 4/2/2007 3:51 PM
Subject: Fwd: RDCC short-turn-around items

>>> Kimm Harty 04/02/2007 3:42 PM >>>

Pam and Gil: Below are UGS comments on four RDCC short-turn-around items (# 7812-7815). Please contact us should you have any questions on our comments. Kimm

7812. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 12, T5S, R7W, Duchesne County
Application for Permit to Drill - proposal to drill a wildcat well the LC Fee 1-12-57 on a Fee lease

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit.

7813. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 12, T5S, R7W, Duchesne County
Application for Permit to Drill - proposal to drill a wildcat well the LC Fee 6-12-57 on a Fee lease

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit.

7814. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 9, T5S, R6W, Duchesne County
Application for Permit to Drill - proposal to drill a wildcat well the LC Tribal 10-9-56 on Indian Lease 14-20-H62-5500

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit.

7815. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 32, T12S, R14E, Carbon County
Application for Permit to Drill - proposal to drill a wildcat well the State 1214-32-21 on State lease ML-49395

Although there are no paleontological localities recorded in our files for this project area, the Eocene Green River Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit.

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or April 13, 2007
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Petro-Canada Resources (USA), Inc. proposes to drill the State 1214-32-21 well (wildcat) on State lease ML-49395, Carbon County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 503' FNL 1794' FWL, NE/4 NW/4, Section 32, Township 12 South, Range 14 East, Carbon County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: March 30, 2007

Casing Schematic

BHP $0.052(11500) 9.5 = 5681 \text{ psi}$
anticipate 4980 psi

Gao $.12(11500) = 1380$
 $5681 - 1380 = 4301 \text{ psi}$
MASP
9-5/8"
MW 8.6
Frac 19.3

Wet $.22(11500) = 2530$
 $5681 - 2530 = 3151 \text{ psi}$
Anticipated = 2450 psi

BOPE **SM** ✓

Burst 6330
 $70\% = 4431 \text{ psi}$

Max P @ Surf shoe
 $.22(10300) = 2266$
 $5681 - 2266 = 3415 \text{ psi}$
Test to 3415 psi ✓

⇒ Strip production to above ✓
Wasatch

✓ Adequate ~~MD~~ 6/25/07

5-1/2"
MW 9.5

Surface

12.2

18.7

TOC @ Green River ✓

Surface
1200. MD

- 2800' Estimated TOC by operator ✓
- 3087' TOC w/ 4% w/o Volume Calc part 10%
- 3300' Wasatch A st. D

- 4500' ± Possible BMSW

TOC @
4826.

- 7050' Price River

- 9000' Castlegate
- 9300' Blackhawk
- 9398' tail @ 4% w/o
- 9600' Starpoint
- 9517' tail @ 12% w/o
- 10,000' Mancos

Production
11500. MD

Well name:	2007-05 Petro Canada State 1214-32-21		
Operator:	Petro-Canada Resources (USA)		
String type:	Surface	Project ID:	43-007-31276
Location:	Carbon County		

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? \ No
Mud weight: 8.600 ppg	Design factor 1.125	Surface temperature: 75 °F
Design is based on evacuated pipe.		Bottom hole temperature: 92 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 250 ft
	<u>Burst:</u>	Cement top: Surface
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 1,056 psi	<u>Tension:</u>	Non-directional string.
Internal gradient: 0.120 psi/ft	8 Round STC: 1.80 (J)	
Calculated BHP 1,200 psi	8 Round LTC: 1.80 (J)	
	Buttress: 1.60 (J)	
No backup mud specified.	Premium: 1.50 (J)	Re subsequent strings:
	Body yield: 1.50 (B)	Next setting depth: 11,500 ft
	Tension is based on buoyed weight.	Next mud weight: 9.500 ppg
	Neutral point: 1,045 ft	Next setting BHP: 5,675 psi
		Fracture mud wt: 19.250 ppg
		Fracture depth: 1,200 ft
		Injection pressure: 1,200 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1200	9.625	43.50	L-80	LT&C	1200	1200	8.625	501.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	536	3810	7.107	1200	6330	5.28	45	813	17.88 J

Prepared by: Helen Sadik-Macdonald Div of Oil, Gas & Minerals	Phone: 801-538-5357 FAX: 801-359-3940	Date: May 17, 2007 Salt Lake City, Utah
------------------------------------------------------------------	------------------------------------------	--------------------------------------------

Remarks:
Collapse is based on a vertical depth of 1200 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

2007-05 Petro Canada State 1214-32-21Operator: **Petro-Canada Resources (USA)**String type: **Production**

Project ID:

43-007-31276

Location: **Carbon County****Design parameters:****Collapse**Mud weight: 9.500 ppg
Design is based on evacuated pipe.**Burst**Max anticipated surface
pressure: 3,145 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,675 psi

No backup mud specified.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 9,846 ft

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 236 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,826 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	11500	5.5	20.00	P-110	LT&C	11500	11500	4.653	1431.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5675	11100	1.956	5675	12630	2.23	197	548	2.78 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 801-359-3940Date: May 17, 2007
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 11500 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Wildlife Resources**

JAMES F. KARPOWITZ
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

43-007-31276

April 13, 2007

Carolyn Wright
Public Lands Policy Coordination
Office of the Governor
5110 State Office Building
Salt Lake City, Utah 84114-1107

Subject: RDCC Project # 7815, Application for Permit to Drill a wildcat well
on State Lease ML-49395, Carbon County

Dear Ms. Wright:

The Utah Division of Wildlife Resources has reviewed the subject document, and we provide the following comments:

This project is proposed in an area used by sage-grouse, mule deer, elk, black bear, cougar and other wildlife species. There is potential for sage-grouse nesting onsite, and raptor nesting nearby. Mule deer fawning and elk calving grounds also exist in close proximity to this site.

For these reasons, we suggest that a survey be conducted for sage-grouse use immediately prior to well pad construction. We also recommend that seasonal closure dates of April through June be respected in an effort to decrease impacts to sage-grouse broods, mule deer fawns, and elk calves.

The reserve pit should be adequately lined to prevent leakage and environmental damage to ground water, springs or other water sources used by wildlife. This pit should also be fenced to exclude wildlife from accessing it.

Reclamation should be accomplished by reseeding with a diverse mixture of grasses and forbs useful to wildlife and suitable for the specific location.

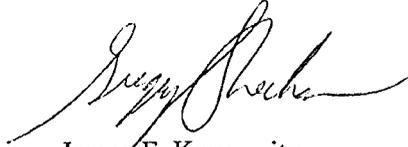
Biologists from our office will be glad to offer technical guidance with seed mixes, sage-grouse surveys, or any other wildlife-related questions. Thank you for the opportunity to review this proposed action and provide comment.

Page 2
April 13, 2007
Subject:

If you have any questions, please call Leroy Mead, habitat biologist, at our Price office (435-636-0274).

Sincerely,

ACTING DIRECTOR

A handwritten signature in cursive script, appearing to read "James F. Karpowitz".

James F. Karpowitz
Director

JK/lm/clb

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

DOUG ALLEN
CHAIRMAN

William D. Howell
EXECUTIVE DIRECTOR



375 SOUTH CARBON AVE.
P.O. DRAWER 1106
PRICE, UTAH 84501
(435) 637-5444
FAX (435) 637-5448

AREA WIDE CLEARINGHOUSE REVIEW

Federal Action _____ State Action _____ Approved (x) Yes () No
Other (indicate) _____

Applicant Address:

Oil, Gas & Mining

1594 West North Temple #1210

SLC, UT 84114-5801

Name Diana Mason

Phone 801-538-5312

Title/Project Description: Application for Permit to Drill State 1214-32-21, Carbon Co.
This will be located at Sec32, T12S, R14E, Carbon Co. Five weeks needed to
complete the project. Site is near Horse Ridge on the Tavaputs Plateau.
Petro-Canada Resources (USA).

- No Comment
 See comment below

Comments: Favorable comment recommended pending reply from Carbon County.

RECEIVED

APR 16 2007

DIV. OF OIL, GAS & MINING

Lorraine Benzell
SEUALG

April 12, 2007
DATE



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

June 25, 2007

Petro-Canada Resources (USA), Inc.
1099 18th St, Suite 400
Denver, CO 80202

Re: State 1214-32-21 Well, 503' FNL, 1794' FWL, NE NE, Sec. 32, T. 12 South, R. 14 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31276.

Sincerely,

Gil Hunt
Associate Director

er
Enclosures

cc: Carbon County Assessor
SITLA



Operator: Petro-Canada Resources (USA), Inc.

Well Name & Number State 1214-32-21

API Number: 43-007-31276

Lease: ML 49395

Location: NE NE Sec. 32 T. 12 South R. 14 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. The operator will be required to comply with any applicable recommendations resulting from this review.
7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
8. Cement volume for the 5-1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to \pm 2800' MD as indicated in the submitted drilling plan.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-49395
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: undesignated
2. NAME OF OPERATOR: Petro-Canada Resources (USA) Inc.		8. WELL NAME and NUMBER: State 1214-32-21
3. ADDRESS OF OPERATOR: 999 18th St, Suite 600 CITY Denver STATE CO ZIP 80202-2499		9. API NUMBER: 4300731276
4. LOCATION OF WELL FOOTAGES AT SURFACE: 503' FNL & 1,794' FWL, QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 32 12S 14E S		10. FIELD AND POOL, OR WILDCAT: undesignated COUNTY: Carbon STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Petro-Canada Resources (USA), Inc. hereby requests a one year extension of the state permit for the referenced well.

This is the first extension that has been requested with the original permit being approved 06/25/07.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-10-08
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 3-11-2008
Initials: KS

NAME (PLEASE PRINT) <u>Don Hamilton</u>	TITLE <u>Agent for Petro-Canada Resources (USA), Inc.</u>
SIGNATURE <u><i>Don Hamilton</i></u>	DATE <u>3/5/2008</u>

(This space for State use only)

RECEIVED

MAR 10 2008



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4300731276
Well Name: State 1214-32-21
Location: 503' FNL & 1,794' FWL, NE/4 NW/4, 32, 12S-14E
Company Permit Issued to: Petro-Canada Resources (USA) Inc.
Date Original Permit Issued: 6/25/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Don Hamilton
Signature

3/5/2008
Date

Title: Agent

Representing: Petro-Canada Resources (USA) Inc.

RECEIVED

MAR 10 2008

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

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Is bonding still in place, which covers this proposed well? Yes No

Don Hamilton
Signature

2/18/2009
Date

Title: Agent

Representing: Petro-Canada Resources (USA) Inc.

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: Petro-Canada Resources (USA) Inc.

3. ADDRESS OF OPERATOR: 999 18th St, Suite 600 CITY Denver STATE CO ZIP 80202-2499 PHONE NUMBER: (303) 297-2100

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 503' FNL & 1,794' FWL, COUNTY: Carbon QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 32 12S 14E S STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-49395

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: undesignated

8. WELL NAME and NUMBER: State 1214-32-21

9. API NUMBER: 4300731276

10. FIELD AND POOL, OR WLDGAT: undesignated

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Petro-Canada Resources (USA), Inc. hereby requests a one year extension of the state permit for the referenced well.

This is the second extension that has been requested with the original permit being approved 06/25/07.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-23-09
By: [Signature]

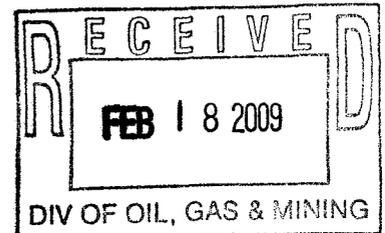
COPY SENT TO OPERATOR

Date: 3.4.2009
Initials: KS

NAME (PLEASE PRINT) Don Hamilton TITLE Agent for Petro-Canada Resources (USA), Inc.

SIGNATURE Don Hamilton DATE 2/18/2009

(This space for State use only)



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-49395
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SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------

1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: STATE 1214-32-21
------------------------------------	-----------------------------------------------------

2. NAME OF OPERATOR: PETRO-CANADA RESOURCES (USA), INC	9. API NUMBER: 43007312760000
------------------------------------------------------------------	-----------------------------------------

3. ADDRESS OF OPERATOR: 999 18th Street, Sutie 600 , Denver, CO, 80202	PHONE NUMBER: 303 297-2100 Ext	9. FIELD and POOL or WILDCAT: WILDCAT
----------------------------------------------------------------------------------	------------------------------------------	-------------------------------------------------

4. LOCATION OF WELL FOOTAGES AT SURFACE: 0503 FNL 1794 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 32 Township: 12.0S Range: 14.0E Meridian: S	COUNTY: CARBON STATE: UTAH
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/20/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Petro-Canada Resources (USA), Inc. hereby requests a one year extension of the state permit for the referenced well. This is the third extension that has been requested.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: December 14, 2009
By: 

NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A		DATE 12/4/2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43007312760000

API: 43007312760000

Well Name: STATE 1214-32-21

Location: 0503 FNL 1794 FWL QTR NENW SEC 32 TWNP 120S RNG 140E MER S

Company Permit Issued to: PETRO-CANADA RESOURCES (USA), INC

Date Original Permit Issued: 6/25/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Don Hamilton

Date: 12/4/2009

Title: Permitting Agent (Buys & Associates, Inc) **Representing:** PETRO-CANADA RESOURCES (USA), INC **Date:** December 14, 2009

By:



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 8, 2010

Petro-Canada Resources (USA) Inc.
999 18TH Suite 600
Denver, CO 80202

Re: APD Rescinded – State 1214-32-21, Sec. 32, T. 12S, R. 14E
Carbon County, Utah API No. 43-007-31276

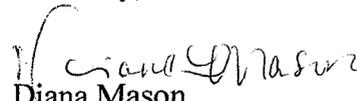
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 25, 2007. On March 10, 2008 and February 23, 2009, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 8, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner