

January 4, 2008

Fluid Minerals Group
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

RE: Application for Permit to Drill - Petro-Canada Resources (USA), Inc.
Dry Creek Fed. 5-44 - 378' FSL & 932' FEL, SE/4 SE/4,
Section 5, T13S, R15E, SLB&M, Carbon County, Utah

Dear Fluid Minerals Group:

On behalf of Petro-Canada Resources (USA), Inc. (Petro-Canada), Buys & Associates, Inc. respectfully submits the enclosed original and three copies of the Application for Permit to Drill (APD) for the above referenced federal surface and mineral vertical well. A request for exception to spacing (R649-3-2) is hereby requested based on topography since the well is located less than 460' of the drilling unit boundary. Petro-Canada is the only owner and operator within 460' of the proposed well. Included with the APD is the following supplemental information:

- Survey plats, layouts and photos of the proposed well site;
- Proposed location maps with access & pipeline corridor;
- Drilling Plan;
- Surface Use Plan
- APD Certification;
- 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
Don Stephens, BLM - Price Field Office
Diana Whiney, Division of Oil, Gas & Mining

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JAN 07 2008

DIV. OF OIL, GAS & MINING

FILE COPY

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU-076713	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Dry Creek Fed. 5-44	
9. API Well No. 43007-31338	
10. Field and Pool, or Exploratory undesignated Wildcat	
11. Sec., T. R. M. or Blk. and Survey or Area Section 5, T13S, R15E, SLB&M	
12. County or Parish Carbon	13. State UT
14. Distance in miles and direction from nearest town or post office* 13.36 miles northeast of Sunnyside, Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 932'	16. No. of acres in lease 744.88 acres
	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2,450'	19. Proposed Depth 13,900'
	20. BLM/BIA Bond No. on file UT 1215
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,573' GR	22. Approximate date work will start* 05/01/2008
	23. Estimated duration 55 days drilling 70 days completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature Don Hamilton	Name (Printed/Typed) Don Hamilton	Date 01/04/2008
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Title
Agent for Petro-Canada Resources (USA), Inc.

Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 01-06-08
Title	Office ENVIRONMENTAL MANAGER	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**

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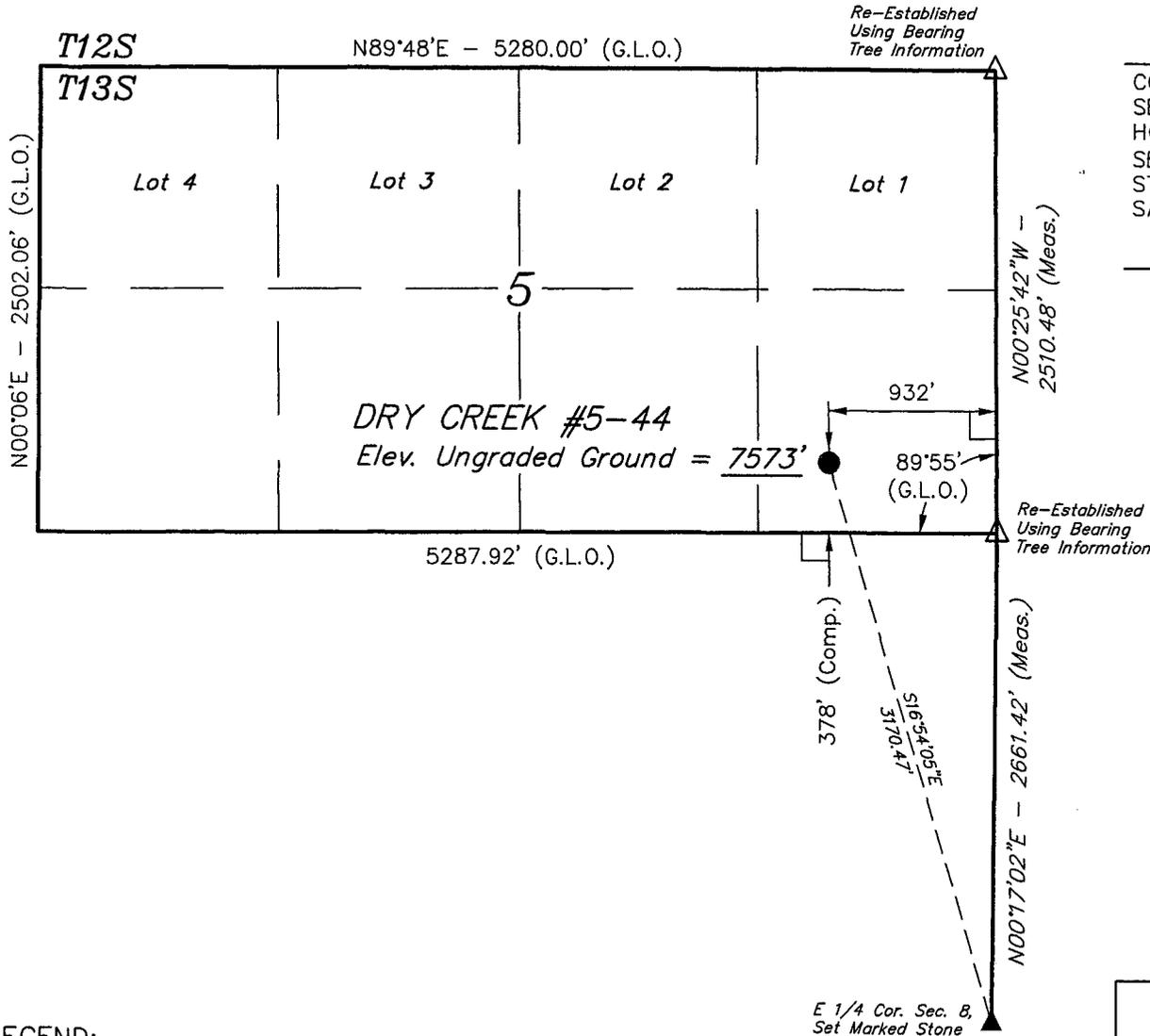
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DIV. OF OIL, GAS & MINING

T13S, R15E, S.L.B.&M.

PETRO-CANADA RESOURCES (USA), INC.

Well location, DRY CREEK #5-44, located as shown in the SE 1/4 SE 1/4 of Section 5, T13S, R15E, S.L.B.&M., Carbon County, Utah.

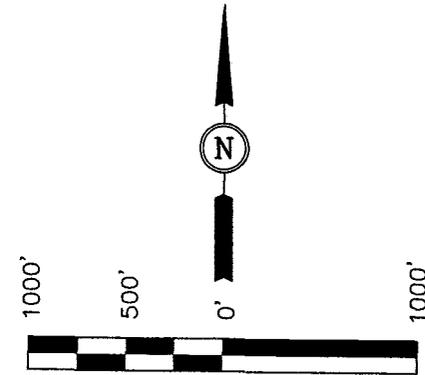


BASIS OF ELEVATION

COTTON TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 31, T12S, R16E, S.L.B.&M., TAKEN FROM THE TWIN HOLLOW 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 7386 FEET.

BASIS OF BEARINGS

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



SCALE

CERTIFIED LAND SURVEYOR

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

Kelvin H. ...
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground)

(NAD 83)
 LATITUDE = 39°43'01.40" (39.717056)
 LONGITUDE = 110°15'16.07" (110.254464)
 (NAD 27)
 LATITUDE = 39°43'01.53" (39.717092)
 LONGITUDE = 110°15'13.51" (110.253753)

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

SCALE 1" = 1000'	DATE SURVEYED: 10-08-07	DATE DRAWN: 10-31-07
PARTY B.B. K.D. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE PETRO-CANADA RESOURCES (USA), INC.	

DRILLING PLAN

Name of Operator: Petro-Canada Resources (USA), Inc.
Address: 999 18th Street, Suite 600
Denver, CO 80202
Well Location: Dry Creek 5-44
378' FSL & 932' FEL, SE/4 SE/4,
Section 5, T13S, R15E, SLB&M
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	3,000' *
Price River	6,550' *
Castlegate	8,550' *
Blackhawk	8,800' *
Mancos	9,500' *
Dakota	13,500' *
TD	13,900'

* 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 Size</u>
Surface	9.625"	36 ppf	J55	STC	0'	3,200'	12-1/4"
Production	5.5"	20.0 ppf	P110	LTC	0'	13,900'	7-7/8"

DRILLING PLAN

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, 10,000 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 one remote and two adjustable chokes on the manifold system. The BOP "stack" will consist of three BOP rams (2 pipe, 1 blind) and one annular type preventer, all rams rated to a minimum of 10,000 psi working pressure, annular rated to 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 BLM and 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>
0 – 40'	8.3 – 8.6	27-40	NC	Native Spud Mud
40' – 3,200'	8.3 – 8.6	27-40	NC	Native/Gel/Lime
3,200' – 12,500'	8.6 – 9.5	38-46	24 cc or less	Di-Ammonium Phosphate
12,500' – TD	11.5 – 12.3	38-46	24 cc or less	Di-Ammonium Phosphate

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 above 12,500', slightly above normal pressures are expected from approximately 12,500' to TD. Bottom Hole Pressure estimated at 8,890 psi.
- The formations to be penetrated do not contain known H₂S gas.

DRILLING PLAN

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 project road(s) as shown in Exhibit B
- Water to be used for construction, drilling completion and dust suppression will be obtained through Temporary Change Application Number 90-218 (t32930) in the name of Marjorie J. Bryner for use of 0.5 cfs of water as evidenced by Water Right Number 90-218. The temporary change will be renewed when it expires on April 30, 2008. The water will be diverted from Nine Mile Creek at the Cottonwood Bridge (Section 3, T12S, R14E, SLB&M) or in Cottonwood Creek at an existing truck loading facility (Section 32, T12S, R16E, SLB&M);

12. **CEMENT SYSTEMS**

Surface Casing:

Lead Slurry: 575 sx (1,691 ft³) Rockies Lite w/ .125 pps Poly E Flake (LCM), 25 pps Kwik Seal (LCM)
Tail Slurry: 175 sx (313 ft³) Rockies Lite w/ .125 pps Poly E Flake (LCM), 25 pps Kwik Seal (LCM)

	<u>Lead</u>	<u>Tail</u>
Slurry Weight:	11.5 ppg	13.5 ppg
Slurry Yield:	2.94 ft ³ /sx	1.80 ft ³ /sx
Water Requirements:	17.83 gal/sx	9.33 gal/sx
Cement Top	0'	2,700'

Production Casing:

Tail Slurry: 1,630 sx (2,433 ft³) 50/50/1 Poz Premium w/ .2% WG17 (Gel), 3% KCl, 0.75% Halad 322 (fluid loss), 3 pps Silicalite compacted (free wtr control), .125 pps Poly E Flake (LCM), 1 pps Granulite TR (LCM)

	<u>Tail</u>
Slurry Weight:	13.4 ppg
Slurry Yield:	1.49 ft ³ /sx
Water Requirements:	7.05 gal/sx
Cement Top	3,100'

13. **ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS**

Starting Date: May 1, 2008
Duration: 55 days, drilling and 70 days completion

SURFACE USE PLAN

Attachment for Permit to Drill

Name of Operator: Petro-Canada Resources (USA), Inc.
Address: 999 18th Street, Suite 600
Denver, CO 80202
Well Location: Dry Creek 5-44
378' FSL & 932' FEL, SE/4 SE/4,
Section 5, T13S, R15E, SLB&M
Carbon County, UT

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

An off-lease federal right-of-way is requested with this application for the off-lease portion of the access corridor and pipeline corridor.

The BLM onsite inspection for the referenced well was conducted on Wednesday, September 26, 2007 at approximately 3:00 pm. In attendance at the onsite inspections were the following individuals:

Mike Stiewig	Associated Field Manager	Bureau of Land Management – Price
Don Stephens	Geologist	Bureau of Land Management – Price
Jeff Brower	Hydrologist	Bureau of Land Management – Price
David Waller	Wildlife Biologist	Bureau of Land Management – Price
Dennis Willis	Recreation Planner	Bureau of Land Management – Price
Tom Gnojek	Recreation Planner	Bureau of Land Management – Price
Mike Tweddell	Range and Wild Horse Spec.	Bureau of Land Management – Price
Brandon Bowthorpe	Surveyor	Uintah Engineering & Land Surveying
Kagan Davis	Survey Hand	Uintah Engineering & Land Surveying
Don Hamilton	Agent	Buys & Associates, Inc.

1. Location of Existing Roads

- a. The proposed well site is located approximately 13.36 miles northeast of Sunnyside, Utah.
- b. The use of roads under State and County Road Department maintenance are necessary to access the Twin Hollow area. However, an encroachment permit is not anticipated since no upgrades to the State or County Road system are proposed at this time.
- c. A road maintenance agreement is presently in place between Petro-Canada, other operators in the area and Carbon County.
- 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 issued to Petro-Canada is presently in place for use of the Cottonwood Canyon access Road back to the Carbon County maintained Nine Mile Canyon Road.

- g. Petro-Canada proposes to utilize a 2.7 mile segment of the existing road from the Cottonwood Canyon access road towards the Dry Creek area with no improvements proposed. BLM approval to utilize this 2.7 mile segment of existing road presently utilized to access the Bill Barrett Corporation 16-34 is requested with this application.

2. Planned Access Roads:

- a. From the existing 16-34 access road a new access is proposed trending southwest approximately 0.9 miles then northwest approximately 0.35 miles to the proposed well site. The road 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 entirely BLM managed surface.
- d. BLM approval to construct the new access corridor is requested with this application.
- e. A maximum grade of 10% will be maintained throughout the project.
- f. No turnouts are proposed.
- g. No low water crossings and one 18' culvert at the spur road intersection with the 16-34 road is anticipated. Adequate drainage structures will be incorporated into the remainder of the road.
- h. No surfacing material will come from federal or Indian 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. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (Gold Book –Fourth Edition - Revised 2007).
- l. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. No existing wells are located within a one mile radius of the proposed well.

4. Location of Existing and/or Proposed Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Olive Black to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.

- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- d. A two-tank battery will be constructed on this well site; it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. Production facilities will be centralized and placed to minimize visual impacts to the surrounding area.
- h. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- i. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the southeast side of the well site and traverse 1,869' southeast then 0.9 miles northeast to the existing 12" surface pipeline owned and operated by Bill Barrett Corporation that services the 16-34.
- j. Alternate pipeline sites have been evaluated since staking of the well and are not reasonable because of increased surface disturbance resulting from longer routes or routes that do not follow existing disturbance.
- k. The new gas pipeline will be a 10" or less steel buried pipeline within a 70' wide utility corridor. Construction of the pipeline corridor will temporarily utilize the 30' disturbed width for the road for a total disturbed width of 100' for the road and pipeline corridors. The use of the proposed well sites and existing and proposed access roads will facilitate the staging of the pipeline construction. A new pipeline length of approximately 1.25 miles is associated with this well.
- l. Petro-Canada intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Petro-Canada intends on connecting the pipeline together utilizing conventional welding technology.
- m. The pipeline will be buried unless surface rock exists or conditions encountered during construction prohibit the burial of the pipeline.

5. **Location and Type of Water Supply:**

- a. The location and type of water supply has been addressed as number 11 within the previous drilling plan information.

6. **Source of Construction Material:**

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. **Methods of Handling Waste:**

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located outboard of the location and along the southwest side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 16 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Uintah County Landfill near Vernal, Utah.
- i. Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

- j. After initial clean-up, a 400 bbl tank will be installed to contain produced waste water. This water will be transported from the tank to an approved commercial disposal well for disposal near Roosevelt, Utah.
- k. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- l. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. A complete drilling crew camp is being proposed with this application and will be located central to the project area on a proposed and permitted well site. The central crew camp will be analyzed in detail within the associated Environmental Assessment being completed for the project.

9. Well Site Layout:

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the southeast.
- c. The pad and road designs are consistent with BLM specification
- d. A pre-construction meeting with responsible company representative, contractors and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size of; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.

- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface (Interim Reclamation and Final Reclamation):

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours.
- c. Following BLM published Best Management Practices the interim reclamation will be completed within 90 days of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
 - a. All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured.
 - b. The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded at 12 lbs /acre with the following native grass seeds:
 - 1. Crested Wheat Grass (4 lbs / acre)
 - 2. Needle and Thread Grass (4 lbs / acre)
 - 3. Rice Grass (4 lbs / acre)
 - c. Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.
- d. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- e. Prior to final abandonment of the site, all disturbed areas, including the access road, will be recontoured, scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended final reclamation seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership – Federal under the management of the Bureau of Land Management - Price Field Office, 125 South 600 West, Price, Utah 84501; 435-636-3608.
- b. Mineral Ownership – Federal under the management of the Bureau of Land Management - Price Field Office, 125 South 600 West, Price, Utah 84501; 435-636-3608.

12. **Other Information:**

- a. Operators Contact Information:
 - o Alan Vrooman – Company Representative
303-350-1171 (office)
303-903-7520 (mobile)
Alan.Vrooman@petro-canada.com
 - o Don Hamilton - Agent
435-719-2018 (office)
435-719-2018 (mobile)
starpoint@etv.net
- b. Buys & Associates, Inc. has conducted a Class III archeological survey. A copy of the pending report will be submitted under separate cover to the appropriate agencies by Buys & Associates, Inc.
- c. A paleontological survey has not been required but a BLM approved paleontologist will be present and monitor construction activities during the excavation of bedrock.
- d. Our understanding of the results of the onsite inspection are:
 - a. No Threatened and Endangered flora and fauna species were found during the onsite inspection.
 - b. No drainage crossings that require additional State or Federal approval are being crossed.
 - c. Production facilities will all be low-profile and located outside the viewshed of Dry Canyon.
 - d. A screen of trees will be left between the well site and the slope to the west.
 - e. The proposed road does not utilize the existing road into the area because of its encroachment into Sage Grouse Habitat. The new road alignment is staked to avoid Sage Grouse habitat.
 - f. The existing road will be ripped and reclaimed during construction of the new road.

Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application and that bond coverage is provided under Petro-Canada Resources (USA), Inc. BLM bond UT 1215. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 4th day of January, 2008.

Don Hamilton

Don Hamilton -- Agent for Petro-Canada Resources (USA), Inc.
2580 Creekview Road
Moab, Utah 84532

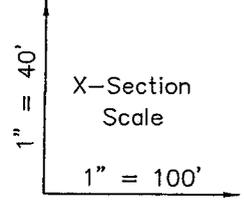
435-719-2018
starpoint@etv.net

PETRO-CANADA RESOURCES (USA), INC.

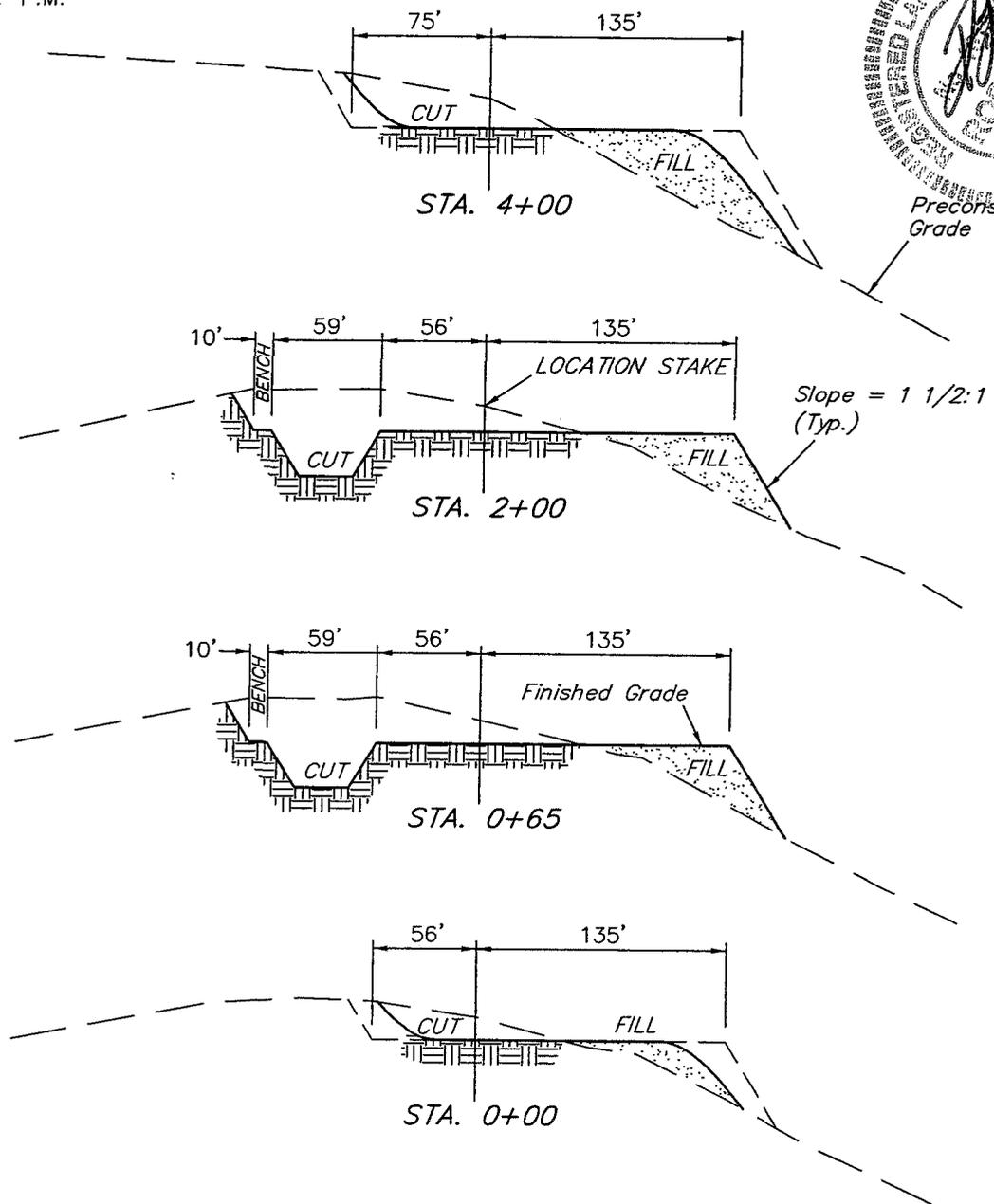
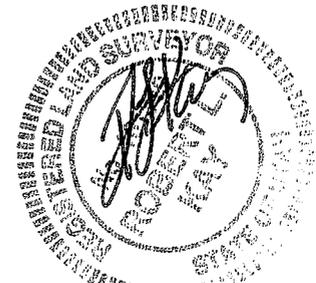
FIGURE #2

TYPICAL CROSS SECTIONS FOR

DRY CREEK #5-44
SECTION 5, T13S, R15E, S.L.B.&M.
378' FSL 932' FEL



DATE: 10-31-07
DRAWN BY: P.M.



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 2,300 Cu. Yds.
Remaining Location	= 16,690 Cu. Yds.
TOTAL CUT	= 18,990 CU. YDS.
FILL	= 15,380 CU. YDS.

EXCESS MATERIAL	= 3,610 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,610 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

PETRO-CANADA RESOURCES (USA), INC.

DRY CREEK #5-44
LOCATED IN CARBON COUNTY, UTAH
SECTION 5, T13S, R15E, S.L.B.&M.



PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

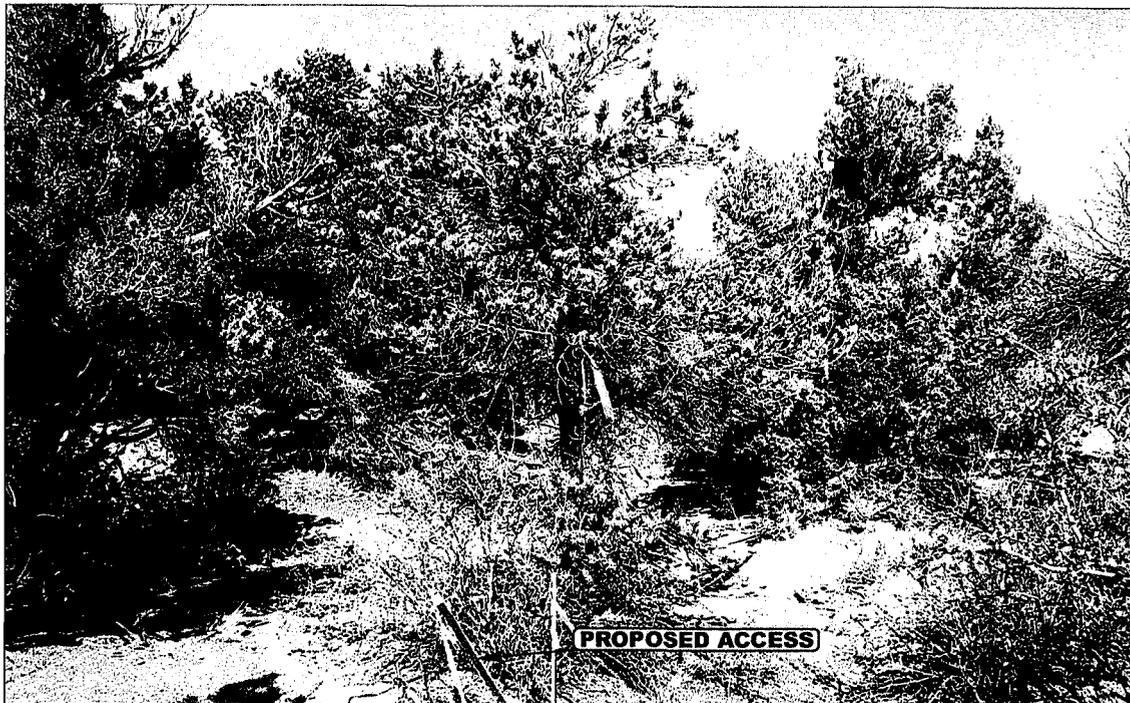


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

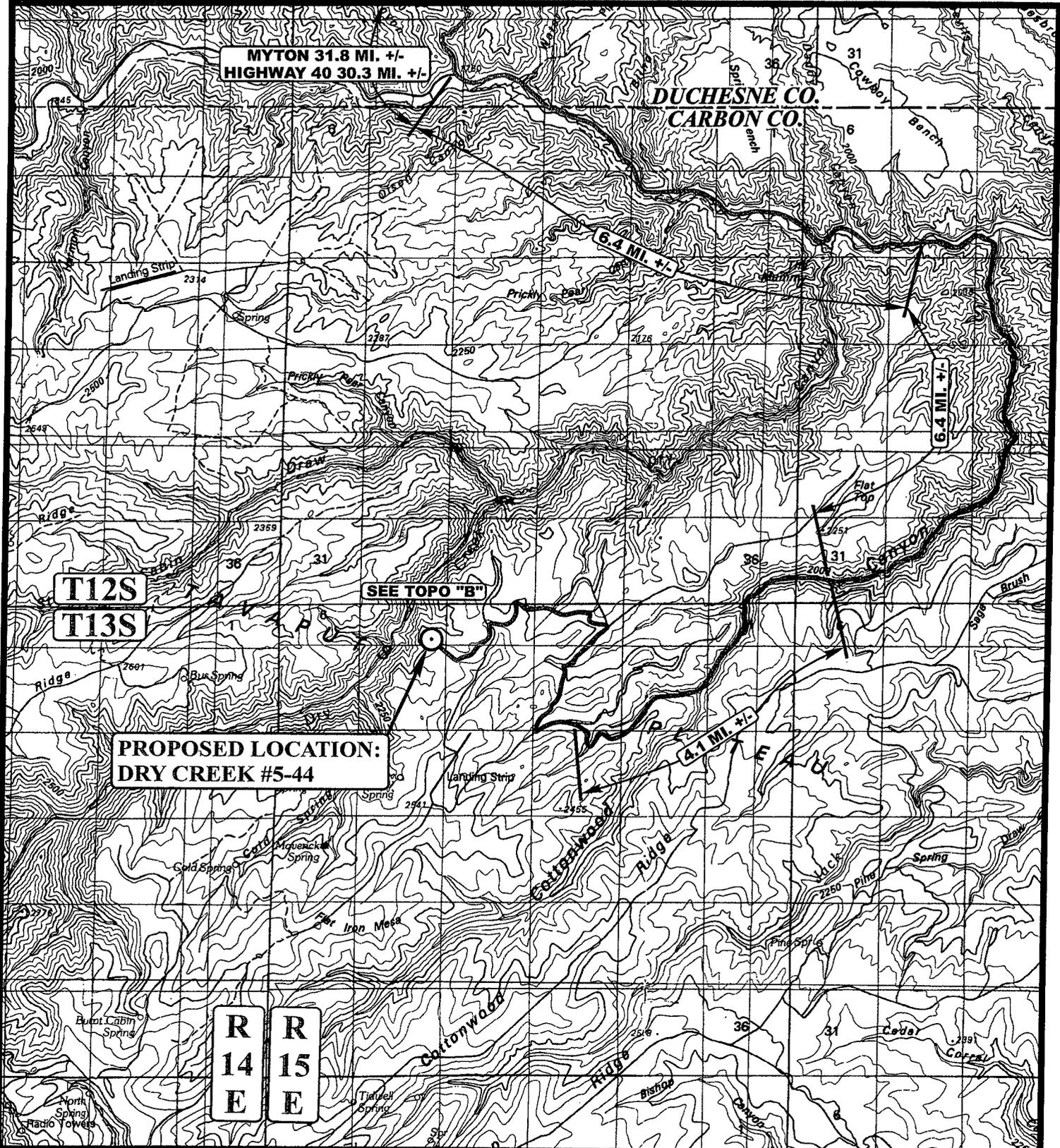
CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	10	18	07	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: B.B.	DRAWN BY: C.P.		REVISED: 00-00-00	



LEGEND:
 ○ PROPOSED LOCATION

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

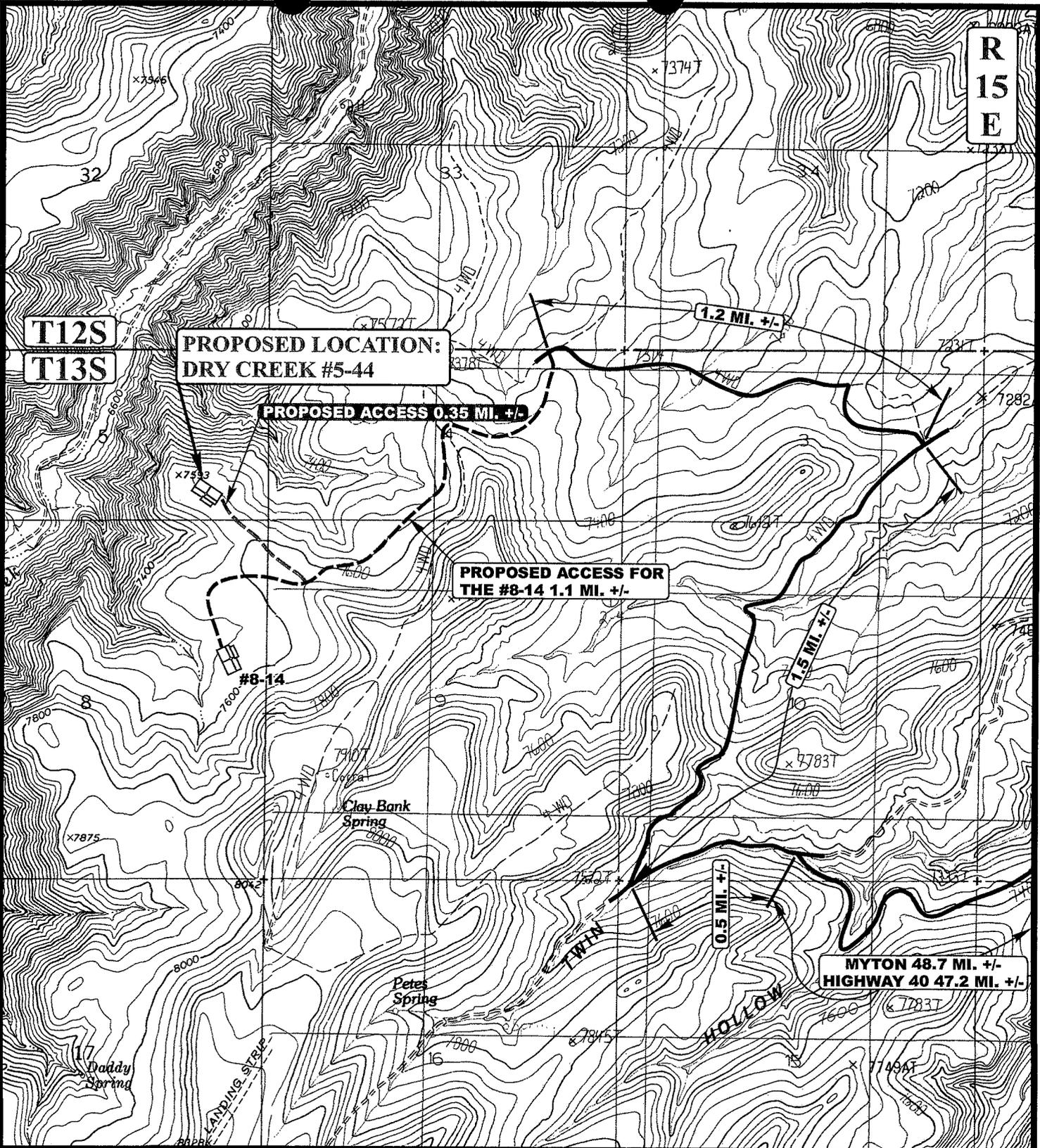


PETRO-CANADA RESOURCES (USA), INC.

DRY CREEK #5-44
 SECTION 5, T13S, R15E, S.L.B.&M
 378' FSL 932' FEL

TOPOGRAPHIC MAP 10 18 07
 MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





**R
15
E**

**T12S
T13S**

**PROPOSED LOCATION:
DRY CREEK #5-44**

PROPOSED ACCESS 0.35 MI. +/-

**PROPOSED ACCESS FOR
THE #8-14 1.1 MI. +/-**

#8-14

**Clay Bank
Spring**

**Petes
Spring**

**Daddy
Spring**

LANDING STRIP

TWIN

HOLLOW

**MYTON 48.7 MI. +/-
HIGHWAY 40 47.2 MI. +/-**

LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

PETRO-CANADA RESOURCES (USA), INC.

**DRY CREEK #5-44
SECTION 5, T13S, R15E, S.L.B.&M
378' FSL 932' FEL**

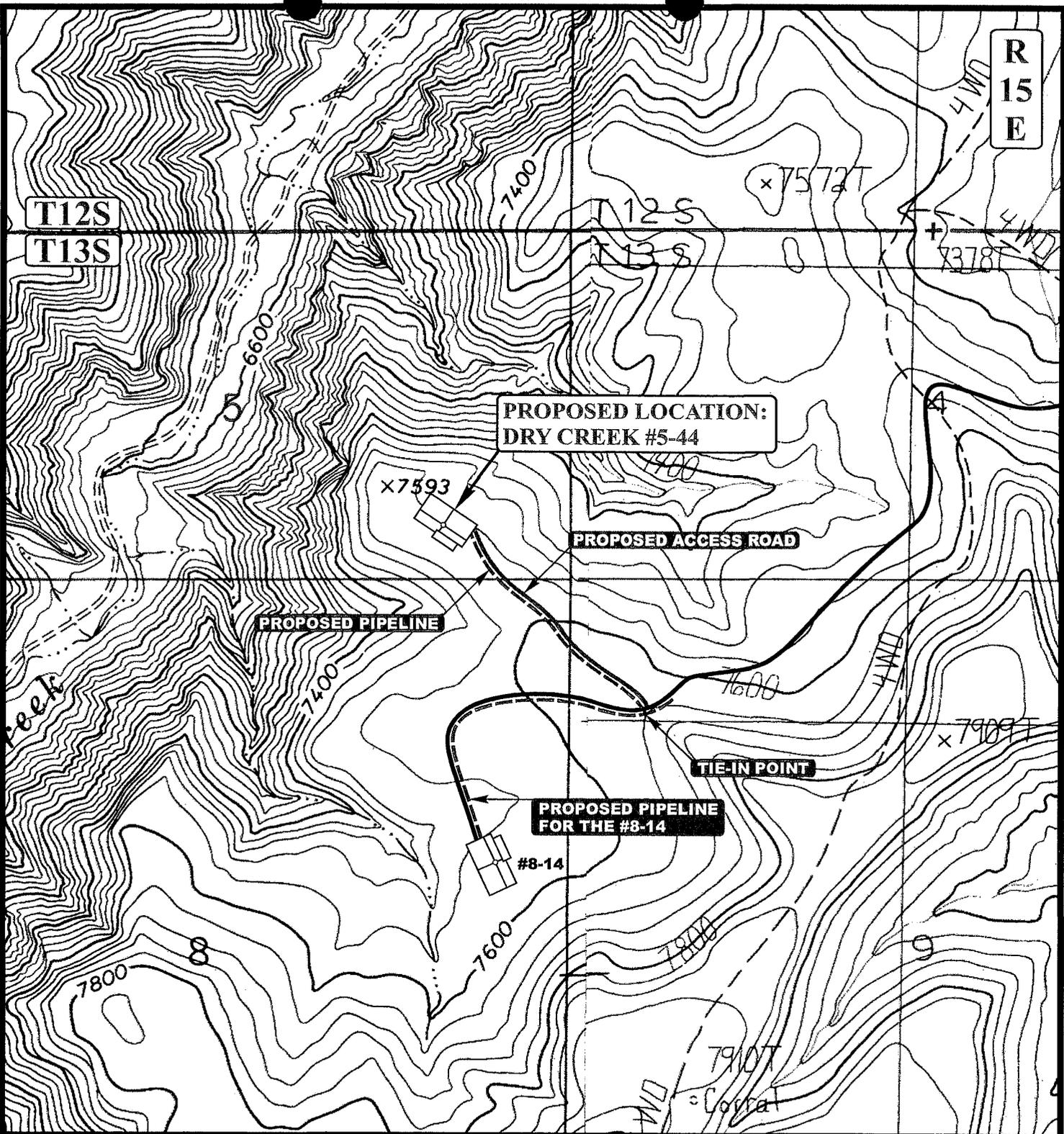


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 10 18 07
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,869' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)

PETRO-CANADA RESOURCES (USA), INC.

DRY CREEK #5-44
SECTION 5, T13S, R15E, S.L.B.&M
378' FSL 932' FEL

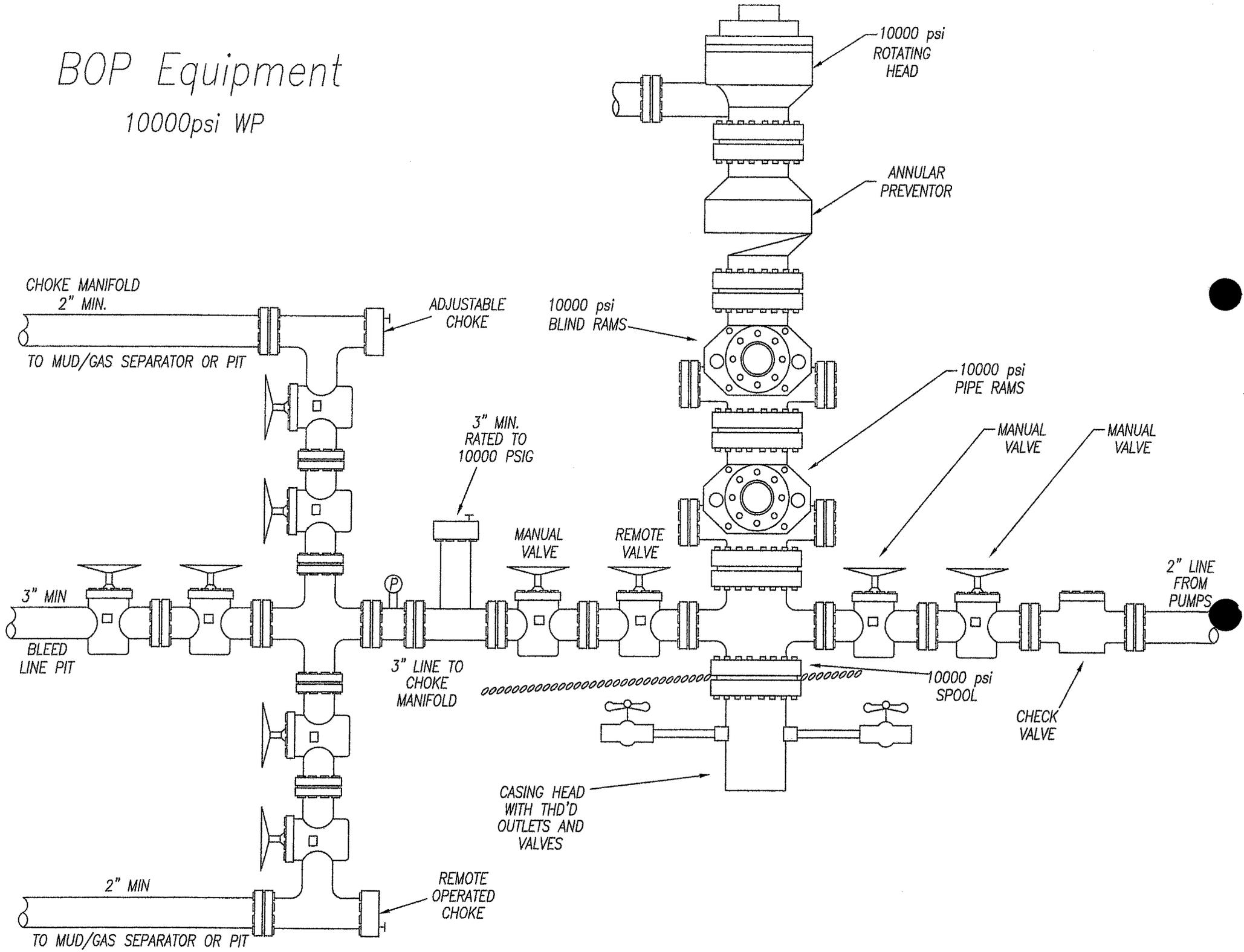
U&L S Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP 10 18 07
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. [REVISED: 00-00-00] **C TOPO**

BOP Equipment

10000psi WP



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/07/2008

API NO. ASSIGNED: 43-007-31338

WELL NAME: DRY CREEK FED 5-44
 OPERATOR: PETRO-CANADA RESOURCES (N2705)
 CONTACT: DON HAMILTON

PHONE NUMBER: 303-297-2100

PROPOSED LOCATION:

SESE 05 130S 150E
 SURFACE: 0378 FSL 0932 FEL
 BOTTOM: 0378 FSL 0932 FEL
 COUNTY: CARBON
 LATITUDE: 39.71710 LONGITUDE: -110.2538
 UTM SURF EASTINGS: 563957 NORTHINGS: 4396415
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-076713
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: DKTA
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT 1215)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 90-218)
- RDCC Review (Y/N)
(Date: _____)
- 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: 256-1
- Eff Date: 12-16-2004
- Siting: 460' fr u bary 5' uncomm. track
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval

PRICKLEY PEAR UNIT

T12S R15E

T13S R15E

6

FEDERAL 42-5

5

4

FEDERAL 43-5

DRY CREEK FED 5-44

CAUSE: 256-01 / 12-16-2004

DRY CREEK FED 8-44

7

NUTTER RANCH UNIT

OPERATOR: PETRO-CANADA RES (N2705)

SEC: 5,8 T.13S R. 15S

FIELD: WILDCAT (001)

COUNTY: CARBON

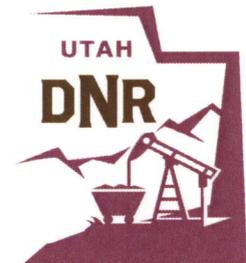
CAUSE: 256-01 / 12-16-2004

- 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



OIL, GAS & MINING



PREPARED BY: DIANA MASON
DATE: 08-JANUARY-2008



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

January 8, 2008

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

Re: Dry Creek Federal 5-44 Well, 378' FSL, 932' FEL, SE SE, Sec. 5, T. 13 South,
R. 15 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 43-007-31338.

Sincerely,

for Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab Office



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

Well Name & Number Dry Creek Federal 5-44

API Number: 43-007-31338

Lease: UTU-076713

Location: SE SE Sec. 5 T. 13 South R. 15 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

Notify the Division with 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact 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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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

FORM 9

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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-076713
2. NAME OF OPERATOR: Petro-Canada Resources (USA) Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 999 18th St, Suite 600 CITY Denver STATE CO ZIP 80202-2499 PHONE NUMBER: (303) 297-2100		7. UNIT or CA AGREEMENT NAME: undesigned
4. LOCATION OF WELL FOOTAGES AT SURFACE: 378' FSL & 932' FEL, QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 5 13S 15E S		8. WELL NAME and NUMBER: DRY CREEK FED 5-44
		9. API NUMBER: 4300731338
		10. FIELD AND POOL, OR WILDCAT: undesigned
		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"/> 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 first extension that has been requested with the original permit being approved 1/8/08.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-22-08
By: [Signature]

NAME (PLEASE PRINT) <u>Don Hamilton</u>	TITLE <u>Agent for Petro-Canada Resources (USA), Inc.</u>
SIGNATURE <u>Don Hamilton</u>	DATE <u>12/17/2008</u>

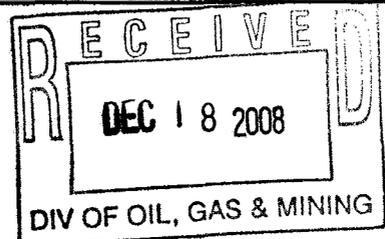
(This space for State use only)

COPY SENT TO OPERATOR

(5/2000)

Date: 12.30.2008
Initials: KS

(See Instructions on Reverse Side)



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

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

API: 4300731338
Well Name: DRY CREEK FED 5-44
Location: 378' FSL & 932' FEL, SESE, S. 5, T13S, R15E,
Company Permit Issued to: Petro-Canada Resources (USA) Inc.
Date Original Permit Issued: 1/8/2008

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

12/17/2008
Date

Title: Agent

Representing: Petro-Canada Resources (USA) Inc.

<p>STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING</p>	<p>FORM 9</p>
<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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.</p>	<p>5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-076713</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</p> <p>7. UNIT or CA AGREEMENT NAME:</p>
<p>1. TYPE OF WELL Gas Well</p>	<p>8. WELL NAME and NUMBER: DRY CREEK FED 5-44</p>
<p>2. NAME OF OPERATOR: PETRO-CANADA RESOURCES (USA), INC</p>	<p>9. API NUMBER: 43007313380000</p>
<p>3. ADDRESS OF OPERATOR: 999 18th Street, Sutie 600 , Denver, CO, 80202</p>	<p>PHONE NUMBER: 303 297-2100 Ext</p>
<p>4. LOCATION OF WELL FOOTAGES AT SURFACE: 0378 FSL 0932 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 05 Township: 13.0S Range: 15.0E Meridian: S</p>	<p>9. FIELD and POOL or WILDCAT: WILDCAT</p> <p>COUNTY: CARBON</p> <p>STATE: UTAH</p>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<p><input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/1/2010</p> <p><input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:</p> <p><input type="checkbox"/> SPUD REPORT Date of Spud:</p> <p><input type="checkbox"/> DRILLING REPORT Report Date:</p>	<p><input type="checkbox"/> ACIDIZE</p> <p><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</p> <p><input type="checkbox"/> CHANGE WELL STATUS</p> <p><input type="checkbox"/> DEEPEN</p> <p><input type="checkbox"/> OPERATOR CHANGE</p> <p><input type="checkbox"/> PRODUCTION START OR RESUME</p> <p><input type="checkbox"/> REPERFORATE CURRENT FORMATION</p> <p><input type="checkbox"/> TUBING REPAIR</p> <p><input type="checkbox"/> WATER SHUTOFF</p> <p><input type="checkbox"/> WILDCAT WELL DETERMINATION</p>	<p><input type="checkbox"/> ALTER CASING</p> <p><input type="checkbox"/> CHANGE TUBING</p> <p><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</p> <p><input type="checkbox"/> FRACTURE TREAT</p> <p><input type="checkbox"/> PLUG AND ABANDON</p> <p><input type="checkbox"/> RECLAMATION OF WELL SITE</p> <p><input type="checkbox"/> SIDETRACK TO REPAIR WELL</p> <p><input type="checkbox"/> VENT OR FLARE</p> <p><input type="checkbox"/> SI TA STATUS EXTENSION</p> <p><input type="checkbox"/> OTHER</p>	<p><input type="checkbox"/> CASING REPAIR</p> <p><input type="checkbox"/> CHANGE WELL NAME</p> <p><input type="checkbox"/> CONVERT WELL TYPE</p> <p><input type="checkbox"/> NEW CONSTRUCTION</p> <p><input type="checkbox"/> PLUG BACK</p> <p><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</p> <p><input type="checkbox"/> TEMPORARY ABANDON</p> <p><input type="checkbox"/> WATER DISPOSAL</p> <p><input checked="" type="checkbox"/> APD EXTENSION</p> <p>OTHER: </p>

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.

**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 43007313380000

API: 43007313380000

Well Name: DRY CREEK FED 5-44

Location: 0378 FSL 0932 FEL QTR SESE SEC 05 TWP 130S RNG 150E MER S

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

Date Original Permit Issued: 1/8/2008

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**

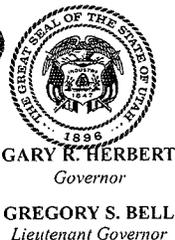
Signature: Don Hamilton

Date: 12/4/2009

Title: Permitting Agent (Buys & Associates, Inc)

Representing: PETRO-CANADA RESOURCES (USA), INC

Date: December 14, 2009
By: 



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 27, 2011

Petro-Canada Resources (USA) Inc.
1625 Broadway, Suite 2200
Denver, CO 80202-4725

Re: APD Rescinded – Dry Creek Fed 5-44, Sec. 5, T. 13S, R. 15E
Carbon County, Utah API No. 43-007-31338

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 January 8, 2008. On December 22, 2008 and December 14, 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 January 27, 2011.

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
Bureau of Land Management, Price

