

**INDEMNITY REGARDING A VERTICAL ENLARGEMENT OF THE
DUNVEGAN GAS UNIT NO. 1 (THE "UNIT")**

This Indemnity is effective as of the 1st day of January, 2010.

WHEREAS the Working Interest Owners of the Unit have approved the vertical enlargement of the Unit, pursuant to clause 902 therein, to add the Upper Debolt as part of the Unitized Zone in certain Unit lands as further described and evidenced in the approved Unit mail ballot 09-12 entitled, Dunvegan Unit Vertical Enlargement to Include the Upper Debolt;

WHEREAS, pursuant to the aforementioned approved Unit mail ballot, the Working Interest Owners have agreed, in lieu of preparing a third party title opinion, to provide each other with a cross indemnity regarding each Working Interest Owner's title to the Upper Debolt lands contributed to the Unit enlargement;

WHEREAS Yeti Contractors Ltd. ("Yeti") is a Working Interest Owner in the Unit and has contributed its title to certain Upper Debolt lands to the Unit enlargement;

NOW THEREFORE, for good and adequate consideration, the receipt and sufficiency of which is acknowledged, this Indemnity is provided by Yeti to the remaining Working Interest Owners of the Unit as follows:

1. As of the date of this Indemnity written above, Yeti represents to all other Working Interest Owners in the Unit, that its Working Interest in the Upper Debolt lands contributed to the enlargement ("Yeti Contributed Interest"), as further set out and described in Exhibit "A" attached hereto beside its name outlined therein is valid, correct and accurate and that it is not aware of any adverse claims by the other Parties or third parties to the contrary. Yeti's representation hereunder is provided to each Working Interest Owner on a separate basis having the same effect as if Yeti had provided a separate Indemnity to each such Party as set out herein.
2. Yeti hereby indemnifies and holds harmless the other Working Interest Owners against all losses, damage, expenses, interest, charges, assessments, damages, liabilities, fines and penalties, and all reasonable costs incurred in defending or negotiating the settlement or resolution of any actions or causes of action, including reasonable legal and other professional fees and expenses on a "solicitor and his own client" basis, (but notwithstanding the foregoing shall not include any liability for indirect, exemplary, special or punitive damages) suffered, paid, incurred or sustained by the other Working Interest Owners and caused by or arising from the inaccuracy or breach of Yeti's title representation set out in clause 1 above and in addition, for any claims or rights by a Royalty

Owner or a third party royalty or other encumbrance holder against the Yeti Contributed Interest.

3. The terms of this Indemnity express and constitute the entire terms and conditions in relation thereto and no implied covenants or liability of any kind on the part of Yeti is created or shall arise by reason of anything contained in this Indemnity.
4. This Indemnity is subject to the laws of the Province of Alberta and Yeti, and its successors and assigns, hereby attorn to the jurisdiction of the courts of Alberta in all proceedings arising under this Indemnity.
5. This Indemnity shall inure to the benefit of and be binding upon Yeti and its respective successors and permitted assigns.
6. All capitalized terms used herein shall have the meanings ascribed to those terms in the Unit Agreement and unit Operating Agreement comprising the Unit.
7. Yeti will, with reasonable diligence, perform all acts, execute and deliver all documents and instruments, do all such things and provide all such reasonable assurances as may be reasonably necessary or desirable to give effect to the provisions of this Indemnity.
8. This Indemnity shall not be binding on Yeti and shall be void, unless and until all other Working Interest Owners have executed and contributed an indemnity to Yeti in the same form as this Indemnity, and once the vertical enlargement of the Unit described herein has occurred by February 1, 2010.
9. This Indemnity shall be in force and effect for a term equal to the length of time that the Yeti Contributed Interest remains unitized under the Unit and only to the extent of such part of the Yeti Contributed Interest that remains unitized by the Unit from time to time.

IN WITNESS WHEREOF, Yeti has executed this Agreement effective as of the date set forth above.

YETI CONTRACTORS LTD.

Per: _____


A.N. BUTLER
Vice-President

THIS AND THE FOLLOWING FIVE (5) PAGES COMPRISE EXHIBIT "A"
ATTACHED TO AND FORMING A PART OF AN INDEMNITY OF YETI
CONTRACTORS LTD. PERTAINING TO AN ENLARGEMENT OF THE
DUNVEGAN GAS UNIT NO. 1

TRACT	LAND DESCRIPTION	WORKING INTEREST OWNER	SHARE OF WORKING INTEREST (%)
1	<u>TWP. 80, RGE. 3 W6M</u> SEC. 29	DEVON	43.37273
		ARDEE	0.27137
		BARNWELL	17.81250
		CHAIR	2.10938
		TAQA	2.05078
		PENGROWTH	26.34827
		SIGNALTA	5.35937
		W.F.BROWN	1.53809
		119307	1.13751
1(a)	<u>TWP. 80, RGE. 3 W6M</u> SEC. 14	DEVON	45.11813
		ARDEE	0.27137
		BARNWELL	17.81250
		CHAIR	2.10938
		TAQA	2.05078
		PENGROWTH	24.60287
		SIGNALTA	5.35937
		W.F.BROWN	1.53809
		119307	1.13751
2	<u>TWP. 80, RGE. 3 W6M</u> SECS. 1 & 2 SE 1/4 & N 1/2 SEC. 7 SECS. 11, 12 & 13 SEC. 16 SEC. 17 SEC. 18 SEC. 27	DEVON	40.15562
		ARDEE	1.92191
		ARC	2.45365
		BARNWELL	11.87500
		CHAIR	1.79688
		PENGROWTH	24.02705
		TAQA	2.05078
		SIGNALTA	6.12500
		W.F.BROWN	1.53809
		119307	8.05602
2(a)	<u>TWP. 80, RGE. 3 W6M</u> SEC. 28 SEC. 32	DEVON	37.77934
		ARDEE	6.88772
		BARNWELL	11.87500
		CHAIR	1.79688
		PENGROWTH	3.07617

		TAQA	2.05078
		SIGNALTA	6.12500
		W.F.BROWN	1.53809
		119307	28.87102
3	<u>TWP. 80, RGE. 3 W6M</u>	DEVON	43.58614
	SEC. 3	ARDEE	5.22174
	S 1/2 & NE 1/4 SEC. 4	BARNWELL	14.25000
	PTN. NW 1/4 SEC. 4 CROWN	CHAIR	2.15625
	<u>TWP. 80, RGE. 4 W6M</u>	PENGROWTH	3.69141
	SEC. 13	TAQA	2.46094
	SEC. 14	SIGNALTA	4.90000
	SECS. 28, 32, 33	W.F.BROWN	1.84570
		119307	21.88782
4	<u>TWP. 80, RGE. 3 W6M</u>	DEVON	56.50841
	SW 1/4 & N 1/2 SEC. 8	ARDEE	0.54275
	PTN. SE 1/4 SEC. 8 CROWN	389592	1.17188
	SE 1/4 & N 1/2 SEC. 9	BARNWELL	23.75000
	PTN. SW 1/4 SEC. 9 CROWN	CHAIR	1.25000
	SECS. 10 & 15	PENGROWTH	6.15234
	SEC. 19	TAQA	4.10157
	SECS. 20, 21, 22 & 23	W.F.BROWN	3.07617
	N 1/2 SEC 30	YETI	1.17187
	S 1/2 SEC. 30	119307	2.27501
	SEC. 31		
	<u>TWP. 80, RGE. 4 W6M</u>		
	SEC. 24		
	SEC. 35		
4(a)	<u>TWP. 80, RGE. 4 W6M</u>	DEVON	71.87956
	SEC. 25	BARNWELL	17.81250
		CHAIR	1.42025
		PENGROWTH	1.74657
		TAQA	3.07617
		W.F. BROWN	2.30713
		YETI	0.87891
		389592	0.87891
5	<u>TWP. 81, RGE. 4 W6M</u>	DEVON	67.85336
	SECS. 12 & 14	BARNWELL	20.78125
		CHAIR	3.79288
		PENGROWTH	1.29199
		TAQA	3.58887
		W.F. BROWN	2.69165

5(a) TWP. 81, RGE. 4 W6M
SEC. 1
SEC. 11

DEVON	67.52156
BARNWELL	20.78125
CHAIR	2.02006
PENGROWTH	1.34583
TAQA	3.58887
W.F. BROWN	2.69165
YETI	1.02539
389592	1.02539

6 TWP. 81, RGE. 4 W6M
SEC. 2

DEVON	67.85336
BARNWELL	20.78125
CHAIR	3.79288
PENGROWTH	1.29199
TAQA	3.58887
W.F. BROWN	2.69165

7 TWP. 81, RGE. 4 W6M
SECS. 3 & 10

DEVON	80.89146
CHAIR	5.69134
PENGROWTH	2.25184
TAQA	6.38021
W.F. BROWN	4.78515

8 TWP. 81, RGE. 4 W6M
SECS. 4 & 15

DEVON	80.89146
CHAIR	5.69134
PENGROWTH	2.25184
TAQA	6.38021
W.F. BROWN	4.78515

8(a) TWP. 81, RGE. 4 W6M
SEC. 9

DEVON	80.89145
CHAIR	5.69134
PENGROWTH	2.25184
TAQA	6.38021
W.F. BROWN	4.78516

9 TWP. 81, RGE. 4 W6M
SEC. 5
S 1/2 & NE 1/4 SEC. 6

DEVON	80.89146
CHAIR	5.69134
PENGROWTH	2.25184
TAQA	6.38021
W.F. BROWN	4.78515

12(a) TWP. 81, RGE. 5 W6M

DEVON	42.72293
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W 1/2 SEC. 13
SECS. 14, 23 & 25
TWP. 81 RGE. 4 W6M
S 1/2 SEC. 7, SEC. 21, 28, 29,
30, 31, 32

ARDEE	0.56465
ARC	1.01180
BARNWELL	19.00000
CHAIR	1.00000
CUMULUS	6.55333
TAQA	4.37500
PENGROWTH	16.62422
W.F. BROWN	3.28125
YETI	1.25000
119307	2.36682
389592	1.25000

12(b) TWP. 81, RGE. 4 W6M
SEC. 20
TWP. 81, RGE. 5 W6M
SEC. 24

DEVON	55.46894
BARNWELL	9.50000
CHAIR	1.75000
ARC	1.07848
TAQA	6.35417
PENGROWTH	21.08279
W.F. BROWN	4.76562

12(c) TWP. 81, RGE. 4 W6M
SEC. 17

DEVON	56.51352
ARDEE	1.40372
BARNWELL	9.50000
CHAIR	1.75000
TAQA	6.35417
PENGROWTH	13.82901
W.F. BROWN	4.76563
119307	5.88395

12(d) TWP. 81, RGE. 4 W6M
SEC. 8

DEVON	52.99573
BARNWELL	14.25000
CHAIR	2.62500
TAQA	5.36458
PENGROWTH	20.74125
W.F. BROWN	4.02344

13 TWP. 81, RGE. 4 W6M
W 1/2 SEC. 16
TWP. 81, RGE. 5 W6M
NW 1/4 SEC. 12

DEVON	45.39857
ARDEE	0.50083
BARNWELL	19.00000
CHAIR	1.00000
ARC	0.83370
TAQA	4.37500
PENGROWTH	21.01133
W.F. BROWN	3.28125
YETI	1.25000

		119307	2.09932
		389592	1.25000
14	<u>TWP. 81, RGE. 4 W6M</u> N 1/2 SEC. 7 SEC. 18 SEC. 19 <u>TWP. 81, RGE. 5 W6M</u> NE 1/4 SEC. 12 E 1/2 SEC. 13	DEVON TAQA PENGROWTH W.F. BROWN	68.48389 8.33333 16.93278 6.25000
15	<u>TWP. 81, RGE. 5 W6M</u> S 1/2 & NW 1/4 SEC. 26 SEC. 36	DEVON CHAIR PENGROWTH TAQA W.F. BROWN	79.10070 5.56536 2.57353 7.29166 5.46875
15(a)	<u>TWP. 81, RGE. 5 W6M</u> NE 1/4 SEC. 26	DEVON CHAIR PENGROWTH TAQA W.F. BROWN	80.89145 5.69135 2.25184 6.38020 4.78516
17	<u>TWP. 81, RGE. 3 W6M</u> SEC. 6	DEVON BARNWELL CHAIR PENGROWTH TAQA W.F. BROWN	67.85336 20.78125 3.79288 1.29199 3.58887 2.69165
19	<u>TWP. 81, RGE. 4 W6M</u> SEC. 22	DEVON CHAIR PENGROWTH TAQA W.F. BROWN	80.89145 5.69134 2.25184 6.38021 4.78516
20	<u>TWP. 80, RGE. 3 W6M</u> PTN. NW 1/4 SEC. 4 FREEHOLD PTN SE 1/4 SEC. 8 FREEHOLD PTN. SW 1/4 SEC. 9 FREEHOLD	DEVON BARNWELL CHAIR TAQA PENGROWTH SIGNALTA	47.84527 11.87500 1.79688 2.05078 28.76898 6.12500

W.F. BROWN 1.53809

21 TWP. 80, RGE. 4 W6M
SEC. 23
SECS. 26 & 34
SEC. 36

ARC 100.00000

22 TWP. 81, RGE. 4 W6M
E 1/2 SEC. 16

PRAIRIE
BIRCH 100.00000

24 TWP. 80, RGE. 4 W6M
SEC. 27

PRAIRIE
BIRCH 100.00000