

**DRAFT MAJOR MODIFICATION TO PERMIT NO. NN207000002 ISSUED TO
RESOLUTE NATURAL RESOURCES COMPANY**

In accordance with 40 CFR §144.39, it is understood and agreed that this permit has been modified to allow a substantial increase to the authorized injection rate in the Aneth Unit C-113 LDVL Class IID injection well over the ten (10) year term of the permit. The final permit, which was issued effective December 6, 2007, authorized an average injection rate of 7,500 barrels of water per day (BWPD), or a monthly volume of 228,000 barrels, and a maximum injection rate of 10,000 BWPD on a daily basis, subject to the maximum allowable injection pressure of 3,800 psig. This permit modification increases the authorized average injection rate to 25,000 BWPD on a monthly basis (775,000 barrels per month) and maximum injection rate to 35,000 BWPD on a daily basis. However, the cumulative volume injected over the ten-year permit term is limited to a total of 52,155,000 barrels (14,289 BWPD average rate). The average injection rate is projected to gradually decrease from an initial rate of 25,000 BWPD to 10,000 BWPD in 2012 and thereafter to the end of ten-year term of the permit on December 6, 2017, due to the decreasing capacity of the well and the decreasing amounts of produced water in the Aneth Unit over the ten-year term of the permit. In no case shall the cumulative volume injected exceed 52,155,000 barrels without a further major modification to the permit.

The permit has been modified to incorporate the following changes and the conditions now read as follows:

PART II. SPECIFIC PERMIT CONDITIONS

C. WELL OPERATION.

4. Injection Volume (Rate) Limitation

- (a) The maximum injection rate shall be limited to 35,000 barrels per day on a daily basis, subject to the maximum allowable injection pressure established pursuant to conditions described in Part C.3. The average injection rate shall be limited to 25,000 barrels per day or 775,000 barrels per month, subject to the maximum cumulative injected volume of 52,155,000 barrels over the ten-year term of the permit and the maximum allowable injection pressure. The cumulative volume injected shall be recorded annually and reported to EPA on the annual monitoring report pursuant to conditions described in Part D.4.

All other permit conditions remain unchanged.

This modification to become effective on _____

Alexis Strauss
Director, Water Division