

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re: : Chapter 11
: :
TRIDENT RESOURCES CORP., et al., : Case No. 09-____ (____)
: :
: :
Debtors. : (Jointly Administered)
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**DEBTORS' MOTION PURSUANT TO SECTIONS 105(a)
AND 503(b) OF THE BANKRUPTCY CODE (I) CONFIRMING
THE GRANT OF ADMINISTRATIVE EXPENSE STATUS TO
OBLIGATIONS ARISING FROM POSTPETITION SERVICES AND
(II) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO PAY
SUCH OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS**

The above-captioned debtors and debtors in possession (each a "Debtor" and collectively, the "Debtors")¹ file this Motion (the "Motion") for entry of an order under sections 105(a) and 503(b) of title 11 of the United States Code (the "Bankruptcy Code") (i) confirming the administrative expense priority status of the Debtors' undisputed obligations for the postpetition delivery of goods and provision of services, (ii) authorizing the Debtors to pay such expenses in the ordinary course of their business and (iii) granting certain related relief. In support of the Motion, the Debtors respectfully represent as follows:

Jurisdiction

1. This Court has jurisdiction to hear the Motion under 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

¹ The Debtors in these Chapter 11 Cases, along with each Debtor's place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp. (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc. (*Colorado*) (9277), Trident CBM Corp. (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451).

2. The statutory predicates for the relief requested herein are sections 105 and 503(b) of the Bankruptcy Code.

Background

3. On September 8, 2009 (the "Petition Date"), the Debtors commenced reorganization proceedings (the "Chapter 11 Cases") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court"). All of the Debtors are also applicants in the Canadian Proceedings (defined below). The Debtors are continuing in possession of their respective properties and are operating and managing their businesses, as debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

4. On the Petition Date, Trident Resources Corp. ("TRC"), Trident Exploration Corp. and certain of their U.S. and Canadian subsidiaries and affiliates (collectively, the "Canadian Debtors")² filed an application with the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Canadian Court") under the Companies' Creditors Arrangement Act (Canada) (the "CCAA"), seeking relief from their creditors (collectively, the "Canadian Proceedings").³

Trident's Businesses⁴

General Overview

5. Trident consists of a group of affiliated corporations in Canada and the United States in the business of natural gas exploration and development, principally focused on

² The Canadian Debtors include the following entities: Trident Exploration Corp., Fort Energy Corp., Fenenergy Corp., 981384 Alberta Ltd., 981405 Alberta Ltd., 981422 Alberta Ltd., Trident Resources Corp., Trident CBM Corp., Aurora Energy LLC, NexGen Energy Canada, Inc., and Trident USA Corp.

³ A court appointed monitor (the "Monitor") will be appointed in the Canadian Proceedings. Once appointed, it is anticipated that the Monitor, as the foreign representative of the Canadian Debtors that are not debtors in these cases, will file petitions and seek an order of the Court granting foreign main recognition status to such entities, under Chapter 15 of the Bankruptcy Code.

⁴ "Trident" refers to TRC and its subsidiaries and affiliates.

coal bed methane (“CBM”)⁵ and shale gas⁶ from lands in the Western Canadian Sedimentary Basin (“WCSB”) and certain areas in the Northwestern United States. Trident currently concentrates its developments in four geographic areas: Horseshoe Canyon coals of Alberta, Mannville coals of Alberta, Montney Shale play in British Columbia, and the Columbia River Basin that straddles certain areas of Washington and Oregon in the United States.

6. Trident’s business was founded in 2000 with the acquisition of certain working interests in lands in Alberta and British Columbia. Trident’s businesses have grown steadily over the years and by mid-2009, Trident achieved a significant drilling milestone having operated the drilling of greater than 900,000 meters (or 3,000,000 feet) of horizontal and multi-lateral horizontal drilling in the first commercial Mannville CBM field in Canada. In 2009, development in the emerging Montney Shale play in British Columbia has become a more significant portion of Trident’s capital expenditure program. Trident also has significant ownership interests in certain exploratory land positions in the Northwestern United States.

Operations and Assets

7. Trident has assembled an extensive property base. As of June 30, 2009, Trident had natural gas and oil leasehold interests in approximately 1.7 million gross (1.3 million net) acres,⁷ of which approximately 75% were undeveloped. Based on the evaluation of approximately 20% of its total net undeveloped acreage, it has identified approximately 1,750

⁵ In Alberta, methane gas produced from coal seams is generally referred to as coal bed methane gas. CBM gas is the same natural gas used to heat homes and generate electricity. CBM gas is liberated from buried coal deposits. The gas is stored within the molecular structure of the coal and is held in place by the pressure of the overlying rock and, in many cases, by ancient salt water circulating through the coal seam. To produce this gas as is the case with the Mannville coal in Alberta, the water must be first removed from the coal or dewatered. Upon dewatering the pressure in the coal seam reduces and the gas is then liberated from within the coal seam flowing up the wells to the pipeline. The produced water is then re-injected into deeper geological zones within the field boundaries. The Horseshoe Canyon coal trend in Alberta by contrast is a dry coal not requiring any dewatering to produce commercial gas rates.

⁶ Shale gas is natural gas produced from buried shale deposits. Shale gas deposits require underground fracturing processes that releases natural gas so that it can flow up the wells to the pipeline.

⁷ A “gross acre” is an acre in which a working interest is owned; a “net acre” is the sum of the fractional working interests owned in gross acres.

risked evaluated surface drilling locations, which are locations specifically identified and scheduled by management as an estimate of Trident's near-term multi-year drilling activities on existing acreage over the next five to seven years. As of the end of the second quarter of 2009, Trident owned interests in 1045 economic producing wells. Trident's average working interest in the wells is approximately 54%.

8. Trident has demonstrated itself to be one of the most proficient operators of CBM assets in the WCSB, both in terms of successfully implementing innovative drilling techniques and compression solutions, resulting in higher production rates and lower per unit operating costs than our peers.

Events Leading to These Chapter 11 Cases

9. Despite its successes, the precipitous drop in natural gas pricing combined with the extreme fluctuations in the Canada/US currency exchange rate have had a substantial negative impact on Trident with respect to its financial covenants under its debt facilities.

10. As a producer of natural gas, Trident does not have the balance of both gas and oil portfolios, and therefore is more sensitive to gas price fluctuations. A drop in natural gas prices has the potential to significantly affect Trident's financial results and impede its growth. Lower natural gas prices may not only decrease near term cash flow, but also may reduce the amount of natural gas that Trident can produce economically over time because Trident might be forced to delay reinvesting in the future drilling programs set forth in its long-term plans.

11. Trident has forecasted that, at the end of the September 30, 2009 reporting period (the "September Measurement Period"), as a result of the drop in recent and projected natural gas prices and the fluctuations in currency exchange rates, among other factors beyond its control, it may be in default of its Proven Reserves Value to Net Debt Ratio ("PV-10 Ratio")

under its second lien facility (the “Second Lien Facility”) and, as a result of applicable cross-default provisions, will be exposed to acceleration of the total debt under its credit facilities.

12. In addition, the global economic crisis and the precipitous drop in the price of natural gas has had a substantial negative impact on Trident’s ability to generate revenue and maintain a consolidated EBITDA level consistent with the leverage ratio (the “Leverage Ratio”) mandated by the Second Lien Facility and that certain credit agreement dated as of November 24, 2006 among TRC, the subsidiary guarantors named therein, and Credit Suisse (the “2006 Facility”).⁸ The Second Lien Facility and the 2006 Facility require Leverage Ratios of 4.5:1.0 and 9.0:1.0 respectively for the September Measurement Period. Trident’s significant leverage and recent cash shortfalls significantly threaten Trident’s ability to satisfy the Leverage Ratio for the September Measurement Period.

13. Given the potential breaches under its debt facilities and the need to restructure its highly leveraged balance sheet, Trident has commenced plenary proceedings in the United States under Chapter 11 of the Bankruptcy Code and in Canada under the CCAA to restructure its debt obligations.

Facts Relevant to this Motion

14. Trident, through Trident USA Corp., owns significant natural gas and oil interests in the Columbia River Basin area, which encompasses a thick basalt-capped sedimentary basin on the southern border of Washington with Oregon, and the Snake River Basin area, an inter-bedded sedimentary and basalt basin on Oregon’s eastern border with Idaho.

⁸ Pursuant to the Second Lien Facility and the 2006 Facility, “Leverage Ratio” means at any date of determination, the ratio of (a) Consolidated Debt of the Borrower and its Subsidiaries at such date minus cash and Cash Equivalents of the Parent and the Borrower and its Subsidiaries at such date minus Obligations of the Borrower and its Subsidiaries under their Guarantees of the Unsecured Credit Agreement at such date minus Obligations of the Borrower and its Subsidiaries under their Guarantees of the Subordinated Unsecured Loan Agreement at such date to (b) Consolidated EBITDA of the Borrower and its Subsidiaries for the most recently completed Measurement Period. Capitalized Terms used in this footnote shall have the meanings ascribed to them in the Second Lien Facility and 2006 Facility.

Each of these areas is generally characterized as currently being exploratory in nature. Delta Petroleum Corp. (“Delta”), a U.S. oil and gas company, has just finished drilling a promising exploration well approximately two miles offsetting Trident’s lands that required just over one year to reach total depth. Currently Delta is licensing a second location offsetting their first well and some of Trident’s lands. The first Delta well began completion operations in mid July, 2009, to determine the potential productivity of the reservoirs encountered in the well. Delta has also begun permitting for a pipeline to tie-in the well if successful to a regional sales gas pipeline owned and operated by a third party.

15. The recent activity in Delta’s project suggests that these lands could contain significant extractable resources, which could potentially add significant value to Trident’s land interests. If the Delta wells prove valuable, Trident must be ready to respond immediately by engaging and contracting with third parties to develop strategies and take actions to maximize the value of its extractable resources. Such actions may include jointly operating the extraction process with third party operators and/or working to extract natural resources with independent contractors.

Relief Requested

16. By this Motion, the Debtors seek, pursuant to sections 105 and 503(b) of the Bankruptcy Code, an order (i) confirming grant of administrative expense status to obligations arising from postpetition delivery of goods and services (collectively, the “Postpetition Goods and Services”) that are required by the Debtors in connection with the preservation and development of Trident’s U.S. land assets, including services provided by, among others, joint operators and independent contractors (collectively, the “Vendors”), and (ii) authorizing, but not directing, the Debtors to pay such obligations in the ordinary course of business.

Basis for Relief

17. As a result of the commencement of these Chapter 11 Cases, the Debtors believe that the Vendors may perceive a risk that they will be treated as prepetition general unsecured creditors for the cost of any services or goods provided after the Petition Date. In many cases, the Vendors may be unfamiliar with the U.S. bankruptcy process and may refuse to provide such services to the Debtors unless the Debtors provide assurances of payment.

18. The Debtors submit that the relief sought herein is noncontroversial and entirely consistent with the applicable provisions of the Bankruptcy Code. Obligations arising out of the postpetition delivery of such goods and the provision of such services to the Debtors are expenses generally incurred for the benefit of the Debtors' estates and assist in preserving the value of the Debtors' business. As such, these costs typically are accorded administrative expense priority status pursuant to section 503(b)(1)(A) of the Bankruptcy Code. The requested relief merely confirms the treatment of such postpetition obligations under the Bankruptcy Code, providing necessary assurances of payment to the Vendors and ensuring the Debtors' ongoing and uninterrupted receipt of essential goods and services to develop its U.S. land interests.

19. Similar relief to that requested herein has been granted in other Chapter 11 Cases in this District and elsewhere. See, e.g., In re Linens Holding Co., Case No. 08-10832 (CSS) (Bankr. D. Del. May 28, 2008) (authorizing, among other things, administrative expense priority status for postpetition deliveries of suppliers and vendors and the payment of undisputed obligations arising there from in the ordinary course of business); In re Sharper Image Corp., Case No. 08-10322 (KG) (Bankr. D. Del. Feb. 20, 2008) (same); In re Buffets Holdings, Inc., Case No. 08-10141 (MFW) (Bankr. D. Del. Feb. 13, 2008) (same); In re ONCO Inv. Co., Case No. 04-10558 (JBR) (Bankr. D. Del. Feb. 24, 2004) (same); In re Kaiser Aluminum Corp., Case No. 02-10429 (JKF) (Bankr. D. Del. Feb. 13, 2002) (same).

20. Under section 105 of the Bankruptcy Code, the Court has broad discretion to issue orders necessary to “carry out the provisions of this title.” 11 U.S.C. § 105(a). The provision of Postpetition Goods and Services by third parties will benefit the Debtors and maximize value for all of their stakeholders. Ensuring that such Postpetition Goods and Services are afforded administrative expense priority in the Chapter 11 Cases will provide comfort to the Vendors that their financial commitments in the Debtors’ operations are secure, notwithstanding the commencement of the Chapter 11 Cases.

21. For all of the reasons described above, the Debtors submit that the relief sought herein will facilitate the Debtors’ successful reorganization and therefore is appropriate under section 105 of the Bankruptcy Code.

Notice

22. No trustee, examiner, or statutory committee has been appointed in these Chapter 11 Cases. The Debtors served notice of this Motion on (i) the United States Trustee for the District of Delaware; (ii) the largest unsecured creditors in these cases (on a consolidated basis); (iii) each of the agents, or their counsel, if known, under the Debtors’ prepetition credit facilities; (iv) the Office of the United States Attorney for the District of Delaware; and (v) the Internal Revenue Service. In light of the relief requested, the Debtors submit that no further notice is needed.

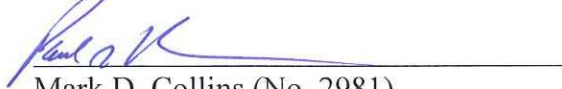
No Previous Request

23. No previous request for the relief sought in this Motion has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully move this Court for entry of an order granting the relief requested in the Motion and such further relief as is just and proper.

Dated: September 8, 2009
Wilmington, Delaware

Respectfully submitted,



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PROPOSED ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

Exhibit A
Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	-X	:	
In re:	:	:	Chapter 11
TRIDENT RESOURCES CORP., <u>et al.</u> ,	:	:	Case No. 09-____ (____)
	:	:	
Debtors.	:	:	(Jointly Administered)
	-X		

ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 503(b) OF THE BANKRUPTCY CODE, (I) CONFIRMING GRANT OF ADMINISTRATIVE EXPENSE STATUS TO OBLIGATIONS ARISING FROM POSTPETITION DELIVERY OF SERVICES AND (II) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO PAY SUCH OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS

Upon the Debtors’¹ Motion Pursuant to Sections 105(a) and 503(b) of the Bankruptcy Code (i) Confirming the Grant of Administrative Expense Status to Obligations Arising From Postpetition Services and (ii) Authorizing, But Not Directing, the Debtors to Pay Such Obligations in The Ordinary Course of Business (the “Motion”)²; and upon consideration of the Affidavit of Todd A. Dillabough in Support of the Debtors’ Chapter 11 Petitions and Request for First Day Relief (the “Dillabough Affidavit”); and the Court having jurisdiction pursuant to sections 105 and 503(b) of the Bankruptcy Code to consider the Motion and the relief requested therein; and venue being proper in this Court pursuant to sections 1408 and 1409 of title 28 of the United States Code; and the Debtors having properly provided notice to (i) the United States Trustee for the District of Delaware; (ii) the largest unsecured creditors in these cases (on a consolidated basis); (iii) each of the agents, or their counsel, if known, under the Debtors’ prepetition credit facilities; (iv) the Office of the United States Attorney for the District of

¹ The Debtors in these Chapter 11 Cases, along with each Debtor’s place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp. (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc. (*Colorado*) (9277), Trident CBM Corp. (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451).

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Delaware; and (v) the Internal Revenue Service, and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having heard the evidence and statements of counsel regarding the Motion and having determined that the legal and factual bases set forth in the Dillabough Affidavit establish just cause for the relief granted herein, it is therefore

ORDERED, that the Motion is GRANTED; and it is further

ORDERED, that the Vendors shall have administrative expense priority claims under section 503(b) of the Bankruptcy Code for those undisputed obligations arising relating to Postpetition Goods and Services received and accepted by the Debtors on or after the Petition Date and the Debtors are authorized but not directed to pay those obligations arising from the delivery of Postpetition Goods and Services.

ORDERED, that for purposes of this Order, Postpetition Goods and Services shall be deemed to be delivered to the Debtors postpetition if Postpetition Goods and Services are rendered to benefit the Debtors' estates on or after the Petition Date.

ORDERED, that nothing in this Order or the Motion waives or releases any rights the Debtors have to assert any objections, defense, claims, counterclaims or offsets based on facts or laws related to the Postpetition Goods and Services.

Dated: Wilmington, Delaware
_____, 2008

UNITED STATES BANKRUPTCY JUDGE