

**IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. s-42.2**

AND

AND IN THE MATTER OF

**U.S.P. INC.
U.S. PETROLEUM, LLC
DONALD BAKER
KARLA K. SUTTON**

AGREEMENT

(135.3)

The following agreement ("Agreement") has been reached between U.S.P. Inc., and Karla K. Sutton, (collectively the "Respondents"), and the Director of the Securities Division, Saskatchewan Financial Services Commission (the "Commission").

Facts

As a basis for the issuance of a revocation order by the Commission (the "Revocation Order") substantially in the form as set out in Schedule "A" to this Agreement, the Respondents acknowledge and agree as follows:

1. U.S.P. Inc is incorporated in the state of Kentucky;
2. Karla K. Sutton is president of U.S.P. Inc.;
3. U.S.P. Inc., is the general partner to limited partnerships known as Prospects 1,2,3 and 4.
4. Between January 1, 2003 and June 30, 2003, the respondents sold units in Prospects 1,2,3, and 4 to Saskatchewan residents in contravention of *The Securities Act, 1988, S.S. 1988, c. S-42.2* (the "Act");

) per: "Karla K. Sutton"
) Karla K. Sutton, President

SIGNED, SEALED AND DELIVERED)
this "27th" day of "August", 2003)
in the presence of:)

))
) "Karla K. Sutton"
) Karla K. Sutton

SIGNED, SEALED AND DELIVERED)
this "28th" day of "August", 2003)
in the Presence of:)

"Vic Pankratz"

))
) "Barbara L. Shourounis"
) Barbara L. Shourounis
) Director, Securities Division

**IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2**

AND

**IN THE MATTER OF
U.S.P. INC.
U.S. PETROLEUM, LLC
DONALD BAKER
KARLA K. SUTTON**

**REVOCATION ORDER
(subsection 158(3))**

WHEREAS the Saskatchewan Financial Services Commission (the "Commission") issued a temporary cease trade order on June 18, 2003 (the "Temporary Order") pursuant to section 134 of *The Securities Act, 1988, S.S. 1988, c. S-42.2* (the "Act") that trading in all securities of or by U.S.P. Inc., US Petroleum, LLC., Donald Baker, and Karla K. Sutton, (collectively the "Respondents"), cease up to and including the 2nd day of July, 2003, and that pursuant to clause 134(1)(a) of the Act that the exemptions contained in sections 38, 39, 39.1, 81, 82, and 102 of the Act and the exemptions contained in *The Securities Regulations, R.R.S., c.-42.2 Reg 1*, which provide for exemptions from the requirements of sections 27, 58, 71, or 104 to 109 of the Act, shall not apply forthwith up to and including the 2nd day of July, 2003, with respect to any trade in securities by the Respondents;

AND WHEREAS the Temporary Order was extended by the Commission on July 2, 2003;

AND WHEREAS U.S.P. Inc., and Karla K. Sutton have entered into an agreement (the "Agreement") with the Director of the Securities Division of the Commission (the "Director") dated August 28, 2003, a copy of which is attached hereto as Appendix "A";

AND WHEREAS the Agreement has satisfied the Commission as to the future compliance of the Respondents with the provisions of the Act;

AND WHEREAS THE COMMISSION hereby ratifies the Agreement;

AND WHEREAS the Commission is of the opinion it would not be prejudicial to the public interest to make this Order;

THE COMMISSION HEREBY ORDERS, pursuant to subsection 158(3) of the Act, that the Temporary Order be and is hereby revoked.

Dated _____, 2003 at Regina, Saskatchewan

David Wild, Chair,
Saskatchewan Financial Services Commission

TO: U.S.P. Inc.
Route 4 Box 144X
MONTICELLO KY 42633

Karla K. Sutton, President
U.S.P. Inc.
Route 4 Box 144X
MONTICELLO KY 42633

US Petroleum, LLC
Route 4 Box 144X
MONTICELLO KY 42633

Donald Baker, CEO
US Petroleum, LLC
9825 Highway 111
BYRDSTOWN TN 38549