

FOREST OIL CORP  
Form S-4  
November 02, 2007

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As filed with the Securities and Exchange Commission on November 2, 2007

Registration No. 333-

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM S-4

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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## FOREST OIL CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

**New York**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**1311**  
(Primary Standard Industrial  
Classification Code Number)  
**707 17th Street, Suite 3600**  
**Denver, Colorado 80202**  
**(303) 812-1400**

**25-0484900**  
(I.R.S. Employer  
Identification Number)

(Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Registrant's Principal Executive Offices)

**Cyrus D. Marter IV**  
**Vice President, General Counsel and Secretary**  
**Forest Oil Corporation**  
**707 17th Street, Suite 3600**  
**Denver, Colorado 80202**  
**(303) 812-1400**

(Name, Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Agent For Service)

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**Copies to:**

**Alan P. Baden**  
**Shelley A. Barber**  
**Vinson & Elkins L.L.P.**  
**666 Fifth Avenue**  
**26th Floor**  
**New York, New York 10103**  
**(212) 237-0000**  
**(212) 237-0100 (fax)**

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**Approximate date of commencement of proposed sale of the securities to the public:  
As soon as practicable after the effective date of this Registration Statement.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Amount of Registration Fee(1)</b>
7.25% Senior Notes due 2019	\$750,000,000	\$23,025
Guarantees of 7.25% Senior Notes due 2019(2)		None(3)

- (1) Calculated pursuant to Rule 457(f)(2) under the Securities Act of 1933.
- (2) Each subsidiary of Forest Oil Corporation that is listed on the Table of Additional Registrant Guarantors has guaranteed the notes being registered.
- (3) Pursuant to Rule 457(n) of the Securities Act of 1933, no registration fee is required for the Guarantees.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

**TABLE OF ADDITIONAL REGISTRANT GUARANTORS**

<b>Exact Name of Registrant Guarantor(1)</b>	<b>State or Other Jurisdiction of Incorporation or Formation</b>	<b>IRS Employer Identification Number</b>
Forest Oil Permian Corporation	Delaware	75-1362284

- (1) The address for the Registrant Guarantor is 707 17th Street, Suite 3600, Denver, Colorado 80202 and the telephone number for the Registrant Guarantor is (303) 812-1400. The Primary Industrial Classification Code for the Registrant Guarantor is 1311.

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to completion, dated November 2, 2007**

**PROSPECTUS**

## **Forest Oil Corporation**

*Offer to Exchange  
Up To \$750,000,000 of  
7.25% Senior Notes due 2019  
That Have Not Been Registered Under  
The Securities Act of 1933  
For  
Up To \$750,000,000 of  
7.25% Senior Notes due 2019  
That Have Been Registered Under  
The Securities Act of 1933*

**Terms of the New 7.25% Senior Notes due 2019 Offered in the Exchange Offer:**

The terms of the new notes are identical to the terms of the old notes that were issued on June 6, 2007, except that the new notes will be registered under the Securities Act of 1933 and will not contain restrictions on transfer, registration rights or provisions for additional interest.

**Terms of the Exchange Offer:**

We are offering to exchange up to \$750,000,000 of our old notes for new notes with materially identical terms that have been registered under the Securities Act of 1933 and are freely tradable.

We will exchange all old notes that you validly tender and do not validly withdraw before the exchange offer expires for an equal principal amount of new notes.

The exchange offer expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2007, unless extended.

Tenders of old notes may be withdrawn at any time prior to the expiration of the exchange offer.

The exchange of new notes for old notes will not be a taxable event for U.S. federal income tax purposes.

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**You should carefully consider the risk factors beginning on page 8 of this prospectus before participating in the exchange offer.**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2007.

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. We are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus, as well as the information we previously filed with the Securities and Exchange Commission that is incorporated by reference herein, is accurate as of any date other than its respective date.

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This prospectus incorporates important business and financial information about Forest Oil Corporation that is not included or delivered with this prospectus. Such information is available without charge to holders of old notes upon written or oral request made to the office of the Corporate Secretary, Forest Oil Corporation, 707 17th Street, Suite 3600, Denver, Colorado 80202 (Telephone (303) 812-1400). To obtain timely delivery of any requested information, holders of old notes must make any request no later than five business days prior to the expiration of the exchange offer.

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## PROSPECTUS SUMMARY

*This summary may not contain all the information that may be important to you. You should read this entire prospectus and the documents incorporated by reference and to which we refer you before making an investment decision. You should carefully consider the information set forth under "Risk Factors." In addition, certain statements include forward-looking information that involves risks and uncertainties. See "Forward-Looking Statements." Unless this prospectus otherwise indicates or the context otherwise requires, the terms "we," "our," "us," "Forest" or other similar terms as used in this prospectus refer to Forest Oil Corporation and its subsidiaries.*

*In this prospectus we refer to the notes to be issued in the exchange offer as the "new notes" and the notes issued on June 6, 2007 as the "old notes." We refer to the new notes and the old notes collectively as the "notes."*

### Forest Oil Corporation

We are an independent oil and gas company engaged in the acquisition, exploration, development, and production of natural gas and crude oil in North America and selected international locations. We were incorporated in New York in 1924, as the successor to a company formed in 1916, and have been a publicly held company since 1969. Our principal reserves and producing properties are located in the United States in Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, Texas, Utah, and Wyoming and in Canada.

On August 27, 2007, we completed the previously announced sale of our Alaska business unit to Pacific Energy Resources Ltd. for total consideration of approximately \$400 million in cash, 10 million restricted shares of Pacific Energy Resources Ltd. common stock, and a zero coupon subordinated note due 2014 in the principal amount at stated maturity of \$60.75 million from Pacific Energy Resources Ltd.

Our principal executive offices are located at 707 17th Street, Suite 3600, Denver, Colorado, 80202, and our telephone number at our offices is (303) 812-1400.

### Risk Factors

Investing in the notes involves substantial risks. You should carefully consider all the information contained in this prospectus, including information in documents incorporated by reference, prior to participating in the exchange offer. In particular, we urge you to consider carefully the factors set forth under "Risk Factors" beginning on page 8 of this prospectus, including those incorporated by reference to Forest's Annual Report on Form 10-K for the year ended December 31, 2006 and Forest's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007.

### The Exchange Offer

*On June 6, 2007, we completed a private offering of the old notes. We entered into a registration rights agreement with the initial purchasers in the private offering in which we agreed to deliver to you this prospectus and to use commercially reasonable efforts to complete the exchange offer within 360 days after the date we issued the old notes.*

Exchange Offer	We are offering to exchange new notes for old notes.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2007, unless we decide to extend it.

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### Condition to the Exchange Offer

The registration rights agreement does not require us to accept old notes for exchange if the exchange offer or the making of any exchange by a holder of the old notes would violate any applicable law or interpretation of the staff of the Securities and Exchange Commission. The exchange offer is not conditioned on a minimum aggregate principal amount of old notes being tendered.

### Procedures for Tendering Old Notes

To participate in the exchange offer, you must follow the procedures established by The Depository Trust Company, which we call "DTC," for tendering notes held in book-entry form. These procedures, which we call "ATOP," require that (i) the exchange agent receive, prior to the expiration date of the exchange offer, a computer generated message known as an "agent's message" that is transmitted through DTC's automated tender offer program, and (ii) DTC confirms that:

DTC has received your instructions to exchange your notes, and

you agree to be bound by the terms of the letter of transmittal.

For more information on tendering your old notes, please refer to the section in this prospectus entitled "Exchange Offer Terms of the Exchange Offer," " Procedures for Tendering," and "Description of the Notes Book Entry; Delivery and Form."

### Guaranteed Delivery Procedures

None.

### Withdrawal of Tenders

You may withdraw your tender of old notes at any time prior to the expiration date. To withdraw, you must submit a notice of withdrawal to the exchange agent using ATOP procedures before 5:00 p.m., New York City time, on the expiration date of the exchange offer. Please refer to the section in this prospectus entitled "Exchange Offer Withdrawal of Tenders."

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Acceptance of Old Notes and Delivery of New Notes	<p>If you fulfill all conditions required for proper acceptance of old notes, we will accept any and all old notes that you properly tender in the exchange offer on or before 5:00 p.m. New York City time on the expiration date. We will return any old note that we do not accept for exchange to you without expense as promptly as practicable after the expiration date and acceptance of the old notes for exchange. Please refer to the section in this prospectus entitled "Exchange Offer Terms of the Exchange Offer."</p>
Fees and Expenses	<p>We will bear expenses related to the exchange offer. Please refer to the section in this prospectus entitled "Exchange Offer Fees and Expenses."</p>
Use of Proceeds	<p>The issuance of the new notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under our registration rights agreement.</p>
Consequences of Failure to Exchange Old Notes	<p>If you do not exchange your old notes in this exchange offer, you will no longer be able to require us to register the old notes under the Securities Act of 1933 except in limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer the old notes unless we have registered the old notes under the Securities Act of 1933, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act of 1933.</p>
U.S. Federal Income Tax Considerations	<p>The exchange of new notes for old notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read "Certain United States Federal Income Tax Consequences."</p>
Exchange Agent	<p>We have appointed U.S. Bank National Association as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal to the exchange agent addressed as follows: Corporate Trust Services, Attention: Specialized Finance, 60 Livingston Avenue, St. Paul, Minnesota 55107. Eligible institutions may make requests by facsimile at (651) 495-8158 and may</p>



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confirm facsimile delivery by calling  
(800) 934-6802.

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### Terms of the New Notes

*The new notes will be identical to the old notes except that the new notes are registered under the Securities Act of 1933 and will not have restrictions on transfer, registration rights or provisions for additional interest. The new notes will evidence the same debt as the old notes, and the same indenture will govern the new notes and the old notes.*

*The following summary contains basic information about the new notes and is not intended to be complete. It does not contain all information that is important to you. For a more complete understanding of the new notes, please refer to the section of this document entitled "Description of the Notes."*

Issuer	Forest Oil Corporation.
Securities	\$750,000,000 aggregate principal amount of 7.25% Senior Notes due 2019.
Maturity	June 15, 2019.
Interest Payment Dates	June 15 and December 15 of each year, commencing on December 15, 2007. Interest on each new note will accrue from the last interest payment date on which interest was paid on the old note tendered in exchange thereof, or, if no interest has been paid on the old note, from the date of the original issue of the old notes.
Optional Redemption	<p>We have the option to redeem the new notes, in whole or in part, at any time on or after June 15, 2012, in each case at the redemption prices described in this prospectus under the heading "Description of the Notes Optional Redemption," together with any accrued and unpaid interest to the date of redemption.</p> <p>Prior to June 15, 2012, we may redeem the notes, in whole or in part, at a "make-whole" redemption price described under "Description of the Notes Optional Redemption," together with any accrued and unpaid interest to the date of redemption.</p> <p>In addition, before June 15, 2012, we may, at any time or from time to time, redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of certain equity offerings at 107.25% of the principal amount of the notes, plus any accrued and unpaid interest to the date of redemption, if at least 65% of the aggregate principal amount of the notes issued under the indenture remains outstanding after such redemption and the redemption occurs within 120 days of the date of the closing of such equity offering.</p>

Guarantees

Any domestic restricted subsidiary having an aggregate of \$25.0 million or more of indebtedness and preferred stock outstanding, and any other restricted subsidiary that guarantees any of our other indebtedness, will also guarantee the new notes. Any guarantees will be unsecured senior indebtedness of our subsidiary guarantors and will have the same ranking with respect to indebtedness of our subsidiary guarantors as the new notes will have with respect to our indebtedness. As of the date of this prospectus, the notes are guaranteed by our wholly owned subsidiary, Forest Oil Permian Corporation, which has guaranteed other series of our senior notes and which currently has no outstanding indebtedness.

Ranking

The new notes will be general unsecured senior obligations of Forest, which are equal in right of payment with all existing and future senior debt of Forest, and senior in right of payment to all existing and future subordinated debt of Forest. The new notes will be structurally subordinated to all of the existing and future liabilities of each of our subsidiaries that do not guarantee the notes. The indenture governing the notes permits Forest to incur additional debt.

As of June 30, 2007, on a pro forma basis giving effect to the sale of our Alaska operations as if such sale had occurred as of June 30, 2007, we would have had \$307.6 million of borrowings under our credit facilities and \$1.5 billion principal amount of senior notes and subordinated notes outstanding. As of June 30, 2007, on a pro forma basis giving effect to the sale of our Alaska operations as if such sale had occurred as of June 30, 2007, the notes would have been structurally subordinated to \$363.1 million of total liabilities of our non-guarantor subsidiaries (including trade payables but excluding intercompany liabilities).

Specified Covenants

We will issue the new notes under the indenture, dated June 6, 2007 with U.S. Bank National Association, as trustee. The indenture limits our ability and the ability of our subsidiaries to:

incur additional debt;

pay dividends on stock, repurchase stock, or redeem subordinated debt;

make investments;

create liens on our assets;

sell assets;

sell capital stock of subsidiaries;

guarantee other indebtedness;

enter into agreements that restrict dividends from subsidiaries;

merge or consolidate; and

enter into transactions with affiliates.

The indenture provides that most of these covenants will terminate if:

at least one rating agency assigns the notes an investment grade rating; and

our bank credit facilities are no longer secured.

**Mandatory Offers to Purchase**

Upon the occurrence of a change of control, holders of the new notes will have the right to require us to repurchase all or a portion of the new notes at a price equal to 101% of the principal amount, together with any accrued and unpaid interest, if any, to the date of purchase. In connection with certain asset dispositions, we will be required to use the proceeds of the asset dispositions to make an offer to purchase the notes at 100% of the principal amount, together with accrued and unpaid interest, if any, to the date of purchase.

**Transfer Restrictions; Absence of a Public Market for the New Notes**

The new notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. There can be no assurance as to the development or liquidity of any market for the new notes. We do not intend to apply for listing of the new notes on any securities exchange or for the quotation of the new notes in any automated dealer quotation system.

**Risk Factors**

Please refer to the section in this prospectus entitled "Risk Factors" and the other information included or incorporated by reference in this prospectus for a discussion of factors you should carefully consider before deciding to participate in the exchange offer.

**Ratios of Earnings to Fixed Charges**

The following table sets forth our ratios of consolidated earnings to fixed charges for the periods presented:

	Six Months Ended June 30, 2007	Year Ended December 31,				
		2006	2005	2004	2003	2002
Ratio of earnings to fixed charges	3.1x	4.2x	4.8x	4.4x	3.9x	1.6x

For purposes of calculating the ratios of consolidated earnings to fixed charges:

"earnings" consist of earnings from continuing operations before income taxes, amortization of capitalized interest, net equity in undistributed earnings of subsidiaries and fixed charges, less capitalized interest; and

"fixed charges" consist of interest (whether expensed or capitalized), amortization of debt costs and discounts or premiums relating to any indebtedness and the estimated portion of rental costs that is attributable to interest costs.

We did not have any preferred stock outstanding and there were no preferred stock dividends paid or accrued during the periods presented above.

## RISK FACTORS

*You should carefully consider the risks described below as well as other information and data included in this prospectus and in the documents incorporated by reference and those to which we have referred you before deciding to participate in the exchange offer. In addition, you should read the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2006, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007 filed with the Securities and Exchange Commission, which are incorporated herein by reference.*

***If you do not properly tender your old notes, you will continue to hold unregistered old notes and your ability to transfer old notes will remain restricted and may be adversely affected.***

We will only issue new notes in exchange for old notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of old notes.

If you do not exchange your old notes for new notes pursuant to the exchange offer, the old notes you hold will continue to be subject to the existing transfer restrictions. In general, you may not offer or sell the old notes except under an exemption from, or in a transaction not subject to, the Securities Act of 1933 and applicable state securities laws. We do not plan to register old notes under the Securities Act of 1933 unless our registration rights agreement with the initial purchasers of the old notes requires us to do so. Further, if you continue to hold any old notes after the exchange offer is consummated, you may have trouble selling them because there will be fewer of these notes outstanding.

***We have significant debt and could incur substantial additional debt in the future, which could have a material adverse effect on our financial health and limit our future operations and prevent us from fulfilling our obligations under the notes.***

We have a significant amount of debt. As of June 30, 2007, our total outstanding consolidated debt was \$2.2 billion. As of June 30, 2007, on a pro forma basis giving effect to the sale of our Alaska operations as if such sale had occurred as of June 30, 2007, the principal amount of our consolidated debt would have been \$1.8 billion, including \$307.6 million outstanding under the combined U.S. and Canadian bank credit facilities among Forest and its Canadian subsidiary and the various lenders that are parties to the facilities. On a pro forma basis giving effect to the sale of our Alaska operations as if such sale had occurred as of June 30, 2007, our debt would have represented 44% of our total capitalization at June 30, 2007. Our substantial debt could have important consequences. In particular, it could:

make it more difficult for us to satisfy our obligations under the notes or other debt and, if we fail to comply with the requirements of any of our debt, result in an event of default;

increase our vulnerability to general adverse economic and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, and other general corporate purposes;

place us at a competitive disadvantage compared to our competitors that have less debt; and

limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds.

***Leverage may materially affect our operations.***

As of June 30, 2007, on a pro forma basis giving effect to the sale of our Alaska operations as if such sale had occurred as of June 30, 2007, the principal amount of our consolidated debt would have been \$1.8 billion, including \$307.6 million outstanding under the combined U.S. and Canadian bank credit facilities among Forest and its Canadian subsidiary and the various lenders that are parties to the facilities. On a pro forma basis giving effect to the sale of our Alaska operations as if such sale had occurred as of June 30, 2007, our debt would have represented 44% of our total capitalization at June 30, 2007. We may incur additional debt in the future, including in connection with acquisitions and refinancings. The level of our debt has several important effects on our operations, including, among others:

a significant portion of our cash flow from operations could be applied to the payment of principal and interest on the debt and will not be available for other purposes;

credit rating agencies have changed, and may change in the future, their ratings of our debt and other obligations as a result of changes in our debt level, financial condition, earnings, and cash flow, and such ratings changes in turn impact the costs, terms, conditions, and availability of financing;

covenants contained in our existing and future credit and debt arrangements require us to meet financial tests that affect our flexibility in planning for and reacting to changes in our business, including possible acquisition opportunities;

our ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate, and other purposes is limited, and any such financing may be burdened by increased costs or more restrictive covenants;

we may be at a competitive disadvantage to similar companies that have less debt; and

we are more vulnerable to adverse economic and industry conditions.

***Our debt agreements contain restrictive covenants that may limit our ability to respond to changes in market conditions or pursue business opportunities.***

The indentures governing our senior notes, including the notes to be issued pursuant to this offering, and the agreements governing our credit facilities contain restrictive covenants that will limit our ability and the ability of certain of our subsidiaries to, among other things:

incur or guarantee additional indebtedness or issue preferred shares;

pay dividends or make other distributions;

purchase equity interests or redeem subordinated indebtedness early;

create or incur certain liens;

enter into transactions with affiliates;

issue or sell capital stock of subsidiaries; and

sell assets or merge or consolidate with another company.

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Complying with the restrictions contained in some of these covenants will require us to meet certain financial ratios and tests, notably with respect to consolidated interest coverage, total assets, net debt, equity, and net income. Our need to comply with these provisions may materially adversely affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, or withstand a future downturn in our business.



***If we are unable to comply with the restrictions and covenants in the agreements governing our notes, including the notes being offered hereunder, and other debt, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the notes.***

If we are unable to comply with the restrictions and covenants in the agreements governing our notes or in current or future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. In the event of a default under these agreements, lenders could terminate their commitments to lend or accelerate the outstanding loans and declare all amounts borrowed due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, our assets might not be sufficient to repay in full all of our outstanding indebtedness, and we may be unable to find alternative financing. Even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us.

***Our unrestricted subsidiaries will not be subject to most of the restrictive covenants in the indenture.***

Forest Texas Gathering Company, Forest Exploration International (South Africa) (Proprietary) Limited, and Forest CMI S.p.A. are unrestricted subsidiaries for purposes of the indenture for the notes. Subject to certain conditions, the indenture will permit us to designate additional subsidiaries in the future as unrestricted subsidiaries. Unrestricted subsidiaries will not be subject to most of the restrictive covenants in the indenture, nor will they be subject to the events of default permitting acceleration of the maturity of the notes. Our unrestricted subsidiaries currently own no proved reserves.

***We may not be able to repurchase the notes upon a change of control.***

Upon the occurrence of certain change of control events, holders of the notes may require us to offer to repurchase all or any part of their notes. We may not have sufficient funds at the time of the change of control to make the required repurchases of the notes. Additionally, certain events that would constitute a "change of control" (as defined in the indenture) would constitute an event of default under our credit facilities that would, if it should occur, permit the lenders to accelerate the debt outstanding under our credit facilities and that, in turn, would cause an event of default under the indenture governing the notes.

The source of funds for any repurchase required as a result of any change of control will be our available cash or cash generated from oil and gas operations or other sources, including borrowings, sales of assets, sales of equity, or funds provided by a new controlling entity. We cannot assure you, however, that sufficient funds would be available at the time of any change of control to make any required repurchases of the notes tendered and to repay debt under our credit facilities. Furthermore, using available cash to fund the potential consequences of a change of control may impair our ability to obtain additional financing in the future. Any future credit agreements or other agreements relating to debt to which we may become a party will most likely contain similar restrictions and provisions.

***Any guarantees of the notes by our subsidiaries could be deemed fraudulent conveyances under certain circumstances, and a court may subordinate or void the subsidiary guarantees.***

Initially, only one of our subsidiaries guarantees the notes. In certain circumstances, more of our subsidiaries may be required to guarantee the notes in the future. A court could subordinate or void the subsidiary guarantees under various fraudulent conveyance or fraudulent transfer laws. Generally,

to the extent that a U.S. court was to find that at the time one of our subsidiaries entered into a subsidiary guarantee and either:

the subsidiary incurred the guarantee with the intent to hinder, delay, or defraud any present or future creditor, or contemplated insolvency with a design to favor one or more creditors to the exclusion of others; or

the subsidiary did not receive fair consideration or reasonably equivalent value for issuing the subsidiary guarantee and, at the time it issued the subsidiary guarantee, the subsidiary:

was insolvent or became insolvent as a result of issuing the subsidiary guarantee,

was engaged or about to engage in a business or transaction for which the remaining assets of the subsidiary constituted unreasonably small capital, or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they matured,

then the court could void or subordinate the subsidiary guarantee in favor of the subsidiary's other obligations.

A legal challenge of a subsidiary guarantee on fraudulent conveyance grounds may focus, among other things, on the benefits, if any, the subsidiary realized as a result of our issuing the notes. To the extent a subsidiary guarantee is voided as a fraudulent conveyance or held unenforceable for any other reason, the holders of the notes would not have any claim against that subsidiary and would be creditors solely of us and any other subsidiary guarantors whose guarantees are not held unenforceable.

***Initially, the notes will be guaranteed by only one of our subsidiaries, and the notes will be structurally subordinated to the debt and other liabilities of our other subsidiaries, which means that creditors of our subsidiaries will be paid from the assets of those entities before holders of the notes would have any claims to those assets.***

Initially, the notes will be guaranteed by only one of our subsidiaries, which is the same subsidiary that guarantees our obligations under our credit facilities and that currently guarantees the outstanding series of our senior notes. Accordingly, the notes are effectively subordinated to all debt and other liabilities of our other subsidiaries. As of June 30, 2007, on a pro forma basis giving effect to the sale of our Alaska operations as if such sale had occurred as of June 30, 2007, the notes would have been structurally subordinated to \$363.1 million of total liabilities of our non-guarantor subsidiaries (including trade payables but excluding intercompany liabilities). In the event of a bankruptcy, liquidation, or reorganization of any of our non-guarantor subsidiaries, holders of its indebtedness and its creditors will generally be entitled to payment from the assets and earnings of such subsidiary before any assets of such subsidiary are available for distribution to us and our creditors, including holders of the notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. For further information related to this risk factor, see "Description of the Notes Principal, Maturity and Interest."

***Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.***

The old notes have not been registered under the Securities Act of 1933, and may not be resold by purchasers thereof unless the old notes are subsequently registered or an exemption from the registration requirements of the Securities Act is available. However, we cannot assure you that, even following registration or exchange of the old notes for new notes, that an active trading market for the old notes or the new notes will exist, and we will have no obligation to create such a market. At the time of the private placement of the old notes, the initial purchasers advised us that they intended to

make a market in the old notes and, if issued, the new notes. The initial purchasers are not obligated, however, to make a market in the old notes or the new notes and any market-making may be discontinued at any time at their sole discretion. No assurance can be given as to the liquidity of or trading market for the old notes or the new notes.

The liquidity of any trading market for the notes and the market price quoted for the notes will depend upon the number of holders of the notes, the overall market for high yield securities, our financial performance or prospects or the prospects for companies in our industry generally, the interest of securities dealers in making a market in the notes and other factors.

**EXCHANGE OFFER**

**Purpose and Effect of the Exchange Offer**

At the closing of the offering of the old notes, we entered into a registration rights agreement with the initial purchasers pursuant to which we agreed, for the benefit of the holders of the old notes, at our cost, to do the following:

file an exchange offer registration statement with the SEC with respect to the exchange offer for the new notes, and

use commercially reasonable efforts to have the exchange offer completed by May 31, 2008.

Upon the SEC's declaring the exchange offer registration statement effective, we agreed to offer the new notes in exchange for surrender of the old notes. We agreed to use commercially reasonable efforts to cause the exchange offer registration statement to be effective continuously, to keep the exchange offer open for a period of not less than 20 business days and to use commercially reasonable efforts to cause the exchange offer to be consummated no later than 60 days after the exchange offer registration statement is declared effective by the SEC.

For each old note surrendered to us pursuant to the exchange offer, the holder of such old note will receive a new note having a principal amount equal to that of the surrendered old note. Interest on each new note will accrue from the last interest payment date on which interest was paid on the surrendered old note or, if no interest has been paid on such old note, from June 6, 2007. The registration rights agreement also provides an agreement to include in the prospectus for the exchange offer certain information necessary to allow a broker-dealer who holds old notes that were acquired for its own account as a result of market-making activities or other ordinary course trading activities (other than old notes acquired directly from us or one of our affiliates) to exchange such old notes pursuant to the exchange offer and to satisfy the prospectus delivery requirements in connection with resales of new notes received by such broker-dealer in the exchange offer. We agreed to use commercially reasonable efforts to maintain the effectiveness of the exchange offer registration statement for these purposes for a period of 210 days after the completion of the exchange offer, which period may be extended under certain circumstances.

The preceding agreement is needed because any broker-dealer who acquires old notes for its own account as a result of market-making activities or other trading activities is required to deliver a prospectus meeting the requirements of the Securities Act. This prospectus covers the offer and sale of the new notes pursuant to the exchange offer and the resale of new notes received in the exchange offer by any broker-dealer who held old notes acquired for its own account as a result of market-making activities or other trading activities other than old notes acquired directly from us or one of our affiliates.

Based on interpretations by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the new notes issued pursuant to the exchange offer would in general be freely tradable after the exchange offer without further registration under the Securities Act. However, any purchaser of old notes who is an "affiliate" of ours or who intends to participate in the exchange offer for the purpose of distributing the related new notes:

will not be able to rely on the interpretation of the staff of the SEC,

will not be able to tender its new notes in the exchange offer, and

must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the old notes unless such sale or transfer is made pursuant to an exemption from such requirements.

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Each holder of the old notes (other than certain specified holders) who desires to exchange old notes for the new notes in the exchange offer will be required to make certain representations, including a representation:

that it is not an affiliate of Forest Oil Corporation,

that it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the new notes, and

that it is acquiring the new notes in the exchange offer in its ordinary course of business.

We further agreed to file with the SEC a shelf registration statement to register for public resale of old notes held by any holder who provides us with certain information for inclusion in the shelf registration statement if:

the exchange offer is not permitted by applicable law or SEC policy, or

the exchange offer is not for any reason completed by May 31, 2008, or

upon completion of the exchange offer, any initial purchaser shall so request in connection with any offering or sale of notes.

We have agreed to use commercially reasonable efforts to keep the shelf registration statement continuously effective until expiration of the period referred to in Rule 144(k) under the Securities Act with respect to the old notes or such shorter period that will terminate when all the old notes covered by the shelf registration statement have been sold pursuant to the shelf registration statement. We refer to this period as the "shelf effectiveness period."

The registration rights agreement provides that, in the event that either the exchange offer is not completed or the shelf registration statement, if required, is not declared effective on or prior to May 31, 2008 the interest rate on the old notes will be increased by 1.00% per annum until the exchange offer is completed or the shelf registration statement, if required, is declared effective by the SEC or the old notes become freely tradable under the Securities Act, at which time the increased interest shall cease to accrue.

If the shelf registration statement has been declared effective and thereafter either ceases to be effective or the prospectus contained therein ceases to be usable at any time during the shelf effectiveness period, and such failure to remain effective or usable exists for more than 30 days (whether or not consecutive) in any 12-month period, unless such failure to remain effective or usable relates or is directly attributable to an acquisition being undertaken by us, then the interest rate on the old notes will be increased by 1.00% per annum commencing on the 31st day in such 12-month period and ending on such date that the shelf registration statement has again been declared effective or the prospectus again becomes usable, at which time the increased interest shall cease to accrue.

Holders of the old notes will be required to make certain representations to us (as described in the registration rights agreement) in order to participate in the exchange offer and will be required to deliver information to be used in connection with the shelf registration statement and to provide comments on the shelf registration statement within the time periods set forth in the registration rights agreement in order to have their old notes included in the shelf registration statement.

If we effect the registered exchange offer, we will be entitled to close the registered exchange offer 20 business days after its commencement as long as we have accepted all old notes validly rendered in accordance with the terms of the exchange offer and no brokers or dealers continue to hold any old notes.

This summary of the material provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the

registration rights agreement, a copy of which is filed as an exhibit to the registration statement which includes this prospectus.

Except as set forth above, after consummation of the exchange offer, holders of old notes which are the subject of the exchange offer have no registration or exchange rights under the registration rights agreement. See "Consequences of Failure to Exchange."

#### **Terms of the Exchange Offer**

Subject to the terms and conditions described in this prospectus and in the letter of transmittal, we will accept for exchange any old notes properly tendered and not withdrawn prior to 5:00 p.m. New York City time on the expiration date. We will issue new notes in principal amount equal to the principal amount of old notes surrendered in the exchange offer. Old notes may be tendered only for new notes and only in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

The exchange offer is not conditioned upon any minimum aggregate principal amount of old notes being tendered for exchange.

As of the date of this prospectus, \$750,000,000 in aggregate principal amount of the old notes is outstanding. This prospectus and the letter of transmittal are being sent to all registered holders of old notes. There will be no fixed record date for determining registered holders of old notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Securities Exchange Act of 1934 and the rules and regulations of the SEC. Old notes that the holders thereof do not tender for exchange in the exchange offer will remain outstanding and continue to accrue interest. These old notes will continue to be entitled to the rights and benefits such holders have under the indenture relating to the notes.

We will be deemed to have accepted for exchange properly tendered old notes when we have given oral or written notice of the acceptance to the exchange agent and complied with the applicable provisions of the registration rights agreement. The exchange agent will act as agent for the tendering holders for the purposes of receiving the new notes from us.

If you tender old notes in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the letter of transmittal, transfer taxes with respect to the exchange of old notes. We will pay all charges and expenses, other than certain applicable taxes described below, in connecting with the exchange offer. It is important that you read the section labeled "Fees and Expenses" for more details regarding fees and expenses incurred in the exchange offer.

We will return any old notes that we do not accept for exchange for any reason without expense to their tendering holder as promptly as practicable after the expiration or termination of the exchange offer.

#### **Expiration Date**

The exchange offer will expire at 5:00 p.m., New York City time on \_\_\_\_\_, 2007, unless, in our sole discretion, we extend it.

#### **Extensions, Delays in Acceptance, Termination or Amendment**

We expressly reserve the right, at any time or various times, to extend the period of time during which the exchange offer is open. We may delay acceptance of any old notes by giving oral or written notice of such extension to their holders. During any such extensions, all old notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange.

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In order to extend the exchange offer, we will notify the exchange agent orally or in writing of any extension. We will notify the registered holders of old notes of the extension no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date.

If any of the conditions described below under " Conditions to the Exchange Offer" have not been satisfied, we reserve the right, in our sole discretion

to delay accepting for exchange any old notes,

to extend the exchange offer, or

to terminate the exchange offer,

by giving oral or written notice of such delay, extension or termination to the exchange agent. Subject to the terms of the registration rights agreement, we also reserve the right to amend the terms of the exchange offer in any manner.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the registered holders of old notes. If we amend the exchange offer in a manner that we determine to constitute a material change, we will promptly disclose such amendment by means of a prospectus supplement. The supplement will be distributed to the registered holders of the old notes. Depending upon the significance of the amendment and the manner of disclosure to the registered holders, we may extend the exchange offer.

### **Conditions to the Exchange Offer**

We will not be required to accept for exchange, or exchange any new notes for, any old notes if the exchange offer, or the making of any exchange by a holder of old notes, would violate applicable law or any applicable interpretation of the staff of the SEC. Similarly, we may terminate the exchange offer as provided in this prospectus before accepting old notes for exchange in the event of such a potential violation.

In addition, we will not be obligated to accept for exchange the old notes of any holder that has not made to us the representations described under " Purpose and Effect of the Exchange Offer," " Procedures for Tendering" and "Plan of Distribution" and such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to allow us to use an appropriate form to register the new notes under the Securities Act.

We expressly reserve the right to amend or terminate the exchange offer, and to reject for exchange any old notes not previously accepted for exchange, upon the occurrence of any of the conditions to the exchange offer specified above. We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the old notes as promptly as practicable.

These conditions are for our sole benefit, and we may assert them or waive them in whole or in part at any time or at various times in our sole discretion. If we fail at any time to exercise any of these rights, this failure will not mean that we have waived our rights. Each such right will be deemed an ongoing right that we may assert at any time or at various times.

In addition, we will not accept for exchange any old notes tendered, and will not issue new notes in exchange for any such old notes, if at such time any stop order has been threatened or is in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture relating to the notes under the Trust Indenture Act of 1939.

### **Procedures for Tendering**

In order to participate in the exchange offer, you must properly tender your old notes to the exchange agent as described below. It is your responsibility to properly tender your notes. We have the





right to waive any defects. However, we are not required to waive defects and are not required to notify you of defects in your tender.

If you have any questions or need help in exchanging your notes, please call the exchange agent, whose address and phone number are set forth in "Prospectus Summary The Exchange Offer Exchange Agent."

All of the old notes were issued in book-entry form, and all of the old notes are currently represented by global certificates held for the account of DTC. We have confirmed with DTC that the old notes may be tendered using the Automated Tender Offer Program ("ATOP") instituted by DTC. The exchange agent will establish an account with DTC for purposes of the exchange offer promptly after the commencement of the exchange offer and DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer their old notes to the exchange agent using the ATOP procedures. In connection with the transfer, DTC will send an "agent's message" to the exchange agent. The agent's message will state that DTC has received instructions from the participant to tender old notes and that the participant agrees to be bound by the terms of the letter of transmittal.

By using the ATOP procedures to exchange old notes, you will not be required to deliver a letter of transmittal to the exchange agent. However, you will be bound by its terms just as if you had signed it.

There is no procedure for guaranteed late delivery of the notes.

#### ***Determinations Under the Exchange Offer***

We will determine in our sole discretion all questions as to the validity, form, eligibility, time of receipt, acceptance of tendered old notes and withdrawal of tendered old notes. Our determination will be final and binding. We reserve the absolute right to reject any old notes not properly tendered or any old notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defect, irregularities or conditions of tender as to particular old notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, all defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Although we intend to notify holders of defects or irregularities with respect to tenders of old notes, neither we, the exchange agent nor any other person will incur any liability for failure to give such notification. Tendere of old notes will not be deemed made until such defects or irregularities have been cured or waived. Any old notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned to the tendering holder, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date.

#### ***When We Will Issue New Notes***

In all cases, we will issue new notes for old notes that we have accepted for exchange under the exchange offer only after the exchange agent timely receives:

a book-entry confirmation of such old notes into the exchange agent's account at DTC; and

a properly transmitted agent's message.

#### ***Return of Old Notes Not Accepted or Exchanged***

If we do not accept any tendered old notes for exchange or if old notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged old notes will

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be returned without expense to their tendering holder. Such non-exchanged old notes will be credited to an account maintained with DTC. These actions will occur as promptly as practicable after the expiration or termination of the exchange offer.

### *Your Representations to Us*

By agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

any new notes that you receive will be acquired in the ordinary course of your business;

you have no arrangement or understanding with any person or entity to participate in the distribution of the new notes;

you are not engaged in and do not intend to engage in the distribution of the new notes;

if you are a broker-dealer that will receive new notes for your own account in exchange for old notes, you acquired those notes as a result of market-making activities or other trading activities and you will deliver a prospectus, as required by law, in connection with any resale of such new notes; and

you are not our "affiliate," as defined in Rule 405 of the Securities Act of 1933.

### **Withdrawal of Tenders**

Except as otherwise provided in this prospectus, you may withdraw your tender at any time prior to 5:00 p.m. New York City time on the expiration date. For a withdrawal to be effective you must comply with the appropriate procedures of DTC's ATOP system. Any notice of withdrawal must specify the name and number of the account at DTC to be credited with withdrawn old notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form, eligibility and time of receipt of notice of withdrawal. Our determination shall be final and binding on all parties. We will deem any old notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any old notes that have been tendered for exchange but are not exchanged for any reason will be credited to an account maintained with DTC for the old notes. This crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may retender properly withdrawn old notes by following the procedures described under " Procedures for Tendering" above at any time prior to 5:00 p.m., New York City time, on the expiration date.

### **Fees and Expenses**

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, we may make additional solicitation by facsimile, telephone, electronic mail or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses.

We will pay the cash expenses to be incurred in connection with the exchange offer. They include:

all registration and filing fees and expenses;

all fees and expenses of compliance with federal securities and state "blue sky" or securities laws;

accounting and legal fees, disbursements and printing, messenger and delivery services, and telephone costs; and related fees and expenses.

#### **Transfer Taxes**

We will pay all transfer taxes, if any, applicable to the exchange of old notes under the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if a transfer tax is imposed for any reason other than the exchange of old notes under the exchange offer.

#### **Consequences of Failure to Exchange**

If you do not exchange new notes for your old notes under the exchange offer, you will remain subject to the existing restrictions on transfer of the old notes. In general, you may not offer or sell the old notes unless the offer or sale is either registered under the Securities Act of 1933 or exempt from the registration under the Securities Act of 1933 and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the old notes under the Securities Act of 1933.

#### **Accounting Treatment**

We will record the new notes in our accounting records at the same carrying value as the old notes. This carrying value is the aggregate principal amount of the old notes less any bond discount, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer.

#### **Other**

Participation in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered old notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any old notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered old notes.

**RATIOS OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratios of consolidated earnings to fixed charges for the periods presented:

	Six Months Ended June 30, 2007	Year Ended December 31,				
		2006	2005	2004	2003	2002
Ratio of earnings to fixed charges	3.1x	4.2x	4.8x	4.4x	3.9x	1.6x

For purposes of calculating the ratios of consolidated earnings to fixed charges:

"earnings" consist of earnings from continuing operations before income taxes, amortization of capitalized interest, net equity in undistributed earnings of subsidiaries and fixed charges, less capitalized interest; and

"fixed charges" consist of interest (whether expensed or capitalized), amortization of debt costs and discounts or premiums relating to any indebtedness and the estimated portion of rental costs that is attributable to interest cost.

We did not have any preferred stock outstanding and there were no preferred stock dividends paid or accrued during the periods presented above.

**USE OF PROCEEDS**

The exchange offer is intended to satisfy our obligations under the registration rights agreement. We will not receive any proceeds from the issuance of the new notes in the exchange offer. In consideration for issuing the new notes as contemplated by this prospectus, we will receive old notes in a like principal amount. The form and terms of the new notes are identical in all respects to the form and terms of the old notes, except the new notes will be registered under the Securities Act of 1933 and will not contain restrictions on transfer, registration rights or provisions for additional interest. Old notes surrendered in exchange for the new notes will be retired and cancelled and will not be reissued. Accordingly, the issuance of the new notes will not result in any change in outstanding indebtedness.

**BUSINESS**

We are an independent oil and gas company engaged in the acquisition, exploration, development, and production of natural gas and crude oil in North America and selected international locations. We were incorporated in New York in 1924, as the successor to a company formed in 1916, and have been a publicly held company since 1969. Our principal reserves and producing properties are located in the United States in Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, Texas, Utah, and Wyoming and in Canada.

On August 27, 2007, we completed the previously announced sale of our Alaska business unit to Pacific Energy Resources Ltd. for total consideration of approximately \$400 million in cash, 10 million restricted shares of Pacific Energy Resources Ltd. common stock, and a zero coupon subordinated note due 2014 in the principal amount at stated maturity of \$60.75 million from Pacific Energy Resources Ltd.

Our principal executive offices are located at 707 17th Street, Suite 3600, Denver, Colorado, 80202, and our telephone number at our offices is (303) 812-1400.

Additional information concerning Forest is included in the reports and other documents incorporated by reference in this prospectus. See "Where You Can Find More Information" and "Information We Incorporate by Reference."

## DESCRIPTION OF THE NOTES

We will issue the new notes under the indenture (the "Indenture") among us, Forest Oil Permian Corporation, and U.S. Bank National Association, as trustee (the "Trustee"). The terms of the new notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (the "1939 Act"). The following description is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not this description, defines your rights as a Holder of these new notes. The Company will make a copy of the Indenture available to the Holders of the new notes.

You will find the definitions of capitalized terms used in this description under the heading "Certain Definitions." For purposes of this description, references to "the Company," "we" and "us" refer only to Forest Oil Corporation and not to its subsidiaries. References to the "notes" refer to the new notes and the old notes.

If the exchange offer contemplated by this prospectus is consummated, holders of old notes who do not exchange those notes for new notes in the exchange offer will vote together with holders of new notes for all relevant purposes under the Indenture. In that regard, the Indenture requires that certain actions by the holders thereunder must be taken, and certain rights must be exercised, by specified minimum percentages of the aggregate principal amount of the outstanding securities issued under the Indenture. In determining whether holders of the requisite percentage in principal amount have given any notice, consent or waiver or taken any other action permitted under the Indenture, any old notes that remain outstanding after the exchange offer will be aggregated with the new notes, and the holders of such old notes and the new notes will vote together as a single class for all such purposes. Accordingly, all references herein to specified percentages in aggregate principal amount of the notes outstanding shall be deemed to mean, at any time after the exchange offer is consummated, such percentages in aggregate principal amount of the old notes and the new notes then outstanding.

### Principal, Maturity and Interest

The new notes:

will be general unsecured senior obligations of the Company;

will be issued in this exchange offer in an aggregate principal amount of up to \$750.0 million but, subject to compliance with the covenant described in " Certain Covenants Limitation on Indebtedness," additional notes may be issued in an unlimited principal amount (the "Additional Amount");

will mature on June 15, 2019;

will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof;

will be represented by one or more registered notes in global form, but in certain limited circumstances may be represented by notes in definitive form (see " Book Entry; Delivery and Form");

will rank equally in right of payment with all existing and future Senior Indebtedness of the Company, without giving effect to collateral arrangements; and

will be senior in right of payment to any existing and future Subordinated Indebtedness of the Company.

Interest on the new notes:

will accrue at the rate of 7.25% per annum;



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will be payable semiannually in arrears on June 15 and December 15;

will be payable to the Holders of record on the June 1 or December 1 immediately preceding the related interest payment date;

will accrue from the date of issuance for the first interest payment date and from the most recent interest payment date for each interest payment date thereafter; and

will be computed on the basis of a 360-day year comprised of twelve 30-day months.

We will pay principal, premium, if any, and interest on the new notes and the new notes will be transferable, at the office or agency designated by the Company within the City and State of New York. In addition, in the event the new notes do not remain in book-entry form, we may pay interest, at our option, by check mailed to the registered holders of the new notes at their registered addresses as set forth in the Note Register. No service charge will be made for any transfer or exchange of new notes, but the Company or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be payable in connection therewith. The Company is not required to transfer or exchange any note selected for redemption. Also, the Company is not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

The registered Holder of a note will be treated as the owner of it for all purposes.

We have initially designated the corporate trust office of the Trustee in New York, New York to act as our Paying Agent and Registrar. We may, however, change the Paying Agent or Registrar without prior notice to the Holders of the notes, and the Company or any of its Restricted Subsidiaries may act as Paying Agent or Registrar.

We will pay principal of, premium, if any, and interest on the notes in global form registered in the name of or held by The Depository Trust Company or its nominee in immediately available funds to The Depository Trust Company or its nominee, as the case may be, as the registered Holder of such global note.

### **Subsidiary Guarantees**

Initially, Forest Oil Permian Corporation will be the sole Subsidiary Guarantor. Under the circumstances described below under " Certain Covenants Future Subsidiary Guarantors," in the future one or more of our other Restricted Subsidiaries will jointly and severally guarantee the Company's payment obligations under the notes and all obligations under the Indenture. The Subsidiary Guarantee of each Subsidiary Guarantor will be an unsecured senior obligation of such Subsidiary Guarantor. The obligations of the Subsidiary Guarantors under the Subsidiary Guarantees will rank equally in right of payment with other Indebtedness of such Subsidiary Guarantors, except to the extent such other Indebtedness is expressly subordinated to the obligations arising under the Subsidiary Guarantees, and will be effectively subordinated to any of its secured indebtedness to the extent of the value of the collateral therefor.

As of June 30, 2007, our sole Subsidiary Guarantor had no outstanding indebtedness.

Although the Indenture will limit the amount of indebtedness that Restricted Subsidiaries may Incur, such indebtedness may be substantial. Certain mergers, consolidations, and dispositions of Property may result in the addition of additional Subsidiary Guarantors or the release of Subsidiary Guarantors. See " Merger, Consolidation and Sale of Substantially All Assets." Any Subsidiary Guarantor that is designated an Unrestricted Subsidiary in accordance with the terms of the Indenture shall be released from and relieved of its obligations under its Subsidiary Guarantee upon execution and delivery of a supplementary indenture satisfactory to the Trustee. Each of the Company and any Subsidiary Guarantor will agree to contribute to any Subsidiary Guarantor which makes payments pursuant to its Subsidiary Guarantee, as applicable, an amount equal to the Company's or such



Subsidiary Guarantor's proportionate share of such payment, based on the net worth of the Company or such Subsidiary Guarantor relative to the aggregate net worth of the Company and the Subsidiary Guarantors.

The Subsidiary Guarantee of a Subsidiary Guarantor will be released:

- (1) in connection with any sale or other disposition of all or substantially all of the properties or assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of the Company, if the sale or other disposition complies with the "Asset Sale" provisions of the Indenture;
- (2) in connection with any sale or other disposition of all of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of the Company, if the sale or other disposition complies with the "Asset Sale" provisions of the Indenture;
- (3) if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;
- (4) upon Legal Defeasance or Covenant Defeasance as described below under the caption " Legal Defeasance and Covenant Defeasance" or upon satisfaction and discharge of the Indenture as described below under the caption " Satisfaction and Discharge;" or
- (5) at such time as such Subsidiary Guarantor ceases to Guarantee any other Indebtedness of the Company, provided that at such time it does not have outstanding an aggregate of \$25.0 million or more of Indebtedness and Preferred Stock.

### Special Mandatory Redemption

The indenture provides that if our acquisition of The Houston Exploration Company was not consummated on or prior to July 6, 2007, or if the merger agreement was terminated prior to such time, that we would redeem the notes, upon no more than 15 days' prior notice, at a redemption price equal to 100.0% of the principal amount thereof plus accrued and unpaid interest to the date of redemption. Our acquisition of The Houston Exploration Company closed on June 6, 2007.

### Optional Redemption

At any time prior to June 15, 2010, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of notes issued under the Indenture at a redemption price of 107.25% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date), with the net cash proceeds of one or more Equity Offerings by the Company, provided that

- (1) at least 65% of the aggregate principal amount of notes issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding notes held by the Company and its Subsidiaries); and
- (2) the redemption occurs within 120 days of the date of closing of such Equity Offering.

On and after June 15, 2012, the Company may redeem all or a part of the notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the notes redeemed to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or

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prior to the redemption date), if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

<b>Year</b>	<b>Percentage</b>
2012	103.625%